

31.12.2024

**CONSOLIDATED FINANCIAL
STATEMENTS**

(Unaudited figures)

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1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET - ASSETS

<i>(In EUR m)</i>		31.12.2024	31.12.2023
Cash, due from central banks		201,680	223,048
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	526,048	495,882
Hedging derivatives	Notes 3.2 and 3.4	9,233	10,585
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	96,024	90,894
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	32,655	28,147
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	84,051	77,879
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	454,622	485,449
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(292)	(433)
Insurance and reinsurance contracts assets	Note 4.3	615	459
Tax assets	Note 6	4,687	4,717
Other assets	Note 4.4	70,903	69,765
Non-current assets held for sale	Note 2.4	26,426	1,763
Investments accounted for using the equity method		398	227
Tangible and intangible fixed assets	Note 8.3	61,409	60,714
Goodwill	Note 2.2	5,086	4,949
Total		1,573,545	1,554,045

CONSOLIDATED BALANCE SHEET - LIABILITIES

<i>(In EUR m)</i>		31.12.2024	31.12.2023
Due to central banks		11,364	9,718
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	396,614	375,584
Hedging derivatives	Notes 3.2 and 3.4	15,750	18,708
Debt securities issued	Notes 3.6 and 3.9	162,200	160,506
Due to banks	Notes 3.6 and 3.9	99,744	117,847
Customer deposits	Notes 3.6 and 3.9	531,675	541,677
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(5,277)	(5,857)
Tax liabilities	Note 6	2,237	2,402
Other liabilities	Note 4.4	90,786	93,658
Non-current liabilities held for sale	Note 2.4	17,079	1,703
Insurance and reinsurance contracts liabilities	Note 4.3	150,691	141,723
Provisions	Note 8.2	4,085	4,235
Subordinated debts	Note 3.9	17,009	15,894
Total liabilities		1,493,957	1,477,798
Shareholder's equity			
Shareholders' equity, Group share			
Issued common stocks and capital reserves	Note 7.1	21,281	21,186
Other equity instruments		9,873	8,924
Retained earnings		33,863	32,891
Net income		4,200	2,493
Sub-total		69,217	65,494
Unrealised or deferred capital gains and losses	Note 7.3	1,039	481
Sub-total equity, Group share		70,256	65,975
Non-controlling interests		9,332	10,272
Total equity		79,588	76,247
Total		1,573,545	1,554,045

CONSOLIDATED INCOME STATEMENT

<i>(In EUR m)</i>		2024	2023
Interest and similar income	Note 3.7	55,019	53,087
Interest and similar expense	Note 3.7	(45,127)	(42,777)
Fee income	Note 4.1	10,817	10,063
Fee expense	Note 4.1	(4,591)	(4,475)
Net gains and losses on financial transactions		10,975	10,290
<i>o/w net gains and losses on financial instruments at fair value through profit or loss</i>	Note 3.1	11,149	10,327
<i>o/w net gains and losses on financial instruments at fair value through other comprehensive income</i>		(89)	(9)
<i>o/w net gains and losses from the derecognition of financial assets at amortised cost</i>		(85)	(28)
Income from insurance contracts issued	Note 4.3	3,851	3,539
Expenses from insurance services	Note 4.3	(2,058)	(1,978)
Income and expenses from reinsurance contracts held	Note 4.3	(40)	17
Net finance income or expenses from insurance contracts issued	Note 4.3	(5,901)	(6,285)
Net finance income or expenses from reinsurance contracts held	Note 4.3	13	5
Cost of credit risk of financial assets from insurance activities	Note 3.8	0	7
Income from lease activities, mobility and other activities	Note 4.2	27,582	21,005
Expenses from lease activities, mobility and other activities	Note 4.2	(23,752)	(17,394)
Net banking income		26,788	25,104
Other operating expenses	Note 5	(16,821)	(16,849)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(1,651)	(1,675)
Gross operating income		8,316	6,580
Cost of credit risk	Note 3.8	(1,530)	(1,025)
Operating income		6,786	5,555
Net income from investments accounted for using the equity method		21	24
Net income or expenses from other assets		(77)	(113)
Value adjustments on goodwill		-	(338)
Earnings before tax		6,730	5,128
Income tax	Note 6	(1,601)	(1,679)
Consolidated net income		5,129	3,449
Non-controlling interests		929	956
Net income, Group share		4,200	2,493
Earnings per ordinary share	Note 7.2	4.38	2.17
Diluted earnings per ordinary share	Note 7.2	4.38	2.17

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

<i>(In EUR m)</i>	2024	2023
Consolidated net income	5,129	3,449
Unrealised or deferred gains and losses that will be reclassified subsequently into income	696	(166)
Translation differences	820	(356)
<i>Revaluation differences for the period</i>	874	(429)
<i>Reclassified into income</i>	(54)	73
Revaluation of debt instruments at fair value through other comprehensive income	172	2,402
<i>Revaluation differences for the period</i>	66	2,374
<i>Reclassified into income</i>	106	28
Revaluation of insurance contracts at fair value through other comprehensive income	(252)	(2,134)
Revaluation of hedging derivatives	(70)	(68)
<i>Revaluation differences of the period</i>	(35)	(36)
<i>Reclassified into income</i>	(35)	(32)
Related tax	26	(10)
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	(173)	(177)
Actuarial gains and losses on defined benefit plans	19	12
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	(254)	(257)
Revaluation of equity instruments at fair value through other comprehensive income	-	1
Related tax	62	67
Total unrealised or deferred gains and losses	523	(343)
Net income and unrealised or deferred gains and losses	5,652	3,106
<i>o/w Group share</i>	4,775	2,085
<i>o/w non-controlling interests</i>	877	1,021

CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity, Group share								
<i>(In EUR m)</i>	Issued common stocks and capital reserves	Other equity instruments	Retained earnings	Net income, Group share	Unrealised and deferred gains and losses	Total	Non-controlling interests	Total consolidated shareholders' equity
At 1 January 2023	21,248	9,136	35,697	-	889	66,970	6,356	73,326
Increase in common stock and issuance / redemption and remuneration of equity instruments	(1,133)	(212)	(1,143)	-	-	(2,488)	(70)	(2,558)
Elimination of treasury stock	961	-	(62)	-	-	899	-	899
Equity component of share-based payment plans	110	-	-	-	-	110	-	110
2023 Dividends paid (see Note 7.2)	-	-	(1,362)	-	-	(1,362)	(499)	(1,861)
Effect of changes of the consolidation scope	-	-	(34)	-	-	(34)	3,523	3,489
Sub-total of changes linked to relations with shareholders	(62)	(212)	(2,601)	-	-	(2,875)	2,954	79
2023 Net income	-	-	-	2,493	-	2,493	956	3,449
Change in unrealised or deferred gains and losses	-	-	-	-	(408)	(408)	65	(343)
Other changes	-	-	(205)	-	-	(205)	(59)	(264)
Sub-total	-	-	(205)	2,493	(408)	1,880	962	2,842
At 31 December 2023	21,186	8,924	32,891	2,493	481	65,975	10,272	76,247
Allocation to retained earnings	2	-	2,508	(2,493)	(17)	-	-	-
At 1 January 2024	21,188	8,924	35,399	-	464	65,975	10,272	76,247
Increase in common stock and issuance / redemption and remuneration of equity instruments (see Note 7.1)	(94)	949	(723)	-	-	132	(551)	(419)
Elimination of treasury stock (see Note 7.1)	119	-	(97)	-	-	22	-	22
Equity component of share-based payment plans	68	-	-	-	-	68	1	69
2024 Dividends paid (see Note 7.2)	-	-	(719)	-	-	(719)	(604)	(1,323)
Effect of changes of the consolidation scope (see Note 7.1)	-	-	2	-	-	2	(692)	(690)
Sub-total of changes linked to relations with shareholders	93	949	(1,537)	-	-	(495)	(1,846)	(2,341)
2024 Net income	-	-	-	4,200	-	4,200	929	5,129
Change in unrealised or deferred gains and losses	-	-	-	-	575	575	(52)	523
Other changes	-	-	1	-	-	1	29	30
Sub-total	-	-	1	4,200	575	4,776	906	5,682
At 31 December 2024	21,281	9,873	33,863	4,200	1,039	70,256	9,332	79,588

CASH FLOW STATEMENT

<i>(In EUR m)</i>	2024	2023
Consolidated net income (I)	5,129	3,449
Amortisation expense on tangible and intangible fixed assets (including operational leasing)	10,086	7,710
Depreciation and net allocation to provisions	(492)	(346)
Net income from investments accounted for using the equity method	(21)	(24)
Change in deferred taxes	143	209
Net income from the sale of long-term assets and subsidiaries	(139)	(101)
Other changes	1,700	4,748
Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)	11,277	12,196
Income on financial instruments at fair value through profit or loss	5,266	(379)
Interbank transactions	(19,026)	(18,239)
Customers transactions	7,014	23,841
Transactions related to other financial assets and liabilities	(24,116)	9,753
Transactions related to other non-financial assets and liabilities	4,358	6,802
Net increase/decrease in cash related to operating assets and liabilities (III)	(26,504)	21,778
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)	(10,098)	37,423
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments	(2,310)	(206)
Net cash inflow (outflow) related to tangible and intangible fixed assets	(11,433)	(11,867)
Net cash inflow (outflow) related to investment activities (B)	(13,743)	(12,073)
Cash flow from/to shareholders	(1,428)	(3,928)
Other net cash flow arising from financing activities	155	26
Net cash inflow (outflow) related to financing activities (C)	(1,273)	(3,902)
Effect of changes in foreign exchange rates on cash and cash equivalents (D)	2,236	(2,320)
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)	(22,878)	19,128
Cash, due from central banks (assets)	223,048	207,013
Due to central banks (liabilities)	(9,718)	(8,361)
Current accounts with banks (see Note 3.5)	39,798	34,672
Demand deposits and current accounts with banks (see Note 3.6)	(11,131)	(10,455)
Cash and cash equivalents at the start of the year	241,997	222,869
Cash, due from central banks (assets)	201,680	223,048
Due to central banks (liabilities)	(11,364)	(9,718)
Current accounts with banks (see Note 3.5)	44,498	39,798
Demand deposits and current accounts with banks (see Note 3.6)	(15,695)	(11,131)
Cash and cash equivalents at the end of the year	219,119	241,997
Net inflow (outflow) in cash and cash equivalents	(22,878)	19,128

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 5 February 2025.

NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION



ACCOUNTING STANDARDS

Under European Regulation 1606/2002 of 19 July 2002 on the application of International Accounting Standards, the Societe Generale group (“the Group”) prepared its consolidated financial statements for the year ended 31 December 2024 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date. The Group includes the Societe Generale parent company (including the Societe Generale foreign branches) and all the entities in France and abroad that it controls either directly or indirectly (subsidiaries and joint arrangements) or on which it exercises significant influence (associates).

These standards are available on the European Commission website.

In accordance with the transitional measures provided by IFRS 9, the Group has elected to continue accounting for hedging transactions under IAS 39 as adopted by the European Union, including the provisions related to macro-fair value hedge accounting (IAS 39 “carve-out”).



FINANCIAL STATEMENTS PRESENTATION

As the IFRS framework does not prescribe a standard model, the format used for the primary financial statements is consistent with the format proposed by the French Accounting Standard setter - *Autorité des Normes Comptables* (ANC) - under Recommendation No. 2022-01 of 8 April 2022.

The information provided in the notes to the consolidated financial statements (“Notes”) is essentially both relevant and material to the Group’s financial statements, businesses and circumstances in which they were carried out during the period under review.

The Group publishes its 2024 Annual Financial Report using the European Single Electronic Format (ESEF) as specified by the amended Delegated Regulation (EU) 2019/815.



PRESENTATION CURRENCY

The presentation currency of the consolidated financial statements is the euro.

The amounts presented in the financial statements and Notes are expressed in millions of euros, unless otherwise specified. The effect of rounding may generate discrepancies between the figures reported in the financial statements and those reported in the Notes.



CONNECTIVITY BETWEEN THE FINANCIAL STATEMENTS AND THE SUSTAINABILITY STATEMENT

Pursuant to French Ordinance n°2023-1142 of 6 December 2023 on the transposition in French law of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive) and of Delegated Regulation (EU) 2023/2772 of 31 July 2023 (European Sustainability Reporting Standards), the Group prepared for the first time a sustainability statement on the 2024 financial year. Direct or indirect links with the consolidated financial statements are shown in the sustainability statement wherever the latter includes financial information.

2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP AS OF 1 JANUARY 2024



Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback” (available for early adoption in 2023).

AMENDMENTS TO IFRS 16 “LEASE LIABILITY IN A SALE AND LEASEBACK”

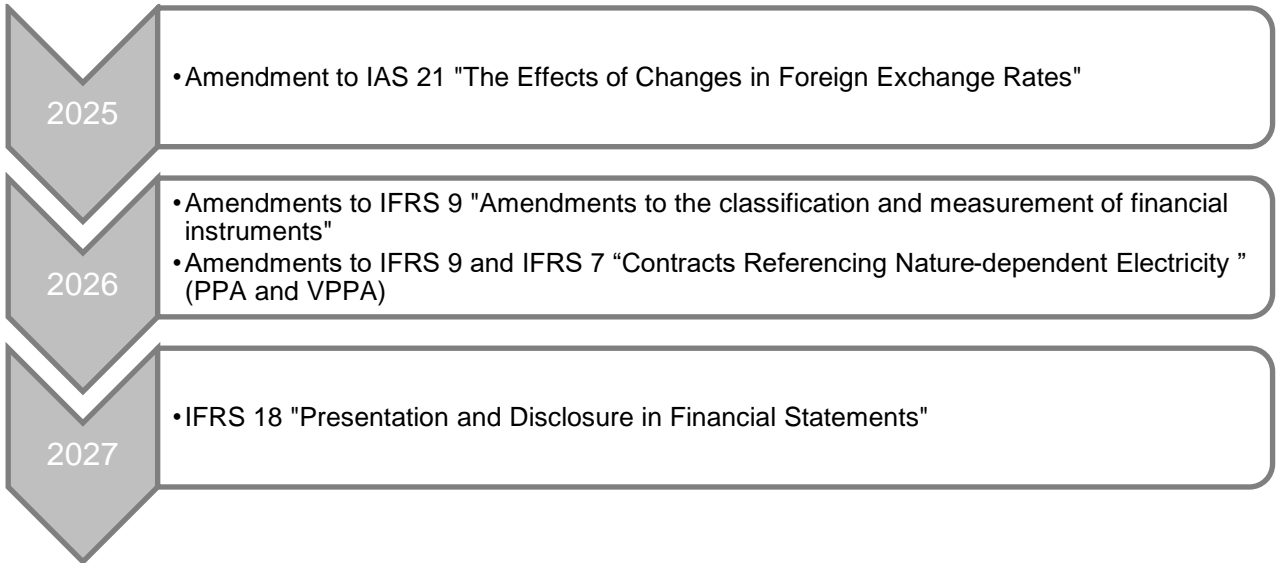
These amendments provide clarifications on the subsequent measurement of leaseback transactions when the original sale of the asset meets the criteria of IFRS 15 “Revenue from contract with customers” for recognition as a sale. These amendments specify in particular how to subsequently measure the lease liability arising from these leaseback transactions, made of variable lease payments that do not depend on an index or a rate.

These amendments have no material impact on the Group's consolidated financial statements.

3. ACCOUNTING STANDARDS, AMENDMENTS OR INTERPRETATIONS TO BE APPLIED BY THE GROUP IN THE FUTURE

The IASB published accounting standards and amendments, some of which not yet adopted by the European Union on 31 December 2024. They will enter into mandatory application for financial years beginning on or after 1 January 2025 at the earliest or from the date of their adoption. They have thus not been applied by the Group as at 31 December 2024.

The provisional timetable for the application of the standards with the highest impact for the Group is as follows:



AMENDMENT TO IAS 21 "THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES"

Published on 15 August 2023.

These amendments specify the circumstances in which a currency is exchangeable (or not) into another currency, and how to determine the exchange rate to apply when a currency is not exchangeable. They also add to the list of supplementary information to be disclosed in the annex to the financial statements when a currency is not exchangeable.

The provisions of these amendments are already applied to the preparation of the Group's financial statements.

AMENDMENTS TO IFRS 9 "AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS"

Published on 30 May 2024.

These amendments clarify the classification of financial assets, in particular with regard to how to assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. They thus clarify the classification of financial assets with environmental, social and governance (ESG)-linked features.

They also include specifications regarding the classification of contractually linked instruments and of financial assets guaranteed solely by security rights.

Furthermore, these amendments also specify how to apply the derecognition of financial assets settled through electronic payment systems.

New disclosures are also required on the investments in equity instruments originally designated at fair value through other comprehensive income, and the financial assets and liabilities with contingent features, such as those with ESG-linked features.

The amendments should have no impact on the Group's consolidated financial statements.

AMENDMENTS TO IFRS 9 AND IFRS 7 “CONTRACTS REFERENCING NATURE-DEPENDENT ELECTRICITY” (PPA AND VPPA)

Published on 18 December 2024.

The IASB issued amendments to IFRS 9 and IFRS 7 relating to contracts referencing nature-dependent electricity the produced quantity of which is subject to hazard and variability.

The contracts concerned can be settled:

- through contracts to buy or sell nature-dependent electricity: Power Purchase Agreements (PPA);
- virtually settled net for the difference between the contractually agreed price and the market price: Virtual Power Purchase Agreements (VPPA).

These amendments clarify the conditions for the application of the own use exemption which allows for the exclusion of the Group-owned PPAs from the application scope of IFRS 9.

These amendments should have no material impact on the Group’s financial statements.

IFRS 18 “PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS”

Published on 9 April 2024.

This standard will supersede IAS 1 “Presentation of Financial Statements”.

It will not change the rules for recognising assets, liabilities, income and expenses, nor their measurement; it only addresses their presentation in the Primary financial statements and in their related Notes.

The main changes introduced by this new standard affect the income statement. The latter will have to be structured by mandatory sub-totals and articulated in three categories of income and expenses: the operating income and expenses, investment income and expenses, and financing income and expenses.

For entities, for which investing in particular types of assets or providing financing to customers is one of their main business activities, such as banking and insurance entities, the standard provides for an appropriate presentation of the income and expenses relating to these activities under the operating income and expenses.

IFRS 18 also requires presenting in the Notes management-defined performance measures (MPMs), i.e. alternative measures defined by the Management of the entity and used for public communication (justification of the use of these measures, calculation method, reconciliation with the subtotals required by the standard).

Finally, the standard provides guidance on how to aggregate and disaggregate material information in the primary financial statements and in the related Notes.

The application of IFRS 18 will be required for annual periods beginning on 1 January 2027; this application will be retrospective with a restatement of comparative information.

The impact of this standard on the Group’s financial statements is currently being analysed.

4. USE OF ESTIMATES AND JUDGEMENT

With a view to the preparation of the Group’s consolidated financial statements, in application of the accounting principles described in the Notes, the Management makes assumptions and estimates that may impact the amounts recognised in the income statement or under Unrealised or deferred capital gains and losses, the valuation of assets and liabilities on the balance sheet, and the information disclosed in the related Notes to the consolidated financial statements.

In order to make these estimates and assumptions, the Management uses the information available on the date when the consolidated financial statements are prepared and may exercise its judgment. Valuations based on estimates intrinsically involve risks and uncertainties relating to their materialisation in the future. Consequently, the actual final results may differ from these estimates and have a significant impact on the financial statements at that time.

The assumptions and estimates made for the preparation of these consolidated financial statements take account of the uncertainties regarding the economic consequences of the current geopolitical and

macroeconomic context. The effects of these events on the assumptions and estimates used are specified in paragraph 5 of this Note.

Estimates and judgment are used in particular with regard to the following items:

- The fair value on the balance sheet of the financial instruments that are not listed on an active market and are recognised as Financial assets and liabilities at fair value through profit or loss, Hedging derivatives, Financial assets at fair value through other comprehensive income (see Notes 3.1, 3.2, 3.3 and 3.4), as well as the fair value of the instruments measured at amortised cost for which this information is disclosed in the Notes to the financial statements (see Note 3.9).
- The impairment and provisions for credit risk related to financial assets measured at amortised cost (including the pricing of real estate guarantees), financial assets at fair value through other comprehensive income and loan commitments and guarantee commitments granted measured using models or internal assumptions based on historical, current and prospective data (see Note 3.8). The use of estimates and judgment relates in particular to the assessment of the deterioration in credit risk observed since the initial recognition of financial assets and the measurement of the amount of expected credit losses on these same financial assets.
- The amortisation assumptions and conventions used to determine the maturities of financial assets and liabilities as part of the measurement and monitoring of structural interest rate risk and of the documentation of the related macro fair value hedge accounting (see Note 3.2).
- The impairment of Goodwill (see Note 2.2).
- The provisions recorded as liabilities on the balance sheet (see Notes 5.1 and 8.2).
- The estimates related to the valuation of insurance contracts assets and liabilities (see Note 4.3).
- The tax assets and liabilities recognised on balance sheet (see Note 6).
- An analysis of the characteristics of the contractual cash flows of financial instruments in order to determine the appropriate accounting classification (see Note 3).
- The assessment of the degree of control for the determination of the scope of consolidated entities, especially in the case of structured entities (see Note 2.1 and 2.3).
- The determination of the lease term to be applied for recognising the right-of-use assets and lease liabilities (see Note 8.3).

5. GEOPOLITICAL AND MACROECONOMIC CONTEXT

2024 was marked by geopolitical uncertainties, with, in particular, the continuing conflict in Ukraine and the situation in the Middle-East. In the U.S.A., economic growth was higher than expected, sustained by strong consumption. In the eurozone, after a first half-year when business remained resilient especially in the services sector, economic growth slackened in the second half-year, in particular as a result of the weakness of the German economy and the political uncertainties in France. In China, the support measures only allowed for economic growth not to deteriorate any further without any actual upturn.

In this context, the Group updated the macroeconomic scenarios selected for the preparation of the consolidated financial statements.

These macroeconomic scenarios are taken into account in the credit loss measurement models including forward-looking data (see Note 3.8) and are also used to perform goodwill impairment tests (see Note 2.2) and tests assessing the recoverability of deferred tax assets (see Note 6).

5.1 Macroeconomic scenarios

As at 31 December 2024, the Group has opted for three macroeconomic scenarios to help understand the uncertainties related to the current macroeconomic context.

The assumptions selected to build these scenarios are described below:

- The central scenario (“SG Central”) predicts a low growth level in the eurozone in a context of more restrictive fiscal policy than in 2024 and of persistent geopolitical concerns. Inflation should converge with the Central banks’ targets and the monetary policy is expected to ease. In the U.S.A, a rebound in economic growth is expected in 2025. The economic policy ushered by the new president of the United States should initially benefit American growth but could however have a negative impact later on. It would burden the other areas and increase global uncertainty.
- The favourable scenario (“SG Favourable”) describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions. In both cases, stronger growth will have a positive impact on employment and the profitability of companies.
- The stressed scenario (“SG Stress”) corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (2008 crisis, eurozone crisis...), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research department of Societe Generale for all Group entities, based, in particular, on the information published by statistical institutes in each country. Forecasts by institutions (IMF, Global Bank, ECB, OECD...) and the consensus among market economists serve as a reference to challenge the Group’s forecasts.

5.2 Financial instruments: expected credit losses

The scenarios provided by the Group economists are incorporated into the expected credit loss provisioning models over a three-year horizon, followed by a two-year period to gradually return by the fifth year to the average probability of default observed during the calibration period. The assumptions made by the Group to develop these macroeconomic scenarios have been updated during the fourth quarter 2024.

VARIABLES

In 2024, the Group updated the expected credit loss measurement models. This update resulted in the identification of new economic variables relevant for estimating the expected credit losses. The major variables now used in the models are the GDP growth rates, the disposable income of households, the interest-rate differential between France and Germany, the U.S. imports, the exports from developed countries, the unemployment rates, the inflation rate in France and the yield on France ten-year government bonds.

The variables with the stronger impact on the determination of expected credit losses (GDP growth percentage for the major countries in which the Group operates, and disposable income of households in France) for each scenario are detailed hereinafter:

“SG Favourable” scenario	2025	2026	2027	2028	2029
France GDP	2.1	2.9	2.3	2.2	1.3
Households disposable income in France	0.8	1.4	1.1	0.9	0.8
Eurozone GDP	2.3	2.8	2.3	2.1	1.2
United States GDP	2.8	3.6	3.0	2.9	2.0
Developed countries GDP ⁽¹⁾	2.6	3.2	2.6	2.5	1.6

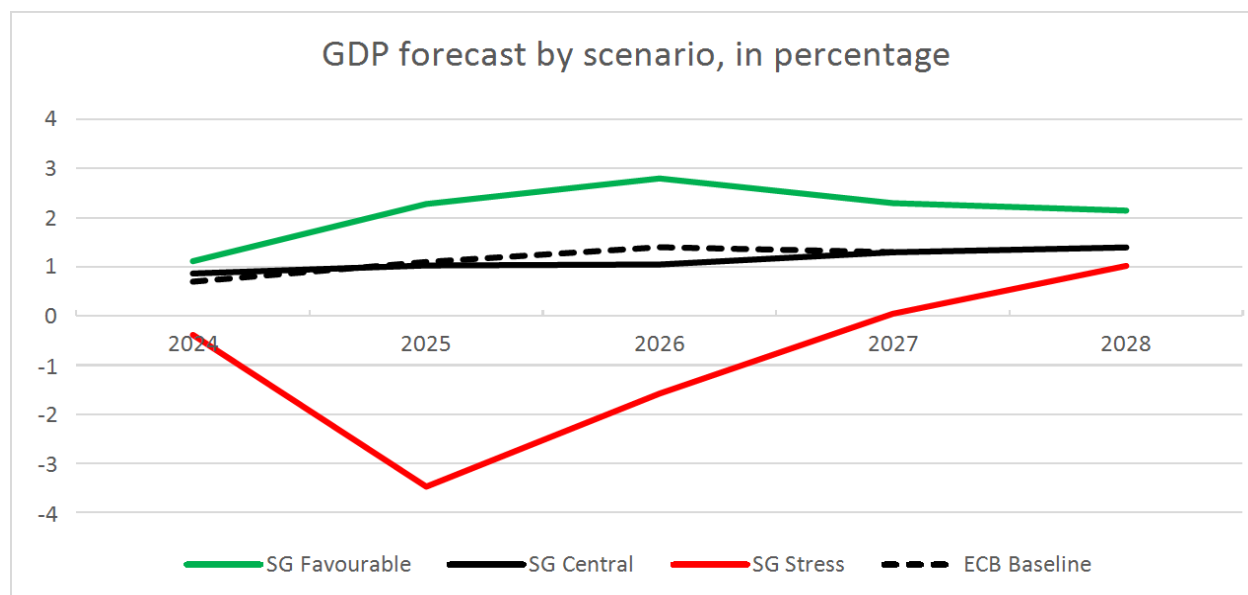
“SG Central” scenario	2025	2026	2027	2028	2029
France GDP	0.9	1.1	1.3	1.5	1.3
Households disposable income in France	0.3	0.6	0.6	0.8	0.8
Eurozone GDP	1.0	1.0	1.3	1.4	1.2
United States GDP	1.5	1.8	2.0	2.2	2.0
Developed countries GDP ⁽¹⁾	1.3	1.5	1.6	1.8	1.6

“SG Stress” scenario	2025	2026	2027	2028	2029
France GDP	(3.6)	(1.5)	0.0	1.1	1.3
Households disposable income in France	(1.0)	(0.7)	(0.9)	(0.3)	0.8
Eurozone GDP	(3.5)	(1.6)	0.0	1.0	1.2
United States GDP	(3.0)	(0.8)	0.7	1.8	2.0
Developed countries GDP ⁽¹⁾	(3.2)	(1.2)	0.4	1.4	1.6

(1) The Developed countries GDP correspond to the combination of the GDPs of the eurozone, the United States of America and Japan.

These simulations assume that the historical relationships between the key economic variables and the risk parameters remain unchanged. In reality, these correlations may be impacted by geopolitical or climatic events, or by changes in behaviour, legislative environment or credit granting policy.

The graph below shows the GDP forecasts in the eurozone selected by the Group for each scenario and compares them with the scenarios published by the ECB in December 2024.



	2023	2024	2025	2026	2027	2028
SG Favourable	0.9	1.1	2.3	2.8	2.3	2.1
SG Central	0.9	0.9	1.0	1.0	1.3	1.4
SG Stress	0.9	(0.4)	(3.5)	(1.6)	0.0	1.0
ECB Baseline	0.6	0.7	1.1	1.4	1.3	1.3

WEIGHTING OF THE MACROECONOMIC SCENARIOS

The probabilities used are based on the differences observed over the past 25 years between the forecasts made by a consensus of economists regarding the U.S. GDP and the actual scenario that occurred (forecast similar to the actual scenario, significantly optimistic or pessimistic).

In order to better account for a possible reversal in the cycle, the Group applies to its scenarios a weighting methodology (mainly based on the observed output gaps for the USA and the eurozone) and assigns a higher weight to the SG Central scenario when the economy is depressed. Conversely, the methodology provides for a higher weight to be assigned to the SG Stress scenario when the economy moves towards the peak of the cycle. Accordingly, the weighting applied to the SG Central scenario is set at 56% as at 31 December 2024.

Presentation of the changes in weights:

	31.12.2024	30.06.2024	31.12.2023
SG Central	56%	60%	62%
SG Stress	34%	30%	28%
SG Favourable	10%	10%	10%

CALCULATION OF EXPECTED CREDIT LOSSES AND SENSITIVITY ANALYSIS

Credit risk cost as at 31 December 2024, insurance subsidiaries excluded, amounts to a net expense of EUR 1,530 million, increasing by EUR 505 million (49%) compared to 31 December 2023 (EUR 1,025 million).

Sensitivity tests have been performed to measure the impact of the changes in weights on the models. The sectoral adjustments (see Note 3.8) have been taken into account in these sensitivity tests. The scope of these tests includes the Stage 1 and Stage 2 outstanding loans subject to a statistical modelling of the impacts of the macroeconomic variables (which represents 88% of the expected credit losses as on 31 December 2023).

The results of these tests, taking into account the effect on the classification of the outstanding loans concerned (67% of the total outstanding loans), show that, in the event of a 100% weighting:

- of the SG Stress scenario, the impact would be an additional allocation of EUR 208 million;
- of the SG Favourable scenario, the impact would be a reversal of EUR 219 million;
- of the SG Central scenario, the impact would be a reversal of EUR 149 million.

COVID-19 CRISIS: STATE GUARANTEED LOANS (PGE)

Until 30 June 2022, the Group offered to its crisis-impacted customers (professionals and corporate customers) the allocation of State Guaranteed Loan facilities (PGE), with contractual characteristics equivalent to those of basic loans (SPPI criterion), and held by the Group under a management model aimed at collecting their contractual flows until maturity. Consequently, these loans were recorded on the consolidated balance sheet under “Customer loans at amortised cost”.

As at 31 December 2024, after the first repayments made after the end of the moratorium periods, the amount outstanding corresponding to the State Guaranteed Loans (PGE) granted by the Group is approximately EUR 5.3 billion (including EUR 1 billion classified in Stage 2 and EUR 1 billion in Stage 3). The residual portion of PGE granted by the French Retail networks amounts, as at 31 December 2024, to EUR 4.8 billion (of which EUR 0.9 billion classified in Stage 2 and EUR 0.9 billion in Stage 3); the State guarantee for these loans covers, on average, 90% of their amount.

The expected credit losses recognised as at 31 December 2024 for PGE amount to some EUR 160 million of which EUR 130 million booked by the French retail networks (including EUR 10 million in Stage 2 and EUR 110 million in Stage 3).

CONSEQUENCES OF THE WAR IN UKRAINE

The table below shows the changes in balance sheet and off-balance sheet residual exposures (measured at amortised cost or at fair value through OCI) booked by the Group’s entities for Russian counterparties or subsidiaries of Russian groups.

	31.12.2024		30.06.2024		31.12.2023	
<i>(In EUR billion)</i>	Exposure at default	Gross outstanding / commitments	Exposure at default	Gross outstanding / commitments	Exposure at default	Gross outstanding / commitments
Onshore exposures on consolidated subsidiaries	-	-	-	-	0	0
Offshore exposures ⁽¹⁾	0.5	0.6	0.6	0.8	0.9	1
Rosbank residual exposures	0.1	0.1	0.1	0.1	0.1	0.1
Total	0.6	0.7	0.7	0.9	1	1.1

(1) Offshore exposures (exc. Private Banking and residual exposures linked to the disposal of Rosbank) correspond to the exposures on Russian counterparties or subsidiaries of Russian groups booked outside Russia.

Exposures in Russia and Ukraine

The Russian subsidiary LEASEPLAN RUS LLC was sold during the first half of 2024. The Group does not hold any entity in Russia anymore.

The Group remains present in Ukraine through its ALD AUTOMOTIVE UKRAINE LIMITED LIABILITY COMPANY subsidiary, the total balance sheet of which amounts to EUR 88 million as at 31 December 2024.

Offshore exposures

The Group also holds assets on Russian counterparties; the volume of these assets dropped significantly between 31 December 2023 and 31 December 2024, owing in particular to asset disposals, customer reimbursements completed without incident, and the reception of funds that settle Russian exposures.

These outstanding assets, including residual Rosbank exposure, were classified as “sensitive” from the very beginning of the conflict (see Note 3.8) and declassified to Stage 2 of impairment for credit risk or to Stage 3 when necessary.

The consequences of these classifications, as well as the account taken of the new macroeconomic scenarios to determine expected credit losses as at 31 December 2024, are described in Note 3.8.

Furthermore, to take account of these specific risk exposures, the Group supplemented the expected credit losses through a post-model adjustment, as described in Note 3.8.

Other information

Societe Generale received during 2024 financial year EUR 301 million, linked to exposures in Russia relating to its former local presence via Rosbank. These exposures, valued at zero or provisioned in the Group’s accounts, have been recovered in accordance with the laws in force and following approval by the relevant regulatory authorities, generating a positive contribution of some EUR 218 million after tax to the net income, Group share.

6. HYPERINFLATION IN TURKEY AND GHANA

The publications by the International Practices Task Force of the Center for Audit Quality, usual reference for identifying the countries in hyperinflation, show that Turkey and Ghana have been considered hyperinflationary economies since 2022 and 2023, respectively.

Accordingly, the Group applies the provisions of IAS 29 (“Financial Reporting in Hyperinflationary Economies”) to prepare the individual financial statements presented in Turkish liras of the Ayvens group entities located in Turkey and the individual financial statements in cedis of the SOCIETE GENERALE GHANA PLC entity located in Ghana (before their conversion to euro as part of the consolidation process), since 1 January 2022 and 1 January 2023, respectively.

The accounts of the SG ISTANBUL branch have, however, not been restated, their impact being non-material.

Under IAS 29, the accounting value of some balance sheet items measured at cost is adjusted, as at the closing date, for the inflation effects observed over the period. In the financial statements of the entities concerned, these adjustments are mainly applied to tangible assets (including in particular the rented car fleet, buildings), as well as to the different components of equity.

The inflation adjustments for the assets concerned and equity items, as well as for income and expenses for the period, are recognised as income or expenses on foreign exchange transactions under Net gains and losses on financial transactions.

Thus restated, the financial statements are converted to euro based on the exchange rate applicable on the closing date.

As at 31 December 2024, a gain of EUR 111.6 million was recognised in the Net gains and losses on financial transactions from inflation adjustments for the period. After taking into account the adjustments of the other income and expense lines of the period, the impact of the restatements for hyperinflation on the consolidated pre-tax accounting result is EUR 133.9 million.

NOTE 2 – CONSOLIDATION



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The various activities of the Societe Generale group in France and abroad are carried out by Societe Generale – Parent company (which includes the Societe Generale foreign branches) and by all of the entities that it controls either directly or indirectly (subsidiaries and joint arrangements) or on which it exercises significant influence (associates). All of these entities make up the scope of the Group consolidation.

Consolidation uses a standardised accounting process to give an aggregated presentation of the accounts of Societe Generale – Parent company and its subsidiaries, joint arrangements and associates, presented as if they were a single entity.

To do so, the individual accounts of the entities that make up the Group are restated so that they are in accordance with IFRS, as adopted by the European Union, in order to present consistent information in the consolidated financial statements.

In addition, the accounting balances (assets, liabilities, income and expense) generated by transactions between Group entities are eliminated through the consolidation process so that the consolidated financial statements present only the transactions and results made with third parties outside of the Group.

ACCOUNTING PRINCIPLES

The consolidated accounts bring together the accounts of Societe Generale, its foreign branches and the French and foreign entities over which the Group exercises control, joint control or significant influence.

CONSOLIDATED ENTITIES

▪ Subsidiaries

Subsidiaries are the entities over which the Group has exclusive control. The Group controls an entity if and only if the three following conditions are met:

- the Group has power over the entity (ability to direct its relevant activities, *i.e.* the activities that significantly affect the entity's returns), through the holding of voting rights or other rights; and
- the Group has exposure or rights to variable returns from its involvement with the entity; and
- the Group has the ability to use its power over the entity to affect the amount of the Group's returns.

Power

When determining voting rights for the purpose of establishing the Group's degree of control over an entity and the appropriate consolidation method, potential voting rights are taken into account where they can be freely exercised at the time the assessment is made or at the latest when decisions about the direction of the relevant activities need to be made. Potential voting rights are instruments such as call options on ordinary shares outstanding on the market or rights to convert bonds into new ordinary shares.

Some rights are designed to protect the interests of their holder (protective rights) without giving that party power over the investee to which those rights relate.

If there are several investors, each with substantive rights that give them the unilateral ability to direct different relevant activities, the investor with that has the current ability to direct the activities that most significantly affect the variable returns of the investee is presumed to have power over the investee.

Exposure to variable returns

Control exists only if the Group is significantly exposed to the variability of variable returns generated by its investment or its involvement in the entity. These returns, which could be dividends, interest, fees, etc., can be only positive, only negative or both positive and negative.

Link between power and variable returns

To assess the link between power and variable returns, if the Group has been delegated decision-making rights that it exercises on behalf and for the benefit of third parties (the principals), it is presumed to act as an agent for these principals, and therefore it does not control the entity when it exercises its decision-making power. In asset management activities, an analysis shall be performed in order to determine whether the asset manager is acting as agent or principal when managing the net assets of a fund; the fund is presumed to be controlled by the asset manager if the latter is considered as a principal.

Special case of structured entities

A structured entity is an entity designed so that voting rights are not the determining factor in identifying who controls the entity. Such is the case, for example, when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

A structured entity often presents certain characteristics such as a limited business activity, a specific and carefully defined purpose, or insufficient capital to fund its activities without the use of subordinated financing. Structured entities may assume different legal forms: stock companies, partnerships, securitisation vehicles, mutual funds, unincorporated entities, etc.

When assessing the existence of control over a structured entity, all facts and circumstances shall be considered among which:

- the purpose and design of the entity;
- the structuring of the entity;
- risks to which the entity is exposed by way of its design and the Group's exposure to some or all of these risks;
- potential returns and benefits for the Group.

Unconsolidated structured entities are those that are not exclusively controlled by the Group.

▪ Joint arrangements

Through a joint arrangement (either a joint operation or a joint venture) the Group exercises joint control over an entity if decisions about the direction of its relevant activities require the unanimous consent of the parties that collectively control the entity. Assessing joint control requires an analysis of the rights and obligations of all the parties. In the case of a joint operation, the parties to the arrangement have rights to the assets and obligations for the liabilities.

In the case of a joint venture, the parties have rights to the net assets of the entity.

▪ Associates

Associates are companies over which the Group exercises significant influence and are accounted for using the equity method in the Group's consolidated financial statements. Significant influence is the power to participate in the financial and operating policies of an entity without exercising control. In particular, significant influence can result from Societe Generale being represented on the Board of Directors or Supervisory Board, from its involvement in strategic decisions, from the existence of significant intercompany transactions, from the exchange of management staff, or from the company's technical dependency on Societe Generale. The Group is assumed to exercise significant influence over the financial and operating policies of an entity when it directly or indirectly holds at least 20% of the voting rights in this entity.

CONSOLIDATION RULES AND METHODS

The consolidated financial statements are built up from the financial statements of the entities that are included in the consolidation scope. Companies with a fiscal year ending more than three months before or after that of Societe Generale prepare pro-forma statements for a twelve-month period ended 31 December. All significant balances, profits and transactions between Group companies are eliminated.

The results of newly acquired subsidiaries are included in the consolidated financial statements from their effective acquisition date while the results of subsidiaries disposed of during the fiscal year are included up to the date where the Group relinquished control.

▪ Consolidation methods

The subsidiaries, including the structured entities over which the Group has exclusive control, are fully consolidated.

In the consolidated balance sheet, full consolidation consists in replacing the value of the subsidiary's equity securities held by the Group with each of the subsidiary's assets and liabilities, in addition to the goodwill recognised when the Group assumed control over the entity (see Note 2.2). In the income statement and the statement of net income and unrealised or deferred gains and losses, the subsidiary's expense and income items are aggregated with those of the Group.

The portion of non-controlling interests in the subsidiary is presented separately in the consolidated balance sheet and income statement. However, the units of the funds controlled and consolidated by the Group that are held by third-party investors are recognised as Debt under Other liabilities provided that they are puttable at fair value.

In the case of a joint operation, the Group distinctly recognises in its consolidated financial statements its share in the assets and liabilities as well as its share in the related revenue and expense.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements of the Group. Under the equity method, the investment in an associate is recognised, on initial recognition, under Investments accounted for using the equity method at the cost of the Group's investment in the joint venture or associate, including goodwill and after the date of acquisition the carrying amount is increased or decreased to recognise the changes in the investor's share in the net asset value of the investee.

These investments are tested for impairment if there is objective evidence of impairment. If the recoverable amount of the investment (value in use or market value net of selling costs, whichever is higher) is lower than its carrying amount, an impairment loss is recorded on the balance sheet at the carrying amount of the investment. Impairment allowances and reversals are recorded under Net income from investments accounted for using the equity method.

The Group's share in the entity's net income and unrealised or deferred gains and losses is presented on separate lines in the consolidated income statement and the consolidated statement of net income and unrealised or deferred gains and losses. If the Group's share in the losses of an entity consolidated using the equity method becomes greater than or equal to its ownership interest in the company, the Group ceases to recognise its share in subsequent losses unless it is required to do so by legal or implied obligations, in which case it records a provision for said losses. Capital gains and losses generated on the disposal of companies accounted for using the equity method are recorded under Net income/expense from other assets.

▪ Translation of foreign entity financial statements

The balance sheet items of consolidated companies reporting in foreign currencies are translated into euro at the official exchange rates prevailing at the closing date. Income statement items of these companies are translated into euros, at the average month-end exchange rates. Gains and losses arising from the translation of capital, reserves, retained earnings and income are recognised under Unrealised or deferred gains and losses – Translation differences. Gains and losses arising from the translation of the capital contribution of foreign branches of Group banks are also included in changes in consolidated shareholders' equity under the same heading.

In accordance with the option allowed under IFRS 1, the Group allocated all differences arising on translation of foreign entity financial statements at 1 January 2004 to consolidated reserves. As a result, if any of these entities are sold, the proceeds from the sale will only include write-backs of those translation differences arising since 1 January 2004.

▪ **Changes in Group's ownership interest in a consolidated entity**

In the event of an increase in Group's ownership interest in a subsidiary over which it already exercises control, the differences between the price paid for the additional stake and the assessed fair value of the proportion of net assets acquired at this date is recorded under Retained earnings, Group share.

Also, in the event of a reduction in the Group's ownership interest in a subsidiary over which it keeps control, the difference between the selling price and the carrying amount of the share of interests sold is recorded under Retained earnings, Group share.

The costs related to these transactions are recognised directly in equity.

When the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is remeasured at fair value through profit or loss, at the same time the capital gain or loss is recorded under Net income/expense from assets in the consolidated income statement. The gains or losses on disposals include a share of goodwill previously allocated to the cash-generating units to which the subsidiary belongs. This share's determination is based on a normative capital allocated to the subsidiary that is sold and to the portion of cash-generating unit that is retained.

COMMITMENTS TO BUY OUT MINORITY SHAREHOLDERS IN FULLY CONSOLIDATED SUBSIDIARIES

In some fully consolidated Group subsidiaries, the Group has awarded minority shareholders commitments to buy out their stakes. For the Group, these buyout commitments are put option sales (put options without transfer of the risks and advantages associated with the ownership interest before the option's exercise). The exercise price for these options can be established using a formula agreed upon at the time of the acquisition of the shares in the subsidiary that takes into account its future performance. It can also be set as the fair value of these shares at the exercise date of the options.

The commitments are recorded as follows:

- in accordance with IAS 32, the Group records a financial liability for the put options granted to minority shareholders of the subsidiaries over which it exercises control. This liability is initially recognised at the present value of the estimated exercise price of the put options under Other liabilities;
- the obligation to recognise a liability even though the put options have not been exercised means that, in order to be consistent, the Group must use the same accounting treatment as the one applied to transactions in Non-controlling interests. As a result, the counterpart of this liability is a write-down in value of non-controlling interests underlying the options, with any balance deducted from Retained earnings, Group share;
- subsequent variations in this liability (linked to changes in the estimated exercise price of the options and the carrying value of Non-controlling interests) are recorded in full in Retained earnings, Group share;
- if the buy-out takes place, the liability is settled by the cash payment linked to the acquisition of non-controlling interests in the subsidiary. However if, when the commitment reaches its term, the buy-out has not occurred, the liability is written off against Non-controlling interests and Retained earnings, Group share for their respective portions;
- as long as the options have not been exercised, the results linked to Non-controlling interests with a put option are recorded under Non-controlling interests on the Group's consolidated income statement.

NOTE 2.1 - CONSOLIDATION SCOPE

The consolidation scope includes subsidiaries and structured entities under the Group's exclusive control, joint arrangements (joint ventures and joint operations) and associates whose financial statements are significant relative to the Group's consolidated financial statements, notably regarding Group consolidated total assets and gross operating income.

The main changes to the consolidation scope as at 31 December 2024, compared with the scope applicable at the closing date of 31 December 2023, are as follow in chronological order:

SALE OF SOCIETE GENERALE TCHAD

On 31 January 2024, the Group sold the totality of its participation in SG TCHAD, its Chadian subsidiary. This sale led to a reduction of EUR 0.3 billion in the total Group's balance sheet compared to 31 December 2023.

CREATION OF A PARTNERSHIP BETWEEN SOCIETE GENERALE AND ALLIANCEBERNSTEIN

On 1 April 2024, Societe Generale and AllianceBernstein launched BERNSTEIN, a partnership combining their cash equities and equity research businesses.

The partnership is organised under two separate legal vehicles: Sanford C. Bernstein Holdings Limited, covering Europe and Asia activities, with a head office in London, and Bernstein North America Holdings LLC, covering North America activities, with a head office in New York, complemented by major hubs in Paris and Hong Kong, and multiple regional offices.

Since 1 April 2024, the entity Sanford C. Bernstein Holdings Limited, fully controlled by the Group (stake of 51%) is fully consolidated, and the entity Bernstein North America Holdings LLC, over which the Group has significant influence (stake of 33.33%) is consolidated by using equity method.

Options may allow Societe Generale, subject to regulatory approvals, to own 100% of both entities within five years.

Sanford C. Bernstein Holdings Limited (entity fully consolidated)

On 1 April 2024, Societe Generale acquired 51% of the holding company Sanford C. Bernstein Holdings Limited for a purchase price of EUR 108 million.

As at 31 December 2024, the purchase price allocation exercise is still ongoing: pending this, the Group has recorded the assets and liabilities of its new subsidiary at their carrying amounts in its annual consolidated accounts as at 31 December 2024.

The purchase price allocation will be finalised within one year from the acquisition date: as of 31 December 2024, the Group recognised a goodwill of EUR 26 million (see note 2.2).

The put option negotiated to redeem non-controlling interests (49%) is recognised as a liability representing the present value of the discounted strike price for an amount of EUR 61 million with an impact in equity, Group share, of EUR 17 million as at acquisition date.

**Allocation as at
31 December 2024**

(In EUR m)

Tangible and intangible fixed assets	4
Due from banks	246
Net tax assets	5
Customer deposits	(80)
Net other assets and liabilities	(14)
FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED (C)	161
NON-CONTROLLING INTERESTS ⁽¹⁾ (B)	79
PURCHASE PRICE (A)	108
GOODWILL (A) + (B) - (C)	26

(1) Non-controlling interests are measured based on the proportionate share in the recognised amounts of the revalued identifiable net assets.

Bernstein North America Holdings LLC (entity consolidated by equity method)

On 1 April 2024, Societe Generale acquired 33.33% of the holding company Bernstein North America Holdings LLC for a purchase price of EUR 180 million. Optional instruments were negotiated with the counterparty, leading to the recognition of a derivative financial liability of EUR 37 million as at 31 December 2024.

SALE OF SHINE

On 28 November 2024, the Societe Generale group sold SHINE to the Danish group Ageras, which took over all of the entity's activities and employees. This sale resulted in a reduction of Other liabilities by EUR 0.6 billion compared to 31 December 2023.

SALE OF SOCIETE GENERALE MAROCAINE DE BANQUES, ITS SUBSIDIARIES, AND OF LA MAROCAINE VIE

On 3 December 2024, the Societe Generale group finalised the sale of SG MAROCAINE DE BANQUES and its subsidiaries and the entity LA MAROCAINE VIE to Saham group.

The sale resulted in a reduction of the Group's total balance sheet by EUR 12 billion compared to 31 December 2023, mainly including a decrease in Customer loans at amortised cost of EUR 9 billion and a decrease in Customers deposits of EUR 7 billion.

Coincidentally, the Group signed put and call agreements on its stake in ALD AUTOMOTIVE SA in Morocco. The signing of these agreements led the Group to remove the subsidiary from the consolidation scope, resulting in a reduction of the Group's total balance sheet by EUR 0.2 billion compared to 31 December 2023.

SALE OF SOCIETE GENERALE MADAGASCAR

On 20 December 2024, the Group sold its entire participation in BFV – SOCIETE GENERALE, its Malagasy subsidiary. This sale resulted in a reduction of the Group's balance sheet total of EUR 0.8 billion compared to 31 December 2023.

NOTE 2.2 - GOODWILL



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When the Group acquires a company, it integrates in its consolidated balance sheet all of the new subsidiary's assets and liabilities at fair value.

But the acquisition price of a company is generally higher than the net revalued amount of its assets and liabilities. The excess value, called goodwill, can represent part of the company's intangible capital (reputation, quality of its personnel, market shares, etc.) which contributes to its overall value, or the value of the future synergies that the Group hopes to develop by integrating the new subsidiary in its existing activities.

In the consolidated balance sheet, the goodwill is recognised as an intangible asset, the useful life of which is presumed to be unlimited; it is not amortised and therefore does not generate any recurring expense in the Group's future results.

However, every year, the Group assesses whether the value of its goodwill has not depreciated. If it has, an irreversible expense is immediately recognised in the Group results, which indicates that the profitability of the intangible capital of the acquired entity is inferior to initial expectations, or that the anticipated synergies have not been fulfilled.

ACCOUNTING PRINCIPLES

The Group uses the acquisition method to recognise its business combinations in accordance with IFRS 3 "Business Combinations".

On the acquisition date, the acquisition cost is calculated as the total fair value of all assets given, liabilities incurred or assumed and equity instruments issued in exchange for the control of the acquired entity. The costs directly linked to business combinations are recognised in profit or loss for the period except those related to the issuance of equity or debt instruments.

Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurrence is only potential. It is recognised under equity or debt in the balance sheet depending on the settlement alternatives. If recognised as debt, any subsequent adjustment is recorded under income for financial liabilities in accordance with IFRS 9 and within the scope of the appropriate standards for other debts. If recognised as equity instruments, these subsequent adjustments are not recorded.

On the acquisition date, as required by IFRS 3, all assets, liabilities, off-balance sheet items and contingent liabilities of this new subsidiary (even if they were not recognised before the combination) are measured individually at their fair value regardless of their purpose. At the same time, non-controlling interests are valued according to their share of the fair value of the identifiable assets and liabilities of the acquired entity. However, for each business combination, the Group may also choose to measure non-controlling interests initially at their fair value, in which case a fraction of goodwill is allocated.

Any excess of the price paid over the assessed fair value of the proportion of net assets acquired is recorded on the asset side of the consolidated balance sheet under Goodwill. Any deficit is immediately recognised in profit or loss.

On the acquisition date, any stake in this entity already held by the Group is remeasured at fair value through profit or loss. In the case of a step acquisition, goodwill is therefore determined by referring to the fair value on the acquisition date.

The analyses and professional appraisals required for this initial valuation must be carried out within 12 months as from the acquisition date, as must any corrections to the value based on new information related to facts and circumstances existing at the acquisition date. Goodwill and non-controlling interests initially recorded are consequently adjusted. On the acquisition date, each item of goodwill is allocated to one or more cash-generating units expected to derive benefits from the acquisition. When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units, goodwill previously allocated to modified units is reallocated to the units affected (new or existing). This reallocation is generally performed using a relative approach based on the normative capital requirements of each cash-generating unit (CGU) affected.

Goodwill is reviewed regularly by the Group and tested for impairment whenever there is any indication that its value may have diminished, and at least once a year. Any impairment of goodwill is calculated based on the recoverable value of the relevant cash-generating unit(s).

If the recoverable amount of the cash-generating unit(s) is less than its (their) carrying amount, an irreversible impairment is recorded in the consolidated income statement for the period under Value adjustment on goodwill.

As at 31 December 2024, goodwill is split into the following 9 CGUs:

Table 2.2.A

Pillars	Activities
French Retail, Private Banking and Insurances	
French Retail and Private Banking	Societe Generale's retail banking network, Boursorama online banking activities, wealth Management Solutions
Insurances	Life and non-life insurance activities in France and abroad (including Sogecap, Sogessur, Oradéa Vie and Antarius)
Global Banking and Investor Solutions	
Global Markets and Investor Services	Market solutions for businesses, financial institutions, the public sector, family offices and a full range of securities services, clearing services, execution, prime brokerage and custody
Financing and Advisory	Advisory and financing services for businesses, financial institutions, the public sector and transaction and payment management services
International Retail, Mobility and Leasing Services	
Europe	Retail banking in Europe, notably in Czech Republic (KB) and Romania (BRD)
Africa, Mediterranean Basin and Overseas	Retail banking and consumer finance in Africa, the Mediterranean Basin and Overseas, including in Algeria (SGA), Tunisia (UIB), Cameroon (SGBC), Côte d'Ivoire (SGBCI) and Senegal (SGBS)
Equipment and Vendor Finance	Financing of sales and professional equipment by Societe Generale Equipment Finance
Auto Leasing Financial Services	Operational vehicle leasing and fleet management services (Ayvens)
Consumer Finance	Consumer finance services in Europe, in Germany (Hanseatic Bank, BDK), Italy (Fiditalia) and France (CGL)

The table below shows by CGU and by operating segment (Note 8.1) the changes over the year 2024 in the values of goodwill:

Table 2.2.B

<i>(In EUR m)</i>	Value as at 31.12.2023	Acquisitions and other increases ⁽¹⁾	Disposals and other decreases ⁽²⁾	Impairment	Value as at 31.12.2024
French Retail and Private Banking	1,149	-	(30)	-	1,119
French Retail and Private Banking	1,149	-	(30)	-	1,119
Insurances	348	-	(3)	-	345
Insurances	348	-	(3)	-	345
International Banking	831	-	-	-	831
Europe	831	-	-	-	831
Africa, Mediterranean Basin and Overseas	-	-	-	-	-
Mobility and Leasing Services	2,564	152	(8)	-	2,708
Equipment and Vendor Finance	-	-	-	-	-
Auto Leasing Financial Services	2,019	152	(8)	-	2,163
Consumer finance	545	-	-	-	545
Global Markets and Investor Services	-	26	-	-	26
Global Markets and Investor Services	-	26	-	-	26
Financing and Advisory	57	-	-	-	57
Financing and Advisory	57	-	-	-	57
Total	4,949	178	(41)	-	5,086

(1) The increases in goodwill relate to the acquisition of Sanford C. Bernstein Holdings Limited (see Note 2.1) and the finalisation of the allocation of the acquisition price of LeasePlan (see below).

(2) The other decreases include the reclassification of the entities held for sale's goodwill to Non-current assets held for sale (see Note 2.4).

FINALISATION OF THE GOODWILL CALCULATION RELATED TO THE ACQUISITION OF LEASEPLAN BY ALD

On 22 May 2023, following the approval of ALD's Board of Directors and relevant regulatory authorities' approvals, ALD acquired 100% of LeasePlan for a consideration of EUR 4,969 million.

This purchase price included an earn out consideration initially estimated to EUR 70 million in the consolidated financial statements as at 31 December 2023. The earn-out mechanism lasted until 31 December 2024, subject to an additional 6-month period in some specific circumstances.

As at 30 June 2024, the Group assessment of the earn out consideration at closing date of the transaction was EUR 142 million. As at 31 December 2024, this amount hasn't been revised. The adjustment of EUR 72 million accounted in the first half of 2024 is the result of additional information brought to the Group's attention on the facts and circumstances that existed at the acquisition date.

As the acquisition price allocation has been finalised in the first half of 2024, any subsequent variations of the earn-out fair value will be accounted through the income statement.

The amount of goodwill, provisionally estimated at EUR 1,396 million in the Group's consolidated financial statements as at 31 December 2023, has been adjusted to reach the final amount of EUR 1,548 million as at 31 December 2024. The table below shows the adjustments of EUR 152 million made in 2024, in addition to the adjustments of EUR -230 million made in 2023.

<i>(In EUR m)</i>	Certified balance sheet at acquisition date	Fair value adjustment	Provisional allocation as at 31 December 2023	Fair value adjustment *	Final allocation as at 30 June 2024
Cash, due from central banks	3,812	-	3,812	-	3,812
Customer loans at amortised cost	615	-	615	-	615
Net non-current assets and liabilities held for sale ⁽¹⁾	617	33	650	-	650
Tangible and intangible fixed assets	23,891	330	24,221	2	24,223
<i>o/w Assets under operating leases</i>	20,983	429	21,412	60	21,472
Debts securities issued	(9,327)	7	(9,320)	-	(9,320)
Due to bank	(2,687)	(7)	(2,694)	-	(2,694)
Customer deposits	(11,334)	33	(11,301)	-	(11,301)
Net tax assets/liabilities	(505)	(64)	(569)	35	(534)
Net other assets and liabilities	(1,298)	(102)	(1,400)	(117)	(1,517)
FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED (C)	3,784	230	4,014	(80)	3,934
NON-CONTROLLING INTERESTS ⁽²⁾ (B)	513	-	513	-	513
TOTAL PURCHASE PRICE (A)	4,897	-	4,897	72	4,969
GOODWILL (A) + (B) - (C)	1,626	(230)	1,396	152	1,548

(1) Amount after elimination of intragroup transactions.

(2) Other equity instruments issued.

* The amounts have been restated compared with the published consolidated financial statements as at 30 June 2024 due to an correction of error, see below.

Main adjustments to LeasePlan's identifiable assets and liabilities fair value in 2024 relate to:

- A net increase of EUR 2 million in tangible and intangible assets, which breaks down into:
 - Additional decrease of EUR 63 million in the value of LeasePlan's intangible assets (software) at the date of the acquisition due to a completion rate adjustment for ongoing IT developments, corrections of the scope of the software and confirmation of impairment items already existing at the acquisition date.
 - Increase in leased assets of EUR 60 million and customer relationships intangible of EUR 4.6 million.
- A decrease of EUR 117 million in other net assets and liabilities mainly due to:
 - A decrease of EUR 23 million in the stake in the Please entity following an update of the valuation (the activity has been discontinued in 2022) and of the percentage of ownership by the Group.
 - A decrease of EUR 18 million related to allowance for expected credit losses on trade receivables as a result of alignment to the methodology applied by the Group.
 - A decrease of EUR 73 million related to the historical motor finance commission payments (DCA – Discretionary Commission Arrangement) to be accrued for INULA HOLDING UK LIMITED.

The omission of a provision from the 2023 financial statements has been considered as a prior period error and adjusted against the Goodwill.

- An increase of EUR 35 million in net deferred tax asset arising from the adjustments above.

IMPAIRMENT TEST OF CGU

The Group performed an annual impairment test on 31 December 2024 for each CGU to which goodwill had been allocated.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from the Group's other assets or groups of assets. Impairment tests consist into assessing the recoverable value of each CGU and comparing it with its carrying value. An irreversible impairment loss is recorded in the income statement if the carrying value of a CGU, including goodwill, exceeds its recoverable value. This loss is booked under value adjustment on goodwill.

The recoverable amount of a CGU is calculated using the discounted cash flow (DCF) method applied to the entire CGU.

The key principles retained for the implementation of annual tests for the assessment of the recoverable value of CGUs are as follows:

- For each CGU, estimates of future distributable dividends are determined over a five-year period, based on a on a five-year (from 2025 to 2029) budget trajectory (SG Central scenario) extrapolated to 2030, the latter year being used to calculate the terminal value.
- These estimates consider the equity target allocated to each CGU, in increase compared to 31 December 2023 (13% of the risk-weighted assets of each CGU for 2024 versus 12% for 2023).
- The growth rates used to calculate the terminal value are determined using forecasts on sustainable long-term economic growth and inflation. These rates are estimated using two main sources, namely the International Monetary Fund and the economic analyses produced by SG Cross Asset Research which provides 2028 or 2029 forecasts.
- The central scenario makes the working assumption that governments and corporates deliver on announced policy pledges in line with a Below 2°C (B2D) scenario but falling short of Net Zero 2050 (1.5°C). The scenario assumes no major public opinion push-back, and envisions that public policies will prioritise efficient green investment, with private sector financing playing a key role. This implies significant sectorial transformations, with some sectors, seeing declining demand.
- The projected dividends are then discounted based on a rate equal to the risk-free rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free rate available around monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued (mainly US dollar area or Euro area), in proportion with risk-weighted assets for CGUs covering several countries.

As at 31 December 2024, the table below presents discount rates and long-term growth rates specific to the CGUs of the Group's three core businesses:

Table 2.2.C

Assumptions as at 31 December 2024	Discount rate	Long-term growth rate
French Retail and Private Banking	9.3%	2.0%
Insurances	9.9%	2.0%
Global Markets and Investor Services	11.8%	2.5%
Financial Services	10.3%	2.0%
International Banking	11,8% to 13,5%	2,0% to 3,0%
Consumer finance	10.4%	2.0%
Mobility and Leasing Services	10.5%	2.0%

These budgets are based on the following main business and macro-economic assumptions:

Table 2.2.D

Pillars	
French Retail, Private Banking and Insurances	
French Retail and Private Banking	<ul style="list-style-type: none"> ▪ Ongoing efforts to shift operations and relationship banking at Societe Generale towards a digital model and merge the two retail banking networks ▪ Consolidation of commercial and operational efficiency in Wealth Management and continued development of synergies with retail banking network ▪ Confirmation of Boursorama's customer acquisition plan to reach more than 8 millions clients in 2026
Insurances	<ul style="list-style-type: none"> ▪ Reinforcement of integrated bank insurance model and continued dynamic growth in France and abroad in synergy with the retail banking network, Private Banking and financial services to businesses
Global Banking and Investor Solutions	
Global Markets and Investor Services	<ul style="list-style-type: none"> ▪ Thanks to the restructuring initiated and integration of Bernstein, better balance of the portfolio of businesses securing future revenues and enabling an optimisation of the use of ressources in a standardised market context ▪ Consolidation of market-leading franchises (equities) and growth mainly supported by financing and investment solutions activities ▪ Continued of optimisation measures and investments in information systems
Financing and Advisory	<ul style="list-style-type: none"> ▪ Consolidation of origination momentum of financing activities oriented towards capital consumption optimisation ▪ Consolidation of market-leading franchises (commodity and structured financing) and continued RSE business development
International Retail, Mobility and Leasing Services ⁽¹⁾	
Europe	<ul style="list-style-type: none"> ▪ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations ▪ Strict discipline applied to operating expenses and normalisation of cost of risk
Africa, Mediterranean Basin and Overseas	<ul style="list-style-type: none"> ▪ Consolidation of positions in a transforming perimeter ▪ Continued focus on operating efficiency (automatisation, dematerialisation, digitalisation and mutualisation initiatives) and gradual reduction cost of risk
Auto Leasing Financial Services	<ul style="list-style-type: none"> ▪ Creation of a leading global player in mobility with the integration of LeasePlan ▪ New strategic plan articulated around 4 priorities: clients, operational efficiency, responsibility and profitability
Consumer Finance	<ul style="list-style-type: none"> ▪ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations ▪ Strict discipline applied to operating expenses and normalisation of cost of risk

(1) As at 31 December 2024, the assets of CGU Equipment and Vendor Finance were reclassified into Non-current Assets held for sale (see Note 2.4).

For CGUs, the tests carried out on 31 December 2024 show that the recoverable amount remains higher than the book value.

Sensitivity tests were performed to measure the impact of the change in the discount rate and in the long-term growth rate on the recoverable amount of each CGU. The results of these tests show that:

- A 50 basis point increase applied to all CGU discount rates shown in the table above would result in a decrease in the total recoverable amount of 6.4% without requiring additional impairment of any CGU.
- A 50 basis point reduction in long-term growth rates would result in a 1.9% decrease in the total recoverable amount without requiring additional depreciation of any CGU.
- By combining these two sensitivity cases, the total recoverable amount would result in a 7.9% decrease without requiring additional depreciation of any CGU.

NOTE 2.3 - UNCONSOLIDATED STRUCTURED ENTITIES

The information provided hereafter concerns entities structured but not controlled by the Group. This information is grouped by main type of similar entities, such as Financing activities, Asset management and Others (including Securitisation and Issuing vehicles).

Asset financing includes Economic Interest Groups, partnerships and similar vehicles that provide aircraft, rail, shipping or real estate finance facilities.

Asset management includes mutual funds managed by the Group's asset management subsidiaries.

Securitisation includes securitisation funds or similar vehicles issuing financial instruments that can be subscribed for by investors and that generate credit risks inherent in an exposure or basket of exposures which can be divided into tranches.

The Group's interests in unconsolidated entities that have been structured by third parties are classified among financial instruments in the consolidated balance sheet according to their nature.

1. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The Group's interests in an unconsolidated structured entity refer to contractual and non-contractual involvements that expose the Group to the variability of returns from the performance of this structured entity.

Such interests can be evidenced by:

- the holding of equity or debt instruments regardless of their rank of subordination;
- other funding (loans, cash facilities, loan commitments, liquidity facilities);
- credit enhancement (guarantees, subordinated instruments, credit derivatives...);
- issuance of guarantees (guarantee commitments);
- derivatives that absorb all or part of the risk of variability of the structured entity's returns, except Credit Default Swap (CDS) and options purchased by the Group;
- contracts remunerated by fees indexed to the structured entity's performance;
- tax consolidation agreements.

Table 2.3.A

<i>(In EUR m)</i>	Asset financing		Asset management		Others	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Total balance sheet ⁽¹⁾ of the entity	4,790	4,799	21,418	19,509	6,787	11,740
Net carrying amount of Group interests in unconsolidated structured entities						
Assets	2,593	2,664	1,321	769	8,217	8,044
Financial assets at fair value through profit or loss	58	156	1,291	647	534	557
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets at amortised cost	2,526	2,505	20	122	7,682	7,487
Others assets	9	3	10	-	1	-
Liabilities	1,002	1,356	1,261	784	1,861	2,147
Financial liabilities at fair value through profit or loss	32	105	997	422	261	456
Due to banks and customer deposits	960	1,159	257	294	1,600	1,635
Others liabilities	10	92	7	68	-	56

(1) For Asset management: NAV (Net Asset Value) of funds.

The Group may grant to these entities repayable advances related to the establishment of working capital, which remain insignificant.

However, this year, the Group has not provided any financial support to these entities, except if bound to by contract, and, as of 31 December 2024, does not intend to provide such support.

The maximum exposure to loss related to interests in unconsolidated structured entities is measured as:

Table 2.3.B

<i>(In EUR m)</i>	Asset financing		Asset management		Others	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Amortised cost or fair value (according to the measurement of the financial instrument) of non-derivative financial assets entered into with the structured entity	2,535	2,633	1,970	2,395	487	514
Fair value of derivative financial assets recognised in the balance sheet	58	42	932	484	47	69
Notional amount of CDS sold (maximum amount to be paid)	-	-	-	-	-	-
Notional amount of financing or guarantee commitments granted	201	574	243	734	1,397	1,382
Maximum exposure to loss	2,794	3,249	3,145	3,613	1,931	1,965

The amount of maximum exposure to loss can be mitigated by:

- the notional amount of guarantee commitments received;
- the fair value of collateral received;
- the carrying amount of surety deposits received.

These mitigating amounts must be capped in case of legal or contractual limitation of their realisable or recoverable amounts. They amounted to EUR 3,404 million and mainly concern Asset financing and the others.

2. INFORMATION ON UNCONSOLIDATED STRUCTURED ENTITIES SPONSORED BY THE GROUP

The Group may have no ownership interest in a structured entity, but still be considered as a sponsor of this structured entity if it acts or has acted as:

- a structurer;
- an originator for potential investors;
- an asset manager;
- an implicit or explicit guarantor of the entity's performance (in particular via capital or return guarantees granted to mutual fund unit holders).

A structured entity is also considered to be sponsored by the Group if its name includes the name of the Group or the name of one of its subsidiaries.

Conversely, entities that are structured by the Group according to specific needs expressed by one or more customers or investors are considered to be sponsored by said customers or investors.

As at 31 December 2024, the total amount of the balance sheet of these unconsolidated structured entities, sponsored by the Group, and in which the Group does not have any interest, is EUR 10,128 million.

In 2024, no significant revenue has been recognised for these structured entities.

NOTE 2.4 - NON-CURRENT ASSETS HELD FOR SALE AND RELATED DEBT

ACCOUNTING PRINCIPLES

A non-current asset or group of assets and liabilities is deemed to be “held for sale” if its carrying value will primarily be recovered through a sale and not through its continuing use. For this classification to apply, the asset or group of assets and liabilities must then be immediately available-for-sale in its present condition and it must be highly probable that the sale will occur within twelve months.

For this to be the case, the Group must be committed to a plan to sell the asset (or disposal group of assets and liabilities) and have begun actively searching for a buyer. Furthermore, the asset or group of assets and liabilities must be measured at a price that is reasonable in relation to its current fair value.

Assets and liabilities into this category are classified as Non-current assets held for sale and Non-current liabilities held for sale, with no netting.

If the fair value less selling costs of non-current assets and groups of assets and liabilities held for sale is less than their net carrying value, an impairment is then recognised in profit or loss. Moreover, Non-current assets held for sale are no longer amortised or depreciated.

As part of the execution of the strategic roadmap of Societe Generale presented on 18 September 2023, aimed at shaping a simplified, more synergetic and efficient model, while strengthening its capital, the Group is engaged in a disposal process of several subsidiaries.

The main subsidiaries are:

- Societe Generale Equipment Finance (SGEF)

On 11 April 2024, Societe Generale signed a memorandum of understanding with the BPCE group for the sale of the activities of Societe Generale Equipment Finance.

The customer loans at amortised cost covered by the memorandum of understanding amounted to more than EUR 14 billion at end of December 2024. This transaction, which would be priced at EUR 1.1 billion, is expected in the first quarter of 2025.

- Societe Generale Kleinwort Hambros Bank (SGKH) and Societe Generale Private Banking Suisse (SGPBS)

On 4 August 2024, Societe Generale signed agreements with the Union Bancaire Privée, UBP SA (UBP) to sell SG Kleinwort Hambros Bank Limited and Societe Generale Private Banking S.A. (Suisse) operating from London and Geneva, respectively. The assets under management of the activities concerned by these agreements amounted to approximately EUR 28 billion at end December 2024. The sale of Societe Generale Private Banking S.A. (Suisse) was finalised on 31 January 2025. The disposal of SG Kleinwort Hambros Bank Limited is expected to be finalised in the first half of 2025.

As at 31 December 2024, the details of the items Non-current assets and liabilities held for sale are as follows:

Table 2.4.A

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Non-current assets held for sale	26,426	1,763
Fixed assets and Goodwill	424	122
Financial assets	23,725	1,335
<i>Financial assets at fair value through profit or loss</i>	95	4
<i>Financial assets at fair value through equity</i>	2,904	-
<i>Securities at the amortised cost</i>	535	350
<i>Due from banks</i>	199	20
<i>Customer loans</i>	19,992	961
Other assets	2,277	306
Non-current liabilities held for sale	17,079	1,703
Allowances	175	44
Financial liabilities	16,372	1,609
<i>Financial liabilities at fair value through profit or loss</i>	15	-
<i>Due to banks</i>	3,714	42
<i>Customer deposits</i>	12,620	1,542
<i>Subordinated debt</i>	23	25
Other liabilities	532	50

As at 31 December 2024, the items Non-current assets and liabilities held for sale include the assets and liabilities related to the following consolidated subsidiaries:

Mobility and Leasing Services	French retail and Private Banking	International Retail Banking
GEFA BANK GMBH	SG KLEINWORT HAMBROS BANK LIMITED	SOCIETE GENERALE DE BANQUES EN GUINEE EQUATORIALE ⁽¹⁾
FRAER LEASING SPA	SG KLEINWORT HAMBROS TRUST COMPANY (UK) LIMITED	SOCIETE GENERALE MAURITANIE ⁽¹⁾
SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	KLEINWORT BENSON INTERNATIONAL TRUSTEES LIMITED	SOCIETE GENERALE BURKINA FASO ⁽²⁾
SG LEASING SPA	SG KLEINWORT HAMBROS BANK LIMITED GUERNSEY BRANCH	SOCIETE GENERALE BENIN
SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.	SG KLEINWORT HAMBROS BANK LIMITED, JERSEY BRANCH	SOCIETE GENERALE GUINEE
SG EQUIPMENT FINANCE USA CORP.	SG KLEINWORT HAMBROS BANK LIMITED GIBRALTAR BRANCH	
SG EQUIPMENT FINANCE ITALY S.P.A.	J D CORPORATE SERVICES LIMITED	
SG EQUIPMENT FINANCE SCHWEIZ AG	SG KLEINWORT HAMBROS TRUST COMPANY (CI) LIMITED	
SG EQUIPMENT LEASING POLSKA SP Z.O.O.	HAMBROS (GIBRALTAR NOMINEES) LIMITED	
SG EQUIPMENT FINANCE BENELUX BV	HAMBROS (GUERNSEY NOMINEES) LTD	
SOCIETE GENERALE LEASING AND RENTING CO. LTD	ELMFORD LIMITED	
SG EQUIPMENT FINANCE HUNGARY ZRT	HANOM I LIMITED	
PHILIPS MEDICAL CAPITAL FRANCE	CDS INTERNATIONAL LIMITED	
SOCIETE GENERALE EQUIPMENT FINANCE S/A - ARRENDAMENTO MERCANTIL	SGKH TRUSTEES (CI) LIMITED	
SGEF SA	SG KLEINWORT HAMBROS NOMINEES LIMITED	
PHILIPS MEDICAL CAPITAL GMBH	SOCIETE GENERALE PRIVATE BANKING (SUISSE) S.A.	
SG EQUIPMENT FINANCE BENELUX B.V. BELGIAN BRANCH		
SG EQUIPMENT FINANCE (DECEMBER) LIMITED		
GEFA VERSICHERUNGSDIENST GMBH		

(1) The Group maintains its intention to sell the subsidiaries SOCIETE GENERALE DE BANQUES IN EQUATORIAL GUINEA and SOCIETE GENERALE MAURITANIE. The assets and liabilities of these entities are presented in the table of non-current assets and liabilities held for sale since 30 June 2023.

(2) The Group maintains its intention to sell the subsidiary SOCIETE GENERALE BURKINA FASO. The assets and liabilities of this entity are presented in the table of non-current assets and liabilities held for sale since 31 December 2023.

NOTE 3 - FINANCIAL INSTRUMENTS



MAKING
IT
SIMPLE

The financial instruments represent the contractual rights or obligations to receive or to pay cash or other financial assets. The Group's banking activities generally take the form of financial instruments covering a broad spectrum of assets and liabilities, such as loans, investment portfolios (equity, bonds, etc.), deposits, regulated savings accounts, debt securities issued and derivative instruments (swaps, options, forward contracts, credit derivatives, etc.).

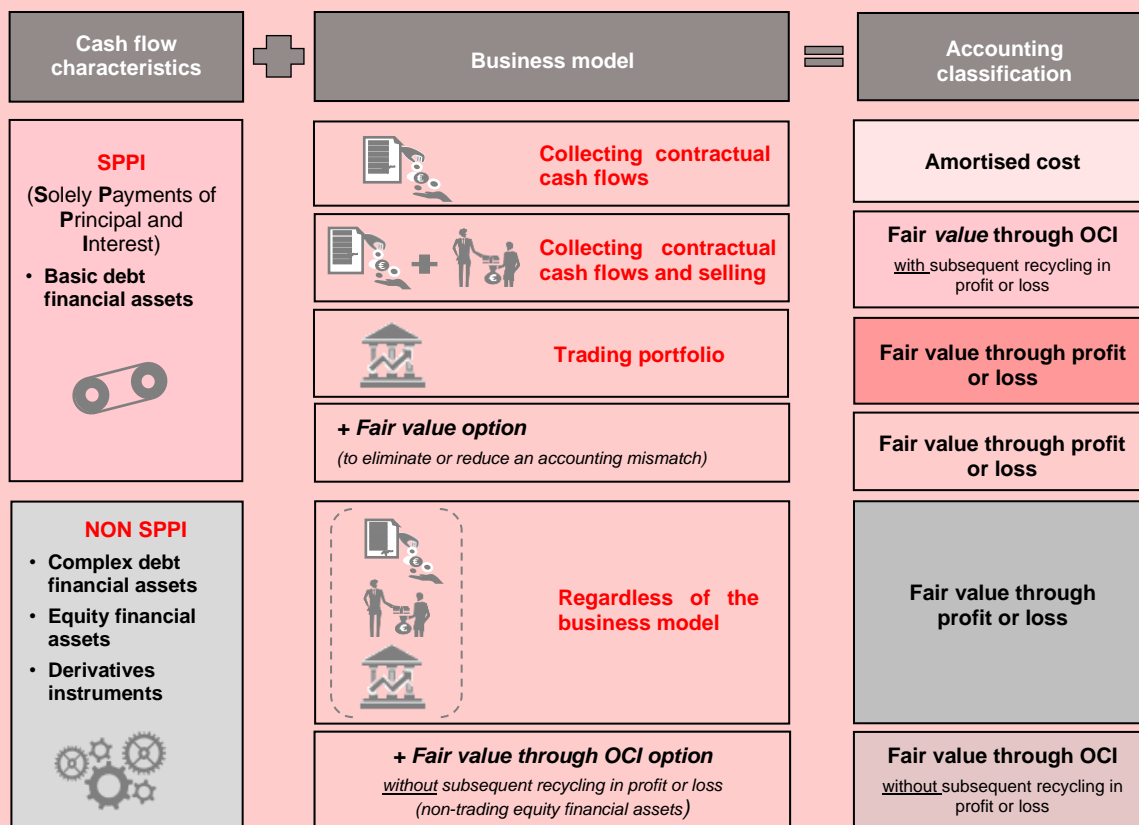
In the financial statements, the classification and valuation of financial assets and liabilities depend on their contractual characteristics and the way the entity manages those financial instruments.

However, this distinction is not applicable to derivative instruments, which are always measured at fair value in the balance sheet, no matter what their purpose is (market activities or hedging transactions).

ACCOUNTING PRINCIPLES

CLASSIFICATION OF FINANCIAL ASSETS

At initial recognition, financial instruments are classified in the Group balance sheet in one of three categories (amortised cost, fair value through profit or loss, and fair value through other comprehensive income) that determine their accounting treatment and subsequent measurement method. Classification is based on their contractual cash flow characteristics and the entity's business model for managing the assets.



The accounting principles for classifying the financial assets require the entity to analyse the contractual cash flows generated by the financial instruments and to analyse the business model for managing the financial instruments.

Analysis of contractual cash flow characteristics

The aim of the analysis of contractual cash flow characteristics is to limit the option of recognising revenues from financial assets using the effective interest method exclusively to the instruments whose characteristics are similar to those of a basic lending arrangement, meaning their associated cash flows are highly predictable. All other financial instruments that do not share these characteristics are measured at fair value through profit or loss, regardless of the business model used to manage them.

The contractual inflows that represent Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding are consistent with a basic lending arrangement.

In a basic lending arrangement, interest predominantly consists of a consideration for the time value of money and for credit risk. Interest may also include a consideration for liquidity risk, administrative costs, and a commercial profit margin. Negative interest is not inconsistent with this definition.

All financial assets that are not basic will be mandatorily measured at fair value through profit or loss, regardless of the business model for managing them.

Derivatives qualifying as hedging instruments for accounting purposes are recorded on a separate line in the balance sheet (see Note 3.2).

The Group can make the irrevocable decision on a security-by-security basis, to classify and measure any equity instrument (shares and other equity securities) that is not held for trading purposes at fair value through other comprehensive income. Subsequently, the profit or loss accumulated in other comprehensive income will never be reclassified to profit or loss (only dividends on these instruments will be recognised as income).

Analysis of the business model

The business model represents how the financial instruments are managed in order to generate cash flows and income.

The Group uses several business models in the course of exercising its different business lines. Business models are assessed on how groups of financial instruments are managed together to achieve a particular business objective. The business model is not assessed on an instrument-by-instrument basis, but at a portfolio level, considering relevant evidence such as:

- how the performance of the portfolio is evaluated and reported to the Group's Management;
- how risks related to financial instruments within that business model are managed;
- how managers of the business are compensated;
- sales of assets realised or expected (value, frequency, purpose).

To determine the classification and measurement of financial assets, three different business models shall be distinguished:

- a business model whose objective is to collect contractual cash flows ("Collect" business model);
- a business model whose objective is achieved by both collecting contractual cash flows on financial assets and selling these financial assets ("Collect and Sell" business model);
- a separate business model for other financial assets, especially those that are held for trading purposes, where collecting contractual cash flows is only incidental.

Fair value option

SPPI financial assets that are not held for trading purposes can be designated, at initial recognition, at fair value through profit or loss if such designation eliminates or significantly reduces discrepancies in the accounting treatment of the related financial assets and liabilities (accounting mismatch).

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 Group upon initial recognition to be measured at fair value through profit or loss using the fair value option;
- Debts: these include the other non-derivative financial liabilities and are measured at amortised cost.

Derivative financial liabilities qualifying as hedging instruments are presented on separate lines of the balance sheet (see Note 3.2).

RECLASSIFICATIONS OF FINANCIAL ASSETS

Reclassifications of financial assets are only required in the exceptional event that the Group changes the business model used to manage these assets.

These reclassifications are applied prospectively (no restatement of previously recognised profits, losses or interests).

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. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.4.

INITIAL RECOGNITION

Financial assets are recognised on the balance sheet:

- as at the settlement/delivery date for securities;
- as at the trade date for derivatives;
- as at the disbursement date for loans.

For instruments measured at fair value, changes in fair value between the trade date and the settlement-delivery date are recorded in net income or in other comprehensive income, depending on the accounting classification of the financial assets in question. The trade date is the date on which the contractual commitment becomes binding and irrevocable for the Group.

Upon initial recognition, the financial assets and liabilities are measured at fair value including the transaction costs directly attributable to their acquisition or issuance, except for the financial instruments recognised at fair value through profit or loss, for which these costs are booked directly to the income statement.

If the initial fair value is exclusively based on observable market data, any difference between the fair value and the transaction price, *i.e.* the sales margin, is immediately recognised in profit or loss. However, if one of the valuation inputs is not observable or if the used valuation model is not recognised by the market, the recognition of the sales margin is then generally deferred in profit or loss. For some instruments, due to their complexity, this margin is recognised at their maturity or upon disposal in the event of an early sale. When valuation inputs become observable, any portion of the sales margin that has not yet been recorded is then recognised in profit or loss (see Note 3.4.7).

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The Group derecognises all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows and substantially all of the risks and rewards linked to ownership of the asset.

The Group also derecognises financial assets over which it has retained the contractual rights to the associated cash flows but is contractually obligated to pass these same cash flows through to a third party ("pass-through agreement") and for which it has transferred substantially all of the risks and rewards.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all of the risks and rewards of its ownership and has effectively not retained control of the financial asset, the Group derecognises it and, where necessary, recognises a separate asset or liability to cover any rights and obligations created or retained as a result of the transfer of the asset. If the Group has retained control of the asset, it continues to recognise it in the balance sheet to the extent of its continuing involvement in said asset.

When a financial asset is derecognised in its entirety, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the carrying value of the asset and the payment received for it, adjusted where necessary for any unrealised profit or loss previously recognised directly in equity and for the value of any servicing asset or servicing liability. Indemnities billed to borrowers following the prepayment of their loan are recorded in profit or loss on the prepayment date in Interest and similar income.

The Group derecognises all or part of a financial liability when it is extinguished, *i.e.* when the obligation specified in the contract is discharged, cancelled or expired.

A financial liability may also be derecognised in the event of a substantial amendment to its contractual conditions or where an exchange is made with the lender for an instrument whose contractual conditions are substantially different.

FOREIGN EXCHANGE TRANSACTIONS

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the entity's functional currency at the prevailing spot exchange rate. Realised or unrealised foreign exchange losses or gains are recognised under Net gains and losses on financial instruments at fair value through profit or loss.

Forward foreign exchange transactions are recognised at fair value based on the forward exchange rate for the remaining maturity. Spot foreign exchange positions are valued using the official spot rates prevailing at the end of the period. Unrealised gains and losses are recognised in the income statement under Net gains and losses on financial instruments at fair value through profit or loss (see Note 3.1), except when hedge accounting is applied to a cash-flow hedge transaction or to a hedge of a net investment in a foreign currency operation (see Note 3.2).

At the balance sheet date, non-monetary assets and liabilities denominated in foreign currencies measured at fair value (in particular, shares and other equity instruments) are translated into the entity's functional currency at the prevailing spot exchange rate. Foreign exchanges losses or gains are recognised either in profit or loss under Net gains and losses on financial instruments at fair value through profit or loss, or under other comprehensive income (Unrealised and deferred gains and losses), depending on the accounting of the gains or losses relative to these assets/liabilities.

At the balance sheet date, non-monetary assets and liabilities denominated in foreign currencies measured at historical cost are translated into the entity's functional currency at the historical exchange rate on initial recognition.

METHOD OF ANALYSIS OF CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS

The Group has established procedures for determining if financial assets pass the SPPI test at initial recognition (loans granting, acquisition of securities, etc.).


All contractual terms shall be analysed, particularly those that could change the timing or amount of contractual cash flows. A contractual term that permits the borrower or the lender to prepay or to return the debt instrument to the issuer before maturity remains consistent with SPPI cash flows, provided the prepayment amount primarily represents the principal remaining due and accrued but unpaid contractual interest, which may include a reasonable compensation. The fact that such compensation can be either positive or negative is not inconsistent with the SPPI nature of cash flows.

The prepayment compensation is considered as reasonable especially when:


- the amount is calculated as a percentage of the outstanding amount of the loan and is capped by regulations (in France, for example, compensation for the prepayment of mortgage loans by individuals is legally capped at an amount equal to six months of interest or 3% of the principal outstanding), or is limited by competitive market practices;

- the amount is equal to the difference between contractual interest that should have been received until the maturity of the loan and the interest that would be obtained by the reinvestment of the prepaid amount at a rate that reflects the relevant benchmark interest rate.

Some loans are prepayable at their current fair value, while others can be prepayable at an amount that includes the fair value cost to terminate an associated hedging swap. It is possible to consider such prepayment amounts as SPPI provided that they reflect the effect of changes in the relevant benchmark interest rate.

	<p>Basic financial assets (SPPI) are debt instruments which mainly include:</p> <ul style="list-style-type: none"> ▪ fixed-rate loans; ▪ variable-rate loans that can include caps or floors; ▪ fixed or variable-rate debt securities (government or corporate bonds, other negotiable debt securities); ▪ securities purchased under resale agreements (reverse repos); ▪ guarantee deposits paid ; ▪ trade receivables.
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Contractual terms that would introduce exposure to risks or volatility in the contractual cash flows, unrelated to a basic lending arrangement (such as exposure to changes in equity prices or stock indexes for instance, or leverage features), could not be considered as being SPPI, except if their effect on the contractual cash flows remains minimum (de minimis character of their variability).

	<p>Non-basic financial assets (non-SPPI) mainly include:</p> <ul style="list-style-type: none"> ▪ derivative instruments; ▪ shares and other equity instruments held by the entity; ▪ equity instruments issued by mutual funds; ▪ debt financial assets that can be converted or redeemed into a fixed number of shares (convertible bonds, equity-linked securities, etc.); ▪ Structured instruments whose cash flows are indexed, in part or in whole, to a benchmark index.
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The Basic financial assets (SPPI) held by the Group include the financing of sustainable development projects (labelled Environment Social and Governance) in the form of Sustainability-linked bonds, social bonds and Green bonds with SPPI-compliant contractual cash flows.

Non-basic financial assets (non-SPPI) include the structured instruments whose cash flows are indexed, in whole or in part, to an index that is not specific to the issuer, such as an ESG market index.

Impact loans have been granted by the Group to support enterprises in their sustainability approach through an incentive mechanism that reviews the margin according to ESG criteria specific to the borrower or to the achievement by the latter of sustainable development goals (Sustainability-linked loans). At the end of 2024, the outstanding amount of impact loans valued at amortised cost reached approximately EUR 7.5 billion and came jointly with financing commitments of approximately EUR 20.6 billion. The sustainability objectives set can be, for example, the reduction of greenhouse gas emissions, the development of cultivated areas with alternatives to synthetic plant protection products, the increase in the representation of women in management bodies, the reduction of water use. As a result of their analysis, these loans have been classified as basic financial assets (SPPI) provided that their flows meet the SPPI criteria and the ESG component fulfills the *de minimis* criterion.

During the 2nd quarter 2024, the IASB published amendments to IFRS 9 which clarify the classification of financial assets, in particular the way to assess the consistency of the contractual cash flows of a financial asset with a basic lending arrangement. They thus clarify the classification of the impact loans granted by the Group.

Analysing the contractual cash flows may also necessitate comparing them with those of a benchmark instrument when the 'time value of money' component included in the interests is likely to be modified owing to the contractual clauses of the instrument. This is the case, for example, when the interest rate of a financial instrument is periodically revised but the periodicity of revision does not match the term for which the interest rate is set (such as an interest rate revised monthly based on a one-year rate) or when the interest rate of a financial instrument is periodically revised based on an average of short- and long-term interest rates.

If the difference between the undiscounted contractual cash flows and the undiscounted benchmark cash flows is or may become significant, then the instrument is not considered basic.

Depending on the contractual terms, the comparison with benchmark cash flow may be performed through a qualitative assessment; but in other cases, a quantitative test is required. The difference between contractual and benchmark cash flows has to be considered in each reporting period and cumulatively over the life of the instrument. When performing this benchmark test, the entity considers factors that could affect future undiscounted contractual cash flows: using the yield curve at the date of the initial assessment is not enough, and the entity also has to consider whether the curve could change over the life of the instrument according to reasonably possible scenarios.

Within the Group, the financial instruments concerned by a benchmark test include, for instance, variable-rate housing loans for which interest rates are reset every year based on the twelve-month Euribor average observed over the two months previous to the reset. Another example is loans granted to real estate professionals for which interest is revised quarterly based on the one-month Euribor average observed over the three months previous to the reset. Following the benchmark analysis performed by the Group, it has been concluded that these loans are basic.

Furthermore, a specific analysis of contractual cash flow is required when financial assets are instruments issued by a securitisation vehicle or a similar entity that prioritises payments to holders using multiple contractually-linked instruments that create concentrations of credit risk (tranches). When assessing whether contractual cash flows are SPPI or not, the entity must analyse the contractual terms, as well as the credit risk of each tranche and the exposure to credit risk in the underlying pool of financial instruments. To that end, the entity must apply a "look-through approach" to identify the underlying instruments that are creating the cash flows.

NOTE 3.1 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

OVERVIEW

Table 3.1.A

<i>(In EUR m)</i>	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Trading portfolio	391,379	295,933	366,087	281,335
Financial assets measured mandatorily at fair value through profit or loss	118,928		114,651	
Financial instruments measured at fair value through profit or loss using the fair value option	15,741	100,681	15,144	94,249
Total	526,048	396,614	495,882	375,584
<i>o/w securities purchased/sold under resale/repurchase agreements</i>	148,255	139,880	159,119	139,145

1. TRADING PORTFOLIO

ACCOUNTING PRINCIPLES

The trading book contains the financial assets and liabilities held or accrued for the purpose of capital markets activities.

This portfolio also includes, among other trading assets, the physical stocks of raw materials that the Group might hold a market-maker on commodity derivatives.


Derivative financial instruments are classified into the trading portfolio, unless they qualify as hedging instruments (see Note 3.2).

The financial instruments recorded in the trading portfolio are measured at fair value as at the closing date and recognised in the balance sheet under Financial assets or liabilities at fair value through profit or loss. The changes in fair value and revenues associated to those instruments are recorded in profit or loss under Net gains and losses on financial instruments at fair value through profit or loss.

TRADING ACTIVITIES

Financial assets held for trading are:

- acquired for the purpose of selling or repurchasing it in the near term; or
- held for market-making purposes; or
- acquired for the purposes of the specialised management of a trading portfolio, including derivative financial instruments, securities or other financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

	<p>Global market activities</p> <p>The trading business model is applied by Global Banking and Investor Solutions to manage its global market activities.</p> <p>It is also applied for managing syndicated loan commitments and loans that are not intended to be kept by the Group and that have been identified since their origination as to be sold in the short term (within 6 to 12 months) on the secondary market, as well as for loans originated by the Group through originate-to-distribute activities and that are expected to be sold shortly.</p>
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Financial assets held in run-off portfolios are also monitored based on their fair value. Although those portfolios are not related to market activities, those assets are presented amongst trading portfolio and are measured at fair value through profit or loss.

Trading portfolio includes all the financial assets held for trading purpose regardless of the characteristics of their contractual cash flows. Only non-SPPI financial assets that are not held for trading are classified amongst Financial assets measured mandatorily at fair value through profit or loss (see section 3.1.2).

ASSETS

Table 3.1.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Bonds and other debt securities	48,226	39,427
Shares and other equity securities	89,994	71,694
Securities purchased under resale agreements	148,207	159,073
Trading derivatives ⁽¹⁾	96,746	83,535
Loans, receivables and other trading assets	8,206	12,358
Total	391,379	366,087
<i>o/w securities lent</i>	<i>23,081</i>	<i>14,509</i>

(1) See Note 3.2 Financial derivatives.

LIABILITIES

Table 3.1.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Amounts payable on borrowed securities	43,076	42,483
Bonds and other debt instruments sold short	5,788	7,306
Shares and other equity instruments sold short	2,468	2,091
Securities sold under repurchase agreements	136,929	137,019
Trading derivatives ⁽¹⁾	105,431	89,803
Borrowings and other trading liabilities	2,241	2,633
Total	295,933	281,335

(1) See Note 3.2 Financial derivatives.

2. FINANCIAL INSTRUMENTS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

ACCOUNTING PRINCIPLES

Financial assets measured mandatorily at fair value through profit or loss include:

- loans, bonds and bond equivalents that are not held for trading purposes and do not pass the SPPI test (non-basic or non-SPPI instruments);
- shares and share equivalents that are not classified in any other sub-category: trading book at fair value through profit or loss, instruments designated by the Group at fair value through other comprehensive income without subsequent reclassification to profit or loss.

These assets are recorded at fair value in the balance sheet under Financial assets at fair value through profit or loss and changes in the fair value of these instruments (excluding interest income) are recorded in profit or loss under Net gains or losses on financial instruments at fair value through profit or loss.

Table 3.1.D

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Bonds and other debt securities	34,449	30,677
Shares and other equity securities	71,020	68,691
Loans, receivables and securities purchased under resale agreements	13,459	15,283
Total	118,928	114,651

BREAKDOWN OF LOANS, RECEIVABLES AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Table 3.1.E

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Short-term loans	1,966	1,360
Equipment loans	8,651	10,052
Other loans	2,842	3,871
Total	13,459	15,283

The loans, receivables and securities purchased under resale agreements recorded in the balance sheet under Financial assets mandatorily at fair value through profit or loss are mainly:

- loans that include prepayment features with compensation that do not reflect the effect of changes in the benchmark interest rate;
- loans with indexation clauses that do not qualify them as basic loans (SPPI).

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS USING FAIR VALUE OPTION

ACCOUNTING PRINCIPLES

In addition to the financial assets and liabilities held for trading, and the financial assets measured mandatorily at fair value through profit or loss, the same items in the financial statements include the non-derivative financial assets and liabilities that the Group has designated at fair value through profit or loss. Changes in the fair value of these instruments (including interest) are recorded in profit or loss under Net gains or losses on financial instruments at fair value through profit or loss, except the share related to the Group's own credit risk on financial liabilities which is booked under Unrealised or deferred gains and losses. Furthermore, in case of derecognition of a financial liability at fair value through profit or loss using the fair value option before its contractual maturity, any gains and losses, related to the Group's own credit risk are booked under Unrealised or deferred gains and losses and then reclassified under Retained earnings at the beginning of the subsequent financial year.

For financial assets, this option may only be used to eliminate or significantly reduce accounting mismatches that would otherwise arise from applying different accounting treatments to certain related financial assets and liabilities.

For financial liabilities, this option may only be used in the following cases:

- to eliminate or reduce discrepancies in the accounting treatment of certain related financial assets and liabilities;
- when it applies to a hybrid financial instrument with one or more embedded derivatives, which should be recognised separately;
- when a group of financial assets and/or liabilities is managed together and its performance is measured at fair value.

ASSETS

Table 3.1.F

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Bonds and other debt securities	14,394	13,821
Loans, receivables and securities purchased under resale agreements	57	68
Separate assets for employee benefits plans ⁽¹⁾	1,290	1,255
Total	15,741	15,144

(1) Including, as at 31 December 2024, EUR 1,092 million of separate assets for defined post-employment benefit plan compared to EUR 1,076 million as at 31 December 2023 (see Note 5.1.2).

LIABILITIES

Financial liabilities measured at fair value through profit or loss in accordance with the fair value option predominantly consist of structured bonds issued by the Societe Generale group.

The Group thus recognises structured bonds issued by Societe Generale Corporate and Investment Banking at fair value through profit or loss. These issuances are purely commercial and the associated risks are hedged on the market using financial instruments managed in trading portfolios. By using the fair value

option, the Group can ensure consistency between the accounting treatment of these bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

Table 3.1.G

<i>(In EUR m)</i>	31.12.2024		31.12.2023	
	Fair value	Amount redeemable at maturity	Fair value	Amount redeemable at maturity
Financial instruments measured using fair value option through profit or loss	100,681	100,933	94,249	99,500

The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale group's most recent financing terms and conditions on the markets and the residual maturity of the related liabilities.

Changes in fair value attributable to own credit risk generated an equity loss of EUR 254 million before tax. As at 31 December 2024, the total amount of changes in fair value attributable to own credit risk represents a total loss of EUR 189 million before tax.

4. NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Table 3.1.H

<i>(In EUR m)</i>	2024	2023
Net gain/loss on trading portfolio (excluding derivatives)	17,593	8,844
Net gain/loss on financial instruments at fair value through profit or loss ⁽¹⁾	3,636	6,272
Net gain/loss on financial instruments measured using fair value option	(3,055)	(4,793)
Net gain/loss on derivative instruments	(7,849)	(1,310)
Net gains/loss on hedging instruments ⁽²⁾	(119)	169
<i>Net gain/loss on fair value hedging derivatives</i>	1,495	3,141
<i>Revaluation of hedged items attributable to hedged risks ⁽³⁾</i>	(1,621)	(2,973)
<i>Ineffective cut of the cash flow hedges</i>	7	1
Net gain/loss on foreign exchange transactions	943	1,145
Total ⁽⁴⁾	11,149	10,327
<i>o/w gains on financial instruments at fair value through other comprehensive income</i>	1,287	1,148

(1) This item includes realised and unrealised gains and losses on debt and equity instruments, with the exception of the income component of debt instruments representative of an interest rate, which is recorded under net interest margin (see Note 3.7).

(2) This item includes only the net gain/loss on hedging transactions related to financial instruments. For the hedging transactions related to non-financial assets and liabilities, the net gain/loss on hedging transactions is included under the income statement of the hedged item.

(3) This item includes the revaluation of fair value hedged items, including the change in revaluation differences in portfolios hedged against interest rate risk.

(4) Including EUR +5,114 million for insurance subsidiaries in 2024 (EUR +5,638 million in 2023). This amount shall be understood taking into account the financial income and expenses of the insurance contracts (see Note 4.3 Detail of performance of insurance activities).

Insofar as income and expenses recorded in the income statement are classified by nature rather than by purpose, the net income generated by activities in financial instruments at fair value through profit or loss must be assessed as a whole. It should be noted that the income shown here does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

NOTE 3.2 - FINANCIAL DERIVATIVES



Derivative instruments are financial instruments for which the value changes according to that of an underlying item and can be accompanied by a leverage effect. The items underlying these instruments are various (interest rates, exchange rates, equity, indexes, commodities, credit rating...), as are their forms (forward contracts, swaps, calls and puts...).

The Group may use these derivative instruments for their market activities to provide to its customers solutions to meet their risk management or revenue optimisation needs. In that case, they are accounted for as trading derivatives.

The Group may also use derivative instruments to manage and hedge its own risks. In which case, they are qualified as hedging derivatives. Hedging transactions can concern individual items or transactions (micro-hedging relationships) or portfolios of financial assets and liabilities that can generate a structural interest-rate risk (macro-hedging relationships).

Contrary to other financial instruments, derivative instruments are always measured at fair value in the balance sheet, regardless their purpose (market activities or hedging transactions). The fair value adjustments of trading derivatives are directly recognised in the income statement. However, the hedge accounting method allows for the linking of the fair value adjustment of hedging derivatives with the accounting treatment of the transactions and hedged instruments in order to eliminate or reduce volatility in the income statement.

ACCOUNTING PRINCIPLES

Derivatives are financial instruments meeting the following three criteria:

- their value changes in response to a change in a specified interest rate, foreign exchange rate, share price, index of prices, commodity price, credit rating, etc.;
- they require little to no initial investment;
- they are settled at a future date.

All financial derivatives are recognised at fair value in the balance sheet as financial assets or financial liabilities. They are considered to be trading derivatives, unless they are designated as hedging instruments for accounting purposes.

SPECIAL CASE - DERIVATIVES HAVING SOCIETE GENERALE SHARES AS THEIR UNDERLYING INSTRUMENT

Financial derivatives having Societe Generale shares as their underlying instrument or shares in Group subsidiaries and whose termination entails the payment of a fixed amount in cash (or another financial asset) against a fixed number of Societe Generale shares (other than derivatives) are equity instruments. These instruments, and any related premiums paid or received, are recognised directly in equity, and any changes in the fair value of these derivatives are not recorded. For sales of put options on Societe Generale shares and forward purchases of Societe Generale shares, a debt is recognised for the value of the notional amount with a contra entry in equity.

Other financial derivatives having Societe Generale shares as their underlying instrument are recorded in the balance sheet at fair value in the same manner as derivatives with other underlying instruments.

EMBEDDED DERIVATIVES

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host instrument.

Where the host contract is a financial asset, the entire hybrid contract is measured at fair value through profit or loss because its contractual cash flows do not pass the SPPI test.

Where the host contract is a financial liability and is not measured at fair value through profit or loss, the embedded derivative is separated from the host contract if:

- at acquisition, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host; and
- it would meet the definition of a derivative.

Once separated, the derivative is recognised at fair value in the balance sheet under Financial assets or Financial liabilities at fair value through profit or loss under the aforementioned conditions. The host contract is classified under one of the financial liability categories measured at amortised cost.

1. TRADING DERIVATIVES

ACCOUNTING PRINCIPLES

Trading derivatives are recorded in the balance sheet under Financial assets or liabilities at fair value through profit or loss. Changes in fair value are recorded in the income statement under Net gains and losses on financial instruments at fair value through profit or loss.

Changes in the fair value of financial derivatives involving counterparties that subsequently proved to be in default are recorded under Net gains and losses on financial instruments at fair value through profit or loss until the termination date of these instruments. On this termination date, the receivables and debts on these counterparties are recognised at fair value in the balance sheet. Any further impairment of these receivables is recognised under Cost of credit risk in the income statement.

FAIR VALUE

Table 3.2.A

<i>(In EUR m)</i>	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Interest rate instruments	40,255	36,518	42,479	38,681
Foreign exchange instruments	28,123	27,898	18,805	20,025
Equities & index Instruments	27,068	38,564	19,772	28,612
Commodities Instruments	54	112	84	208
Credit derivatives	686	861	1,986	963
Other forward financial instruments	559	1,478	409	1,314
Total	96,745	105,431	83,535	89,803

The Group uses credit derivatives in the management of its corporate credit portfolio, primarily to reduce individual, sectorial and geographical concentration and to implement a proactive risk and capital management approach. All credit derivatives, regardless of their purpose, are measured at fair value through profit or loss and cannot be qualified as hedging instruments for accounting purposes. Accordingly, they are recognised at fair value among trading derivatives.

COMMITMENTS (NOTIONAL AMOUNTS)

Table 3.2.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Interest rate instruments	11,569,327	10,688,510
Firm instruments	9,772,291	8,733,370
<i>Swaps</i>	8,093,140	6,927,744
<i>FRA</i> s	1,679,151	1,805,626
Options	1,797,036	1,955,140
Foreign exchange instruments	6,113,133	4,515,280
Firm instruments	4,002,611	3,389,444
Options	2,110,522	1,125,836
Equity and index instruments	982,592	924,940
Firm instruments	142,454	143,886
Options	840,138	781,054
Commodities instruments	20,824	19,471
Firm instruments	15,105	13,723
Options	5,719	5,748
Credit derivatives	128,196	133,748
Other forward financial instruments	36,995	25,456
Total	18,851,067	16,307,405

2. HEDGING DERIVATIVES

According to the transitional provisions of IFRS 9, the Group made the choice to maintain the IAS 39 provisions related to hedge accounting. Consequently, equity instruments held (shares and other equity securities) do not qualify for hedge accounting regardless of their accounting category.

ACCOUNTING PRINCIPLES

In order to be hedged against certain market risks, the Group sets up hedging derivatives. From an accounting standpoint, the Group designates the hedging transaction as a fair value hedge, a cash flow hedge, or a hedge of a net investment in a foreign operation, depending on the risk and on the instruments to be hedged.

To designate an instrument as a hedging derivative, the Group documents the hedging relationship in detail, from inception. This documentation specifies the asset, liability, or future transaction hedged, the risk to be hedged and the associated risk management strategy, the type of financial derivative used and the valuation method that will be used to measure its effectiveness.

The derivative designated as a hedging instrument must be highly effective in offsetting the change in fair value or cash flows arising from the hedged risk. This effectiveness is verified when changes in the fair value or cash flows of the hedged instrument are almost entirely offset by changes in the fair value or cash flows of the hedging instrument, with the expected ratio between the two changes ranging from 80% to 125%. Effectiveness shall be assessed both when the hedge is first set up and throughout its life. Effectiveness is measured each quarter prospectively (expected effectiveness over the future periods) and retrospectively (effectiveness measured on past periods). Where the effectiveness falls outside the range specified above, hedge accounting is discontinued.

Hedging derivatives are recognised in the balance sheet under Hedging derivatives.

FAIR VALUE HEDGES

The purpose of these hedges is to protect the Group against an adverse fluctuation in the fair value of an instrument which could affect profit or loss if the instrument were derecognised from the balance sheet.

Changes in the fair value of the hedging derivative are recorded in the income statement under Net gains and losses on financial instruments at fair value through profit or loss; for interest rate derivatives, however, accrued interest income and expenses on the derivative are recorded in the income statement under Interest and similar income / Interest and similar expense – Hedging derivatives symmetrically to the accrued interest income and expenses related to the hedged item.

In the balance sheet, the carrying value of the hedged item is adjusted for the gains and losses attributable to the hedged risk, which are reported in the income statement under Net gains and losses on financial instruments at fair value through profit or loss. To the extent that the hedge is highly effective, changes in the fair value of the hedged item and changes in the fair value of the hedging derivative are accurately offset through profit or loss, the difference corresponding to an ineffectiveness gain or loss.

Prospective effectiveness is assessed via a sensitivity analysis based on probable market trends or via a regression analysis of the statistical relationship (correlation) between the hedged risk component and the hedging instrument. Retrospective effectiveness is assessed by comparing any changes in the fair value of the hedging instrument with any changes in the fair value of the hedged item.

If it becomes apparent that the derivative has ceased to meet the effectiveness criteria for hedge accounting or if it is terminated or sold, hedge accounting is discontinued prospectively. Thereafter, the carrying amount of the hedged asset or liability ceases to be adjusted for changes in fair value attributable to the hedged risk and the cumulative adjustments previously recognised under hedge accounting are amortised over its remaining life. Hedge accounting is also discontinued if the hedged item is sold prior to maturity or early-redeemed, the valuation adjustments are then immediately recognised in the income statement.

CASH FLOW HEDGES

The purpose of interest rate cash flow hedges is to protect against changes in future cash flows associated with a financial instrument on the balance sheet (loans, securities or floating-rate notes) or with a highly probable future transaction (future fixed interest rates, future exchange rates, future prices, etc.). The purpose of these hedges is to protect the Group against adverse fluctuations in the future cash-flows of an instrument or transaction that could affect profit or loss.

The prospective effectiveness of the hedge is assessed via a sensitivity analysis based on probable market input trends or via a regression analysis of the statistical relationship (correlation) between the hedged risk component and the hedging instrument. The effectiveness of the hedge is assessed using the hypothetical derivative method, which consists in i) creating a hypothetical derivative which bears exactly the same characteristics as the instrument being hedged (in terms of notional amounts, date on which the rates are reset, interest rate, exchange rate, etc.), but moves in the opposite direction and whose fair value is nil when the hedge is set up, then ii) comparing the expected changes in the fair value of the hypothetical derivative with those of the hedging instrument (sensitivity analysis) or performing a regression analysis on the prospective effectiveness of the hedge.

The changes in fair value of the hedging financial instruments are recorded directly as Unrealised or deferred gains and losses for their effective portion, while the ineffective portion is recognised under Net gains and losses on financial instruments at fair value through profit or loss. With regard to interest rate derivatives, the portion corresponding to the rediscount of the derivative financial instrument is recorded in the income statement under Interest and similar income / Interest and similar expense symmetrically to the interest income or expense related to the hedged item.

The gains or losses, realised or unrealised, accumulated directly in equity for the effective portion of these changes in value, are carried in equity to be recycled in the income statement when the expected hedged cash flows impact the income statement. With regard to the hedging flows related to a variable-rate financial instrument recorded on the balance sheet, recycling is done as and when the hedged interest income or expenses are recognised in the income statement. In the case of hedging of future transactions, if it is the future sale of a financial instrument, recycling takes place on the date when the sold instrument is derecognised; if the transaction is settled through the recognition on the balance sheet of a financial instrument, the gains or losses accumulated in equity are carried in it, before being recycled in the income statement at the same pace as the hedged cash flows generated by the instrument then recognised on the balance sheet.

Whenever the hedging derivative ceases to meet the effectiveness criteria for hedge accounting or is terminated or sold or if the future transaction hedged is no more probable, hedge accounting is discontinued prospectively. The amounts previously recognised directly in equity are reclassified in the income statement over the periods during which interest income is affected by the cash flows from the hedged item. If the hedged item is sold or redeemed earlier than expected or if the hedged forecast transaction ceases to be expected, the unrealised gains and losses recognised in equity are immediately reclassified in the income statement.

HEDGING OF A NET INVESTMENT IN A FOREIGN OPERATION

The purpose of a hedging of a net investment in a foreign company is to protect against exchange rate risk. The hedged item is an investment in a country whose currency differs from the Group's functional currency. The hedge therefore serves to protect the net position of a foreign subsidiary or branch against an exchange rate risk linked to the entity's functional currency.

The hedge of a net investment in a foreign operation follows the same accounting principles as the cashflow hedge relationships. Thus, the effective portion of the changes in fair value of a hedging derivative designated for accounting purposes as the hedge of a net investment is recognised in equity under Unrealised or deferred gains and losses, while the ineffective portion is recognised in the income statement under Gains and losses on financial instruments at fair value through profit or loss.

PORTFOLIO HEDGES (MACRO-HEDGE)

In this type of hedge, interest rate derivatives are used to globally hedge the structural interest rate risk resulting mainly from Retail Banking activities.

In accounting for these transactions, are either documented as fair value hedges or as cash flow hedges, depending on the Group entities.

Group entities documenting a macro fair value hedge of fixed rate assets and liabilities portfolios, apply the IAS 39 "carve-out" standard as adopted by the European Union, which facilitates:

- the application of fair value hedge accounting to the macro-hedges used for asset-liability management, including customer demand deposits in the fixed-rate positions being hedged;
- the performance of the effectiveness tests.

The accounting treatment of the financial derivatives designated as macro fair value hedges is similar to that of other fair value hedging instruments. Changes in the fair value of the portfolio of macro-hedged instruments measured based on the modelled synthetic instrument are reported on a separate line in the balance sheet under Revaluation differences on portfolios hedged against interest rate risk through profit or loss.

Group entities documenting a macro cash flow hedge apply the same accounting principles as those presented above for cash flow hedge. Thus, macro-hedged assets or liabilities portfolios are not measured at fair value for the hedged risk.

In the case of macro cash flow hedge, hedged portfolios include assets or liabilities at variable rate.

Finally, regardless of the documentation used for these macro-hedges, they require the implementation of three tests to measure the effectiveness of the relationship:

- a non-over-coverage test to ensure, prospectively and retrospectively, that the nominal amount of the portfolios covered is higher than the notional amount of the hedged instruments for each future maturity band and each rate generation;
- a test of non-disappearance of the hedged item, which consists in prospectively and retrospectively ensuring that the historically covered maximum position is less than the notional amount of the hedged instruments on the closing date considered for each maturity band and each generation of rates;
- a quantitative test to retrospectively ensure that the fair value changes in the modelled synthetic instrument offset the changes in fair value of the hedged instruments.

The sources of ineffectiveness of the macro-hedges implemented in the Group result from the latest fixing of the variable leg of the hedging swaps, the two-curve valuation of the collateralised hedging instruments, the possible mismatches of interests between the hedged item and the hedging instrument and the consideration of counterparty risk on the hedging instruments.

FAIR VALUE

Table 3.2.C

<i>(In EUR m)</i>	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Fair value hedge	8,850	15,000	10,113	18,182
Interest rate instruments	8,829	14,999	10,112	18,181
Foreign exchange instruments	1	1	1	1
Equity and index Instruments	20	-	-	-
Cash flow hedge	277	551	321	475
Interest rate instruments	199	526	309	394
Foreign exchange instruments	56	23	5	56
Equity and index Instruments	22	2	7	25
Net investment hedge	106	199	151	51
Foreign exchange instruments	106	199	151	51
Total	9,233	15,750	10,585	18,708

The Group sets up hedging relationships recognised for accounting purposes as fair value hedges in order to protect its fixed-rate financial assets and liabilities (primarily loans / borrowings, securities issued and fixed-rate securities) against changes in long-term interest rates. The hedging instruments used mainly consist of interest rate swaps.

Furthermore, through some of its Corporate and Investment Banking operations, the Group is exposed to future cash flow changes in its short and medium-term funding requirements and sets up hedging relationships recognised for accounting purposes as cash flow hedges. Highly probable funding requirements are determined using historic data established for each activity and representative of balance sheet outstanding. These data may be increased or decreased by changes in management methods.

Finally, as part of their management of structural interest rate and exchange rate risks, the Group's entities set up fair value hedge for portfolios of assets or liabilities for interest rate risk as well as cash flow hedge and net investment hedge for foreign exchange risk.

As part of its structural interest rate risk management, the Group has adjusted the level of hedging of the fixed rate liabilities (i.e., customer deposits). While fixed-rate receiver swaps contracted out to hedge the interest rate risk, fixed-rate payer swaps were used into to reduce the hedge. Under IAS 39, these instruments were designated as portfolio hedging instruments (macro hedge accounting). In 2023 and 2024, the Group transferred to a trading portfolio both the swaps taken out to reduce the macro-hedge and the corresponding initial hedging swaps (receiver fix interest rate). The tables in this note include the effect of this reclassification.

As at 31 December 2024, the revaluation differences on macro-hedged fixed-rate assets portfolios and fixed-rate liabilities portfolios are still negative. We however note that the interest rate environment stabilised in 2024 compared to the two previous years. On the asset side of the balance sheet, the revaluation difference on portfolios hedged against interest rate risk amounts to EUR -292 million as at 31 December 2024 (compared to EUR -433 million as at 31 December 2023); and on the liabilities side, the revaluation differences on portfolios hedged against interest rate risk amounts to EUR -5,277 million as at 31 December 2024 (against EUR -5,857 million as at 31 December 2023).

COMMITMENTS (NOTIONAL AMOUNTS)

Table 3.2.D

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Interest rate instruments	785,674	668,657
Firm instruments *	782,682	665,813
<i>Swaps</i>	610,680	520,808
<i>FRA</i> s	172,002	145,005
Options *	2,992	2,844
Foreign exchange instruments	11,056	8,355
Firm instruments	11,056	8,355
Equity and index instruments	338	226
Firm instruments	338	226
Total	797,068	677,238

* Amounts restated compared to the published financial statements as at 31 December 2023.

MATURITIES OF HEDGING FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

These items are presented according to the contractual maturity of the financial instruments.

Table 3.2.E

<i>(In EUR m)</i>	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	31.12.2024
Interest rate instruments	109,886	160,755	380,868	134,165	785,674
Foreign exchange instruments	3,562	6,660	834	-	11,056
Equity and index instruments	82	80	174	2	338
Total	113,530	167,495	381,876	134,167	797,068

NOTE 3.3 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

OVERVIEW

Table 3.3.A

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Debt instruments	95,750	90,630
<i>Bonds and other debt securities</i>	95,750	90,614
<i>Loans and receivables and securities purchased under resale agreements</i>	0	16
Shares and other equity securities	274	264
Total	96,024	90,894
<i>o/w securities lent</i>	165	228

1. DEBT INSTRUMENTS

ACCOUNTING PRINCIPLES


Debt instruments (loans and receivables, bonds and bond equivalents) are classified as Financial assets at fair value through other comprehensive income when their contractual cash flows are consistent with basic lending arrangements (SPPI) and they are managed under a Collect and Sell business model. At the time of original recognition, these financial assets are measured at fair value including the costs directly attributable to their acquisition or subscription.

Accrued or earned income on debt instruments is recorded in profit or loss based on the effective interest rate, under Interest and similar income.

At the reporting date, these instruments are measured at fair value and changes in fair value excluding income, are recorded in equity under Unrealised or deferred gains and losses, except for foreign exchange differences on money market instruments denominated in local currencies, which are recorded in profit or loss. Furthermore, as these financial assets are subject to impairment for credit risk, the changes in expected credit losses are recorded in profit or loss under Cost of credit risk with a corresponding entry under Unrealised or deferred gains and losses. The applicable impairment rules are described in Note 3.8.

BUSINESS MODEL “HOLD TO COLLECT AND SELL”

The objective of this business model is to realise cash flows by both collecting contractual payments and selling financial assets. In this type of business model, the sales of financial assets are not incidental or exceptional, but they are integral to achieving the business’ objectives.

	<p>Cash management</p> <p>Within the Group, except for the insurance activities, the “hold to collect and sell” business model is mainly applied by cash management activities for managing HQLA securities (High Quality Liquid Assets) included in the liquidity reserve.</p>
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CHANGES OF THE PERIOD

Table 3.3.B

<i>(In EUR m)</i>	2024
Balance as at 1 January	90,630
Acquisitions / disbursements	47,354
Disposals / redemptions	(40,126)
Transfers towards (or from) another accounting category	82
Change in scope and others	(3,802)
Changes in fair value during the period	162
Change in related receivables	129
Translation differences	1,321
Balance as at 31 December	95,750

CUMULATIVE UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

Table 3.3.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Unrealised gains	752	993
Unrealised losses	(3,253)	(3,666)
Total ⁽¹⁾	(2,501)	(2,673)

(1) Including EUR -2,028 million for insurance sector subsidiaries as at 31 December 2024 (EUR -2,298 million as at 31 December 2023). This amount must be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts for EUR 2,061 million as at 31 December 2024 (EUR 2,314 million as at 31 December 2023).

2. EQUITY INSTRUMENTS

ACCOUNTING PRINCIPLES

Equity instruments (shares and share equivalents), that are not held for trading purposes, can be initially designated by the Group to be measured at fair value through other comprehensive income. This choice made instrument by instrument, is irrevocable.

These equity instruments are then measured at fair value and the changes in fair value are recognised under Unrealised or deferred gains and losses with no subsequent reclassification to profit or loss. If the instruments are sold, the realised gains and losses are reclassified to Retained earnings at the opening of the next financial year. Only dividend income, if it is considered as a return on investment, is recorded in profit or loss under Net gains or losses on financial assets at fair value through other comprehensive income.

The Group chose only in few rare cases to designate equity instruments to be measured at fair value through other comprehensive income.

NOTE 3.4 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE



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The financial assets and liabilities recognised in the Group balance sheet are measured either at fair value or at amortised cost. In the latter case, the fair value of the instruments is disclosed in the notes (see Note 3.9).

If an instrument is quoted on an active market, its fair value is equal to its market price.

But many financial instruments are not listed (for example, most customer loans and deposits, interbank debts and claims, etc.), or are only negotiable on illiquid markets or over-the-counter markets (which is the case for many derivative instruments).

In such situations, the fair value of the instruments is calculated using measurement techniques or valuation models. Market parameters are included in these models and must be observable; otherwise they are determined based on internal estimates. The models and parameters used are subject to independent validations and internal controls.

ACCOUNTING PRINCIPLES

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 on 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 which 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

For information purposes, in the notes to the consolidated financial statements, the fair value of the financial instruments is classified using a fair value hierarchy that reflects the observability level of the inputs used. The fair value hierarchy is composed of 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 balance sheet 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 balance sheet 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 the 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 Group 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 the quoted prices included in Level 1 and that are observable for the asset or liability concerned, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

These are the instruments measured using a financial model based on market inputs. The inputs used shall be observable in active markets; using some unobservable inputs is possible only if the latter have only a minor impact on the fair value of the instrument. The 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 the non-derivative financial instruments carried at fair value on the balance sheet 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 the 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 however limited. The valuation techniques used in this category are based on common methods shared by the main market participants.

This category also includes the fair value of loans and receivables at amortised cost granted to counterparties whose credit risk is quoted via Credit Default Swap (see Note 3.9).

Level 3 (L3): instruments valued using inputs a significant part of which are not based on observable market data (referred to as unobservable inputs).

Level 3 instruments carried at fair value on the balance sheet are valued using financial models based on market inputs among which those which are unobservable or observable on insufficiently active markets, have a significant impact on the fair value of the financial instrument as a whole.

Accordingly, Level 3 financial instruments include derivatives and repo transactions with longer maturities than those usually traded and/or with specifically-tailored return profiles, structured debts including embedded derivatives valued based on a method using unobservable inputs or long-term equity investments valued based on a corporate valuation method, which is the case for unlisted companies or companies listed on an insufficiently liquid market.

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 the correlations between the different underlying assets 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 asset); 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).

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

Table 3.4.A

(In EUR m)	31.12.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	123,371	166,489	4,774	294,634	104,493	171,245	6,814	282,552
Bonds and other debt securities	34,537	13,495	194	48,226	32,843	6,275	308	39,426
Shares and other equity securities	88,831	1,164	-	89,995	71,524	170	-	71,694
Securities purchased under resale agreements	-	144,061	4,146	148,207	-	152,944	6,130	159,074
Loans, receivables and other trading assets	3	7,769	434	8,206	126	11,856	376	12,358
Trading derivatives	3	94,012	2,730	96,745	6	81,276	2,253	83,535
Interest rate instruments	2	38,933	1,320	40,255	5	40,806	1,668	42,479
Foreign exchange instruments	-	26,995	1,128	28,123	-	18,575	230	18,805
Equity and index instruments	1	26,898	169	27,068	1	19,581	189	19,771
Commodity instruments	-	54	-	54	-	84	-	84
Credit derivatives	-	573	113	686	-	1,820	166	1,986
Other forward financial instruments	-	559	-	559	-	410	-	410
Financial assets measured mandatorily at fair value through profit or loss	79,765	21,190	17,973	118,928	72,451	23,683	18,517	114,651
Bonds and other debt securities	31,266	1,270	1,913	34,449	26,750	2,579	1,347	30,676
Shares and other equity securities	48,499	8,573	13,948	71,020	45,701	9,169	13,822	68,692
Loans, receivables and securities purchased under resale agreements	-	11,347	2,112	13,459	-	11,935	3,348	15,283
Financial assets measured using fair value option through profit or loss	12,809	2,932	-	15,741	13,732	1,412	-	15,144
Bonds and other debt securities	12,809	1,585	-	14,394	13,732	89	-	13,821
Loans, receivables and securities purchased under resale agreements	-	57	-	57	-	68	-	68
Separate assets for employee benefit plans	-	1,290	-	1,290	-	1,255	-	1,255
Hedging derivatives	-	9,233	-	9,233	-	10,585	-	10,585
Interest rate instruments	-	9,028	-	9,028	-	10,421	-	10,421
Foreign exchange instruments	-	163	-	163	-	157	-	157
Equity and index instruments	-	42	-	42	-	7	-	7
Financial assets measured at fair value through other comprehensive income	94,559	1,191	274	96,024	88,231	2,384	279	90,894
Bonds and other debt securities	94,559	1,191	-	95,750	88,231	2,382	-	90,613
Shares and other equity securities	-	-	274	274	-	-	265	265
Loans and receivables	-	-	-	-	-	2	14	16
Total	310,507	295,047	25,751	631,305	278,913	290,585	27,863	597,361

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

Table 3.4.B

<i>(In EUR m)</i>	31.12.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	8,636	176,222	5,644	190,502	9,396	177,622	4,514	191,532
Amounts payable on borrowed securities	380	42,640	56	43,076	-	42,461	22	42,483
Bonds and other debt instruments sold short	5,788	-	-	5,788	7,305	1	-	7,306
Shares and other equity instruments sold short	2,467	1	-	2,468	2,091	-	-	2,091
Securities sold under repurchase agreements	-	131,345	5,584	136,929	-	132,532	4,487	137,019
Borrowings and other trading liabilities	1	2,236	4	2,241	-	2,628	5	2,633
Trading derivatives	3	101,553	3,875	105,431	12	85,741	4,050	89,803
Interest rate instruments	3	34,627	1,888	36,518	11	36,343	2,327	38,681
Foreign exchange instruments	-	27,210	688	27,898	1	19,563	461	20,025
Equity and index instruments	-	37,495	1,069	38,564	-	27,555	1,056	28,611
Commodity instruments	-	112	-	112	-	208	-	208
Credit derivatives	-	670	191	861	-	757	206	963
Other forward financial instruments	-	1,439	39	1,478	-	1,315	-	1,315
Financial liabilities measured using fair value option through profit or loss	962	51,728	47,991	100,681	657	56,503	37,089	94,249
Hedging derivatives	-	15,750	-	15,750	-	18,708	-	18,708
Interest rate instruments	-	15,525	-	15,525	-	18,575	-	18,575
Foreign exchange instruments	-	223	-	223	-	108	-	108
Equity and index instruments	-	2	-	2	-	25	-	25
Total	9,601	345,253	57,510	412,364	10,065	338,574	45,653	394,292

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

Table 3.4.C

<i>(In EUR m)</i>	Balance as at 31.12.2023	Acquisitions	Disposals / redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 31.12.2024
Trading portfolio (excluding derivatives)	6,814	8,285	(5,448)	(2,959)	33	(2,048)	97	-	4,774
Bonds and other debt securities	308	3,871	(4,084)	(13)	33	69	10	-	194
Securities purchased under resale agreements	6,130	4,058	(1,028)	(2,945)	-	(2,131)	62	-	4,146
Loans, receivables and other trading assets	376	356	(336)	(1)	-	14	25	-	434
Trading derivatives	2,253	58	(2)	(439)	91	716	53	-	2,730
Interest rate instruments	1,668	-	-	(357)	82	(110)	37	-	1,320
Foreign exchange instruments	230	2	(1)	(7)	1	897	6	-	1,128
Equity and index instruments	189	56	(1)	(26)	-	(49)	-	-	169
Credit derivatives	166	-	-	(49)	8	(22)	10	-	113
Financial assets measured mandatorily at fair value through profit or loss	18,517	3,258	(3,374)	(78)	2	(71)	67	(348)	17,973
Bonds and other debt securities	1,347	586	(47)	-	-	23	-	4	1,913
Shares and other equity securities	13,822	2,672	(2,157)	-	-	(254)	22	(157)	13,948
Loans, receivables and securities purchased under resale agreements	3,348	-	(1,170)	(78)	2	160	45	(195)	2,112
Financial assets measured at fair value through other comprehensive income	279	9	-	-	-	-	-	(14)	274
Debt instruments	-	-	-	-	-	-	-	-	-
Equity instruments	265	9	-	-	-	-	-	-	274
Loans and receivables	14	-	-	-	-	-	-	(14)	-
Total	27,863	11,621	(8,824)	(3,487)	126	(1,403)	217	(362)	25,751

FINANCIAL LIABILITIES

Table 3.4.D

<i>(In EUR m)</i>	Balance as at 31.12.2023	Issues	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 31.12.2024
Trading portfolio (excluding derivatives)	4,514	4,851	(1,145)	(1,526)	16	(1,376)	310	-	5,644
Amounts payable on borrowed securities	22	-	-	-	16	18	-	-	56
Securities sold under repurchase agreements	4,487	4,851	(1,145)	(1,526)	-	(1,393)	310	-	5,584
Borrowings and other trading liabilities	5	-	-	-	-	(1)	-	-	4
Trading derivatives	4,050	486	(510)	(266)	159	(166)	122	-	3,875
Interest rate instruments	2,327	3	-	(209)	144	(455)	78	-	1,888
Foreign exchange instruments	461	133	(383)	-	-	476	1	-	688
Equity and index instruments	1,056	311	(127)	(7)	9	(213)	40	-	1,069
Credit derivatives	206	-	-	(50)	6	26	3	-	191
Other forward financial instruments	-	39	-	-	-	-	-	-	39
Financial liabilities measured using fair value option through profit or loss	37,089	19,569	(12,346)	(1,623)	3,609	838	855	-	47,991
Total financial liabilities at fair value	45,653	24,906	(14,001)	(3,415)	3,784	(704)	1,287	-	57,510

4. VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices may be adjusted, if they are not available at the balance sheet date in order to incorporate the events that have an impact on prices and occurred after the closing of the stock markets but before the measurement date or in the event of an inactive market. However, due notably to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Group does not have quoted prices in the markets.

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

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

If necessary, these valuations are supplemented by additional reserves (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available information.

Derivatives and security financing transactions are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA). The Group includes all clients and clearing houses in this adjustment, which also reflects the netting agreements existing for each counterparty.

The CVA is determined based on the Group entity's expected positive exposure to the counterparty, the counterparty's probability of default and the amount of the loss given default. The DVA is determined symmetrically based on the negative expected exposure. These calculations are carried out over the life of the potential exposure, with a focus on the use of relevant and observable market data. Since 2021, a system has been in place to identify the new transactions for which CVA/DVA adjustments are significant. These transactions are then classified in Level 3.

Similarly, an adjustment to take into account the costs or profits linked to the financing of these transactions (FVA, Funding Value Adjustment) is also performed.

Observable data must be: independent, available, publicly distributed, based on a narrow consensus and/or backed up by transaction prices.

For example, 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 long maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of equity 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 inputs.

In the event of unusual tensions on the markets, leading to a lack of the usual reference data used to measure a financial instrument, the Risk Division may implement a new model in accordance with pertinent available data, similar to methods used by other market players.

SHARES AND OTHER EQUITY SECURITIES

For listed shares, fair value is taken to be the quoted price on the balance sheet date.

The significant unlisted securities and the significant securities listed on an illiquid market will be valued primarily by using a developed valuation method: Discounted Cash Flows (DCF) or Discounted Dividend Model (DDM) and/or Market multiples.

For non-significant unlisted shares, fair value is determined depending on the type of financial instrument and according to one of the following methods:

- proportion of net asset value held;
- valuation based on a recent transaction involving the issuing company (third party buying into the issuing company's capital, appraisal by a professional valuation agent, etc.);

- valuation based on a recent transaction in the same sector as the issuing company (income multiple, asset multiple, etc.).

DEBT INSTRUMENTS HELD IN PORTFOLIO, ISSUES OF STRUCTURED SECURITIES MEASURED AT FAIR VALUE AND FINANCIAL DERIVATIVES INSTRUMENTS

The fair value of these financial instruments is determined based on the quoted price on the balance sheet date or prices provided by brokers on the same date, when available. For unlisted financial instruments, fair value is determined using valuation techniques. Concerning liabilities measured at fair value, the on-balance sheet amounts include changes in the Group's issuer credit risk.

OTHER DEBTS

For listed financial instruments, fair value is taken as their closing quoted price on the balance sheet date. For unlisted financial instruments, fair value is determined by discounting future cash flows to present value at market rates (including counterparty risks, non-performance and liquidity risks).

CUSTOMER LOANS

The fair value of loans and receivables is calculated, in the absence of an actively traded market for these loans, by discounting the expected cash flows to present value at a discount rate based on interest rates prevailing on the market at the reporting date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

5. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

The following table provides, for Level 3 instruments, the ranges of values of the most significant unobservable inputs by main product type.

Table 3.4.E

(In EUR m)

Cash instruments and derivatives	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs	
				min.	max.
Equities/funds	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	3.00%	166.00%
			Equity dividends	0.00%	11.00%
			Correlations	-200.00%	200.00%
			Hedge fund volatilities	N/A	N/A
			Mutual fund volatilities	1.70%	26.80%
Interest rates and Forex	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	-60.00%	90.00%
	Forex derivatives	Forex option pricing models	Forex volatilities	1.00%	25.00%
	Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayment modelling	Constant prepayment rates	0.00%	20.00%
	Inflation instruments and derivatives	Inflation pricing models	Correlations	81.00%	92.00%
Credit	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0.00%	100.00%
			Recovery rate variance for single name underlyings	0.00%	100.00%
	Other credit derivatives	Credit default models	Time to default correlations	0.00%	100.00%
			Quanto correlations	0.00%	100.00%
			Credit spreads	0,0 bps	90,78 bps
Commodities	Derivatives on commodities baskets	Option models on commodities	Correlations	NA	NA
Long term equity investments	Securities held for strategic purposes	Net Book Value / Recent transactions	Not applicable	-	-

The table below shows the valuation of cash and derivative instruments on the balance sheet. When it comes to hybrid instruments, they are broken down according to the main unobservable inputs.

Table 3.4.F

<i>(In EUR m)</i>	31.12.2024	
	Assets	Liabilities
Equities/funds	13,107	22,057
Rates and Forex	10,812	35,262
Credit	113	191
Long term equity investments	1,719	-
Total	25,751	57,510

6. SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

Unobservable inputs are assessed carefully, particularly in this persistently uncertain economic environment and market. However, by their very nature, unobservable inputs inject a degree of uncertainty into the valuation of Level 3 instruments.

To quantify this, fair value sensitivity was estimated at 31 December 2024 on instruments whose valuation requires certain unobservable inputs. This estimate was based either on a “standardised” variation in unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

The “standardised” variation corresponds to the standard deviation of consensus prices (TOTEM, etc.) used to measure an input nevertheless considered as unobservable. In cases of unavailability of these data, the standard deviation of historical data is then used to assess the input.

SENSITIVITY OF LEVEL 3 FAIR VALUE TO A “STANDARDISED” VARIATION IN UNOBSERVABLE INPUTS

Table 3.4.G

<i>(In EUR m)</i>	31.12.2024		31.12.2023	
	Negative impact	Positive impact	Negative impact	Positive impact
Shares and other equity instruments and derivatives	(22)	31	(31)	52
Equity volatilities	(6)	6	(16)	16
Dividends	(10)	10	(10)	10
Correlations	(6)	14	(5)	25
Hedge Fund volatilities	-	-	-	-
Mutual Fund volatilities	-	1	(0)	1
Rates or Forex instruments and derivatives	(7)	7	(13)	25
Correlations between exchange rates and/or interest rates	(7)	7	(13)	24
Forex volatilities	-	-	(0)	0
Constant prepayment rates	-	-	-	-
Inflation/inflation correlations	-	-	-	0
Credit instruments and derivatives	(2)	3	(4)	4
Time to default correlations	-	-	(0)	0
Quanto correlations	-	1	(0)	0
Credit spreads	(2)	2	(3)	3
Commodity derivatives	NA	NA	NA	NA
Commodities correlations	NA	NA	NA	NA
Long term securities	NA	NA	NA	NA

It should be noted that, given the already conservative valuation levels, this sensitivity is higher for a favourable impact on results than for an unfavourable impact. Moreover, the amounts shown above illustrate the uncertainty of the valuation as at the computation date based on a “standardised” variation in inputs. Future variations in fair value cannot be deduced or forecast from these estimates.

7. DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

At initial recognition, financial assets and liabilities are measured at fair value, that is to say 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.

When this fair value differs from transaction price and the instrument's valuation technique uses one or more unobservable inputs, this difference representative of a commercial margin is deferred in time to be recorded in the income statement, from case to case, at maturity of the instrument, at the time of sell or transfer, over time, or when the inputs become observable.

The table below shows the amount remaining to be recognised in the income statement due to this difference, less any amounts recorded in the income statement after initial recognition of the instrument.

Table 3.4.H

<i>(In EUR m)</i>	Equity derivatives	Interest rate and foreign exchange derivatives	Credit derivatives	Other instrument
Deferred margin as at 31 December 2023	(754)	(268)	(34)	(24)
Deferred margin on new transactions during the period	(251)	(217)	(16)	(2)
Margin recorded in the income statement during the period	540	130	18	3
<i>o/w amortisation</i>	261	72	12	3
<i>o/w switch to observable inputs</i>	9	6	1	-
<i>o/w disposed, expired or terminated</i>	270	52	5	-
Deferred margin as at 31 December 2024	(465)	(355)	(32)	(23)

NOTE 3.5 - LOANS, RECEIVABLES AND SECURITIES AT AMORTISED COST

ACCOUNTING PRINCIPLES

Loans, receivables and debt securities are measured at amortised cost where their contractual cash flows are consistent with basic lending arrangements (SPPI) and they are managed under a “Hold to Collect” business model.

Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, and their accrued or earned income are recorded in profit or loss under Interest and similar income. Furthermore, as these financial assets are subject to impairment for credit risk, changes in the expected credit losses are recorded in profit or loss under Cost of credit risk with a corresponding impairment of the amortised cost on the asset side of the balance sheet. The applicable impairment rules are described in Note 3.8. When a loan or a receivable is classified in Stage 3 for impairment (doubtful outstanding), the subsequent accrued interest incremented to the carrying amount of the financial asset before impairment is limited to the interest recognised in profit or loss. The amount of such interest is then calculated by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

Loans granted by the Group may be subject to renegotiations for commercial reasons, while the borrowing customer is not experiencing any financial difficulties or insolvency. Such efforts are undertaken for customers for which the Group agrees to renegotiate their debt at the new market conditions in the interest of preserving or developing a business relationship, in accordance with the credit approval procedures in force and without relinquishing any principal or accrued interest. Except in specific cases where the modification due to the renegotiation would not be considered significant, renegotiated loans are derecognised as at the renegotiation date, and the new loans contracted under the renegotiated terms and conditions replace the previous loans in the balance sheet as at this same date. The new loans are subject to the SPPI test to determine how they are classified in the balance sheet. If a loan qualifies as a basic instrument (SPPI), the handling and implementation fees associated with the new transaction received are included in the effective interest rate of the new instrument.

Customer loans at amortised cost include lease receivables where they are classified as finance leases. Leases granted by the Group are classified as finance leases if they transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Otherwise, they are classified as operating leases (see Note 4.2).

These finance lease receivables represent the Group’s net investment in the lease, calculated as the present value of the minimum payments to be received from the lessee, plus any unguaranteed residual value, discounted at the interest rate implicit in the lease. In the event of a subsequent reduction in the estimated unguaranteed residual value used to calculate the lessor’s investment in the finance lease, the present value of this reduction is recognised as a loss under Expenses from other activities in the income statement and as a reduction of the finance lease receivables on the asset side of the balance sheet.

BUSINESS MODEL “HOLD TO COLLECT”


Under this model, financial assets are managed to obtain cash flows by collecting contractual payments over the life of the instrument.

To achieve the objective of this business model, it is not necessary for the entity to hold all the instruments until maturity. Selling assets remains consistent with a business model whose objective is to collect contractual cash flows in the following cases:

- the financial asset is sold following an increase in the asset’s credit risk; or
- the sale of the financial asset occurs close to its maturity and the proceeds from the sale are similar to the amount to be collected from the remaining contractual cash flows.

Other sales can be consistent with the objective of collecting contractual cash flows, as well, provided they are infrequent (even if significant in value) or insignificant in value, both individually and in aggregate terms (even if frequent). Such other sales include sales made to manage credit concentration risk (without an increase in the asset’s credit risk). The Group has set up procedures for reporting and analysing all

significant projected sales of financial assets held for collecting contractual cash flows, as well as a periodic review of sales that have occurred.

	<p>Financing activities</p> <p>Within the Group, the “hold to collect” business model is mainly applied by financing activities managed by French Retail Banking, International Retail Banking and Financial Services and by Global Banking and Investor Solutions, except for the part of syndicated loans that is expected to be sold.</p>
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OVERVIEW

Table 3.5.A

<i>(In EUR m)</i>	31.12.2024		31.12.2023	
	Carrying amount	<i>o/w impairment</i>	Carrying amount	<i>o/w impairment</i>
Due from banks	84,051	(26)	77,879	(23)
Customer loans	454,622	(8,445)	485,449	(10,070)
Securities	32,655	(36)	28,147	(84)
Total	571,328	(8,507)	591,475	(10,177)

1. DUE FROM BANKS

Table 3.5.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Current accounts	44,498	39,798
Deposits and loans	20,475	12,939
Securities purchased under resale agreements	18,544	24,622
Subordinated and participating loans	230	200
Related receivables	360	383
Due from banks before impairments ⁽¹⁾	84,107	77,942
Credit loss impairments	(26)	(23)
Revaluation of hedged items	(30)	(40)
Total	84,051	77,879

(1) As at 31 December 2024, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 15 million compared to EUR 37 million as at 31 December 2023. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

2. CUSTOMER LOANS

Table 3.5.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Overdrafts	20,383	21,629
Other customer loans	405,141	428,614
Lease financing agreements	21,477	31,165
Securities purchased under resale agreements	11,515	9,413
Related receivables	4,627	4,845
Customer loans before impairments ⁽¹⁾	463,143	495,666
Credit loss impairment	(8,445)	(10,070)
Revaluation of hedged items	(76)	(147)
Total	454,622	485,449

(1) As at 31 December 2024, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 14 016 million compared to EUR 15 711 million as at 31 December 2023. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

BREAKDOWN OF OTHER CUSTOMER LOANS

Table 3.5.D

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Trade notes	7,740	7,736
Short-term loans	129,228	138,568
Export loans	13,054	13,030
Equipment loans	67,215	74,205
Housing loans	138,312	145,076
Loans secured by notes and securities	98	84
Other loans	49,494	49,915
Total	405,141	428,614

ADDITIONAL INFORMATION ON LEASE FINANCING AND SIMILAR AGREEMENTS

Table 3.5.E

<i>(In EUR m)</i>	31.12.2024	31.12.2022
Gross investments	23,253	33,438
Amount for the next five years	19,251	28,206
<i>Less than one year</i>	6,552	9,866
<i>From one to two years</i>	4,769	6,987
<i>From two to three years</i>	3,753	5,407
<i>From three to four years</i>	2,609	3,629
<i>From four to five years</i>	1,568	2,317
More than five years	4,002	5,232
Present value of minimum payments receivable	20,008	29,153
Rental receivables due for the next five years	17,021	25,231
<i>Less than one year</i>	6,012	9,098
<i>From one to two years</i>	4,292	6,361
<i>From two to three years</i>	3,311	4,780
<i>From three to four years</i>	2,205	3,140
<i>From four to five years</i>	1,201	1,852
Rental receivables due for more than five years	2,987	3,922
Unearned financial income	1,776	2,273
Unguaranteed residual values receivable by the lessor	1,469	2,012

3. SECURITIES

Table 3.5.F

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Government securities	14,208	14,303
Negotiable certificates, bonds and other debt securities	18,322	13,731
Related receivables	267	256
Securities before impairments	32,797	28,290
Impairment	(36)	(84)
Revaluation of hedged items	(106)	(59)
Total	32,655	28,147

NOTE 3.6 - DEBTS

ACCOUNTING PRINCIPLES

Debts include the non-derivative financial liabilities that are not measured at fair value through profit or loss (these instruments are described in Note 3.1.3).

They are recognised in the balance sheet, depending on the type of instrument and counterparty, under Due to banks, Customer deposits, Debt securities issued or Subordinated debt.

Subordinated debts are contractually remunerated borrowings, fixed-term or perpetual, whether or not in the form of debt securities, which, in the event of the liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

Debts are initially recognised at cost, *i.e.* at the fair value of the amount borrowed net of transaction fees. These liabilities are measured as at the reporting date at amortised cost using the effective interest rate method. As a result, issue or redemption premiums on bonds are amortised over the lifetime of the instruments concerned. Accrued or paid expenses are recorded in profit or loss under Interest and similar expense.

The Group's obligations arising from mortgage savings accounts and plans are recorded under Customer deposits – Regulated savings accounts. A provision may be recorded in respect of such mortgage savings instruments (see Note 8.2).

1. DUE TO BANKS

Table 3.6.A

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Demand deposits and current accounts	15,695	11,131
Overnight deposits and borrowings	1,297	1,049
Term deposits ⁽¹⁾	73,517	100,307
Related payables	476	1,464
Revaluation of hedged items	(678)	(1,082)
Securities sold under repurchase agreements	9,437	4,978
Total	99,744	117,847

(1) Including term-deposits linked to central banks, and in particular long-term refinancing operations set up by the ECB (Targeted Longer-Term Refinancing Operations – TLTRO).

TLTRO

Between December 2019 and December 2021, the Group subscribed, via Societe Generale and Crédit du Nord, to TLTRO III loans (Targeted Longer-Term Refinancing Operations) offered by the European Central Bank. The purpose of these loan offers, with reduced interest rates and additional temporary subsidies, were to maintain credit conditions in the eurozone. The residual amount of TLTRO loans on the liabilities side of the balance sheet, equal to EUR 24 billion as at 31 December 2023, was fully repaid by the Group in 2024.

For this year, the total interest and related expenses recognised in profit or loss amounted to EUR 469 million (EUR 1.2 billion for 2023).

2. CUSTOMER DEPOSITS

Table 3.6.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Regulated savings accounts	122,285	122,172
<i>Demand</i>	101,712	99,105
<i>Term</i>	20,573	23,067
Other demand deposits ⁽¹⁾	257,647	262,954
Other term deposits ⁽¹⁾	143,408	146,878
Related payables	1,611	1,841
Revaluation of hedged items	31	(3)
Total customer deposits	524,982	533,842
Securities sold to customers under repurchase agreements	6,693	7,835
Total	531,675	541,677

(1) Including deposits linked to governments and central administrations.

BREAKDOWN OF OTHER DEMAND DEPOSITS BY CUSTOMER TYPE

Table 3.6.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Professionals and corporates	110,715	107,168
Individual customers	78,017	83,449
Financial customers	55,689	55,842
Others ⁽¹⁾	13,226	16,495
Total	257,647	262,954

(1) Including deposits linked to governments and central administrations.

3. DEBT SECURITIES ISSUED

Table 3.6.D

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Term savings certificates	112	173
Bond borrowings	34,341	31,285
Interbank certificates and negotiable debt instruments	128,025	130,393
Related payables	1,603	1,321
Revaluation of hedged items	(1,881)	(2,666)
Total	162,200	160,506
<i>o/w floating-rate securities</i>	100,659	95,247

NOTE 3.7 - INTEREST INCOME AND EXPENSE



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Interest is compensation for a financial service, consisting in a lender making a certain amount of cash available to a borrower for an agreed period of time. Such compensated financing arrangements can be loans, deposits or securities (bonds, negotiable debt securities...).

This compensation is a consideration for the time value of money, and additionally for credit risk, liquidity risk and administrative costs, all borne by the lender for the duration of the financing agreement. The interest can also include a margin used by the lending bank to remunerate equity instruments (such as ordinary shares) that are required by prudential regulation to be issued in relation to the amount of financing granted, so as to guarantee its own solvency.

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

ACCOUNTING PRINCIPLES

Interest income and expense are recorded in the income statement 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) and for all financial instruments mandatorily measured at fair value through profit and loss and interest rate risk hedging derivatives for the portion of income or expenses representative of the effective interest rate. Negative interest incomes on financial assets are recorded under Interest and similar expense; negative interest expenses on financial liabilities are recorded under Interest and similar 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 recognised in profit or loss by applying the effective interest rate to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

Moreover, except for those related to employee benefits, provisions recognised as balance sheet liabilities generate interest expenses which are calculated using the same risk-free interest rate as that used to discount the expected outflow of resources as soon as the effects of this update are significant.

Table 3.7.A

<i>(In EUR m)</i>	2024			2023		
	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised	34,678	(27,797)	6,881	32,266	(24,720)	7,546
<i>Central banks</i>	6,776	(408)	6,368	6,698	(368)	6,330
<i>Bonds and other debt securities</i>	1,366	(5,281)	(3,915)	1,188	(4,096)	(2,908)
<i>Due from/to banks ⁽¹⁾</i>	4,375	(4,917)	(542)	4,038	(6,375)	(2,337)
<i>Customer loans and deposits</i>	19,716	(15,195)	4,521	17,931	(12,133)	5,798
<i>Subordinated debt</i>	-	(911)	(911)	-	(700)	(700)
<i>Securities lending/borrowing</i>	4	(6)	(2)	9	(13)	(4)
<i>Repo transactions</i>	2,441	(1,079)	1,362	2,402	(1,035)	1,367
Hedging derivatives	14,907	(17,031)	(2,124)	15,919	(17,748)	(1,829)
Financial instruments at fair value through other comprehensive	2,871	(240)	2,631	2,779	(260)	2,519
Lease agreements	1,440	(58)	1,382	1,258	(47)	1,211
<i>Real estate lease agreements</i>	315	(54)	261	295	(45)	250
<i>Non-real estate lease agreements</i>	1,125	(4)	1,121	963	(2)	961
Subtotal interest income/expense on financial instruments using	53,896	(45,126)	8,770	52,222	(42,775)	9,447
Financial instruments mandatorily at fair value through profit or loss	1,123	(1)	1,122	865	(2)	863
Total Interest income and	55,019	(45,127)	9,892	53,087	(42,777)	10,310
<i>o/w interest income from impaired financial assets</i>	308	-	308	273	-	273

(1) Interest on TLTRO loans is recorded as an expense on Loans / borrowings on credit institutions (see Note 3.6).

(2) Including EUR 1,206 million for insurance subsidiaries in 2024 (EUR 1,237 million in 2023). This amount must be read together with the financial income and expenses of insurance contracts (see Note 4.3, Detail of performance of insurance activities).

These interest expenses include the refinancing cost of financial instruments at fair value through profit or loss, the results of which are classified in net gains or losses on these instruments (see Note 3.1). Given that income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through profit or loss must be assessed as a whole.

BREAKDOWN OF INCOME OF CUSTOMER LOANS AT AMORTISED COST

Table 3.7.B

<i>(In EUR m)</i>	2024	2023
Trade notes	785	786
Other customer loans	16,515	15,189
<i>Short-term loans</i>	7,738	7,132
<i>Export loans</i>	560	576
<i>Equipment loans</i>	2,992	2,647
<i>Housing loans</i>	2,995	2,878
<i>Other customer loans</i>	2,230	1,956
Overdrafts	2,116	1,692
Doubtful outstanding (stage 3)	300	264
Total	19,716	17,931

NOTE 3.8 - IMPAIRMENT AND PROVISIONS



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SIMPLE

Some financial assets (loans, debt securities) involve credit risk which exposes the Group to a potential loss if the counterparty or the securities issuer were to be unable to respect their financial commitments. To compensate for this risk, the bank receives a portion of the contractual interest on those assets, called credit margin.

For loans, receivables and debt securities measured at amortised cost or fair value through other comprehensive income, this potential loss, or expected credit loss, as estimated by the Group, is recognised in profit or loss without waiting for a payment default individually impacting the counterparty; the expenses partly offset the interest income and thus avoid overestimating the income during the periods prior to the counterparty default. On balance sheet, this potential loss is recognised as an impairment that reduces the carrying amount of assets measured at amortised cost. Impairment are written-back in case of a subsequent decrease of credit risk.

Potential losses recognised in the income statement represent initially the credit losses expected by the Group over the year to come. Subsequently, the amount is increased by the expected loss at maturity of the instrument in case of significant increase of risk.

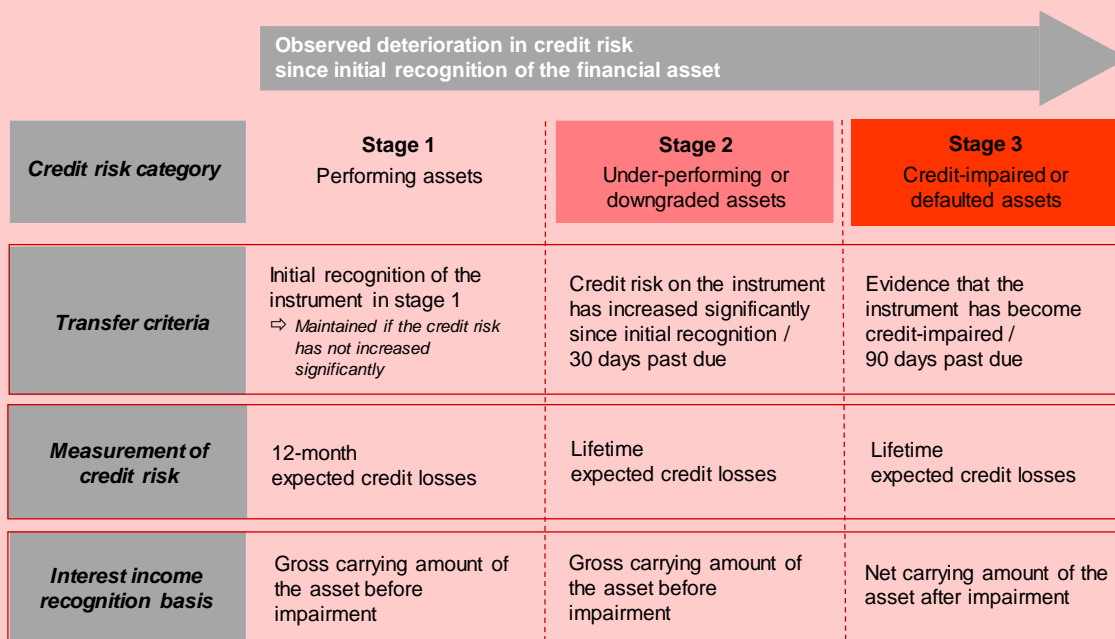
For financial assets measured at fair value through profit or loss (including instruments held by global markets activities), their fair value includes already the expected credit loss, as assessed by the market participants, on the residual lifetime of the instrument.

ACCOUNTING PRINCIPLES

RECOGNITION OF EXPECTED CREDIT LOSSES

Debt instruments (loans, receivables, bonds and similar) classified as financial assets at amortised cost or as financial assets at fair value through other comprehensive income, operating lease receivables, customer receivables and income to be received included amongst Other assets, as well as loan commitments granted and guarantee commitments issued, are systematically subject to impairment or provisions for expected credit losses. These impairments and provisions are recognised as of the granting of the loans, the commitments undertaken or the debt securities purchased, without waiting for the occurrence of an objective evidence of impairment.

To determine the amount of impairment or provision to be recorded at each reporting date, these exposures are split among three categories based on the increase in credit risk observed since initial recognition. An impairment or provision shall be recognised for the exposures in each of these categories as follows:



EXPOSURES CLASSIFIED IN STAGE 1

On their initial recognition date, the exposures are systematically classified in Stage 1, unless they have been credit-impaired or defaulted at the time of their acquisition or granting.

EXPOSURES CLASSIFIED IN STAGE 2

To identify Stage 2 exposures, the significant increase in credit risk compared to the date of initial recognition is assessed in the Group using all available historical and forward-looking data (behavioural scores, loan to value indicators, macroeconomic forecast scenarios, sector analyses, cash flow projections for some counterparties, etc.).

The four criteria used to assess the significant changes in credit risk are detailed below. Once at least one of these four criteria is met, the exposure concerned is transferred from Stage 1 to Stage 2 and related impairment or provisions are adjusted accordingly.

Furthermore, the low credit risk exemption may be applied when the counterparty credit risk is low.

Criterion 1: the classification of the counterparty in “sensitive”

To determine the classification of the counterparty as “sensitive” (concept of watch list), the Group analyses:

- the counterparty’s credit rating (when it is the subject of an internal analysis); and
- the changes in its operating sector, in macroeconomic conditions and in the behaviour of the counterparty which may also be indicative of a deterioration in credit risk.

If, after review, a counterparty is declared “sensitive”, all the contracts entered into between the Group and this counterparty before classification as “sensitive” are transferred into Stage 2 (to the extent that this approach does not generate any distortion compared to a credit quality analysis at the time of granting of each financial instrument) and the related impairment and provisions are increased up to the lifetime expected credit losses.

After a counterparty has been placed on a watch list, all new transactions originated with that counterparty are recorded in Stage 1.

Criterion 2: the magnitude of the change in a counterparty’s credit rating since the initial recognition

These changes are assessed contract by contract between the date of first recognition and the closing date.

To determine whether a deterioration or improvement of the probability of default, between the date of initial recognition and the closing date, is significant enough to prompt a change in the provisioning/impairment

stage, thresholds are set annually by the Risk Division. These thresholds of transfer between Stage 1 and Stage 2 are determined for each homogeneous contract portfolio (concept of risk segment based on the customer typology and the credit quality) and are calculated based on the curves of probability of default at maturity of each portfolio. These thresholds may correspond to an absolute or relative increase in the probability of default. For instance, the threshold is set at +50 bp for sovereign debt, +80 bp for Large Enterprises (turnover between EUR 50 million and EUR 500 million) and Very Large Enterprises (turnover exceeding EUR 500 million), +150 bp for SME and +10 bp for the French mortgages of the Societe Generale retail network with a *Credit Logement* warranty.

In addition and in line with the recommendations issued by the EBA and the ECB, loans for which the probability of default has been multiplied by three between the date of first recognition and the balance sheet date are transferred to Stage 2.

Criterion 3: existence of payments more than 30 days past due

There is a (rebuttable) presumption of significant deterioration in credit risk when a payment on an asset is more than 30 days past due.

The three criteria are symmetrical: thus, a removal from the watch list of sensitive counterparties, a sufficient improvement in the debtor's probability of default or a settlement of payments more than 30 days past due results in a return to Stage 1, without any probationary period in Stage 2.

Criterion 4: qualification as a restructured claim (EBA and ECB definition)

When a credit claim on a customer is subject to a restructuring that does not reduce the discounted present value of this claim by more than 1%, and in the absence of strong probability that the counterparty is unable to meet all its commitments, all credit claims on this customer are transferred in Stage 2 for at least one year.

Particular case of exposures without credit rating

For exposures to counterparties for which no credit rating is available (retail customers and a limited portion of the "Corporate" (Enterprises) segment), the transfer into Stage 2 is based on:

- the Basel behavioural score or the existence of payments more than 30 days past due for Retail customers;
- the classification as "sensitive", the presence of restructured credit claims or the existence of payments more than 30 days past due for Corporates.

EXPOSURES CLASSIFIED IN STAGE 3

To identify Stage 3 exposures (doubtful/credit-impaired exposures), the Group has been applying in most of its entities, since July 2020, the new definition of default as detailed in the guidelines published by the European Banking Authority (EBA). According to this definition, classification in Stage 3 is based on the following criteria:

- one or more past-due payments of over 100 euros for Retail customers (500 euros for Non-retail) during 90 consecutive days, representing at least 1% of the total exposure of the customer. This unpaid amount may or may not be accompanied with a recovery procedure. Are excluded: the restructured credit claims classified in Stage 1 or 2 which are retransferred into Stage 3 from the first amount unpaid after 30 days during a two-year probation period. In addition, only past-due payments resulting from business litigations, specific contractual features or IT failures may derogate from automatic transfer into default (Stage 3) after 90 days.
- the identification of other criteria which, independently from the existence of any past-due payment, indicate a probable risk of partial or total non-recovery of the amounts due, such as:
 - a high probability that the counterparty will be unable to meet all of its commitments owing to a significant deterioration in its financial circumstances, involving a risk of loss for the Group;
 - the granting, for reasons related to the borrower's financial difficulties, of concessions with regard to the loan agreement that would not have been granted in other circumstances (restructured loans) and which will reduce the present value of the loan cash flows by more than 1% of its initial value;
 - the existence of litigious proceedings (ad hoc mandate, bankruptcy protection, court-ordered settlement, compulsory liquidation or other similar proceedings in the local jurisdictions concerned).

The Group applies the contagion principle to all of the defaulting counterparty's exposures. When a debtor belongs to a customer group, in the general case, the contagion also spreads to all of this group's exposures.

The classification in Stage 3 is maintained during the three-month probation period after the disappearance of all the default indicators described above. The probation period in Stage 3 is extended to one year for the restructured loans that have been transferred in Stage 3.

Should contracts be returned to Stage 2, they will be kept in Stage 2 during a probation period before contemplating any possibility of transfer to Stage 1. This probation period in Stage 2 is between six months to two years depending on the nature of the risk portfolios to which the contracts belong.

MEASUREMENT OF DEPRECIATION AND PROVISION

Stage 1 exposures are impaired for the amount of credit losses that the Group expects to incur within one year (12-month expected credit losses), based on historical data and the current situation. The impairment amount thus is the difference between the gross carrying amount of the asset and the present value of the future cash flows deemed recoverable, taking into account the impact of the collateral called up or liable to be called up and the probability of a default event occurring within the next year.

Stage 2 and 3 exposures are impaired for the amount of credit losses that the Group expects to incur over the life of the exposures (life expected credit losses or life ECL), taking into consideration the historical data, the present situation and reasonable forecasts of changes in economic conditions, and relevant macroeconomic factors through to maturity. The amount of impairment is thus the difference between the gross carrying amount of the asset and the present value of the future cash flows deemed to be recoverable taking into account the impact of collateral called up or liable to be called up and, for exposures in Stage 2, the probability of a default event occurring before the maturity of the instrument.

The collateral is reckoned while estimating the recoverable cash flows when it forms an integral part of the contractual characteristics of the loan concerned and is not booked separately.

When the collateral does not meet these criteria and, as a consequence, its effects cannot be reckoned in the calculation of impairment, a separate asset is recognised in the balance sheet under Other Assets. The carrying amount of this asset is representative of the expected credit losses, recorded in the balance sheet under Impairment of assets, for which the Group is almost certain to receive a compensation. Changes in the carrying amount of this asset are recorded in the income statement under Cost of credit risk.

Irrespective of the stage of credit risk downgrade, cash flows are discounted using the initial effective interest rate of the financial asset. The amount of impairment is included in the net carrying amount of the impaired financial asset. Impairment allocations/reversals are recorded in the income statement under Cost of credit risk.

The expected credit losses on the financing commitments and financial collateral given are determined using a similar approach applied to the estimated amount of Group exposure in case of default (amount drawn from the financing commitment on the default date, amount of collateral called up on the default date). The credit loss amounts thus calculated at one year (Stage 1) or over the life of the commitments (Stages 2 and 3) are recognised as liabilities on the balance sheet under Provisions.

For operating leases and trade receivables, the Group uses the "simplified" approach, under which impairments are calculated up to the lifetime expected credit losses at the time of their initial recognition, without waiting for any significant downgrade in the counterparty's credit risk. The assessment of the impairments is mainly based on the default rates and incurred losses in the event of historically observed default. The adjustments intended to take into account forward-looking information on changes in the economic conditions and macro-economic factors are determined based on expert opinion.

RESTRUCTURED LOANS

The loans granted or acquired by the Group may be restructured due to financial difficulties. This takes the form of a contractual change in the initial terms and conditions of the transaction (such as lower interest rates, rescheduled loan payments, partial debt forgiveness, or additional collateral). This change in the contractual terms of the financial instrument is then linked exclusively to the borrower's financial difficulties and/or insolvency (whether they have already become insolvent or are certain to be so if the loan is not restructured).

Once restructured, the financial assets are classified in Stage 3 of impairment (Credit-impaired/defaulted exposures) if the present value of the adjusted future cash flows is reduced by more than 1% compared to the carrying amount of the balance sheet financial assets before their restructuring or if there is a high probability that the counterparty is not able to meet all of its commitments, involving a risk of loss for the Group. In both cases, the restructured financial assets are considered in default. If these restructured financial assets still meet the SPPI characteristics, they remain on the balance sheet at amortised cost. Their amortised cost before impairment is adjusted for a discount representing the loss of profit resulting from the restructuring. This discount, recognised under Cost of credit risk in the income statement, is equal to the difference between the present value of the new contractual cash flows resulting from the restructuring of the loan and the amortised cost before impairment less any partial debt forgiveness. As a result, the amount of interest income subsequently recognised in profit or loss is still calculated using the initial effective interest rate of the loan and based on the net carrying amount of the asset after impairment as long as the asset remains classified in stage 3.

Classification in Stage 3 is maintained for at least one year, or beyond as long as the Group is uncertain whether or not the borrower will be able to meet its commitments. Once the loan is no longer classified in Stage 3 the assessment of the significant credit risk downgrade will be performed by comparing the characteristics of the instrument as at the closing date and the characteristics as at the initial recognition date of the loan before restructuring, applying the transfer rules to Stage 1 and 2 previously mentioned in this Note, on the understanding that the loans are to be reclassified in Stage 3 on the first payment more than 30-days past due occurring during the two years after the return to Stage 1 or 2.

For the loans the present value of which does not decrease by more than 1%, and if there isn't a strong probability that the counterparty will be unable to meet all of its commitments, involving a risk of loss for the Group, Criterion 4 applies for assessing the significance of an increase in credit risk, and results in the continued classification of these loans in Stage 2 for a minimum of one year.

If, in view of the new contract terms and conditions resulting from the restructuring, the restructured loans do no longer pass the SPPI test, they are derecognised and replaced with the new financial assets resulting from the new contract conditions. These new assets are recorded as Financial assets measured at fair value through profit or loss. The difference between the net carrying amount of the thus restructured loans and the initial fair value of the new assets is recorded under Cost of credit risk in the income statement.

Restructured loans do not include the loans and receivables that have been subject to commercial renegotiations and are loans to customers for which the Group has agreed to renegotiate the debt with the aim of maintaining or developing a commercial relationship, in accordance with the credit granting procedures in force and without relinquishing any principal or accrued interest. The accounting treatment of renegotiations is detailed in Note 3.5.

TOTAL OR PARTIAL RECOVERY BY ACTIVATING THE GUARANTEE

A claim may be recovered in the form of an asset (financial or tangible) that passes into the ownership of the Group as a result of the activation of a guarantee.

This asset substitutes for the guaranteed claim on the date when the Group becomes its owner and is initially recognised at fair value as an asset on the balance sheet. Its classification and subsequent valuation method depend on the management intent.

METHOD FOR ESTIMATING EXPECTED CREDIT LOSSES

The calculation method for the impairments and provisions for expected credit losses in Stage 1 and Stage 2 was developed under the Basel framework which served as a basis for selecting the assessment methods for the calculation parameters (probability of default and credit loss rate on the outstanding loans under an advanced Basel approach - IRBA and IRBF - and provisioning rate for the outstanding loans under the standardised Basel approach).

The Group's portfolios have been segmented in order to ensure homogeneity of the risk characteristics and a better correlation with the macroeconomic variables, both global and local. This segmentation enables to address all Group specificities. It is consistent with or similar to the one specified in the Basel framework in order to ensure the uniqueness of the historical records of defaults and losses.

The nature of the variables used in the models applied to assess the expected credit losses is detailed in Chapter 4 of the current Universal Registration Document.

The expected credit loss assessment is performed based on the parameters mentioned below, supplemented with the internal analyses relating to the credit quality of each counterparty, individually or statistically.

GEOPOLITICAL CRISES AND MACROECONOMIC CONTEXT

The Group revised in 2024 the parameters used in the models based on the updated macroeconomic scenarios which include of the recent economic developments and of the macroeconomic impacts related to the current geopolitical environment (see Note 1).

To reckon with the uncertainties related to the macroeconomic and geopolitical environment, the Group updated the model and post-model adjustments in 2024.

The effects of these adjustments in the determination of expected credit losses are described hereinafter.

UPDATE OF THE MODELS AND IMPACT ON THE ESTIMATE OF EXPECTED CREDIT LOSSES

As at 31 December 2024, the updates of macroeconomic variables and probabilities of default as well as the updated weighting of the scenarios resulted in a EUR 14 million increase in the amount of impairment and provisions for credit risk:

- the impact of the revision of the macroeconomic variables and probabilities of default is a EUR 21 million decrease;
- the impact of the updated weighting of the macroeconomic scenarios described in Note 1 is a EUR 35 million increase.

Furthermore, owing to the geopolitical context related to the war in Ukraine, all our Russian counterparties including residual exposures on Rosbank had been classified as "sensitive" (concept of watch list) from the beginning of the conflict, and the associated outstanding loans have been transferred to Stage 2. As at 31 December 2024, they amount to EUR 0.7 billion (EUR 1.1 billion as at 31 December 2023). Further analysis has resulted in the identification amidst this population of the outstanding loans that have to be transferred to Stage 3, and this from the beginning of the war in Ukraine (EUR 232 million as at 31 December 2024). The impact of these transfers on the calculation of the expected credit losses amounts to EUR 107 million as at 31 December 2024 (including the additional adjustment detailed in the "Other adjustments" sub-section).

Adjustments supplementing the application of the models

Sectoral adjustments

The Group may supplement the models with sectoral adjustments relating to the possible revision of the expected credit loss estimates (with no impact on the classification of the outstanding loans) for some sectors.

These adjustments allow for better anticipation of the default/recovery cycle in some sectors that are cyclical and have been subject to peaks of default in the past or are especially vulnerable to the current crises and on which the Group's exposure exceeds a threshold that is annually reviewed and set by the Risk Division. These sectoral adjustments are examined and updated quarterly by the Risk Division and validated according to materiality thresholds by General Management.

The proposals are determined based on an assessment of the sectors by the Economic and Sector Studies Department. This assessment process takes into account the financial characteristics of the enterprises in the sector, its current circumstances and perspectives, and its exposure to climate risk (climate change-induced risks as well as exposure to physical risks).

Taking account of the risks related to climate-change and to nature requires to achieve convergence between the standard credit, liquidity and market risk-assessment methods (based on the financial statements, flow data, market prices and trade trends) and the assessments relating to the environment via indicators calculated at the level of the sovereigns, the business sectors or the enterprises.

The prospective dimension of risk analysis is important for taking into account environmental risks, in particular owing to the considerable uncertainty about transition and physical risks. Physical risks are expected to intensify in the future, with possible financial impacts for enterprises. The transition involves disruptive changes which might result in impairment on some assets. Risk assessment thus requires to identify the hazards (source of risk) and assess the exposure to these hazards in different environmental scenarios in order to assess the vulnerability issues.

The Group developed a set of environmental scenarios and internal indicators on environmental vulnerability in order to integrate the climate dimension into risk analysis:

- Environmental scenarios aim at describing future possible trajectories. Several devices, provided by the Intergovernmental Panel on Climate Change (IPCC (or, in French: GIEC (*Groupe d'experts intergouvernemental sur l'évolution du climat*))), the NGFS (Network for Greening Financial System) or the IEA (International Energy Agency), are used as references by the Group. The internal climate scenarios factor in the specificities of the different sectors in the transition.
- The vulnerability indicators cover the sovereign and enterprise counterparties and propose a scoring related to their sensitivity to environmental issues (with regard to climate change, biodiversity loss, depletion of freshwater resources, pollution, and circular economy and resources issues) in terms of transition and physical risks.

The main sectors concerned on 31 December 2024 are commercial real estate, non-food retail, construction-public work.

The total sectoral adjustments thus amount to EUR 752 million as at 31 December 2024 (EUR 667 million as at 31 December 2023). This increase reflects on one hand, the update of the bank's prospective outlook on the economic sectors, on the other hand the inclusion in the sectoral adjustments of some sectors previously considered in the framework of the expert adjustment targeting the lasting effects of increased inflation and interest rates (see the "Other adjustments" paragraph). The main movements are:

- an upward movement in the sectors with a deteriorating situation due to increased costs, deteriorating economic circumstances, more difficult refinancing conditions or to their own specific factors, in particular the sectors of health care institutions, road freight transport/storage, and telecommunications;
- a downward movement in particular in the real-estate sector, with a now proven deterioration that is taken into account in the exposure ratings and classifications.

Other adjustments

Adjustments, based on expert opinion and with no impact on the classification, have also been made to reflect the deterioration in credit risk on some portfolios when this deterioration has not been observed through a line-by-line analysis of the outstanding stock:

- for the scope of entities which have not developed models enabling them to estimate the correlations between macroeconomic variables and default rate; and

- for the scopes on which models have been developed but cannot reflect future risks not observed in the past or risks idiosyncratic to portfolios and non-included in the models.

These adjustments amount to EUR 410 million as at 31 December 2024 (EUR 699 million as at 31 December 2023). This change results from the account taken of:

- The risk specific, on the offshore loan portfolio, to the Russian corporate customers owing to the geopolitical situation. This adjustment is estimated by applying to the models of expected credit losses on this portfolio of downgraded scenarios (weighted by a probability of occurrence) for which the probabilities of default and the recovery perspectives take into account the uncertainty related to this context.
- The risks arising from the specific economic environment, such as the lasting effects of higher inflation and interest rates from 2022 on, regarding fragile customers and the more specifically exposed portfolios, as such risks are not taken into account in the models.

The two main methods are used to estimate these adjustments:

- application to the parameters of expected credit loss (models, of more stringent probabilities of default reflecting the economic shock expected according to the Group's economic scenarios;
- simulation of the impact on the expected credit losses of a transfer to Stage 2 of some or all of the portfolios concerned.

In 2023, some adjustments targeting the lasting effects of increased inflation and interest rates had been made using the sectoral adjustment method described above for the sectors identified by the Group's Economic Studies department as particularly exposed in case of occurrence of a prolonged stagflation scenario. Due to the significant reduction in the probability of occurrence of this scenario, this adjustment is not used anymore as at 31 December 2024; and the sectors identified as most sensitive are included again in the Group's sectoral adjustment system described above.

1. OVERVIEW

PRESENTATION OF BALANCE SHEET AND OFF-BALANCE SHEET OUTSTANDING AMOUNTS

Table 3.8.A

<i>(In EUR m)</i>		31.12.2024	31.12.2023
Debt instruments at fair value through other comprehensive income	Note 3.3	95,750	90,630
Securities at amortised cost	Note 3.5	32,655	28,147
Due from banks at amortised cost	Note 3.5	84,051	77,879
Due from central banks ⁽¹⁾		199,573	220,725
Customer loans at amortised cost	Note 3.5	454,622	485,449
Guarantee deposits paid	Note 4.4	50,970	51,611
Others		6,387	6,239
<i>o/w other miscellaneous receivables bearing credit risk</i>	<i>Note 4.4</i>	<i>6,109</i>	<i>6,076</i>
<i>o/w due from clearing houses bearing credit risk</i>	<i>Note 4.4</i>	<i>278</i>	<i>163</i>
Net value of accounting outstanding amounts (balance sheet)		924,008	960,680
Impairment of loans at amortised cost	Note 3.8	8,912	10,505
Gross value of accounting outstanding amounts (balance sheet)		932,920	971,185
Financing commitments		218,157	210,511
Guarantee commitments		93,296	80,560
Gross value of off balance-sheet accounting amounts		311,453	291,071
Total of accounting amounts (balance-sheet and off balance-sheet)		1,244,373	1,262,256

(1) Included in line Cash, due from central banks.

OUTSTANDING AMOUNTS SUBJECT TO IMPAIRMENT AND PROVISIONS BY IMPAIRMENT STAGE AND BY ACCOUNTING CATEGORY

Table 3.8.B

	31.12.2024				31.12.2023			
	Group without Insurance activities		Insurance		Group without Insurance activities		Insurance	
	Outstanding amounts	Impairment /provisions	Outstanding amounts	Impairment /provisions	Outstanding amounts	Impairment /provisions	Outstanding amounts	Impairment /provisions
<i>(In EUR m)</i>								
Financial assets at fair value through other comprehensive income	41,401	2	54,349	6	37,729	3	52,901	13
Performing assets outstanding (Stage 1)	41,279	-	54,216	4	37,727	1	51,704	4
Underperforming assets outstanding (Stage 2)	122	2	133	2	2	2	1,197	9
Doubtful assets outstanding (Stage 3)	-	-	-	-	-	-	-	-
Financial assets at amortised cost ⁽¹⁾	830,573	8,912	6,597	-	873,390	10,505	7,165	-
Performing assets outstanding (Stage 1)	770,421	834	6,500	-	812,925	1,048	7,085	-
Underperforming assets outstanding (Stage 2)	45,483	1,803	97	-	44,063	1,973	80	-
Doubtful assets outstanding (Stage 3)	14,669	6,275	-	-	16,402	7,484	-	-
o/w lease financing	21,637	632	-	-	31,165	883	-	-
Performing assets outstanding (Stage 1)	15,906	79	-	-	24,798	127	-	-
Underperforming assets outstanding (Stage 2)	4,567	130	-	-	4,668	163	-	-
Doubtful assets outstanding (Stage 3)	1,164	423	-	-	1,699	593	-	-
Financing commitments	218,157	418	-	-	210,511	447	-	-
Performing assets outstanding (Stage 1)	205,306	149	-	-	195,733	154	-	-
Underperforming assets outstanding (Stage 2)	12,577	207	-	-	14,540	235	-	-
Doubtful assets outstanding (Stage 3)	274	62	-	-	238	58	-	-
Guarantee commitments	93,296	324	-	-	80,560	372	-	-
Performing assets outstanding (Stage 1)	89,404	54	-	-	76,503	59	-	-
Underperforming assets outstanding (Stage 2)	3,225	63	-	-	3,370	84	-	-
Doubtful assets outstanding (Stage 3)	667	207	-	-	687	229	-	-
Total of accounting amounts (balance-sheet and off balance-sheet)	1,183,427	9,656	60,946	6	1,202,190	11,327	60,066	13

(1) Including Central Banks for EUR 199,573 million as at 31 December 2024 (compared to EUR 220,725 million as at 31 December 2023).

In order to disclose its exposure to credit risk, the Group has decided to tabulate its assets outstanding and impairment by stage of impairment of the financial assets at amortised cost by Basel category, by geographical area, and by rating of the counterparty. Due to the absence of significant exposure to credit risk for insurance activities, assets measured at fair value through other comprehensive income as well as for financing and guarantee commitments, this information is not presented below.

GROUP ASSETS AT AMORTISED COST WITHOUT INSURANCE ACTIVITIES: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY BASEL PORTFOLIO

Table 3.8.C

	31.12.2024							
	Assets at amortised cost				Impairment			
<i>(In EUR m)</i>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	244,506	5,229	63	249,798	4	2	31	37
Institutions	138,437	710	51	139,198	7	1	13	21
Corporates	219,684	20,048	7,826	247,558	518	1,204	3,143	4,865
<i>o/w SME</i>	32,860	5,051	3,059	40,970	-	-	-	-
Retail	166,177	19,445	6,714	192,336	302	594	3,080	3,976
<i>o/w VSB</i>	15,986	3,639	2,288	21,913	-	-	-	-
Others	1,617	51	15	1,683	3	2	8	13
Total	770,421	45,483	14,669	830,573	834	1,803	6,275	8,912

Table 3.8.D

	31.12.2023							
	Assets at amortised cost				Impairment			
<i>(In EUR m)</i>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	255,852	4,492	73	260,417	5	3	59	67
Institutions	142,862	542	88	143,492	7	1	21	29
Corporates	227,438	20,608	8,663	256,709	622	1,312	3,709	5,643
<i>o/w SME</i>	41,869	6,212	3,560	51,641	213	364	1,825	2,402
Retail	185,088	18,373	7,564	211,025	411	655	3,688	4,754
<i>o/w VSB</i>	24,447	2,911	2,690	30,048	104	236	1,412	1,752
Others	1,685	48	14	1,747	3	2	7	12
Total	812,925	44,063	16,402	873,390	1,048	1,973	7,484	10,505

The financial assets measured at fair value through other comprehensive income mainly correspond to cash management for own account and to the management of the portfolio of HQLA (High Quality Liquid Assets) securities included in the liquidity reserves. These assets mainly correspond to Sovereigns classified in Stage 1.

The financing and guarantee commitments mainly correspond to outstanding amounts not drawn by Corporate customers. These assets are mainly classified in Stage 1.

GROUP ASSETS AT AMORTISED COST WITHOUT INSURANCE ACTIVITIES: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY GEOGRAPHICAL ZONE

The geographic area chosen corresponds to the country of the counterparty. When this information is unavailable, it is the country of the issuing entity that is used.

Table 3.8.E

	31.12.2024							
	Assets at amortised cost				Impairment			
<i>(In EUR m)</i>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	402,436	22,941	9,393	434,770	429	1,014	3,505	4,948
Western European countries (excl. France)	119,814	10,355	1,429	131,598	138	173	693	1,004
Eastern European countries EU	63,953	6,405	994	71,352	147	260	529	936
Eastern Europe excluding EU	4,209	687	168	5,064	1	62	45	108
North America	107,895	1,948	613	110,456	18	152	200	370
Latin America and Caribbean	4,894	239	283	5,416	2	10	95	107
Asia-Pacific	42,857	500	244	43,601	8	7	60	75
Africa and Middle East	24,363	2,408	1,545	28,316	91	125	1,148	1,364
Total	770,421	45,483	14,669	830,573	834	1,803	6,275	8,912

Over 80% of all financing and guarantee commitments have been given to counterparties located in Western Europe, North America or France.

Table 3.8.F

	31.12.2023							
	Assets at amortised cost				Impairment			
<i>(In EUR m)</i>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	443,958	20,646	9,026	473,630	511	1,042	3,431	4,984
Western European countries (excl. France)	134,142	10,521	1,717	146,380	201	259	754	1,214
Eastern European countries EU	62,572	6,670	919	70,161	154	276	518	948
Eastern Europe excluding EU	3,503	1,173	206	4,882	2	103	32	137
North America	93,778	1,775	537	96,090	18	106	127	251
Latin America and Caribbean	5,582	468	367	6,417	2	8	106	116
Asia-Pacific	33,894	301	288	34,483	13	3	125	141
Africa and Middle East	35,496	2,509	3,342	41,347	147	176	2,391	2,714
Total	812,925	44,063	16,402	873,390	1,048	1,973	7,484	10,505

GROUP ASSETS AT AMORTISED COST WITHOUT INSURANCE ACTIVITIES: SUBJECT TO IMPAIRMENT AND PROVISIONS BY RATING OF COUNTERPARTY ⁽¹⁾

Classification in Stage 1 or Stage 2 does not depend on the absolute probability of default but on the elements that make it possible to assess the significant increase in credit risk (see accounting principles), including the relative change in the probability of default since initial recognition. Therefore, there is no direct relationship between the counterparty rating, presented in the table below, and the classification by stage of impairment.

Table 3.8.G

	31.12.2024							
	Assets at amortised cost				Impairment			
<i>(In EUR m)</i>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	78,964	940	-	79,904	4	3	-	7
2	164,103	4,631	-	168,734	3	1	-	4
3	64,411	1,786	-	66,197	7	6	-	13
4	86,165	793	-	86,958	53	4	-	57
5	79,566	6,180	-	85,746	263	122	-	385
6	18,497	9,851	-	28,348	145	489	-	634
7	1,982	4,449	-	6,431	16	575	-	591
Default (8, 9, 10)	-	-	7,961	7,961	-	-	3,305	3,305
Other method	276,733	16,853	6,708	300,294	343	603	2,970	3,916
Total	770,421	45,483	14,669	830,573	834	1,803	6,275	8,912

(1) A correspondence between the Societe Generale's internal rating scale and the scales of rating agencies is presented for information only, in Chapter 4 of the Universal Registration Document.

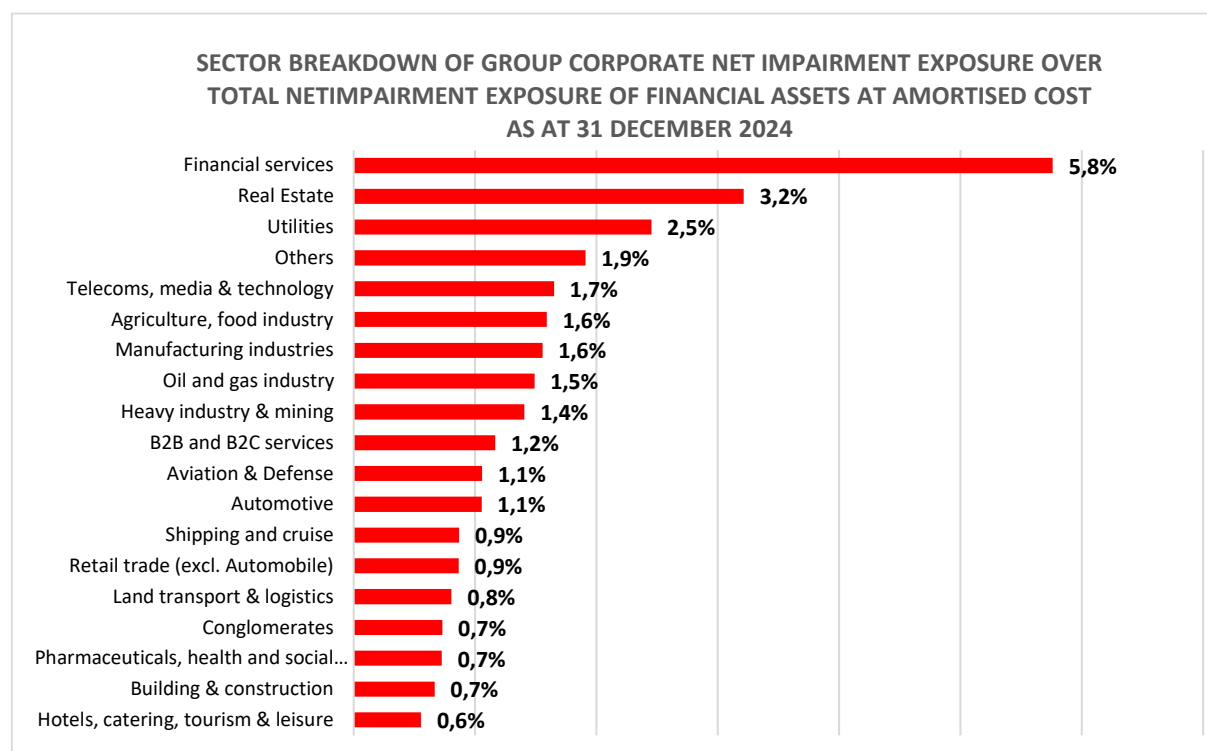
Table 3.8.H

	31.12.2023							
	Outstanding amounts				Impairment			
<i>(In EUR m)</i>	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	67,873	888	-	68,761	1	3	-	4
2	189,026	3,834	-	192,860	2	1	-	3
3	53,862	1,409	-	55,271	9	6	-	15
4	85,123	505	-	85,628	68	7	-	75
5	85,404	4,486	-	89,890	282	103	-	385
6	23,247	9,546	-	32,793	195	536	-	731
7	3,162	5,432	-	8,594	20	477	-	497
Default (8, 9, 10)	-	-	8,522	8,522	-	-	3,646	3,646
Other method	305,228	17,963	7,880	331,071	471	840	3,838	5,149
Total	812,925	44,063	16,402	873,390	1,048	1,973	7,484	10,505

(1) A correspondence between the Societe Generale's internal rating scale and the scales of rating agencies is presented for information only, in Chapter 4 of the Universal Registration Document.

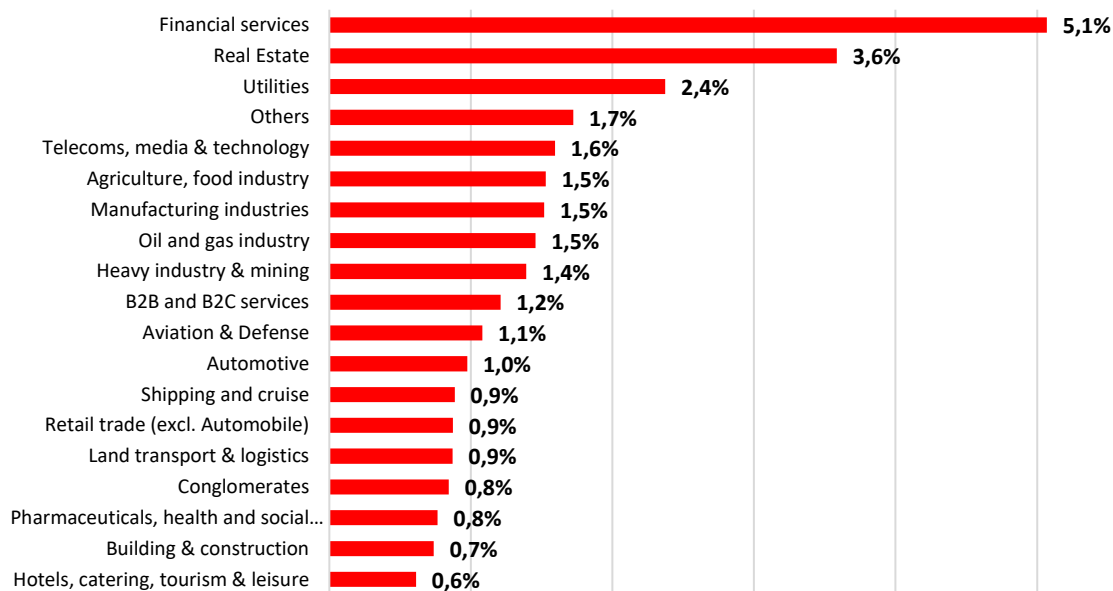
ASSETS AT AMORTISED COST (INSURANCE ACTIVITIES EXCLUDED): SECTORAL BREAKDOWN OF CORPORATE EXPOSURES ON THE TOTAL GROUP EXPOSURE OF FINANCIAL ASSETS AT AMORTISED COST (ALL BASEL CATEGORIES)

The graphs below show the sectoral breakdown of the “Corporate” Basel portfolio (see Table 3.8.C and Table 3.8.D). The percentages presented correspond to the net amounts (gross amounts reduced by the corresponding impairment).



Sector	% Outstanding net impairment
Financial services	5.8%
Real Estate	3.2%
Utilities	2.5%
Others	1.9%
Telecoms, media & technology	1.7%
Agriculture, food industry	1.6%
Manufacturing industries	1.6%
Oil and gas industry	1.5%
Heavy industry & mining	1.4%
B2B and B2C services	1.2%
Aviation & Defense	1.1%
Automotive	1.1%
Shipping and cruise	0.9%
Retail trade (excl. Automobile)	0.9%
Land transport & logistics	0.8%
Conglomerates	0.7%
Pharmaceuticals, health and social work	0.7%
Building & construction	0.7%
Hotels, catering, tourism & leisure	0.6%

**SECTOR BREAKDOWN OF GROUP CORPORATE NET IMPAIRMENT EXPOSURE OVER
TOTAL NET IMPAIRMENT EXPOSURE OF FINANCIAL ASSETS AT AMORTISED COST
AS AT 31 DECEMBER 2023**



Sector	% Outstanding net impairment
Financial services	5.1%
Real Estate	3.6%
Utilities	2.4%
Manufacturing industries	1.7%
Telecoms, media & technology	1.6%
Oil and gas industry	1.5%
Agriculture, food industry	1.5%
Heavy industry & mining	1.5%
Others	1.4%
B2B and B2C services	1.2%
Automotive	1.1%
Aviation & Defense	1.0%
Retail trade (excl. Automobile)	0.9%
Shipping and cruise	0.9%
Land transport & logistics	0.9%
Conglomerates	0.8%
Building & construction	0.8%
Pharmaceuticals, health and social work	0.7%
Hotels, catering, tourism & leisure	0.6%

2. IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN

Table 3.8.1

<i>(In EUR m)</i>	Amount as at 31.12.2023	Allocations	Write- backs available	Net impairment losses	Write- backs used	Currency and scope effects	Amount as at 31.12.2024
Financial assets at fair value through other comprehensive income							
Impairment on performing outstanding (Stage 1)	5	4	(5)	(1)		0	4
Impairment on underperforming outstanding (Stage 2)	11	2	(2)	(0)		(7)	4
Impairment on doubtful outstanding (Stage 3)	-	-	(0)	(0)	-	0	-
Total	16	6	(7)	(1)	-	(7)	8
Financial assets measured at amortised cost							
Impairment on performing assets outstanding (Stage 1)	1,048	694	(817)	(123)		(91)	834
Impairment on underperforming assets outstanding (Stage 2)	1,973	1,338	(1,418)	(80)		(90)	1,803
Impairment on doubtful assets outstanding (Stage 3)	7,484	3,836	(2,397)	1,439	(1,407)	(1,241)	6,275
Total	10,505	5,868	(4,632)	1,236	(1,407)	(1,422)	8,912
<i>o/w lease financing and similar agreements</i>	883	397	(324)	73	(71)	(253)	632
<i>Impairment on performing assets outstanding (Stage 1)</i>	127	44	(64)	(20)		(28)	79
<i>Impairment on underperforming assets outstanding (Stage 2)</i>	163	82	(97)	(15)		(18)	130
<i>Impairment on doubtful assets outstanding (Stage 3)</i>	593	271	(163)	108	(71)	(207)	423

GROUP VARIATIONS OF DEPRECIATION WITHOUT INSURANCE ACTIVITIES ACCORDING TO CHANGES IN THE AMOUNT OF FINANCIAL ASSETS AT AMORTISED COST

Due to lack of significant variations of depreciations on financial assets measured at fair value through other comprehensive income and on financial assets at amortised cost of insurance activities, this information is not presented in the table below.

Table 3.8.J

<i>(In EUR m)</i>	Stage 1	<i>Of which lease financing receivables</i>	Stage 2	<i>Of which lease financing receivables</i>	Stage 3	<i>Of which lease financing receivables</i>	Total
Amount as at 31.12.2023	1,048	127	1,973	163	7,484	593	10,505
Production & Acquisition ⁽¹⁾	284	23	110	10	142	38	536
Derecognition ⁽²⁾	(188)	(6)	(186)	(4)	(1,255)	(71)	(1,629)
Transfer from stage 1 to stage 2 ⁽³⁾	(78)	(6)	660	40	-	-	582
Transfer from stage 2 to stage 1 ⁽³⁾	30	2	(247)	(34)	-	-	(217)
Transfer to stage 3 ⁽³⁾	(17)	(2)	(166)	(15)	1,066	114	883
Transfer from stage 3 ⁽³⁾	3	-	19	3	(110)	(11)	(88)
Allocations & Write-backs without stage transfer ⁽³⁾	(125)	(25)	(214)	(18)	113	(35)	(226)
Currency effect	6	1	11	-	82	6	99
Scope effect	(128)	(40)	(97)	(13)	(1,291)	(210)	(1,516)
Other variations	(1)	5	(60)	(2)	44	(1)	(17)
Amount as at 31.12.2024	834	79	1,803	130	6,275	423	8,912

(1) The amounts of impairment presented in the line Production and Acquisition in Stage 2/Stage 3 could include contracts originated in Stage 1 and reclassified in Stage 2/Stage 3 during the period.

(2) Including repayments, disposals and debt waivers.

(3) The amounts presented in the transfers include variations due to amortisation. Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the period, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

BREAKDOWN OF TRANSFERS BETWEEN STAGES FOR FINANCIAL ASSETS AT AMORTISED COST OF THE GROUP WITHOUT INSURANCE ACTIVITIES FOR THE PERIOD

The amounts presented in the transfers below include variations due to amortisation and new drawdowns on the contracts active during the financial year.

To describe the transfers between steps:

- The starting stage corresponds to the stage of the outstanding balance as at 31 December of the previous year.
- The end stage corresponds to the stage of the outstanding balance at the end of the financial year (even in the event of several changes during the financial year).

Table 3.8.K

	Stage 1		Stage 2		Stage 3		Stock of outstanding amounts transferred as at 31 December	Stock of impairment associated with transferred outstanding amounts
	Outstanding amounts	Impairment	Outstanding amounts	Impairment	Outstanding amounts	Impairment		
<i>(In EUR m)</i>								
Transfer from Stage 1 to Stage 2	(22,484)	(78)	15,802	660	-	-	15,802	660
Transfer from Stage 2 to Stage 1	7,424	30	(9,314)	(247)	-	-	7,424	30
Transfer from Stage 3 to Stage 1	198	3	-	-	(265)	(37)	198	3
Transfer from Stage 3 to Stage 2	-	-	420	19	(525)	(73)	420	19
Transfer from Stage 1 to Stage 3	(2,066)	(17)	-	-	1,880	550	1,880	550
Transfer from Stage 2 to Stage 3	-	-	(2,329)	(166)	1,905	516	1,905	516
Currency effect on contracts that change Stage	160	-	40	-	3	-	203	-

3. CREDIT RISK PROVISIONS

BREAKDOWN

Table 3.8.L

<i>(In EUR m)</i>	Amount as at 31.12.2023	Allocations	Write- backs available	Net impairment losses	Currency and scope effects	Amount as at 31.12.2024
Financing commitments						
Provisions on performing assets outstanding (Stage 1)	154	131	(134)	(3)	(2)	149
Provisions on underperforming assets outstanding (Stage 2)	235	136	(168)	(32)	4	207
Provisions on doubtful assets outstanding (Stage 3)	58	51	(47)	4	-	62
Total	447	318	(349)	(31)	2	418
Guarantee commitments						
Provisions on performing assets outstanding (Stage 1)	59	48	(50)	(2)	(3)	54
Provisions on underperforming assets outstanding (Stage 2)	84	46	(63)	(17)	(4)	63
Provisions on doubtful assets outstanding (Stage 3)	229	118	(111)	7	(29)	207
Total	372	212	(224)	(12)	(36)	324

GROUP VARIATIONS OF PROVISIONS WITHOUT INSURANCE ACTIVITIES ACCORDING TO CHANGES IN THE AMOUNT OF FINANCING AND GUARANTEE COMMITMENTS

Due to the absence of significant variations in the provisions on financing and guarantee commitments for insurance activities, this information is not presented in the table below.

Table 3.8.M

	Provisions								Total
	On financing commitments				On guarantee commitments				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
<i>(In EUR m)</i>									
Amount as at 31.12.2023	154	235	58	447	59	84	229	372	819
Production & Acquisition ⁽¹⁾	48	15	6	69	21	8	8	37	106
Derecognition ⁽²⁾	(41)	(27)	(16)	(84)	(14)	(14)	(11)	(39)	(123)
Transfer from stage 1 to stage 2 ⁽³⁾	(9)	54	-	45	(3)	19	-	16	61
Transfer from stage 2 to stage 1 ⁽³⁾	7	(40)	-	(33)	1	(6)	-	(5)	(38)
Transfer to stage 3 ⁽³⁾	(1)	(4)	6	1	-	(6)	21	15	16
Transfer from stage 3 ⁽³⁾	-	-	(3)	(3)	-	1	(4)	(3)	(6)
Allocations & Write-backs without stage transfer ⁽³⁾	(6)	(30)	14	(22)	(6)	(24)	21	(9)	(31)
Currency effect	2	5	-	7	-	1	4	5	12
Scope effect	(5)	(1)	-	(6)	(4)	(3)	(39)	(46)	(52)
Other variations	-	-	(3)	(3)	-	3	(22)	(19)	(22)
Amount as at 31.12.2024	149	207	62	418	54	63	207	324	742

(1) The amounts of impairment presented in the Production and Acquisition line in Stage 2/Stage 3 may include originated contracts in Stage 1 reclassified in Stage 2/Stage 3 during the period.

(2) Including repayments, disposals and debt waivers.

(3) The amounts presented in transfers include variations due to amortisation. Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the period, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

DETAILS OF TRANSFERS BETWEEN STAGES FOR THE GROUP'S OFF-BALANCE SHEET COMMITMENTS EXCLUDING INSURANCE ACTIVITIES FOR THE PERIOD

The amounts presented in the transfers hereinafter include the variations due to amortisation and new drawdowns on the contracts active during the financial year.

To describe the transfers between steps:

- the starting stage corresponds to the stage of the outstanding balance as on 31 December of the previous year;
- the end stage corresponds to the stage of the outstanding balance at the end of the financial year (even in the event of several changes during the financial year).

Table 3.8.N

	Financing commitments						Stock of outstanding commitments transferred as at 31 December	Stock of provisions associated with transferred outstanding amounts
	Stage 1		Stage 2		Stage 3			
	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions		
<i>(In EUR m)</i>								
Transfer from Stage 1 to Stage 2	(3,888)	(9)	2,598	54	-	-	2,598	54
Transfer from Stage 2 to Stage 1	673	7	(890)	(40)	-	-	673	7
Transfer from Stage 3 to Stage 1	7	-	-	-	(12)	(1)	7	-
Transfer from Stage 3 to Stage 2	-	-	25	-	(24)	(2)	25	-
Transfer from Stage 1 to Stage 3	(275)	(1)	-	-	59	1	59	1
Transfer from Stage 2 to Stage 3	-	-	(110)	(4)	63	5	63	5
Currency effect on contracts that change Stage	77	-	18	1	-	-	95	1

Table 3.8.O

	Guarantee commitments						Stock of outstanding commitments transferred as at 31 December	Stock of provisions associated with transferred outstanding amounts
	Stage 1		Stage 2		Stage 3			
	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions		
<i>(In EUR m)</i>								
Transfer from Stage 1 to Stage 2	(1,334)	(3)	880	19	-	-	880	19
Transfer from Stage 2 to Stage 1	445	1	(601)	(6)	-	-	445	1
Transfer from Stage 3 to Stage 1	17	-	-	-	(19)	(1)	17	-
Transfer from Stage 3 to Stage 2	-	-	24	1	(17)	(3)	24	1
Transfer from Stage 1 to Stage 3	(55)	-	-	-	46	7	46	7
Transfer from Stage 2 to Stage 3	-	-	(153)	(6)	161	14	161	14
Currency effect on contracts that change Stage	13	-	12	-	1	-	26	-

4. QUALITATIVE INFORMATION OF CHANGES IN IMPAIRMENT / PROVISIONS ON CREDIT RISK

The variation in credit risk impairment and provisions since 31 December 2023 is mainly linked to:

- Covered losses on Stage 3 loans (EUR 1,389 million) included in the line Derecognition. This is in line with the Group strategy of non-performing loans (NPL) monitoring, by writing off and by selling its portfolios of exposures in default situation.

Uncovered losses amount to EUR 478 million.

- Transfer of loans to Stage 3 due to default for EUR 4.1 billion of outstanding amounts. This transfer resulted in an increase in impairment and provisions of EUR 899 million.

Particularly, this variation concerns:

- EUR 2 billion of outstanding amounts for which the impairment and provisions amount to EUR 491 million as at 31 December 2024. These contracts were in Stage 1 as at 31 December 2023;
- EUR 2.1 billion of outstanding amounts for which the impairment and provisions amount to EUR 392 million as at 31 December 2024. These contracts were in Stage 2 as at 31 December 2023.
- Transfer of loans to Stage 2 due to downgraded ratings, transfer to “sensitive” or 30 days overdue for EUR 19.4 billion. This transfer resulted in an increase in impairment and provisions of EUR 643 million.
- IFRS 5 entities classified as held for sale during the first semester 2024. This classification resulted a decrease in impairment and provisions of EUR 1,569 million, included in the line Scope effect.

5. COST OF CREDIT RISK

ACCOUNTING PRINCIPLES

Cost of credit risk only includes net reversals of impairments and loss allowances for credit risk, losses on irrecoverable loans and amounts recovered on amortised receivables.

The Group proceed to a write off by recognising a loss on the bad loan and a reversal of impairment in Cost of credit risk when a debt is forgiven or when there are no longer any hopes of future recovery. The lack of future hopes of recovery is documented when a certificate issued as proof that the debt is uncollectible is delivered by the relevant authority or when strong circumstantial evidences are identified (years in default, provisions at 100%, lack of recent recoveries, specificities of the case).

However, a write-off in accounting terms does not imply debt forgiveness in the legal sense as recovery actions on cash due by the counterparty are pursued particularly if the latter's fortune improve. In case of recoveries on an exposure previously written-off, such recoveries are recognised as Amounts recovered on irrecoverables loans on the year of collection.

SYNTHESIS

Table 3.8.P

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Cost of credit risk of financial assets from insurance activities	0	7
Cost of credit risk	(1,530)	(1,025)
Total	(1,530)	(1,018)

Table 3.8.Q

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Net allocation to impairment losses	(1,235)	(940)
<i>On financial assets at fair value through other comprehensive income</i>	1	12
<i>On financial assets at amortised cost</i>	(1,236)	(952)
Net allocations to provisions	43	57
<i>On financing commitments</i>	31	60
<i>On guarantee commitments</i>	12	(3)
Losses not covered on irrecoverable loans	(478)	(333)
Amounts recovered on irrecoverable loans	134	200
Effect from guarantee not taken into account for the calculation of impairment	6	(2)
Total	(1,530)	(1,018)
<i>o/w cost of risk on sound outstanding classified in Stage 1</i>	123	0
<i>o/w cost of risk on doubtful loans classified in Stage 2</i>	133	176
<i>o/w cost of risk on doubtful loans classified in Stage 3</i>	(1,786)	(1,194)

NOTE 3.9 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

ACCOUNTING PRINCIPLES

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 inputs based on assumptions that market operators would use to set the price of the instrument in question.

The fair value of financial instruments includes accrued interest if applicable.

For financial instruments that are not recognised at fair value on the balance sheet, the figures disclosed in this note are estimates of their fair value broken down according to the fair value hierarchy as described in Note 3.4.

These estimates are disclosed for information purpose only, they are not used for the management of the Group's activities, and should not be taken as an estimate of the amount that would be realised if all such financial instruments were to be settled immediately.

1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

Table 3.9.A

	31.12.2024				
<i>(In EUR m)</i>	Carrying amount ⁽²⁾	Fair value	Level 1	Level 2	Level 3
Due from banks	84,051	84,052	-	70,219	13,833
Customer loans ⁽¹⁾	454,622	442,554	-	175,797	266,757
Debt securities	32,655	32,280	12,531	16,314	3,435
Total	571,328	558,886	12,531	262,330	284,025

(1) Carrying amount consists of EUR 154,555 million of floating rate assets and EUR 300,067 million of fixed rate assets (including EUR 65,404 million fixed rate less than 1 year).

(2) Carrying amount does not include the revaluation differences on portfolios hedged against interest rate risk for an amount of EUR -292 million.

Table 3.9.B

	31.12.2023				
<i>(In EUR m)</i>	Carrying amount ⁽²⁾	Fair value	Level 1	Level 2	Level 3
Due from banks	77,879	77,853	-	60,577	17,276
Customer loans ⁽¹⁾	485,449	466,421	-	171,898	294,523
Debt Securities	28,147	27,801	12,477	12,010	3,314
Total	591,475	572,075	12,477	244,485	315,113

(1) Carrying amount consists of EUR 158,237 million of assets floating rate and EUR 327,212 million of assets fixed rate (including EUR 69,811 million fixed rate less than 1 year).

(2) Carrying amount does not include the revaluation differences on portfolios hedged against interest rate risk for an amount of EUR -433 million.

2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Table 3.9.C

	31.12.2024				
<i>(In EUR m)</i>	Carrying amount ⁽²⁾	Fair value	Level 1	Level 2	Level 3
Due to banks	99,744	99,751	238	92,821	6,692
Customer deposits ⁽¹⁾	531,675	531,741	-	522,755	8,986
Debt securities issued	162,200	161,469	40,289	118,836	2,344
Subordinated debt	17,009	17,398	-	17,398	-
Total	810,628	810,359	40,527	751,810	18,022

(1) Carrying amount consists of EUR 148,336 million of liabilities at floating rate and EUR 383,339 million of liabilities fixed rate (including EUR 347,494 million fixed rate less than 1 year).

(2) Carrying amount does not include the revaluation differences on portfolios hedged against interest rate risk for an amount of EUR -5,277 million.

Table 3.9.D

	31.12.2023				
<i>(In EUR m)</i>	Carrying amount ⁽²⁾	Fair value	Level 1	Level 2	Level 3
Due to banks	117,847	117,793	189	114,909	2,695
Customer deposits ⁽¹⁾	541,677	540,624	-	524,565	16,059
Debt securities issued	160,506	159,282	31,590	124,590	3,102
Subordinated debt	15,894	15,129	1,014	14,115	-
Total	835,924	832,828	32,793	778,179	21,856

(1) Carrying amount consists of EUR 148,887 million of liabilities floating rate and EUR 392,790 million of liabilities fixed rate (including EUR 359,618 million fixed rate less than 1 year).

(2) Carrying amount does not include the revaluation differences on portfolios hedged against interest rate risk for an amount of EUR -5,857 million.

The financial assets, unlike financial liabilities, have a fair value significantly lower than their book value. This asymmetry can be explained in particular by the fact that debts to customers are mainly composed of demand deposits whose fair value is equal to their nominal value due to their immediate contractual maturity. This asymmetry is partially reduced by taking into account the interest rate hedges applicable to these deposits.

3. VALUATION METHODS OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

LOANS, RECEIVABLES AND LEASE FINANCING AGREEMENTS

The fair value of loans, receivables and lease financing transactions for large corporates and banks is calculated, in the absence of an actively traded market for these loans, by discounting expected cash flows to present value based on the market rates (the benchmark actuarial rate published by Banque de France and the zero-coupon yield) prevailing on the balance sheet date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

The fair value of loans, receivables and lease financing transactions for retail banking customers, essentially comprised of individuals and small or medium-sized companies, is determined, in the absence of an actively traded market for these loans, by discounting the associated expected cash flows to present value at the market rates prevailing on the balance sheet date for similar types of loans with similar maturities.

For fixed-rate loans with an initial maturity less than or equal to one year and for variable-rate financial assets (loans, receivables, finance lease agreements), the fair value is assumed equal to the net book value of the impairments, assuming there has been no significant change in credit spreads on the counterparties in question since they were recognised in the balance sheet.

DEBTS

In the absence of an active debt market, the fair value of debts is assumed to be equal to the value of the future flows discounted according to the available market rates applicable to the product concerned on the closing date.

When the debt is a listed instrument, its fair value is its market value.

For debts with a floating-rate and debts with an initial maturity of less than or equal to one year, fair value is taken to be the same as the carrying amount. Similarly, the individual fair value of demand deposit accounts is equal to their carrying amount.

SECURITIES

Provided that the security is an instrument traded on an active market, its fair value is equal to the market price.

In the absence of an active market, the fair value of the securities is calculated taking into account the value of future cash flows discounted according to the interest rate parameters available on the market and applicable to the product concerned as at closing date. For variable-rate debt securities and fixed-rate debt securities with an agreed duration of up to one year, the fair value is assumed to be the gross carrying amount adjusted for any allowance provided there have been no significant change in credit spreads on the counterparties in question since they were recognised in the balance sheet.

NOTE 3.10 - COMMITMENTS AND ASSETS PLEDGED AND RECEIVED AS SECURITIES

ACCOUNTING PRINCIPLES

LOAN COMMITMENTS

The nominal amount of loan commitments is detailed in the table below. Loan commitments that are not considered as financial derivatives or that are not measured at fair value through profit or loss for trading purpose are initially recognised at fair value in the balance sheet. Thereafter, they are provisioned as necessary in accordance with the accounting principles for impairment and provisions (see Note 3.8).

GUARANTEE COMMITMENTS

The nominal amount of guarantee commitments is detailed in the table below. When considered as non-derivative financial instruments, the financial guarantees issued by the Group are initially recognised in the balance sheet at fair value. Thereafter, they are measured at either the amount of the obligation or the amount initially recognised (whichever is higher) less, when appropriate, the cumulative amortisation of a guarantee commission. Where there is objective evidence of impairment, a provision for financial guarantees given is recognised on the liabilities side of the balance sheet (see Note 3.8).

SECURITIES COMMITMENTS

Securities bought and sold, which are booked to Financial assets at fair value through profit or loss, Financial assets at fair value through other comprehensive income and Financial assets at amortised cost are recognised on the balance sheet at the settlement-delivery date. Between the trade date and the settlement-delivery date, securities receivable or deliverable are not recognised on the balance sheet. Changes in the fair value of the securities measured at fair value through profit or loss and the securities measured at fair value through other comprehensive income between the trade date and the settlement-delivery date are booked to profit or loss or to equity, depending on the accounting classification of the securities in question.

ASSETS PLEDGED AS AND RECEIVED AS COLLATERAL

The financial assets pledged as collateral are carried in the balance sheet whenever the Group has not transferred to the recipients of collateral the contractual rights to receive asset cash flows or substantially all the risks inherent to their ownership.

Likewise, the Group does not recognise on its balance sheet the assets received as collateral if the contractual rights to receive these asset cash flows and substantially all the risks and rewards inherent to their ownership have not been transferred to it.

1. COMMITMENTS

COMMITMENTS GRANTED

Table 3.10.A

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Loan commitments		
To banks	75,381	97,092
To customers	229,935	224,548
<i>Issuance facilities</i>	83	83
<i>Confirmed credit lines</i>	222,046	210,499
<i>Others</i>	7,806	13,966
Guarantee commitments		
On behalf of banks	5,891	5,733
On behalf of customers ⁽¹⁾	88,929	75,685
Securities commitments		
Securities to be delivered	21,347	41,083
Acquisition of tangible assets commitments		
Purchase of vehicles and underlying assets subject to an operating lease	6,296	9,191

(1) Including capital and performance guarantees given to the holders of UCITS managed by entities of the Group.

COMMITMENTS RECEIVED

Table 3.10.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Loan commitments		
From banks	95,868	66,312
Guarantee commitments		
From banks	123,069	117,694
Other commitments ⁽¹⁾	168,453	199,747
Securities commitments		
Securities to be received	20,410	38,522

(1) These commitments include the guarantee granted by French government related to the State Guaranteed Loans (see Note 1, paragraph 5).

2. FINANCIAL ASSETS PLEDGED AND RECEIVED AS SECURITY

FINANCIAL ASSETS PLEDGED

Table 3.10.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Book value of assets pledged as security for liabilities ⁽¹⁾	370,206	337,037
Book value of assets pledged as security for transactions in financial instruments ⁽²⁾	68,574	69,447
Book value of assets pledged as security for off-balance sheet commitments	2,147	2,209
Total	440,927	408,693

(1) Assets pledged as security for liabilities mainly include loans given as guarantees for liabilities (guarantees notably provided to the central banks).

(2) Assets pledged as security for transactions in financial instruments mainly include security deposit.

FINANCIAL ASSETS RECEIVED AS SECURITY AND AVAILABLE FOR THE ENTITY

Table 3.10.D

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Fair value of securities purchased under resale agreements	178,313	193,154

The Group generally purchases securities under resale agreements under normal market terms and conditions. It may re-use the securities received under resale agreement by selling them outright, selling them under repurchase agreements or pledging them as security, provided that it returns these or equivalent securities to the counterparty to the resale agreement at its term. Securities purchased under resale agreements are not recognised on the balance sheet. Their fair value, as shown above, includes securities sold or pledged as collateral.

NOTE 3.11 - TRANSFERRED FINANCIAL ASSETS

ACCOUNTING PRINCIPLES

Transferred financial assets that are not derecognised include securities lending transactions and repurchase agreements as well as certain loans transferred to consolidated securitisation vehicles.

The tables below show securities lending and repurchase agreements that only concern securities recognised on the asset side of the balance sheet.

Securities involved in a repurchase agreement or securities lending transaction are held in their original position on the asset side of the Group's balance sheet. For repurchase agreements, the obligation to return the amounts deposited is recorded under Liabilities on the liabilities side of the balance sheet, with the exception of the transactions initiated under trading activities, which are recorded under Financial liabilities at fair value through profit or loss.

Securities involved in a reverse repurchase agreement or a securities borrowing transaction are not recorded in the Group's balance sheet. For securities received under a reverse repurchase agreement, the right to recover the amounts delivered by the Group is recorded under Customer Loans and receivables or Due from banks on the asset side of the balance sheet, with the exception of transactions initiated under trading activities which are recorded under Financial assets at fair value through profit or loss. If the borrowed securities are subsequently sold, a debt representing the return of these securities to their lender is recorded on the liabilities side of the Group's balance sheet, under Financial liabilities at fair value through profit or loss.

Securities lending and securities borrowing transactions that are fully matched by cash are assimilated to repurchase and reverse repurchase agreements and are recorded and recognised as such in the balance sheet.

With securities lending and repurchase agreements, the Group remains exposed to issuer default (credit risk) and to increases or decreases in the value of securities value (market risk). The underlying securities cannot simultaneously be used as collateral in other transactions.

1. TRANSFERRED FINANCIAL ASSETS NOT DERECOGNISED

REPURCHASE AGREEMENTS

Table 3.11.A

	31.12.2024		31.12.2023	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
<i>(In EUR m)</i>				
Securities at fair value through profit or loss	16,610	13,447	13,402	11,098
Securities at fair value through other comprehensive income	16,485	13,824	13,457	11,159
Securities at amortised cost	444	448	187	182
Total	33,539	27,719	27,046	22,439

SECURITIES LENDING

Table 3.11.B

	31.12.2024		31.12.2023	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
<i>(In EUR m)</i>				
Securities at fair value through profit or loss	23,081	-	14,509	-
Securities at fair value through other comprehensive income	165	-	228	-
Securities at amortised cost	152	-	8	-
Total	23,398	-	14,745	-

SECURITISATION ASSETS FOR WHICH THE COUNTERPARTIES TO THE ASSOCIATED LIABILITIES HAVE RECOURSE ONLY TO THE TRANSFERRED ASSETS

Table 3.11.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Customers loans		
Carrying amount of transferred assets	9,390	8,663
Carrying amount of associated liabilities	7,883	6,869
Fair value of transferred assets (A)	9,745	8,857
Fair value of associated liabilities (B)	7,883	6,872
Net position (A)-(B)	1,862	1,985

The Group remains exposed to the majority of the risks and rewards associated with these receivables; furthermore, these receivables may not be used as collateral or sold outright as part of another transaction.

2. TRANSFERRED FINANCIAL ASSETS PARTIALLY OR FULLY DERECOGNISED

As at 31 December 2024, the Group carried out no material transactions resulting in the partial or full derecognition of financial assets leaving the Group with a continuing involvement in said assets.

NOTE 3.12 - OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

ACCOUNTING PRINCIPLES

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group 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. In this respect, the Group recognises in its balance sheet the net amount of derivative financial instruments traded with certain clearing houses where they achieve net settlement through a daily cash margining process, or where their gross settlement system has features that eliminate or result in insignificant credit and liquidity risk, and that process receivables and payables in a single settlement process or cycle.

The following tables present the amounts of financial assets and financial liabilities set off on the Group's consolidated balance sheet. The gross outstanding amounts of these financial assets and financial liabilities are matched with the consolidated outstanding amounts presented in the balance sheet (net balance sheet amounts), after indicating the amounts set off on the balance sheet for these various instruments (amounts offset) and aggregating them with the outstanding amounts of other financial assets and financial liabilities not subject to a Master Netting Agreement or similar agreement (amounts of assets and liabilities not eligible for offsetting).

These tables also indicate the amounts which may be offset, as they are subject to a Master Netting Agreement or similar agreement, but whose characteristics make them ineligible for offsetting in the consolidated financial statements under IFRS. This information is provided in comparison with the accounting treatment applied under US GAAP. This affects in particular financial instruments that may only be offset in the event of the default, insolvency or bankruptcy of one of the counterparties, as well as instruments pledged by cash or securities collateral. These mainly include over-the-counter interest rate options, interest rate swaps and securities purchased/sold under resale/repurchase agreements.

Net positions resulting from these various offsettings are not intended to represent the Group's actual exposure to counterparty risk through these financial instruments, insofar as counterparty risk management uses other risk mitigation strategies in addition to netting and collateral agreements.

1. AT 31 DECEMBER 2024

ASSETS

Table 3.12.A

(In EUR m)	Amount of assets not subject to offsetting	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements ⁽¹⁾			
		Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments received as collateral	Net amount
Derivative financial instruments ⁽²⁾ (see Notes 3.1 and 3.2)	15,303	224,795	(134,120)	105,978	(70,347)	(8,143)	(125)	27,363
Securities lent	3,069	20,329	-	23,398	(16,845)	(30)	-	6,523
Securities purchased under resale agreements (see Notes 3.1 and 3.5)	37,352	240,888	(99,926)	178,314	(14,790)	(683)	(91,760)	71,081
Guarantee deposits pledged (see Note 4.4)	36,544	14,426	-	50,970	-	(14,426)	-	36,544
Other assets not subject to offsetting	1,214,885	-	-	1,214,885	-	-	-	1,214,885
Total	1,307,153	500,438	(234,046)	1,573,545	(101,982)	(23,282)	(91,885)	1,356,396

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, to avoid any over-collateralisation effect.

(2) As at 31 December 2024, the amount offset within the Derivative financial instruments line includes EUR 66,789 million of cash margin received.

LIABILITIES

Table 3.12.B

(In EUR m)	Amount of liabilities not subject to offsetting	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements ⁽¹⁾			
		Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral	Net amount
Derivative financial instruments ⁽²⁾ (see Notes 3.1 and 3.2)	21,290	234,011	(134,120)	121,181	(70,347)	(14,426)	-	36,408
Amount payable on borrowed securities (see Note 3.1)	25,961	17,115	-	43,076	(16,845)	-	-	26,231
Securities sold under repurchase agreements (see Notes 3.1 and 3.6)	68,432	187,504	(99,926)	156,010	(14,790)	-	(70,401)	70,819
Guarantee deposits received (see Note 4.4)	45,403	8,856	-	54,259	-	(8,856)	-	45,403
Other liabilities not subject to offsetting	1,119,431	-	-	1,119,431	-	-	-	1,119,431
Total	1,280,517	447,486	(234,046)	1,493,957	(101,982)	(23,282)	(70,401)	1,298,292

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, to avoid any over-collateralisation effect.

(2) As at 31 December 2024, the amount offset within the Derivative financial instruments line includes EUR 64,569 million of cash margin paid.

2. AT 31 DECEMBER 2023

ASSETS

Table 3.12.C

(In EUR m)	Impact of offsetting on the balance sheet			Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements ⁽¹⁾			Net amount
	Amount of assets not subject to offsetting	Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments received as collateral	
Derivative financial instruments ⁽²⁾ (see Notes 3.1 and 3.2)	14,871	207,534	(128,285)	94,120	(59,842)	(8,762)	1	25,517
Securities lent	1,165	13,580	-	14,745	(12,560)	(28)	-	2,157
Securities purchased under resale agreements (see Notes 3.1 and 3.5)	39,578	240,706	(87,130)	193,154	(17,786)	(551)	(92,883)	81,934
Guarantee deposits pledged (see Note 4.4)	38,854	12,757	-	51,611	-	(12,757)	-	38,854
Other assets not subject to offsetting	1,200,415	-	-	1,200,415	-	-	-	1,200,415
Total	1,294,883	474,577	(215,415)	1,554,045	(90,188)	(22,098)	(92,882)	1,348,877

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, to avoid any over-collateralisation effect.

(2) As at 31 December 2023, the amount offset within the Derivative financial instruments line includes EUR 60,964 million of cash margin received.

LIABILITIES

Table 3.12.D

(In EUR m)	Impact of offsetting on the balance sheet			Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements ⁽¹⁾			Net amount
	Amount of assets not subject to offsetting	Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral	
Derivative financial instrument ⁽²⁾ (see Notes 3.1 and 3.2)	20,358	216,438	(128,285)	108,511	(59,842)	(12,757)	-	35,912
Amount payable on borrowed securities (see Note 3.1)	27,419	15,064	-	42,483	(12,559)	-	-	29,924
Securities sold under repurchase agreements (see Notes 3.1 and 3.6)	48,124	190,964	(87,130)	151,958	(17,787)	-	(81,541)	52,630
Guarantee deposits received (see Note 4.4)	43,912	9,341	-	53,253	-	(9,341)	-	43,912
Other liabilities not subject to offsetting	1,121,593	-	-	1,121,593	-	-	-	1,121,593
Total	1,261,406	431,807	(215,415)	1,477,798	(90,188)	(22,098)	(81,541)	1,283,971

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, to avoid any over-collateralisation effect.

(2) As at 31 December 2023, the amount offset within the Derivative financial instruments line includes EUR 63,797 million of cash margin paid.

NOTE 3.13 - CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

Table 3.13.A

<i>(In EUR m)</i>	Up to 3 months	3 months to 1 year	1 to 5 Years	More than 5 years	31.12.2024
Due to central banks	11,364	-	-	-	11,364
Financial liabilities at fair value through profit or	251,183	36,059	57,700	51,672	396,614
Due to banks	63,507	19,596	15,241	1,400	99,744
Customer deposits	479,388	24,259	24,951	3,077	531,675
Debts securities issued	34,557	30,882	70,630	26,131	162,200
Subordinated debt	9	465	2,922	13,613	17,009
Other liabilities	81,117	2,974	3,702	2,993	90,786
Total liabilities	921,125	114,235	175,146	98,886	1,309,392
Loan commitments granted and others ⁽¹⁾	125,642	40,109	126,448	19,413	311,612
Guarantee commitments granted	45,758	18,703	16,400	13,959	94,820
Total commitments granted	171,400	58,812	142,848	33,372	406,432

(1) This line includes commitments relating to the purchase of vehicles and underlying equipment subject to an operating lease.

The flows presented in this note are based on contractual maturities. However, for certain elements of the balance sheet, assumptions could be applied.

When there are no contractual terms, as well as for trading financial instruments (e.g.: derivatives), maturities are presented in the first column (up to 3 months).

The guarantee commitments given are scheduled on the basis of the best possible estimate of flow; if not available, they are presented in the first column (up to 3 months).

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

ACCOUNTING PRINCIPLES

Fee income and Fee expense combine fees on services rendered and received, as well as fees on commitments, 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 and similar income and Interest and similar expense (see Note 3.7).

Transactions with customers include the fees from retail customers from the Group retail banking activities (in particular credit card fees, account management fees or application fees outside the effective interest rate).

Sundry services provided include the fees from customers from the other Group activities (in particular, interchange fees, funds management fees or fees on insurance products sold within the network).

The Group recognises 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 some payment services, custody fees, or digital service subscriptions are recognised as income over the life of the service;
- fees for one-off services, such as fund activity, finder's fees received, arbitrage fees, or penalties on payment incidents are recognised as income when the service is provided.

The amount equivalent to the remuneration for the service provided is composed of fixed and variable contractual compensation whether they are paid in kind or in cash, less any payments due to customers (for example, in case of promotional offers). The variable compensation (for example, discounts based on the provided services volume over a period of time or fees payable subject to the achievement of a performance target, etc.) are included in the amount equivalent to the remuneration for the service provided if and only if this compensation is highly probable not to be subsequently reduced significantly.

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 recognised under Other Assets and Other Liabilities (see Note 4.4):

- customer contracts generate trade receivables, accrued income or prepaid income;
- supplier contracts generate trade payables, accrued expenses or prepaid expenses.

In syndication deals, the effective interest rate for the share of the issuance retained on the Group's balance sheet is comparable to that applied to the other members of the syndicate including, when needed, a share of the underwriting fees and participation fees; the balance of these fees for services rendered is then recorded under Fee income at the end of the syndication period. Arrangement fees are recorded as income when the placement is legally complete.

Table 4.1.A

<i>(In EUR m)</i>	2024			2023		
	Income	Expense	Net	Income	Expense	Net
Transactions with banks	145	(138)	7	134	(125)	9
Transactions with customers	3,141		3,141	2,979		2,979
Financial instruments operations	3,643	(3,029)	614	3,366	(2,976)	390
Securities transactions	614	(1,102)	(488)	717	(1,268)	(551)
Primary market transactions	696		696	547		547
Foreign exchange transactions and derivatives instruments	2,333	(1,927)	406	2,102	(1,708)	394
Loan and guarantee commitments	1,050	(392)	658	1,004	(429)	575
Various services	2,838	(1,032)	1,806	2,580	(945)	1,635
Asset management fees	342		342	316		316
Means of payment fees	1,042		1,042	1,018		1,018
Insurance product fees	164		164	208		208
Underwriting fees of UCITS	88		88	82		82
Other fees	1,202	(1,032)	170	956	(945)	11
Total	10,817	(4,591)	6,226	10,063	(4,475)	5,588

NOTE 4.2 - INCOME AND EXPENSES FROM LEASING ACTIVITIES, MOBILITY AND OTHER ACTIVITIES

ACCOUNTING PRINCIPLES

LEASING ACTIVITIES

The leases that have been granted by the Group and do not transfer to the lessee substantially all the risks and rewards incidental to ownership of the leased asset are classified as operating leases.

The assets held under operating leases, including investment property, are recorded on the balance sheet under Tangible and intangible fixed assets at their acquisition cost, less depreciation and impairment (see Note 8.3).

These leased assets (excluding investment property) are depreciated, excluding residual value, over their duration of use (i.e. usually until the term of the lease); this duration corresponds to the non-cancellable lease term adjusted for any contract extension options that the lessee is reasonably certain to exercise and any early termination options that the lessee is reasonably certain not to exercise (see Note 8.3). The lease payments are recognised on a straight-line basis over the lease term. The leases offered by Group entities may include maintenance services on the leased asset. In this case, the portion of lease payments relating to these services is spread over the services term (usually, the lease term) in line with the way the costs are incurred. This spreading takes into account, when relevant, the pace at which the service is provided, whenever it is not linear.

Income and expenses, and capital gains or losses on investment properties and leased assets, as well as income and expenses on maintenance services related to operating lease activities, are recorded under Income and expenses from other activities on the Real estate leasing and Equipment leasing lines.

These lines also include the losses incurred in the event of a decline in the unguaranteed residual value of finance-lease transactions, the impairment expenses and the capital gains or losses on disposal related to assets unleased after the termination of lease finance agreements.

REAL ESTATE DEVELOPMENT ACTIVITIES

As it is a service recognised in accordance with the stage-of-completion method, the income from the sale of off-plan property (accommodations, offices, retail areas...) is gradually recognised over the duration of the construction programme until the date of delivery to the customer. The margin recognised on each accounting closing date reflects an estimated provisional margin of the programme and the level of progress over the period which depends on the percentage of completion of the commercialisation and of the construction work. The margin is recognised as income when it is positive and as expenses when negative. A provision for onerous contract is recognised when the margin expected at the termination of the contract is negative.

Table 4.2.A

(In EUR m)	2024			2023		
	Income	Expense	Net	Income	Expense	Net
Equipment leasing ⁽¹⁾	26,901	(22,238)	4,663	20,107	(15,992)	4,115
Real estate development	50	(12)	38	60	(4)	56
Real estate leasing	68	(49)	19	87	(174)	(87)
Other activities	563	(1,453)	(890)	751	(1,224)	(473)
Total	27,582	(23,752)	3,830	21,005	(17,394)	3,611

(1) The amount recorded under this heading is mainly due to income and expenses related to long-term leasing and car fleet management businesses. Most of the Group's long-term lease agreements are 36-month to 48-month leases.

NOTE 4.3 - INSURANCE ACTIVITIES



Insurance activities (life insurance and non-life insurance) add to the range of products included in the banking services offered to Group customers.

These activities are carried out by dedicated subsidiaries, subject to regulations specific to the insurance sector.

The rules for measuring and accounting for risks associated with insurance contracts are specific to the Insurance sector. Based on a current estimate of the future cash flows from the insurance contracts issued (premiums, indemnification, benefits, associated costs, ...), the main objective of these rules is to recognise the expected profit progressively over the period during which the insurance services are provided.

ACCOUNTING PRINCIPLES

Insurance contracts subject to IFRS 17 “Insurance Contracts” are insurance contracts issued, reinsurance contracts issued (reinsurance assumed) or held (reinsurance ceded), as well as investment contracts issued including a discretionary participation clause provided that they are issued by an entity which also issues insurance contracts.

The accounting principles below do not apply to the insurance contracts for which the Group is the insured beneficiary except for the contracts identified as reinsurance treaties.

Investment contracts without discretionary participation features and with no insurance component (pure unit-linked contracts) do not meet the IFRS 17 definition of an insurance contract and are recognised as Financial liabilities measured at fair value through profit or loss (see Note 3.1 paragraph 3). These are financial liabilities indexed on the performance of underlying assets for which the Group has elected to exercise the option to measure the instruments at fair value without requiring the separation of the embedded derivatives.

GROUPING OF CONTRACTS

For their assessment, insurance contracts are grouped into homogeneous portfolios to take account of the pooling of risks specific to the insurance activity. These portfolios include insurance contracts that are exposed to similar risks and managed together.

Within each portfolio, three groups of contracts shall be distinguished on initial recognition of the later: onerous contracts, contracts with no significant possibility of becoming subsequently onerous, and other contracts.

Lastly, contracts issued more than one year apart cannot be included in the same group. Consequently, each group of contracts shall be subdivided into annual cohorts. However, while adopting IFRS 17, the European Union has provided European undertakings with an option not to implement this provision to contracts benefiting from an intergenerational mutualisation of returns on the underlying assets in countries where these undertakings market insurance contracts.

The Group uses this optional exemption on the life-insurance savings and retirement savings contracts issued (for instance, contracts invested in euro-denominated funds) as they include direct or discretionary profit-sharing items for which both risks and cashflows are shared between different generations of policyholders. These savings life-insurance contracts are also managed on an intergenerational basis in order to mitigate interest rate risk and longevity risk exposures.

The portfolios of contracts are determined by the Group, using (i) the product line to identify the insurance contracts exposed to similar risks and (ii) the country of issuance of the contract and/or the distribution entity.

When the materiality of the outstanding amounts of the contracts concerned is not significant in the context of the aggregates of the Group’s consolidated balance sheet, some of these portfolios may be grouped together.

The major portfolios identified by the Group are as follows:

Scope of products	Product line
Savings	Life Insurance Savings with accumulation of capital paid out upon surrender or death (investments in euro funds, unit-linked funds, multivehicle contracts).
Retirement	Individual and group insurance contracts such as Retirement savings plans (French ' <i>Plan Epargne Retraite</i> ' – PER) with payout in annuities and/or capital (single or multiple unit-linked investments).
Protection–Provident	Borrower insurance; Individual protection; Group protection; Individual health insurance; Group health insurance; Funeral insurance; Nursing care insurance.
Protection–Non-life insurance (property and casualty)	Personal injury accident; Insurance of the Means of payment; Multi-risk home insurance; Land motor vehicle insurance; Miscellaneous Risk Insurance.

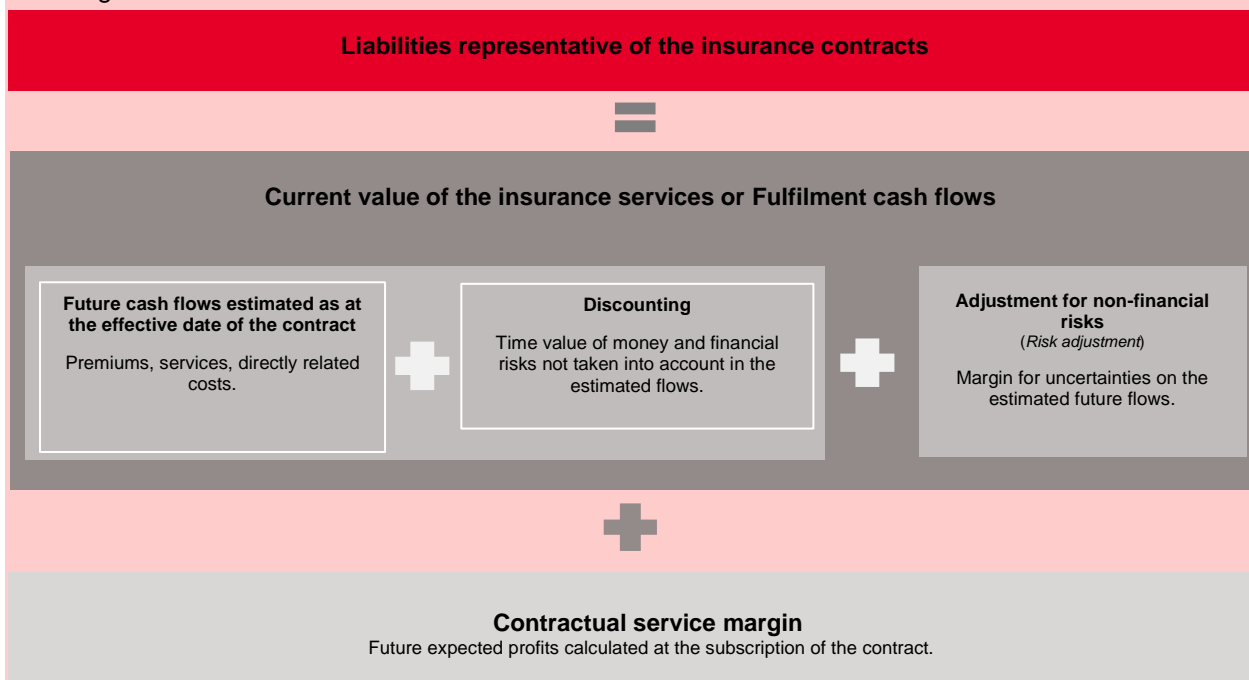
MEASUREMENT MODELS

Each group of insurance contracts is measured separately, and its value is presented in the balance sheet either under Insurance and reinsurance contract assets or under Insurance and reinsurance contract liabilities.

General model applicable to the insurance contracts issued

Initial measurement

Upon initial recognition, the value of a group of insurance contracts issued corresponds to the sum of the following items:



Future estimated cash flows

These cash flows are the current estimates of all the amounts that the insurer expects to receive (for premiums...) or pay to the benefit of insurance policyholders (in relation to life insurance, claims to be

compensated, guaranteed benefits and other directly attributable expenses) as part of the fulfilment of insurance contracts, until their settlement.

These amounts are adjusted to reflect:

- the present value of the future cash flows taking into account the time value of money and the financial risks related to the future cash flows (see *Discounting*),
- the uncertainties about the amount and frequency of the cash flows (see Adjustment for non-financial risk).

Discounting

The future cash flows estimated are discounted using a risk-free yield curve (swap rate curve) adjusted for an illiquidity premium to represent the differences in characteristics between the liquid, risk-free financial instruments and the financial instruments backed insurance contracts (bottom-up approach).

Adjustment for non-financial risk

The discounted cash flows are adjusted to reflect the uncertainties about the amount and frequency of the future cash flows. This adjustment for non-financial risks is determined using a quantile approach based on a confidence level of 80% for the Retirement Savings business. Thus, the technical provisions supplemented with this risk adjustment will allow these estimated future cash flows to be covered in 80% of probable cases, a level of caution deemed appropriate. For the Protection business, this quantile level is between 80% and 90%.

The calculation method of the adjustment for non-financial risks does not take into account the diversification effect between the different insurance activities and between the different entities; however, it includes a diversification by products.

Contractual service margin (CSM)

The contractual service margin (CSM) represents the unearned profit that the entity will recognise in the income statement as the insurance services are provided in the future. Its amount is determined at the time of initial recognition of the group of insurance contracts so that, at that date, neither income nor expense is recorded in the income statement.

In the event of onerous contracts, the expected loss shall immediately be recognised in profit or loss. This initial loss will later be reversed in profit or loss to offset the expense for incurred claims.

Subsequent measurement

On each closing date, the carrying amount in the balance sheet of the group of insurance contracts issued is remeasured. It is then equal to the sum of the following amounts:

- the Liability for remaining coverage (LRC), for an amount equal to the reestimated value as at the date of the fulfilment cash flows related to future services (discounted value of the amounts receivable and payable related to the supply of insurance services on the remaining coverage period and the deposit components) and, when appropriate, the contractual service margin reestimated on the same date as described below;
- the Liability for incurred claims (LIC), for an amount equal to the reestimated value as at the date of the fulfilment cash flows related to past services (discounted value of the amounts payable in relation to services on already incurred claims).

Income and expense are recognised for the changes in liabilities for remaining coverage and for incurred claims, as summarised below:

	Changes in liability for remaining coverage	Changes in liability for incurred claims
Insurance products	<ul style="list-style-type: none"> Reversals related to the insurance services provided during the period 	
Insurance services expenses	<ul style="list-style-type: none"> Losses recognised on onerous contracts and reversal of these losses 	<ul style="list-style-type: none"> Allocations of liabilities for the incurred claims and the unfunded expenses incurred during the period Subsequent changes in the fulfilment cash flows relating to the incurred claims and the unfunded expenses incurred
Insurance financial expenses and income	<ul style="list-style-type: none"> Account taken of the impacts of the time value of money 	<ul style="list-style-type: none"> Account taken of the impacts of the time value of money

On this same closing date, the amount of contractual service margin is adjusted to take notably account, for all contracts, of:

- the impact of the new contracts added to the Group;
- the interest capitalised on the carrying amount of the margin at the discounting rate used to determine the initial margin value;
- the reestimate of the fulfilment cash flows (discounted value of the amounts receivable and payable related to the insurance services provided during the remaining coverage period, excl. estimated amounts to be paid for already incurred claims that are subject to separate measurement);
- the amount recognised as insurance revenue because of the transfer of insurance contract services in the period.

Moreover, the contractual service margin is recognised in profit or loss according to coverage units that reflect the amount of service provided and the expected coverage period for the contracts remaining in the group of contracts.

The contractual service margin is not adjusted for the following changes in cash flows as they are not related to future services:

- inclusion of the impacts (and changes in them) of the time value of money and the financial risk (for example, the impact of a change in the discounting rate);
- changes in estimates of the fulfilment cash flows of liabilities for incurred claims;
- adjustments related to experience (difference between the estimate of the amounts expected for the period and the actual cash flows of the period).

Protection-Provident business

The Group mainly applies the General Model to measure its Protection-Provident contracts (borrower insurance, funeral, dependency contracts...).

For the Protection – Provident business, the insured value (for example the outstanding capital of the loan in the context of a borrower contract) is used to measure the quantity of service (or coverage units) provided or to be provided, in order to recognise a portion of the contractual service margin in the net income of the period.

General Model adapted to the insurance contracts issued with direct participation features (Variable Fee Approach)

Insurance contracts issued with direct participation features may be regarded as creating an obligation to pay to policyholders an amount equal to the fair value of the underlying items (for example, investments in units of funds), minus a variable fee for the service.

The variable fee:

- a) represents the counterparty that a company receives to provide investment services;
- b) is based on the portion of the performance of the underlying items that varies over time. Consequently, the variable fee reflects the performance of the underlying items and the other cash flows necessary for the fulfilment of the contracts.

The general accounting model is adapted to reflect that the consideration received for this type of contract is a variable fee (Variable Fee Approach - VFA).

This adaptation of the general accounting model is used to measure the groups of insurance contracts for which:

- the contractual clauses specify that the policy holder is entitled to a portion of a clearly defined portfolio of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the yield on the fair value of the underlying items; and
- the entity expects any change in the amounts payable to the shareholder to be attributable, substantially, to a change in fair value of the underlying items.

Eligibility to this measurement model is analysed on the issuance date of the contracts and may subsequently be reassessed only in case of changes in the contract.

This measurement model is in line with the general model with regards to the following items:

- the fulfilment cash flows are measured the same way;
- during the initial measurement, the contractual service margin is identical;
- the subsequent changes in the fulfilment cash flows associated with the future services adjust the contractual service margin while the other changes, related to the services provided during the period or before impact the net income.

There are however several differences:

	<i>General model</i>	<i>Tailored General model - VFA</i>
<i>Recognition of the changes in fulfilment cash flows in relation to the changes in discounting rates and other financial variables</i>	<ul style="list-style-type: none"> ▪ in full in the Statement of net income and unrealised or deferred gains and losses 	<ul style="list-style-type: none"> ▪ as an adjustment of the contractual service margin for the portion of this change associated with the insurer's share of underlying items
<i>Determination of the interest expense for the capitalisation of interest on the contractual service margin</i>	<ul style="list-style-type: none"> ▪ explicitly applying the discount rate used during the initial measurement 	<ul style="list-style-type: none"> ▪ implicitly when taking account of the insurer's share in the change in fair value of the underlying items for the determination of the contractual service margin

Savings and Retirement business

The Group determined that the majority of life savings insurance contracts and individual and collective retirement savings contracts issued by its insurance subsidiaries meet the definition of contracts with direct participation features. These contracts, which make up the Group's predominant insurance activity (some 99% of the discounted estimated cash flows), are measured using the adapted General model known as Variable Fee Approach (VFA). The other contracts in these categories are measured based on the General Model or under IFRS 9 if they meet the definition of an investment contract.

For the Savings and Retirement business, the quantity of service (or coverage units) used for the amortisation of the contractual service margin (CSM) is intended to reflect, from an economic standpoint, the asset management service provided by the insurer during the period. This quantity is determined based on the future cash flows estimated over the ongoing and future periods. An adjustment is made in order to recognise the CSM at an appropriate pace, taking account of the financial performance of the underlying assets.

General Model adapted to the reinsurance contracts held

Following the issuance of insurance contracts, some risks may be ceded to another insurance company through reinsurance contracts.

The general accounting model is adapted to take account of the specificities of the reinsurance contracts held. These reinsurance contracts held are booked under the General Model, modified on the following features:

<i>Estimate of the fulfilment cash flows</i>	The fulfilment cash flows take into account the risk of non-fulfilment by the issuer of the reinsurance contract (i.e. the risk of not recovering the expected compensation in the event of default of the reinsurer).
<i>Measurement of the contractual service margin during initial recognition</i>	Any net cost or profit determined at initial recognition (determined based on the estimated amount of premiums payable, expenses to be paid and compensations to be received) is recognised as a contractual service margin.
<i>Measurement of the contractual service margin in the context of onerous underlying contracts</i>	The contractual service margin is adjusted and an income is recognised accordingly, when a loss is recognised at initial recognition of a group of onerous underlying insurance contracts or when onerous underlying insurance contracts are added to the group.

Simplified model (Premium Allocation Approach)

The standard also allows, under some conditions, for the application of a simplified accounting model for the contracts whose insurance coverage is lower or equal to 12 months, or for which the measurement of the Group's remaining coverage liabilities determined using this approach is not significantly different from the one that would result from the application of the general model.

The remaining coverage liabilities presented on the balance sheet corresponds to:

- the amount of premium received under the contract adjusted for the amounts recognised as insurance contracts income as the company provides the insurance coverage;
- minus the remaining depreciable acquisition costs paid.

If a group of contracts is onerous, the remaining coverage liability is increased up to the estimated future fulfilment cash flows and a loss is recognised in the income statement.

The incurred claim liability is measured based on the general model. The Group does not discount the liability when it expects the claims to be settled within one year.

The simplified approach does not require:

- an explicit measurement of the contractual service margin;
- an update of the remaining coverage liability for the changes in discount rate and financial variables.

Protection – non-life insurance activity

The Group mostly applies the simplified approach to measure its non-life insurance contracts (personal injuries, means of payment, multi-risk home insurance...).

PRESENTATION OF THE FINANCIAL PERFORMANCE OF INSURANCE CONTRACTS

Expenses and income relating to insurance contracts are presented in the income statement, distinguishing between:

- the income arising from insurance services which includes:
 - income from insurance contracts issued;
 - insurance services expenses;
 - net income or expenses from the reinsurance contracts held;
- the financial result of the insurance and reinsurance contracts.

Income from insurance contracts issued

The revenues from insurance contracts represent the consideration that the insurance subsidiary expects to receive (representative of the premium received) against the services provided under the contracts.

The revenues recognised for the period include the amount representative of the premium received as coverage of the insurance service expenses and the margin expected in relation to the services provided during the period.

Many insurance contracts providing investment services include a deposit component, which is an amount paid by the policyholder and repaid by the insurer even when the insured event does not take place. These deposit components are excluded from the income statement, as the collection and repayment of a deposit are not, respectively, an income and an expense.

Insurance services expenses

Insurance services expenses reflect the costs incurred to provide services over the period, including those associated with the claims incurred, and excluding the deposit component.

The expenses recorded over the period include the insurance services expenses related to the services provided for the incurred claims during the current or past periods and other amounts such as the amortisation of the insurance acquisition costs, the costs on onerous contracts and their reversals.

Income and expenses of the reinsurance contracts held.

Income and expenses are representative of the amounts recovered from reinsurers and of the allocation of the premiums paid for this coverage.

Financial income and expenses of insurance contracts

The fulfilment cash flows and contractual service margin are booked on a discounted basis reflecting the frequency of cash flows. Over time, the effect of the time value of money decreases, which is reflected in the income statement as an insurance financial expense (the present value of future disbursements increases). Indeed, the financing costs (financial expenses of the contracts) of insurance are similar to the interest paid by the insurer on an early payment (in the form of a premium) and reflect the fact that the insurer usually receives the premiums in advance and pays benefits at a later date.

Finance income or expenses from insurance also include the effects on the carrying amount of insurance contracts of some changes in financial assumptions (namely discount rate and other financial variables).

The effect of the changes in discount rates and other financial variables is recognised over the period during which the changes occurred. The Group has elected, for most of its groups of contracts, to present the effect of these changes in a disaggregated manner between the income statement and equity. The aim of this choice is to minimise accounting mismatch between the investments of the insurance activity (associated to the financial assets held to cover the insurance contracts) and the financial expenses of the insurance contracts. This choice is made for each group of insurance contracts.

The Group decided to present the Notes detailing the financial data of the insurance subsidiaries distinguishing between the data attributed to the insurance contracts within the scope of IFRS 17 (columns headed Insurance contracts) including the measurement of these contracts and the investments backing them. These data also distinguish between the insurance contracts issued with direct participation features measured using the VFA model and their underlying investments.

The financial data of the investment contracts without participation features and without insurance component (contracts within the scope of IFRS 9) as well as all financial instruments that are not backing insurance contracts within the scope of IFRS 17 (ex: financial instruments negotiated in the context of the reinvestment of equity) are presented separately from the other financial data in the Others column.

The future cash flows of the assets and liabilities of the insurance contract assets and liabilities are discounted using a risk-free rate curve (swap rate curve) modified by an illiquidity premium per entity and per activity. The following table shows the average discount rates used:

Table 4.3.A

Average discount rate for the euro	31.12.2024						31.12.2023					
	1 year	5 years	10 years	15 years	20 years	40 years	1 year	5 years	10 years	15 years	20 years	40 years
Savings and retirement	3.16%	3.07%	3.19%	3.26%	3.18%	3.10%	4.27%	3.24%	3.31%	3.39%	3.34%	3.27%
Protection	2.71%	2.44%	2.49%	2.56%	2.48%	2.58%	3.74%	2.74%	2.77%	2.83%	2.74%	2.82%

1. EXCERPT FROM THE BALANCE SHEET OF THE INSURANCE ACTIVITY

The tables below present the carrying amount of the assets and liabilities recognised on the balance sheet of the Group's insurance subsidiaries for:

- insurance contracts or investment contracts;
- investments made (whether or not backed by insurance contracts).

DETAIL OF ASSETS

Table 4.3.B

	31.12.2024				31.12.2023			
	Insurance contracts		Other	Total	Insurance contracts		Other	Total
	With direct participations features	Other			With direct participations features	Other		
<i>(In EUR m)</i>								
Financial assets at fair value through profit or loss	113,866	127	3,558	117,551	107,864	211	3,794	111,869
Trading portfolio	403	-	67	470	547	-	20	567
<i>Shares and other equity securities</i>	-	-	-	-	-	-	-	-
<i>Trading derivatives</i>	403	-	67	470	547	-	20	567
Financial assets measured mandatorily at fair value through profit or loss	100,018	127	3,438	103,583	93,912	205	3,725	97,842
<i>Bonds and other debt securities</i>	33,995	2	215	34,212	30,332	14	117	30,463
<i>Shares and other equity securities</i>	65,040	125	3,223	68,388	62,563	186	3,304	66,053
<i>Loans, receivables and securities purchased under resale agreements</i>	983	-	-	983	1,017	5	304	1,326
Financial instruments measured using fair value option through profit or loss	13,445	-	53	13,498	13,405	6	49	13,460
<i>Bonds and other debt securities</i>	13,445	-	53	13,498	13,405	6	49	13,460
Hedging derivatives	129	-	-	129	140	-	-	140
Financial assets at fair value through other comprehensive income	52,335	1,725	289	54,349	51,257	1,417	226	52,900
Debt instruments	52,335	1,725	289	54,349	51,257	1,417	226	52,900
<i>Bonds and other debt securities</i>	52,335	1,725	289	54,349	51,243	1,415	226	52,884
<i>Loans, receivables and securities purchased under resale agreements</i>	-	-	-	-	14	2	-	16
Financial assets at amortised cost ⁽¹⁾	212	418	5,497	6,127	718	614	5,368	6,700
Investment Property	698	-	3	701	729	-	1	730
TOTAL INVESTMENTS OF INSURANCE ACTIVITIES ⁽²⁾	167,240	2,270	9,347	178,857	160,708	2,242	9,389	172,339
Insurance contracts issued assets	-	15	-	15	-	81	-	81
Reinsurance contracts held assets	-	600	-	600	-	378	-	378
TOTAL INSURANCE AND REINSURANCE CONTRACTS ASSETS	-	615	-	615	-	459	-	459

(1) The financial assets at amortised cost are mainly related to Securities, Due from banks and Customer loans.

(2) The Group has chosen to keep in the consolidated accounts investments made with Group companies measured at fair value through profit or loss in representation of unit-linked liabilities.

DETAIL OF LIABILITIES

Table 4.3.C

	31.12.2024				31.12.2023			
	Insurance contracts		Other	Total	Insurance contracts		Other	Total
	With direct participations features	Other			With direct participations features	Other		
<i>(In EUR m)</i>								
Financial liabilities at fair value through profit or loss	183	-	4,162	4,345	82	-	4,017	4,099
Trading portfolio	182	-	362	544	82	-	503	585
Financial instruments measured using fair value option through profit or loss ⁽¹⁾	1	-	3,801	3,802	-	-	3,514	3,514
Hedging derivatives	-	-	13	13	-	-	-	-
Due to banks	3,309	236	22	3,567	2,442	6	84	2,532
Customer deposits	-	-	5	5	-	-	4	4
TOTAL OF FINANCIAL LIABILITIES FROM INSURANCE ACTIVITIES	3,492	236	4,202	7,930	2,524	6	4,105	6,635
Insurance contracts issued liabilities	147,761	2,930	-	150,691	138,976	2,746	-	141,722
Reinsurance contracts held liabilities	-	-	-	-	-	1	-	1
TOTAL INSURANCE AND REINSURANCE CONTRACTS LIABILITIES	147,761	2,930	-	150,691	138,976	2,747	-	141,723

(1) The financial instruments measured using the fair value option correspond to the unit-linked contracts without participation features.

2. PERFORMANCE OF INSURANCE ACTIVITIES

The tables below show the details of the income and expenses recognised in the income statement or in the gains and losses directly recognised in equity by the Group's insurance subsidiaries for:

- the commercial performance of insurance services presented within the Net income of insurance services;
- the financial performance related to the management of contracts resulting from:
 - the financial income and expenses recognised on insurance contracts;
 - the financial income and expenses recognised on the investments backed on contracts;
- the financial performance of the other investments.

2.1 DETAIL OF PERFORMANCE OF INSURANCE ACTIVITIES

Table 4.3.D

	2024				2023			
	Insurance contracts		Other	Total	Insurance contracts		Other	Total
	With direct participations features	Other			With direct participations features	Other		
<i>(In EUR m)</i>								
Financial result of investments and other transactions from insurance activities	6,066	43	87	6,196	6,527	110	124	6,761
Interest and similar income	1,455	47	152	1,654	1,477	33	168	1,678
Interest and similar expense	(358)	(15)	(99)	(472)	(261)	(11)	(113)	(385)
Fee income	2	-	2	4	10	-	1	11
Fee expense	(30)	(4)	(6)	(40)	(16)	(3)	(3)	(22)
Net gains and losses on financial transactions	4,964	6	40	5,010	5,411	92	74	5,577
<i>o/w gains and losses on financial instruments at fair value through profit or loss</i>	<i>5,049</i>	<i>7</i>	<i>58</i>	<i>5,114</i>	<i>5,467</i>	<i>97</i>	<i>74</i>	<i>5,638</i>
<i>o/w gains and losses on financial instruments at fair value through other comprehensive income</i>	<i>(85)</i>	<i>(1)</i>	<i>-</i>	<i>(86)</i>	<i>(56)</i>	<i>-</i>	<i>-</i>	<i>(56)</i>
<i>o/w gains and losses from the derecognition of financial instruments at amortised cost</i>	<i>-</i>	<i>-</i>	<i>(18)</i>	<i>(18)</i>	<i>-</i>	<i>(5)</i>	<i>-</i>	<i>(5)</i>
Cost of credit risk from financial assets related to insurance activities	1	-	-	1	7	-	-	7
Net income from other activities ⁽¹⁾	32	9	(2)	39	(101)	(1)	(3)	(105)
Insurance service result	1,080	673		1,753	958	620		1,578
Income from insurance contracts issued	1,348	2,503		3,851	1,259	2,280		3,539
Insurance service expenses	(268)	(1,790)		(2,058)	(301)	(1,677)		(1,978)
Income and expenses from reinsurance contracts held	-	(40)		(40)	-	17		17
Financial result of insurance services	(5,837)	(51)		(5,888)	(6,245)	(35)		(6,280)
Net finance income or expenses from insurance contracts issued	(5,837)	(64)		(5,901)	(6,245)	(40)		(6,285)
Net finance income or expenses from reinsurance contracts held	-	13		13	-	5		5
Unrealised or deferred gains and losses from investments that will be reclassified subsequently into income	238	30	(19)	249	2,137	72	10	2,219
Revaluation of debt instruments at fair value through other comprehensive income	246	30	(6)	270	2,099	72	10	2,181
Revaluation of hedging derivatives	(8)	-	(13)	(21)	38	-	-	38
Unrealised or deferred gains and losses from insurance contracts that will be reclassified subsequently into income	(249)	(3)		(252)	(2,150)	16		(2,134)
Revaluation of insurance contracts issued	(238)	(22)		(260)	(2,147)	17		(2,130)
Revaluation of the reinsurance contracts held	(11)	19		8	(3)	(1)		(4)

(1) The item Net income from other activities corresponds to Income and expenses from renting, mobility and other activities.

2.2 MONITORING OF THE AMOUNT OF THE GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY FOR DEBTS INSTRUMENTS UNDERLYING CONTRACTS WITH DIRECT PARTICIPATION FEATURES PRESENT AS AT THE TRANSITION DATE

The Group elected, for the groups of contracts with direct participation features, to recognise in the Net income of the period the financial income or expenses that eliminate accounting mismatches with the income or expenses recognised in the Net income for the underlying items held. Consequently, insurance subsidiaries directly recognise in equity the difference between the total financial income or expenses to be booked for the period for the contracts with direct participation features and the amount recognised in the Net income to eliminate an accounting mismatch.

The table below shows the changes in cumulative amount of the financial income and expenses related to insurance activities recognised directly in equity in relation to the contracts with direct participation features identified as at 1 January 2022 (date of transition to the new measurement method of contracts provided by IFRS 17).

Table 4.3.E

	2024	2023
<i>(In EUR m)</i>		
	Cumulative amounts included in OCI for debt instruments underlying direct participation contracts present on the date of transition	Cumulative amounts included in OCI for debt instruments underlying direct participation contracts present on the date of transition
Opening balance	(2,366)	(4,308)
Unrealised or deferred gains and losses for the period and Unrealised or deferred gains and losses reclassified in profit or loss	396	1,942
Closing balance	(1,970)	(2,366)

3. DETAILS RELATING TO OUTSTANDING INSURANCE CONTRACTS

The Group elected not to show detailed information regarding the reinsurance contracts held owing to their low materiality Group-wide.

SUMMARY OF THE OUTSTANDING STOCK

Table 4.3.F

	2024				2023			
	Insurance contracts		Other	Total	Insurance contracts		Other	Total
<i>(In EUR m)</i>	<i>With direct participations features</i>	<i>Other</i>			<i>With direct participations features</i>	<i>Other</i>		
Insurance contracts issued assets	-	15	-	15	-	81	-	81
<i>o/w insurance contracts measured under the general model</i>	-	15	-	15	-	46	-	46
Insurance contracts issued liabilities	147,761	2,930	-	150,691	138,976	2,746	-	141,722
<i>o/w insurance contracts measured under the general model</i>	147,761	1,272	-	149,033	138,976	1,474	-	140,450
Reinsurance contracts held assets	-	600	-	600	-	378	-	378
<i>o/w reinsurance contracts measured under the general model</i>	-	257	-	257	-	137	-	137
Reinsurance contracts held liabilities	-	-	-	-	-	1	-	1
<i>o/w reinsurance contracts measured under the general model</i>	-	-	-	-	-	-	-	-
Investment contracts ⁽¹⁾	-	-	3,801	3,801	-	-	3,514	3,514

(1) Investment contracts with no discretionary participation features measured at fair value through profit or loss using the fair value option.

DETAILED NET INCOME FROM INSURANCE SERVICES

The table below shows the Net income from insurance services. The way in which the Insurance income and expenses are recognised are detailed in the accounting principles under the Presentation of the financial performance of insurance contracts heading.

Table 4.3.G

	2024			2023		
	Insurance contracts			Insurance contracts		
	with direct participations features	Other	Total	with direct participations features	Other	Total
<i>(In EUR m)</i>						
Income from insurance contracts issued	1,348	2,503	3,851	1,259	2,280	3,539
Contracts measured under the general model	1,348	1,017	2,365	1,259	1,040	2,299
<i>Income of premiums (relating to changes in liabilities for remaining coverage) relative to:</i>						
- <i>Deferred acquisition costs</i>	30	186	216	25	170	195
- <i>Expected claims and handling costs</i>	128	420	548	147	441	588
- <i>Expected non financial risk adjustment</i>	291	116	407	272	115	387
- <i>Expected contractual services margin</i>	899	295	1,194	815	314	1,129
Contracts measured under the PAA	-	1,486	1,486	-	1,240	1,240
Insurance service expenses	(268)	(1,790)	(2,058)	(301)	(1,677)	(1,978)
Amortisation of acquisition costs	(30)	(312)	(342)	(25)	(288)	(313)
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred claims) - Incurred in the period	(236)	(1,844)	(2,080)	(276)	(1,645)	(1,921)
Changes in net expenses for expected costs of claims and handling costs (changes in liabilities Incurred claims) - Past services	-	360	360	-	265	265
Losses and reversals of losses on onerous contracts (changes in liabilities for remaining coverage)	(2)	6	4	-	(9)	(9)
Net income or expenses from reinsurance contracts held	-	(40)	(40)	-	17	17
INSURANCE SERVICE RESULT	1,080	673	1,753	958	620	1,578

3.1 INSURANCE CONTRACTS MEASURED UNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION FEATURES) AND THE SIMPLIFIED MODEL

TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS LIABILITIES BY TYPE OF COVERAGE (REMAINING COVERAGE AND CLAIMS INCURRED)

Table 4.3.H

	2024					Total
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the PAA)		
	Excluding the loss component	Loss component		Present value of the future cash flows	Non financial risk adjustment	
<i>(In EUR m)</i>						
Insurance contracts issued liabilities	139,155	32	985	1,444	106	141,722
Insurance contracts issued assets	(87)	4	33	(31)	-	(81)
NET BALANCE AS AT 1 JANUARY	139,068	36	1,018	1,413	106	141,641
Income from insurance contracts issued ⁽¹⁾	(3,851)	-	-	-	-	(3,851)
Insurance service expenses	342	(4)	733	997	(10)	2,058
Amortisation of acquisition costs	342	-	-	-	-	342
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Incurred in the period	-	-	911	1,134	35	2,080
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services	-	-	(178)	(137)	(45)	(360)
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	(4)	-	-	-	(4)
Net finance income or expenses from insurance contracts issued ⁽²⁾	6,079	1	16	54	2	6,152
Changes relative to the deposits component including in the insurance contract	(12,225)	-	12,225	-	-	-
Other changes	(1,277)	3	64	(124)	(7)	(1,341)
Cash flows:	19,502	-	(12,878)	(607)	-	6,017
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	20,077	-	-	-	-	20,077
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	-	-	(12,878)	(607)	-	(13,485)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(575)	-	-	-	-	(575)
NET BALANCE AS AT 31 DECEMBER	147,638	36	1,178	1,733	91	150,676
Insurance contracts issued liabilities	147,661	36	1,171	1,732	91	150,691
Insurance contracts issued assets	(23)	-	7	1	-	(15)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 281 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

Table 4.3.I

	2023					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the PAA)		Total
	Excluding the loss component	Loss component		Present value of the future cash flows	Non financial risk adjustment	
<i>(In EUR m)</i>						
Insurance contracts issued liabilities	134,009	21	944	820	80	135,874
Insurance contracts issued assets	(39)	5	(10)	2	-	(42)
NET BALANCE AS AT 1 JANUARY	133,970	26	934	822	80	135,832
Income from insurance contracts issued ⁽¹⁾	(3,539)	-	-	-	-	(3,539)
Insurance service expenses	313	9	796	854	6	1,978
Amortisation of acquisition costs	313	-	-	-	-	313
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Incurred in the period	-	-	987	893	41	1,921
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services	-	-	(191)	(39)	(35)	(265)
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	9	-	-	-	9
Net finance income or expenses from insurance contracts issued ⁽²⁾	8,394	1	(5)	23	2	8,415
Changes relative to the deposits component including in the insurance contract	(14,635)	-	14,635	-	-	-
Other changes	(328)	-	128	499	18	317
Cash flows:	14,893	-	(15,470)	(785)	-	(1,362)
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	15,348	-	-	-	-	15,348
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	-	-	(15,470)	(785)	-	(16,255)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(455)	-	-	-	-	(455)
NET BALANCE AS AT 31 DECEMBER	139,068	36	1,018	1,413	106	141,641
Insurance contracts issued liabilities	139,155	32	985	1,444	106	141,722
Insurance contracts issued assets	(87)	4	33	(31)	-	(81)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model): EUR 371 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

3.2 CONTRACTS MEASURED UNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION)

TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS LIABILITIES ISSUED BY ESTIMATE COMPONENTS (DISCOUNTED FUTURE CASH FLOWS, ADJUSTMENT FOR NON-FINANCIAL RISK AND CONTRACTUAL SERVICE MARGIN)

Table 4.3.J

	2024			
	Present value of the future cash flows	Non financial risk adjustment	Contractual services margin	Total
<i>(In EUR m)</i>				
Insurance contracts issued liabilities	127,374	3,844	9,232	140,450
Insurance contracts issued assets	(239)	57	136	(46)
NET BALANCE AS AT 1 JANUARY	127,135	3,901	9,368	140,404
Changes that relate to future services	(681)	112	569	-
Changes in estimates that adjust the CSM	272	(218)	(54)	-
Changes in estimates that result in losses and reversals on onerous contracts (i.e. that do not adjust the CSM)	(2)	(2)	-	(4)
Effect of new contracts recognised in the year	(951)	332	623	4
Changes that relate to current services	274	(326)	(1,194)	(1,246)
Contractual services margin recognised in profit or loss for services provided	-	-	(1,194)	(1,194)
Change in non-financial risk adjustment for risk expired	-	(326)	-	(326)
Experiences adjustments	274	-	-	274
Changes that relate to past services (i.e. changes in fulfilment cash flows relative to incurred claims)	(125)	(54)	-	(179)
Net finance income or expenses from insurance contracts issued ⁽¹⁾	6,061	13	22	6,096
Other changes	(1,373)	(47)	(100)	(1,520)
Cash flows:	5,463	-	-	5,463
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	18,768	-	-	18,768
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	(12,877)	-	-	(12,877)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(428)	-	-	(428)
NET BALANCE AS AT 31 DECEMBER	136,754	3,599	8,665	149,018
Insurance contracts issued liabilities ⁽²⁾	136,793	3,593	8,647	149,033
Insurance contracts issued assets ⁽²⁾	(39)	6	18	(15)

(1) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

(2) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 360 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).

Table 4.3.K

	2023			
<i>(In EUR m)</i>	Present value of the future cash flows	Non financial risk adjustment	Contractual services margin	Total
Insurance contracts issued liabilities	123,297	3,452	8,118	134,867
Insurance contracts issued assets	(214)	40	134	(40)
NET BALANCE AS AT 1 JANUARY ⁽¹⁾	123,083	3,492	8,252	134,827
Changes that relate to future services	(3,018)	767	2,266	15
Changes in estimates that adjust the CSM	(2,582)	622	1,960	-
Changes in estimates that result in losses and reversals on onerous contracts (i.e. that do not adjust the CSM)	11	1	-	12
Effect of new contracts recognised in the year	(447)	144	306	3
Changes that relate to current services	311	(308)	(1,129)	(1,126)
Contractual services margin recognised in profit or loss for services provided	-	-	(1,129)	(1,129)
Change in non-financial risk adjustment for risk expired	-	(308)	-	(308)
Experiences adjustments	311	-	-	311
Changes that relate to past services (i.e. changes in fulfilment cash flows relative to incurred claims)	(137)	(54)	-	(191)
Net finance income or expenses from insurance contracts issued ⁽²⁾	8,370	1	18	8,389
Other changes	376	3	(39)	340
Cash flows:	(1,850)	-	-	(1,850)
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	13,954	-	-	13,954
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	(15,470)	-	-	(15,470)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(334)	-	-	(334)
NET BALANCE AS AT 31 DECEMBER	127,135	3,901	9,368	140,404
Insurance contracts issued liabilities ⁽³⁾	127,374	3,844	9,232	140,450
Insurance contracts issued assets ⁽³⁾	(239)	57	136	(46)

- (1) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 390 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).
- (2) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.
- (3) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 255 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).

DETAILED EFFECT OF THE NEW CONTRACTS RECOGNISED DURING THE PERIOD

Table 4.3.L

<i>(In EUR m)</i>	2024		2023	
	Insurance contracts issued	<i>o/w transfer of contracts</i>	Insurance contracts issued	<i>o/w transfer of contracts</i>
Present value of:				
Estimated cash outflows	15,255	-	6,846	-
<i>o/w acquisitions costs</i>	428	-	334	-
<i>o/w costs of claims and handling costs</i>	14,827	-	6,512	-
Estimated cash inflows	(16,210)	-	(7,296)	-
Non-financial risk adjustment	332	-	144	-
Contractual services margin	623	-	306	-
Loss component on onerous contracts	4	-	3	-
Total	4	-	3	-

3.3 DETAILS ON THE PROJECTED ITEMS RELATING TO THE MEASUREMENT OF CONTRACTS

SCHEDULING OF THE CASH FLOWS RELATED TO THE INSURANCE AND REINSURANCE CONTRACTS LIABILITIES

Table 4.3.M

<i>(In EUR m)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	2024
Insurance and reinsurance contracts liabilities	4,314	10,619	42,427	93,331	150,691

EXPECTED RECOGNITION IN THE INCOME STATEMENT OF THE CONTRACTUAL SERVICE MARGIN DETERMINED AT THE END OF THE PERIOD ⁽¹⁾

Table 4.3.N

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Expected years before recognising CSM in profit or loss	Insurance contracts issued	Insurance contracts issued
1 to 5 years	3,727	3,901
6 to 10 years	2,039	1,913
> 10 years	2,899	3,554
Total	8,665	9,368

(1) The contractual service margin determined at the end of the period does not include future new insurance contracts, and insurance contracts valued according to the simplified model. Furthermore, this contractual service margin includes the discounting effect and the adjustment taking into account the financial performance of the underlying assets.

4. INSURANCE RISK MANAGEMENT

Insurance risk is the risk of loss inherent in the insurance business; the Group is exposed to it through its insurance subsidiaries. In addition to asset and liability risk management (interest rate, valuation, counterparty and exchange rate risk), this covers the risks related to premium pricing, mortality and increase in the number of claims.

1. MANAGEMENT OF INSURANCE RISK

There are two main types of insurance risk:

- **Technical risks**, and particularly underwriting risk in life insurance, individual personal protection and non-life insurance. These risks may be biometric: disability, longevity, mortality, or related to policyholders' behaviour (risk of surrender). To a lesser extent, in non-life and health insurance, such risks may also arise from claims pricing, selection and management, or from disaster risk.
- **Risks associated with financial markets and asset-liability management:** the Insurance business line, mainly through life insurance on the French market, is exposed to hazards in financial markets (changes in interest rates and stock market fluctuations). These market hazards can be aggravated by policyholder behaviour (particularly in the case of surrender of savings life insurance policies) insofar as the amount of benefits on savings life insurance policies depends on the financial performance of the assets. This interaction between assets and liabilities is considered in the valuation of future cash flows.

The savings life insurance portfolio constitutes the majority of commitments for an amount of EUR 147,761 million as at 31 December 2024 recognised as Insurance contracts issued liabilities with direct participation features (EUR 138,976 million as at 31 December 2023). In addition, the commitments of the protection portfolio recognised in Insurance contracts issued liabilities excluding direct participation feature amounted to EUR 2,930 million as at 31 December 2024 (EUR 2,746 million as at 31 December 2023).

Managing these risks is at the core of the Insurance business line activity. It is carried out by qualified and experienced teams, with significant and appropriate IT resources. Risks are regularly monitored and reported within the framework of risk policies validated by the Board of Directors of the entities.

1.1 TECHNICAL RISK MANAGEMENT

Technical risk management are based on the following:

- heightened security for the risk acceptance process, with the aim of ensuring that the ab initio pricing matches the policyholder's risk profile and underwritten guarantees;
- regular monitoring of claim indicators in order to adjust some product parameters, such as the pricing or the level of coverage, if necessary;
- implementation of a reinsurance plan to protect the business line against major/serial claims;
- establishment of committees to monitor portfolio risks and decide on the launch of significant new products;
- implementation of the policies on subscription, provisioning and reinsurance risks.

Risk concentration

The most material exposures in the portfolio are diversified on the French territory and do not show any specific concentration with regard to the French insurance market. The ALM and Risk Management Committee of the Insurance business line sets concentration limits per issuer and for certain sectors. This committee is regularly informed of the exposures and possible exceedances.

1.2 RISK MANAGEMENT RELATED TO FINANCIAL MARKETS AND ASSET-LIABILITY MANAGEMENT

The management of the risks linked to the financial markets and asset-liability management is an integral part of the investment strategy just like long-term performance objectives. The optimisation of these two factors is highly influenced by the asset/liability balances. Liability commitments (guarantees offered to customers, policies length of detention), as well as the amounts booked under the major items on the accounting and prudential balance sheet (shareholders' equity, net income, provisions etc.) are analysed by the Finance, Investments and Risk division of the Insurance business line.

The management of the risks related to financial markets (interest rate, credit and equity) and to asset-liability management is based on the following:

- monitoring short- and long-term cash flows (match between the duration of the liabilities and assets, liquidity risk management);
- particular monitoring of policyholder behaviour (surrender);
- close monitoring of financial markets;
- hedging against interest rate risks (both upside and downside);
- hedging against equity risk downside;
- determination of thresholds and limits per counterparty, per issuer rating and per asset class;
- performance of stress tests, the result of which are presented annually to the entities' Board of Directors, as part of the ORSA (*Own Risk and Solvency Assessment*), transferred to the ACPR after approval by the Board;
- organisation of committees to monitor the portfolio and to rule on investment decisions; implementation of the asset-liability management and investment risk policies.

Concentration of market risk and credit risk

The companies in the Insurance business line invest in the various types of financial products while respecting a prudent investment risk management policy. Within each type of securities, exposures are diversified in terms of geography, issuers and sectors. The implementation of this policy is characterised by the definition of thresholds, limits and constraints. The main concentrations are monitored within the framework of the ALM and Risk Management Committee. Similarly, the concentration of credit risk is subject to thresholds and limits. Any crossing of thresholds or limits is reported to the ALM and Risk Management Committee, an emanation of the Board of Directors.

1.3 REGULATORY FRAMEWORK

The Sogecap group is subject to the European "Solvency 2" framework. The capital requirement is determined using the standard formula and the yield curve with the volatility adjustment provided by the European Insurance and Occupational Pensions Authority.

2. INSURANCE RISK MODELING

In savings life insurance, the ALM stochastic model takes into account asset/liability interactions and integrates assumptions regarding policyholder behaviour (surrenders, death, arbitrage), the behaviour of the insurer (interest rate policy in line with the investment policy), the use of financial reserves, and the modelling of fees and commissions.

In protection, liabilities are projected based on adapted models that reflect the flows of premiums, claims and fees related to the management of these claims. They include assumptions and calculation parameters such as experience or mortality tables, fall or early repayment rates depending on the product, overhead rates, inflation, etc.

The models used in relation to Insurance activities are reviewed by the Risk and Actuarial Supervision Department, which is the second line of defence in the context of model risk management. The review work focuses on the theoretical robustness (evaluation of the quality of design and development) of the models, their use, the compliance of their implementation and the continuous monitoring of their relevance over time.

The independent review process ends with (i) the publication of a report describing the scope of the review, tests performed, results, conclusions or recommendations and by (ii) Validation committees.

3. INSURANCE RISK EXPOSURES AND SENSITIVITY ANALYSES

TECHNICAL INSURANCE RISKS

In life insurance, the Insurance business line is mainly exposed to surrender risks due to the preponderance of euro-denominated contracts in life insurance and borrower' insurance, and to a lesser extent, to mortality risk. The risk of surrender in life insurance is mitigated by the loss absorption capacity of the technical reserves (ability to reduce the level of discretionary profit-sharing attributed to policyholders). The Group implements a reinsurance program mainly to mitigate the mortality risks carried in the borrowers' insurance, individual personal protection and term life insurance contracts.

Sensitivity of the insurance business line to underwriting risk on the “Savings” scope (insurance contracts with direct participation features):

Table 4.3.O

<i>(In EUR m)</i>		31.12.2024	
Risk factors	Shock used	Impact On the Net Income	Impact on the capital
Increase in surrender	5% of outstanding 2024 year end	(15)	(15)

In property and casualty insurance, the Group is exposed to underwriting risk, i.e. the risk of loss of capital resulting from the difference between the costs related to the claims expected when pricing and the actual costs resulting from unfavourable changes in one or more risk factors (deviation in the frequency, the average costs, occurrence of atypical events).

FINANCIAL RISKS

Market risk: Given the preponderance of savings life insurance among its insurance business line, the Group is mainly exposed to market risk, defined as the risk of loss of capital on the value of financial instruments resulting from variations in market parameters, the volatility of these parameters and correlations between these parameters. The parameters concerned are, in particular exchange rates, interest rates, as well as the prices of securities (shares, bonds), financial derivatives, real estate assets or any other assets.

Sensitivities have been identified in relation to the main financial risk factors analysed either alone or in combination. They take into account policyholder behaviours (in particular surrender) and are net of tax and net of the participation allocated to policyholders.

Sensitivity of the insurance business line to market risks in the Savings scope (insurance contracts with direct participation):

Table 4.3.P

<i>(In EUR m)</i>		31.12.2024	
Risk factors	Shock used	Impact On the Net Income	Impact on the capital
Rising rates	+50 bps	(3.5)	(3.5)
Lower rates	-50 bps	(1)	(1)
Decline in equities	-10%	(14)	(14)

Liquidity risk: In the context of insurance operations, liquidity risk corresponds to the inability of the Insurance business line to meet its contractual obligations and settle reported claims (potential losses incurred in the event of forced sales of assets or when financial assets are invested in illiquid markets). Liquidity risk is governed by the investment risk management policy and the risk management policy of the Insurance business line; The rules for allocating asset portfolios lead to a diversification of these portfolios and a limitation of investments in low liquidity assets (private equity, real estate, etc.).

ALM studies on liquidity risk ensure that the investment structure of the Insurance business line is consistent with its insurance commitments. The framework for strategic asset allocation also makes it possible to limit this risk.

Credit risk: The implementation of thresholds and limits per counterparty makes it possible to limit this risk on financial assets. Information on the credit risk of the financial assets of the insurance business is detailed in Note 3.8. In addition, the default risk of reinsurers (representative of the claims receivable net of premiums to be paid) is mitigated by collateral received from reinsurers, mainly in the form of high-quality securities or cash.

NOTE 4.4 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

Table 4.4.A

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Guarantee deposits paid ⁽¹⁾	50,970	51,611
Settlement accounts on securities transactions	4,518	2,835
<i>o/w due from clearing houses bearing credit risk</i>	278	163
Prepaid expenses	1,792	1,680
Miscellaneous receivables ⁽²⁾	14,254	14,111
<i>o/w miscellaneous receivables bearing credit risk ⁽³⁾</i>	6,514	6,404
Gross amount	71,534	70,237
Impairments	(631)	(472)
<i>Credit risk ⁽³⁾</i>	(405)	(328)
<i>Other risks</i>	(226)	(144)
Net amount	70,903	69,765

(1) *Mainly relates to guarantee deposits paid on financial instruments, their fair value is assumed to be the same as their book value net of impairment for credit risk.*

(2) *Miscellaneous receivables primarily include trade receivables, fee income and income from other activities to be received. The operating leases receivables equal to EUR 2,115 million as at 31 December 2024, compared to EUR 2,325 million as at 31 December 2023.*

(3) *Net value of miscellaneous receivables bearing credit risk amounts to EUR 6,109 million as at 31 December 2024, compared to EUR 6,076 million as at 31 December 2023 (see Note 3.8).*

2. OTHER LIABILITIES

Table 4.4.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Guarantee deposits received ⁽¹⁾	54,259	53,253
Settlement accounts on securities transactions	4,822	3,576
Expenses payable on employee benefits	2,820	2,566
Lease liability	2,003	2,065
Deferred income	1,560	1,643
Miscellaneous payables ⁽²⁾	25,322	30,555
Total	90,786	93,658

(1) *Mainly relates to guarantee deposits received on financial instruments, their fair value is assumed to be the same as their book value.*

(2) *Miscellaneous payables primarily include trade payables, fee expense and expense from other activities to be paid.*

NOTE 5 - OTHER GENERAL OPERATING EXPENSES

Table 5.A

<i>(In EUR m)</i>		31.12.2024	31.12.2023
Personnel expenses ⁽¹⁾	Note 5.1	(11,544)	(10,645)
Other operating expenses ⁽¹⁾	Note 5.2	(6,028)	(6,887)
Other general operating expenses attributable to the insurance contracts ⁽²⁾		751	683
Total		(16,821)	(16,849)

(1) The amount of Personnel costs and Other administrative costs is presented in Note 5.1 and Note 5.2 before reallocation within the Net banking income of the expenses relating to insurance contracts

(2) General operating expenses relating to insurance contracts are recognised during the period as service expenses relating to the insurance and reinsurance contracts issued except for acquisition costs which are recorded in the balance sheet to be recognised as profit or loss in subsequent periods

Reorganisation of the headquarters of Societe Generale in France

On 5 February 2024, Societe Generale announced a reorganisation within its headquarters in France in order to simplify its operations and structurally improve its operational efficiency.

The objective is to consolidate and pool certain activities and functions, to eliminate hierarchical layers to streamline decision-making processes and to resize certain teams due to the review of projects or processes.

The implementation of these organisational changes results in approximately 900 job cuts without forced redundancies (i.e. approximately 5% of the headquarters workforce).

The cost of the social support measures implemented as part of this reorganisation amounts to approximately EUR 0.3 billion.

NOTE 5.1 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS



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Employee benefits correspond to the compensation granted by the Group to its employees in exchange for work carried out during the annual reporting period.

All forms of compensation for work rendered are recorded in the expenses:

- whether it be paid to employees or to outside social security agencies;
- whether it be paid during the annual reporting period or to be paid by the Group in the future as entitlements to employees (pension plans, retirement benefits...);
- whether it be paid in cash or in Societe Generale shares (free share plans, stock options).

Information related to the Group headcount is presented in the Chapter 5 of the Universal Registration Document (Sustainability statement).

NOTE 5.1.1 - PERSONNEL EXPENSES AND RELATED PARTY TRANSACTIONS

ACCOUNTING PRINCIPLES

Personnel expenses include all expenses related to personnel, including employee benefits and expenses related to payments based on Societe Generale shares.

Short-term employee benefits are recorded under Personnel expenses during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and other long-term benefits are described in Note 5.1.2.

Personnel expenses include related party transactions, within the meaning of IAS 24.

The Group has selected as related parties:

- directors, corporate officers (the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer) and spouses and children living in their households;
- the following subsidiaries: subsidiaries controlled exclusively or jointly and companies over which Societe Generale exercises significant influence;
- entities controlled exclusively or jointly by a related party that is an individual.

1. PERSONNEL EXPENSES

Table 5.1.1.A

<i>(In EUR m)</i>	2024	2023
Employee compensation	(8,355)	(7,708)
Social security charges and payroll taxes	(1,953)	(1,749)
Net pension expenses - defined contribution plans	(821)	(772)
Net pension expenses - defined benefit plans	(75)	(69)
Employee profit-sharing and incentives	(340)	(347)
Total	(11,544)	(10,645)
<i>Including net expenses from share - based payments</i>	<i>(243)</i>	<i>(254)</i>

2. RELATED-PARTY TRANSACTIONS

REMUNERATION OF THE GROUP'S MANAGERS

This includes amounts effectively paid by the Group to Directors and corporate officers as remuneration (including employer contributions) and other benefits as indicated below according to the nomenclature of IAS 24 – paragraph 17.

Table 5.1.1.B

<i>(In EUR m)</i>	2024	2023
Short-term benefits	14.7	13.2
Post-employment benefits	0.3	0.5
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	1.9	2.2
Total	16.9	15.9

RELATED-PARTY TRANSACTIONS

The transactions with members of the Board of Directors, Chief Executive Officers and members of their families included in this note only comprise loans and guarantees outstanding as at 31 December 2024 for a total amount of EUR 3.4 million. All other transactions with these individuals are insignificant.

TOTAL AMOUNTS PROVISIONED OR BOOKED BY THE SOCIETE GENERALE GROUP FOR THE PAYMENT OF PENSIONS AND OTHER BENEFITS

The total amount provisioned or booked by the Societe Generale Group as at 31 December 2024 under IAS 19 for the payment of pensions and other benefits to Societe Generale's Chief Executive Officers (Mr. Krupa, Mr. Aymerich, Mr. Palmieri and the three staff-elected Directors) is EUR 3.4 million.

NOTE 5.1.2 - EMPLOYEE BENEFITS

ACCOUNTING PRINCIPLES

Employee benefits are divided into four categories:

- Short-term employee benefits;
- Post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- Others long-term employee benefits which are employee benefits not expected to be settled wholly before twelve months, such as defined variable compensation paid in cash and not indexed to the Societe Generale share, long service awards and time saving accounts;
- Termination benefits.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are recognised as Expenses payable on employee benefits. The settlement is expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing.

POST-EMPLOYMENT BENEFITS

Post-employment benefits can be broken down into two categories: defined contribution pension plans or defined benefit pension plans.

Post-employment defined contribution plans

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are recorded as an expense for the current year.

Post-employment defined benefit plans

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bare the associated medium or long-term risk.

Provisions are recognised on the liabilities side of the balance sheet under Provisions, to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

The Group can choose to finance defined benefit plans by assets held by a long-term employee benefit fund or by qualifying insurance policies. Funding assets, made by funds or insurance policies, are classified as plan assets if assets are held by an entity (fund) that is legally separate from the reporting entity and are available to be used only to pay employee benefits. When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations. When these plans are financed from funds not classified as plan assets, these funds, classified as separate assets, are displayed separately in the assets of the balance sheet under Financial assets at fair value through profit or loss.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) and differences between actuarial assumptions and real performance are recognised as actuarial gains and losses. Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (or asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). These components are immediately and fully recognised in shareholder's equity among Unrealised or deferred gains and losses and they cannot be subsequently reclassified as income.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) and differences between actuarial assumptions and real performance are recognised as actuarial gains and losses. Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net

interest on the net defined benefit liability (or asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). These components are immediately and fully recognised in shareholder's equity among Unrealised or deferred gains and losses.

These items cannot be subsequently reclassified as income and are presented under Retained earnings on the liabilities side of the balance sheet and on a separate line under the Statement of net income and unrealised or deferred gains and losses.

When a new or amended plan comes into force, past service cost is immediately recognised in profit or loss.

An annual charge is recorded under Personnel expenses for defined benefit plans consisting of the additional entitlements vested by each employee (current service cost), past service cost resulting from a plan amendment or a curtailment, the financial expense resulting from the discount rate and the interest income on plan assets (net interest on the net defined benefit liability or asset), plan settlements.

OTHER LONG-TERM BENEFITS

Other long-term employee benefits are benefits other than post-employment and termination benefits, that are paid to employees more than twelve months after the end of the annual period in which they provided the related services.

Other long-term benefits are measured and recognised in the same way as post-employment benefits, with the exception of actuarial gains and losses, which are immediately recognised as profit or loss.

TERMINATION BENEFITS

Termination benefits refer to the benefits to be granted to an employee following the termination by the entity of the staff member's employment contract before the normal retirement age or the decision of the staff member to voluntarily leave in exchange for these benefits.

Termination benefits payable more than twelve months after the closing date shall be discounted.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

Table 5.1.2.A

<i>(In EUR m)</i>	Provisions as at 31.12.2023	Allocations	Write- backs available	Net allocation	Write- backs used	Actuarial gains and losses	Currency and scope effects	Provisions as at 31.12.2024
Post-employment benefits	1,217	88	(33)	55	(78)	(40)	(128)	1,026
Other long-term benefits	646	171	(69)	102	(76)	-	(19)	653
Termination benefits	210	411	(54)	357	(303)	(10)	6	260
Total	2,073	670	(156)	514	(457)	(50)	(141)	1,939

Law No. 2024-364 of 22 April 2024 provides a legal framework for employees' rights to paid sick leave and applies retroactively from 1 December 2009. The provision of EUR 12 million that had been recorded as at 31 December 2023 following the decisions of the Court of Cassation has been adjusted to EUR 18.6 million in 2024.

1. EMPLOYMENT DEFINED CONTRIBUTION PLANS

The main defined contribution plans provided to employees of the Group are located in France, in the United Kingdom and in the United States.

In France, they include state pension plans and other national pension plans such as AGIRC-ARRCO, as well as pension schemes put in place by certain Group entities whose only commitment is to pay annual contributions (PERCO).

In the United Kingdom, the employer pays contributions according to the age of the employees (from 4 to 10% of the salary) and can make extra contributions up to 4.5% for the voluntary additional employee contributions.

In the United States, employers fully match the first 8% of employee contributions, within the limit of USD 10,000.

2. POST-EMPLOYMENT DEFINED BENEFIT PLANS

Post-employment pension plans include schemes offering annuities, plans offering retirement bonuses and mixed plans (cash balance). Benefits paid out in annuities supplement the pensions paid by the mandatory basic plans.

The main defined benefit plans are located in France, in Switzerland, in the United Kingdom and in the United States.

In France, the supplementary pension plan for executive managers, set up in 1991, allocates an annual allowance to beneficiaries covered by Societe Generale as described in the Chapter 3 "Corporate Governance" of the present Universal Registration Document. This allowance depends in particular on the beneficiary's seniority within Societe Generale. Since 4 July 2019, date of publication of the ordinance ending the so-called "random rights" defined benefit pension plans in application of the *Loi Pacte*, this plan is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

In Switzerland, the plan is managed by a personal protection insurance institution (the Foundation), comprised of employer and employee representatives. The employer and its employees pay contributions to the Foundation. Pension benefits are revalued at a guaranteed rate of return and converted to annuities (or lump-sum payment) also at a guaranteed conversion rate (cash balance scheme). Because of this minimum guaranteed return, the plan is considered similar to a defined benefit plan.

In the United Kingdom, the defined benefit plan has been closed to new employees for nearly 20 years, and the benefits of the last beneficiaries were frozen in 2015. The plan is managed by an independent institution (Trustee).

Similarly, in the United States, defined benefit plans were closed to new employees in 2015 and the vesting of new benefits was frozen.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

Table 5.1.2.B

(In EUR m)	31.12.2024			
	France	United Kingdom	Others	Total
A - Present value of defined benefit obligations	815	472	833	2,120
B - Fair value of plan assets	74	524	567	1,165
C - Fair value of separate assets	1,081	-	11	1,092
D - Change in asset ceiling	0	-	6	7
A - B - C + D = Net balance	(340)	(52)	262	(130)
On the liabilities side of the balance sheet	743	(0)	284	1,026
On the assets side ⁽¹⁾ of the balance sheet	1,083	52	22	1,156

(1) o/w EUR 1,092 million of separate assets recorded under Financial assets at fair value through profit or loss and EUR 64 million linked to surplus assets under Other assets.

Table 5.1.2.C

<i>(In EUR m)</i>	31.12.2023			
	France	United Kingdom	Others	Total
A - Present value of defined benefit obligations	882	582	962	2,426
B - Fair value of plan assets	78	617	555	1,250
C - Fair value of separate assets	1,076	-	-	1,076
D - Change in asset ceiling	-	-	1	1
A - B - C + D = Net balance	(272)	(35)	408	101
On the liabilities side of the balance sheet	805	-	412	1,217
On the assets side ⁽¹⁾ of the balance sheet	1,077	35	4	1,116

(1) o/w EUR 1,076 million of separate assets recorded under Financial assets at fair value through profit or loss and EUR 40 million linked to surplus assets under Other assets.

COMPONENTS OF THE COST OF DEFINED BENEFITS

Table 5.1.2.D

<i>(In EUR m)</i>	2024	2023
Current service cost including social security contributions	63	58
Employee contributions	(6)	(7)
Past service cost/curtailments	(13)	(5)
Transfer via the expense	(0)	(0)
Net interest	5	3
A - Components recognised in income statement	49	49
Actuarial gains and losses on assets	95	(59)
Actuarial gains and losses due to changes in demographic assumptions	(12)	(14)
Actuarial gains and losses due to changes in economic and financial assumptions	(109)	60
Actuarial gains and losses due to experience	13	(0)
Change in asset ceiling	(7)	1
B - Components recognised in unrealised or deferred gains and losses	(20)	(12)
C = A + B Total components of the cost of defined benefits	28	37

CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

Table 5.1.2.E

<i>(In EUR m)</i>	2024	2023
Balance as at 1 January	2,426	2,298
Current service cost including social security contributions	63	58
Past service cost/curtailments	(13)	(7)
Settlements	-	(0)
Net interest	86	91
Actuarial gains and losses due to changes in demographic assumptions	(12)	(14)
Actuarial gains and losses due to changes in economic and financial assumptions	(109)	60
Actuarial gains and losses due to experience	13	1
Foreign exchange adjustment	35	15
Benefit payments	(154)	(152)
Change in consolidation scope	(3)	(3)
Transfers and others	(211)	79
Balance as at 31 December	2,120	2,426

CHANGES IN THE FAIR VALUE OF FUNDING ASSETS

Table 5.1.2.F

<i>(In EUR m)</i>	Plan assets		Separate assets	
	2024	2023	2024	2023
Balance as at 1 January	1,249	1,160	1,076	1,002
Interest expenses on assets	48	50	34	38
Actuarial gains and losses on assets	(66)	23	(28)	36
Foreign exchange adjustment	35	16	0	-
Employee contributions	6	5	-	-
Employer contributions to plan assets	20	20	10	-
Benefit payments	(72)	(69)	(0)	(0)
Change in consolidation scope	-	-	-	-
Transfers and others	(55)	45	-	-
Change in asset ceiling	7	(1)	-	-
Balance as at 31 December	1,172	1,249	1,092	1,076

INFORMATION AND TERMS REGARDING FUNDING ASSETS

Funding assets include plan assets and separate assets.

Funding assets represent around 107% of Group obligations, with different rates depending on the country. Accordingly defined benefit plan obligations in France and the United Kingdom are fully hedged and hedged at 98% for the United States, while they are not funded in Germany.

The breakdown of the fair value of plan assets is as follows: 62% bonds, 14% equities and 24% other investments. Directly held Societe Generale shares are not significant.

Funding assets excess is EUR 434 million.

Employer contributions to be paid to post-employment defined benefit plans for 2025 are estimated at EUR 15 million.

Plan hedging strategies are defined locally in connection with the Finance and Human Resources departments of the entities, by *ad hoc* structures (Trustees, Foundations, Joint structures etc.) if necessary. Besides, liability investment or financing strategies are monitored at Group level through a global governance system. Committee meetings, with the participation of representatives of the Human Resources Department, the Finance Department and the Risk Division, are organised in order to define Group guidelines for employee benefits investment and management, to validate decisions and to follow up the associated risks for the Group.

Depending on the duration of each plan and local regulations, funding assets are invested in equities and/or in fixed income products, whether guaranteed or not.

The actual returns on plan and separate assets can be broken down as follows:

Table 5.1.2.G

<i>(In EUR m)</i>	2024	2023
Plan assets	(18)	73
Separate assets	6	74

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

Table 5.1.2.H

	31.12.2024	31.12.2023
Discount rate		
France	3.27%	3.19%
United-Kingdom	5.73%	4.52%
Others	3.67%	3.64%
Long-term inflation		
France	1.96%	2.21%
United-Kingdom	2.99%	3.10%
Others	1.95%	2.11%
Future salary increase		
France	1.91%	1.91%
United-Kingdom	N/A	N/A
Others	1.25%	1.50%
Average remaining working lifetime of employees (in years)		
France	7.34	7.56
United-Kingdom	2.18	2.52
Others	7.93	8.46
Duration (in years)		
France	11.31	11.69
United-Kingdom	10.74	12.06
Others	11.12	11.44

Assumptions by geographical area are weighted average by the defined benefit obligations (DBO).

The discount yield curves used are AA corporate bonds yield curves (source: Merrill Lynch) observed at the end of October for USD, GBP and EUR, and corrected at the end of December if the change in discount rates had a significant impact.

Inflation rates used for EUR and GBP monetary areas are market rates observed at the end of October and corrected at the end of December if the change had a significant impact. Inflation rates used for the other monetary areas are the long-term targets of the central banks.

The average remaining working lifetime of employees is calculated taking into account turnover assumptions.

The assumptions described above have been applied to post-employment benefit plans.

SENSITIVITIES OF DEFINED BENEFIT OBLIGATIONS TO THE CHANGES IN MAIN ACTUARIAL ASSUMPTIONS

Table 5.1.2.I

<i>(Percentage of item measured)</i>	31.12.2024	31.12.2023
<i>Variation in discount rate</i>	+0.5%	+0.5%
Impact on the present value of defined benefit obligations at 31 December N	-5%	-5%
<i>Variation in long-term inflation</i>	+0.5%	+0.5%
Impact on the present value of defined benefit obligations at 31 December N	3%	4%
<i>Variation in future salary increase</i>	+0.5%	+0.5%
Impact on the present value of defined benefit obligations at 31 December N	1%	1%

Disclosed sensitivities are averages of the variations weighted by the present value of the defined benefit obligations.

BREAKDOWN OF FUTURE PAYMENTS OF BENEFITS

Table 5.1.2.J

<i>(In EUR m)</i>	2024	2023
N+1	147	161
N+2	136	147
N+3	140	154
N+4	148	163
N+5	146	172
N+6 to N+10	762	855

NOTE 5.2 - OTHER OPERATING EXPENSES

ACCOUNTING PRINCIPLES

The Group records operating expenses under expenses, according to the type of services to which they refer and the rate of use of said services.

Rentals include real estate and equipment leasing expenses, which do not result in a recognition of a lease liability and right-of-use asset (see Note 8.3).

Taxes and levies are only booked when the triggering event provided for by law occurs. If the obligation to pay the tax arises from the gradual operation of an activity, the expense must be spread out over the same period. Finally, if the obligation to pay is generated when a threshold is reached, the expense is only recorded once the threshold is reached.

Taxes and levies cover all contributions levied by a public authority and include the contributions paid to the Single Resolution Fund and the Deposit Insurance and Resolution Fund, the systemic risk tax, and contributions for ACPR control costs, which are recognised in profit or loss at the start of the financial year. The company social solidarity contribution (C3S), based on income generated in previous financial year, is fully recognised in profit or loss as at 1 January of the current financial year.

Other mainly includes building maintenance and other costs, travel and business expenses, and advertising expenses.

Table 5.2.A

<i>(In EUR m)</i>	2024	2023
Rentals	(510)	(449)
Taxes and levies	(571)	(1,126)
Data and telecom (excluding rentals)	(2,331)	(2,440)
Consulting fees	(1,250)	(1,319)
Other	(1,367)	(1,553)
Total	(6,029)	(6,887)

CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to maintain financial stability has been supplemented in 2014 by a set of resolution financing mechanisms within the European Banking Union. From 2016 this set of mechanisms took the form of the Single Resolution Fund (SRF), supplemented with National Resolution Fund (NRF) for the credit institutions subject to resolution mechanisms but not covered by the SRF, the National Resolution Fund (NRF) exists for institutions subject to this resolution mechanisms, but that have no SRF. The SRF has been financed by annual contributions of the institutions concerned and achieved, as at 31 December 2023, its objective of an overall allocation greater than or equal to 1% of the covered deposits of all member institutions. No additional contribution has therefore been called during 2024.

A fraction of the annual contributions could be made in the form of irrevocable payment commitments secured by the payment of an interest-bearing cash security deposit. As at 31 December 2024, the amounts of cash deposit paid to the SRF et the NRF and recorded as assets on the balance sheet among the Other assets, are, respectively, EUR 768 million and EUR 218 million.

In a judgment delivered on 25 October 2023, the General Court of the European Union dismissed the action brought by a French credit institution against the Single Resolution Board (SRB) following the latter's refusal to surrender the security deposit covering the irrevocable payment commitment made for the 2015 contribution period. The return of the deposit, requested by the institution after the withdrawal of its authorisation obtained from the European Central Bank, had been refused by the Single Resolution Board, which required, in order to honour it, the prior payment of the amount of the irrevocable payment commitment secured by this deposit. The institution concerned by this case decided to appeal the judgment of the General Court of the European Union to the European Court of Justice. Societe Generale keeps abreast of developments in this matter and will then analyse the possible consequences on its financial statements.

NOTE 6 - INCOME TAX



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Income tax expenses are presented separately from other taxes which are classified among Other operating expenses. They are calculated according to the rates and tax regulations applicable in the countries where each consolidated entity is located.

Income tax presented in the income statement 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.

ACCOUNTING PRINCIPLES

CURRENT TAXES

Current tax is based on the taxable profits of each consolidated taxable entity 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 income statement.

DEFERRED TAXES

Deferred taxes are recognised whenever the Group identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments.

Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the local taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised 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.

Deferred tax assets can result from deductible temporary differences or from tax loss carry-forwards. These deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set time. These temporary differences or tax loss carry-forwards can also be used against future taxable profit.

Tax loss carry-forwards are subject to an annual review taking into account the tax system applicable to each relevant tax entity and a realistic projection of their tax income or expense: any previously unrecognised deferred tax assets are recorded in the balance sheet to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered; however, the carrying value of deferred tax assets already recognised in the balance sheet is reduced where a risk of total or partial non-recovery occurs.

Deferred tax liabilities are recognised for all taxable temporary differences, except for temporary differences relating to investments in companies under exclusive or joint control, to the extent that the Group is capable of controlling the date on which the temporary difference will reverse and that this temporary difference will likely not reverse in the foreseeable future.

Current and deferred taxes are recognised in the consolidated income statement under Income tax. However, deferred taxes related to gains and losses recorded under Unrealised or deferred gains and losses are also recognised under the same heading in shareholders' equity.

TAX UNCERTAINTIES

There may be uncertainty over the tax treatments applied by the Group. If it is probable that the tax Authority will not accept some tax treatments, these uncertainties shall be booked under tax expenses/income by the counterpart of Provisions for tax adjustments recorded among tax liabilities.

Information on the nature and the amount of the associated risks is not disclosed when the Group considers that such disclosure could seriously undermine its position in a dispute with other parties on the object of the provision.

1. BREAKDOWN OF THE TAX EXPENSE

Table 6.A

<i>(In EUR m)</i>	2024	2023
Current taxes	(1,458)	(1,470)
<i>o/w current taxes related to Pillar 2 taxes</i>	(5)	
Deferred taxes	(143)	(209)
Total	(1,601)	(1,679)

PILLAR 2: TAX REFORM – GLOBAL MINIMUM CORPORATE TAX RATE

In October 2021, 137 of the 140 jurisdictions of the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) committed to the principle of establishing a global minimum corporate income tax rate of 15% on the profits by country of multinational groups with annual revenues exceeding EUR 750 million.

A model of rules, referred to as “Pillar 2”, published by the OECD on 20 December 2021 specifies the mechanism which applies in particular in Europe and in France since the adoption of European council directive (EU) 2022/2523 and its transposition into French law by article 4 of the French Finance act for 2024.

From 1 January 2024 on, the minimum level of tax will take the form of an additional “top-up” tax determined according to rules compliant with the directive. Transitional Safe Harbour set out by the OECD for the first three fiscal years also included in the law.

Based on 2024 prospective data, the Pillar 2 effective tax rates estimated exceed 15% in most jurisdictions in which the Group operates. However, there is a limited number of jurisdictions in which a top-up tax would have to be paid by the Group in France or at the level of the jurisdiction when the latter has established an additional national tax. As at 31 December 2024, the Group recognised a tax expense estimated at a EUR 5 million for this reason.

Lastly, in application of the provisions introduced by the amendments to IAS 12 adopted by the European Union on 8 November 2023, the Group applies the mandatory and temporary exception to the recognition of the deferred taxes associated with the additional “top-up” taxes resulting from the Pillar 2 rules.

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

Table 6.B

<i>(In EUR m)</i>	2024		2023	
	%	EUR m	%	EUR m
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill		6,708		5,442
Group effective tax rate	23.87%		30.85%	
Permanent differences	0.54%	36	0.58%	31
Differential on securities with tax exemption or taxed at reduced rate	0.02%	1	-0.24%	(13)
Tax rate differential on profits taxed outside France	1.30%	87	1.33%	72
Changes in the measurement of deferred tax assets / liabilities	0.10%	7	-6.69%	(364)
Normal tax rate applicable to French companies (including 3.3% national contribution)	25.83%		25.83%	

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter is set to 25% (article 219 of the French Tax code), plus the existing national contribution (CSB) of 3.3% (article 235 ter ZC of the French Tax code), i.e. a compound tax rate of 25.83%.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount in a net long term capital gains situation (article 219 I a quinquies of the French Tax code).

Furthermore, under the parent-subsidary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate (article 216 of the French Tax code).

2. TAX ASSETS AND LIABILITIES

TAX ASSETS

Table 6.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Current tax assets	1,296	1,026
Deferred tax assets	3,391	3,691
<i>o/w deferred tax assets on tax loss carry-forwards</i>	1,798	1,832
<i>o/w deferred tax assets on temporary differences</i>	1,555	1,818
<i>o/w deferred tax on deferrable tax credits</i>	38	41
Total	4,687	4,717

TAX LIABILITIES

Table 6.D

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Current tax liabilities	929	933
Provisions for tax adjustments	46	41
Deferred tax liabilities	1,262	1,428
Total	2,237	2,402

The Group performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity (or tax group) concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario SG Central) over five years (from 2025 to 2029), extrapolated to 2030, which corresponds to a “normative” year.

These budgets take into account the impact of commitments to energy and environmental transition. The central scenario is based on the assumption that governments and companies fulfil the announced political commitments in line with a scenario of below 2°C, but below net zero emissions by 2050 (1.5°C). The scenario does not assume strong public resistance, and envisions that public policies will prioritise efficient green investments, with private sector financing playing a key role. This implies major sectoral transformations, with some sectors experiencing a drop in demand.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the Group's tax expertise. An extrapolation of the tax results is performed from 2030 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

On principle, the appreciation of the selected macroeconomic factors and the internal estimates used to determine the tax results involve risks and uncertainties about their materialisation over the estimated timeframe for the absorption of the losses. These risks and uncertainties are especially related to possible changes in the applicable tax rules (computation of the tax result, as well as allocation rules for tax loss carry-forwards) or materialisation of the assumptions selected. These uncertainties are mitigated by robustness checks of the budgetary and strategic assumptions.

As at 31 December 2024, discounted projections confirm the probability that the Group will be able to offset the tax losses covered by deferred tax assets against future profits.

3. DEFERRED TAX ASSETS RECOGNISED ON TAX LOSS CARRY-FORWARDS AND DEFERRED TAX ASSETS NOT RECOGNISED

As at 31 December 2024, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax assets recovery is indicated in the table below:

Table 6.E

<i>(In EUR m)</i>	31.12.2024	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	1,798	-	-
<i>o/w French tax group</i>	1,629	<i>Unlimited ⁽¹⁾</i>	<i>7 years</i>
<i>o/w US tax group</i>	81	<i>20 years ⁽²⁾</i>	<i>5 years</i>
<i>Others</i>	88	-	-

(1) In accordance with the 2013 French Finance Act, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

(2) Tax losses generated before 31 December 2011.

The main deferred taxes not recognised as assets in the balance sheet by tax group are presented in the table below. They may be recognised in the balance sheet when it becomes probable that a future taxable profit will allow their recovery.

Table 6.F

<i>(In EUR m)</i>	31.12.2024	31.12.2023
French tax group	930	930
US tax groups	243	228
SG Singapore	83	80
SG de Banques en Guinée Equatoriale ⁽¹⁾	34	34

(1) Including EUR 10 million of tax carry forward and EUR 24 million temporary differences as at 31 December 2024, as at 31 December 2023.

The other deferred taxes on tax loss carryforwards and temporary differences not recognised as assets on the balance sheet amount, respectively, to EUR 106 million and EUR 3 million as at 31 December 2024 (versus EUR 122 million and EUR 1 million as at 31 december 2023).

The unrecognised deferred tax assets of U.S. tax groups increased by EUR 15 million due to currency effects.

Regarding the tax treatment of the loss resulting from the actions of Jérôme Kerviel, Societe Generale considers that the judgment of the Versailles Court of Appeal of 23 September 2016 is not such as to call into question its validity in light of the 2011 opinion of the French Supreme Administrative Court ("Conseil d'Etat") and its established case law. Consequently, Societe Generale considers that the related tax loss remains recoverable against future taxable income (see Note 9).

NOTE 7 - SHAREHOLDERS' EQUITY



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Equity are the resources contributed to the Group by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings). It also includes resources received when financial instruments are issued and for which the issuer has no contractual obligation to deliver cash to the holders of these instruments.

Equity has no contractual maturity, and when compensation is awarded to shareholders or holders of other equity instruments, it does not affect the income statement but directly reduces the retained earnings in the equity.

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

NOTE 7.1 - TREASURY SHARES AND SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

ACCOUNTING PRINCIPLES

TREASURY SHARES

Societe Generale shares held by the Group are deducted from consolidated equity irrespective of the purpose for which they are held. Income on these shares is recognised in Retained earnings.

Recognition of shares issued by Group subsidiaries, which are bought and sold by the Group, is described in Note 2.

SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

Financial instruments issued by the Group are booked in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to deliver cash to the holders of the securities.

When they are classified as equity, securities issued by Societe Generale are recorded under Other equity instruments. If they are issued by Group subsidiaries, these securities are recognised under Non-controlling interests. External costs associated with issuing equity instruments are deducted directly from equity at their after-tax amount.

When they are classified as debt instruments, securities issued by the Group are recorded under Debt securities issued or Subordinated debt depending on their characteristics. They are accounted for in the same way as other financial liabilities measured at amortised cost (see Note 3.6).

1. ORDINARY SHARES AND CAPITAL RESERVES

Table 7.1.A

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Issued capital	1,000	1,004
Issuing premiums and capital reserves	20,392	20,412
Elimination of treasury stock	(111)	(230)
Total	21,281	21,186

ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

Table 7.1.B

<i>(Number of shares)</i>	31.12.2024	31.12.2023
Ordinary shares	800,316,777	802,979,942
<i>Including treasury stock with voting rights ⁽¹⁾</i>	3,818,838	6,736,010
<i>Including shares held by employees</i>	92,250,372	90,162,610

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

On 25 July 2024, Societe Generale carried out, under the Group's Employee Share Ownership Plan (see Note 5), a capital increase reserved for employees. As such, 9,055,606 shares were subscribed bringing the share capital of Societe Generale S.A. from 1,003,724,927.50 euros (divided into 802,979,942 shares) to 1,015,044,435.00 euros (divided into 812,035,548 shares).

Furthermore, in accordance with the General Meeting's decision of 22 May 2024, Societe Generale acquired on the market 11,718,771 of its own shares at a cost of EUR 280 million. The execution of this share buy-back program started on 27 May 2024 and ended on 17 June 2024.

On 23 September 2024, Societe Generale carried out a capital reduction by canceling the 11,718,771 shares, bringing the share capital of Societe Generale S.A. from EUR 1,015,044,435.00 (divided into 812,035,548 shares) to EUR 1,000,395,971.25 (divided into 800,316,777 shares).

As at 31 December 2024, the share capital of Societe Generale S.A. fully paid-up amounted to EUR 1,000,395,971.25 and consisted of 800,316,777 shares with a nominal value of EUR 1.25.

2. TREASURY STOCK

As at 31 December 2024, the Group held 1,785,811 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 0.22% of the capital of Societe Generale S.A.

The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 111 million, including EUR 9 million in shares held for trading activities.

The change in treasury stock over 2024 breaks down as follows:

Table 7.1.C

<i>(In EUR m)</i>	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	-	(28)	(91)	(119)
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	(2)	(95)	(97)

3. SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

PERPETUAL DEEPLY SUBORDINATED NOTES ISSUED BY SOCIETE GENERALE S.A.

As the deeply subordinated notes issued by Societe Generale S.A are perpetual and given the discretionary nature of the decision to pay dividends to shareholders, these securities are classified as equity and recognised under "Other equity instruments".

As at 31 December 2024, the amount of perpetual deeply subordinated notes issued by Societe Generale S.A., converted at historical rate, is EUR 9,873 million.

For 2024, the change in the amount of deeply subordinated notes issued by the Group is explained by two issuances and two redemptions at par.

Table 7.1.E

Issuance Date	Amount in local currency at 31.12.2023	Repurchases and redemptions in 2024	Amount in local currency at 31.12.2024	Amount in millions of euros at historical rate	Remuneration
29 September 2015	USD 1,250m		USD 1,250m	1,111	8%, from 29 September 2025 USD 5-year Mid Swap rate +5.873%
6 April 2018	USD 1,250m		USD 1,250m	1,035	6.750%, from 6 April 2028 USD 5-year Mid Swap rate +3.929%
16 April 2019	SGD 750m	SGD 750m			6.125%, from 16 April 2024 SGD 5-year Mid Swap rate +4.207%
12 September 2019	AUD 700m	AUD 700m			4.875%, from 12 September 2024 AUD 5-year Mid Swap rate +4.036%
18 November 2020	USD 1,500m		USD 1,500m	1,264	5.375%, from 18 November 2030 5-year US Treasury rate +4.514%
26 May 2021	USD 1,000m		USD 1,000m	818	4.75%, from 26 May 2026 5-year US Treasury rate +3.931%
15 July 2022	SGD 200m		SGD 200m	142	8.25%, from 15 December 2027 5-year SGD OIS +5.6%
22 November 2022	USD 1,500m		USD 1,500m	1,460	9.3750%, from 22 May 2028 5-year US Treasury rate +5.385%
18 January 2023	EUR 1,000m		EUR 1,000m	1,000	8.030%, from 18 July 2029 EUR 5-year Mid Swap rate +5.228%
14 November 2023	USD 1,250m		USD 1,250m	1,166	10%, from 14 May 2029 5-year US Treasury rate +5.448%
25 March 2024			USD 1,000m	923	8.5%, from 25 September 2034 5-year US Treasury rate +4.153%
21 November 2024			USD 1,000m	955	8.125%, from 21 May 2030 5-year US Treasury rate +3.790%

OTHER EQUITY INSTRUMENTS ISSUED BY SUBSIDIARIES

Perpetual subordinated notes have been issued by Group subsidiaries and include discretionary clauses relating to the payment of interest. These issued debt securities are classified as equity instruments and are recognised under Non-controlling interests in the Group's consolidated balance sheet.

As at 31 December 2024, the nominal amount of other equity instruments issued by the Group's subsidiaries is EUR 800 million.

Table 7.1.F

Issuance Date	Amount	Remuneration
18 December 2014 (step-up clause after 12 years)	EUR 800 M	4.125%, from 2026 5-year Mid-Swap rate + margin of 4.150%

SUMMARY OF CHANGES IN EQUITY INSTRUMENTS ISSUED

Changes related to the perpetual subordinated notes and deeply subordinated notes included in Shareholder's equity, Group share are detailed below:

Table 7.1.G

	2024			2023		
	Deeply subordinated notes	Perpetual subordinated notes	Total	Deeply subordinated notes	Perpetual subordinated notes	Total
<i>(In EUR m)</i>						
Exchange rate effect on TSS/TSDI reimbursement	(14)	-	(14)	(404)	-	(404)
Remuneration paid booked under reserves	(702)	-	(702)	(734)	-	(734)
Changes in nominal values	949	-	949	(212)	-	(212)
Tax savings on remuneration payable to shareholders and recorded under profit or loss	(181)	-	(181)	190	-	190
Issuance fees relating to subordinated notes	(7)	-	(7)	(5)	-	(5)

4. EFFECT OF THE CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the consolidation scope recognised in shareholders' equity amounts to EUR -690 million in 2024. This includes a change in Non-controlling interests of EUR -692 million mainly related to the impact of the disposals carried out during the financial year, and mainly that of SG MAROCAINE DE BANQUES and its subsidiaries (see Note 2.1).

NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

ACCOUNTING PRINCIPLES

The earnings per share are measured by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, excluding treasury shares. The net earnings attributable to ordinary shareholders are adjusted for the preferred shareholders rights, such as holders of preferred shares, subordinated securities or deeply subordinated notes classified in equity. The diluted earnings per share take into account the potential dilution of shareholders' interests in the event where dilutive instruments (stock options or free share plans) are converted into ordinary shares. This dilutive effect is determined using the share buyback method.

1. EARNINGS PER SHARE

Table 7.2.A

<i>(In EUR m)</i>	2024	2023
Net income, Group share	4,200	2,493
Attributable remuneration to subordinated and deeply subordinated notes	(713)	(753)
Premium and issuance fees related to subordinated and deeply subordinated notes	(7)	(5)
Net income attributable to ordinary shareholders	3,480	1,735
Weighted average number of ordinary shares outstanding ⁽¹⁾	795,168,649	799,315,070
Earnings per ordinary share (in euros)	4.38	2.17
Average number of ordinary shares used in the dilution calculation	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	795,168,649	799,315,070
Diluted earnings per ordinary share (in euros)	4.38	2.17

(1) Excluding treasury shares.

2. DIVIDENDS PAID ON ORDINARY SHARES

Dividends paid on ordinary shares by the Group in 2024 amounted to EUR 1,323 million and are detailed in the following table:

Table 7.2.B

<i>(In EUR m)</i>	2024			2023		
	Group Share	Non-controlling interests	Total	Group Share	Non-controlling interests	Total
Paid in shares	-	-	-	-	-	-
Paid in cash	(719)	(604)	(1,323)	(1,362)	(499)	(1,861)
Total	(719)	(604)	(1,323)	(1,362)	(499)	(1,861)

After approving the annual financial statements of Societe Generale on 5 February 2025, the Board of Directors decided to submit to the General Assembly of 20 May 2025 for approval the distribution of a cash dividend of EUR 868 million for the financial year ended 31 December 2024. The dividend per Societe Generale share with dividend rights would thus amount to EUR 1.09.

NOTE 7.3 - UNREALISED OR DEFERRED GAINS AND LOSSES

BREAKDOWN OF CHANGES OF UNREALISED OR DEFERRED GAINS AND LOSSES

Table 7.3.A

	31.12.2024				
	Gross value	Tax	Net value	<i>o/w</i>	
<i>(In EUR m)</i>				Net Group share	Non-controlling interests
Translation differences	1,817	(25)	1,792	1,860	(68)
Revaluation of debt instruments at fair value through other comprehensive income ⁽³⁾	(2,501)	618	(1,883)	(1,777)	(106)
Revaluation of insurance contracts at fair value through other comprehensive income	2,063	(532)	1,531	1,526	5
Revaluation of hedging derivatives	(519)	39	(480)	(482)	2
Subtotal of unrealised gains and losses with subsequent recycling in the income statement	860	100	960	1,127	(167)
Actuarial gains and losses on defined benefit plans ⁽¹⁾	19	(4)	15	19	(4)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss ⁽²⁾	(189)	48	(141)	(140)	(1)
Revaluation of equity instruments at fair value through other comprehensive income	35	(2)	33	33	-
Subtotal of unrealised gains and losses without subsequent recycling in the income statement	(135)	42	(93)	(88)	(5)
Total	725	142	867	1,039	(172)

Table 7.3.B

	Changes of the period				
				o/w	
<i>(In EUR m)</i>	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Allocation to retained earnings					
Actuarial gains and losses on defined benefit plans	(12)	-	(12)	(14)	2
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	(3)	1	(2)	(3)	1
Total	(15)	1	(14)	(17)	3
Translation differences	820	(1)	819	864	(45)
Revaluation of debt instruments at fair value through other comprehensive income ⁽³⁾	172	(46)	126	130	(4)
Revaluation of insurance contracts at fair value through other comprehensive income	(252)	64	(188)	(182)	(6)
Revaluation of hedging derivatives	(70)	9	(61)	(68)	7
Variation of unrealised gains and losses with subsequent recycling in the income statement	670	26	696	744	(48)
Actuarial gains and losses on defined benefit plans ⁽¹⁾	19	(3)	16	19	(3)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss ⁽²⁾	(254)	65	(189)	(188)	(1)
Revaluation of equity instruments at fair value through other comprehensive income	-	-	-	-	-
Variation of unrealised gains and losses without subsequent recycling in the income statement	(235)	62	(173)	(169)	(4)
Total of variation	435	88	523	575	(52)
Total of changes	420	89	509	558	(49)

Table 7.3.C

	31.12.2023				
				o/w	
(In EUR m)	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Translation differences	997	(24)	973	996	(23)
Revaluation of debt instruments at fair value through other comprehensive income ⁽³⁾	(2,673)	664	(2,009)	(1,907)	(102)
Revaluation of insurance contracts at fair value through other comprehensive income	2,315	(596)	1,719	1,708	11
Revaluation of hedging derivatives	(449)	30	(419)	(414)	(5)
Subtotal of unrealised gains and losses with subsequent recycling in the income statement	190	74	264	383	(119)
Actuarial gains and losses on defined benefit plans ⁽¹⁾	12	(1)	11	14	(3)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss ⁽²⁾	68	(18)	50	51	(1)
Revaluation of equity instruments at fair value through other comprehensive income	35	(2)	33	33	-
Subtotal of unrealised gains and losses without subsequent recycling in the income statement	115	(21)	94	98	(4)
Total	305	53	358	481	(123)

(1) Gains and losses presented in these items are transferred into Retained earnings for the next financial year opening.

(2) When a financial liability is derecognised, unrealised gains and losses are attributable to Group own credit risk are subject to transfer into Retained earnings for the next financial year opening.

(3) Including EUR -2,028 million for insurance sector subsidiaries as at 31 December 2024 (EUR -2,298 million as at 31 December 2023). This amount must be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts (see Note 4.3, Detail of performance of insurance activities).

NOTE 8 - ADDITIONAL DISCLOSURES

NOTE 8.1 - SEGMENT REPORTING

1. DEFINITION OF SEGMENT REPORTING

The Group is managed on a matrix basis that takes into account its different business lines and the geographical breakdown of its activities. Segment reporting information is therefore presented under both criteria.

The Group includes in the results of each sub-division all operating income and expenses directly related to its activity. Income for each sub-division, except for the Corporate Centre, also includes the return on equity allocated to it, based on the estimated rate of return on Group equity. The return on the sub-division's book equity is then reallocated to the Corporate Centre. Transactions between sub-divisions are carried out under the same terms and conditions as those applying to non-Group customers.

Following changes in the Group's governance during the second half of 2023, the Group's core businesses are now managed through the three following strategic pillars:

- French Retail Banking, Private Banking and Insurance which includes:
 - French Retail and Private Banking including Boursorama;
 - Insurance activities;
- International Retail, Mobility and Leasing Services, which consists of:
 - International Retail;
 - Mobility and Leasing services which comprises Financial services to Corporates, operational vehicle leasing and fleet management, and consumer credit activities;
- Global Banking and Investor Solutions which comprises:
 - Global Markets and Investors Services;
 - Financing and Advisory.

In addition to the strategic pillars, the Corporate Centre acts as the Group's central funding department. As such, it recognises the carrying cost of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's Asset and Liability Management (ALM) and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income or expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre.

Segment income take intra-Group transactions into account, while these transactions are eliminated from segment assets and liabilities.

The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

For the purpose of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the booking entities.

2. SEGMENT REPORTING BY DIVISION AND SUB-DIVISION

Table 8.1.A

	2024											
	French retail, Private Banking and Insurance			Global Banking and Investor Solutions			International Retail, Mobility and Leasing Services			Corporate Centre ⁽¹⁾	Total group Societe Generale	
	French retail and Private Banking	Insurance	Total	Global Markets and Investors Services	Financial and Advisory	Total	International Retail Banking ⁽⁴⁾	Mobility and Leasing Services	Total			
<i>(In EUR m)</i>												
Net banking income	7,983	674	8,657	6,557	3,566	10,122	4,161	4,298	8,458	(450)	26,788	
Operating expenses ⁽²⁾	(6,485)	(148)	(6,634)	(4,492)	(2,050)	(6,542)	(2,388)	(2,684)	(5,072)	(224)	(18,472)	
Gross operating income	1,498	526	2,024	2,065	1,516	3,580	1,773	1,613	3,386	(674)	8,316	
Cost of credit risk	(712)	(0)	(712)	8	(133)	(126)	(341)	(364)	(705)	12	(1,530)	
Operating income	786	526	1,312	2,073	1,382	3,455	1,432	1,249	2,681	(661)	6,786	
Net income from investments accounted for using the equity	7	-	7	(0)	(0)	(0)	-	15	15	(0)	21	
Net income / expense from other assets ⁽⁴⁾	4	2	6	1	(1)	(0)	93	3	96	(179)	(77)	
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	-	-	
Earnings before Tax	796	528	1,324	2,073	1,381	3,454	1,525	1,268	2,792	(841)	6,730	
Income tax	(197)	(132)	(329)	(495)	(162)	(656)	(379)	(317)	(697)	81	(1,601)	
Consolidated Net Income	599	396	995	1,579	1,219	2,797	1,146	950	2,096	(759)	5,129	
Non controlling interests	1	4	4	9	0	10	461	365	826	89	929	
Net income, Group Share	598	393	991	1,569	1,219	2,788	685	585	1,270	(848)	4,200	
Segment assets	258,975	179,073	438,048	642,282	194,927	837,209	99,142	110,000	209,142	89,146	1,573,545	
Segment liabilities ⁽³⁾	294,093	168,887	462,980	666,293	114,662	780,955	81,610	58,780	140,390	109,632	1,493,957	

Table 8.1.B

2023											
	French retail, Private Banking and Insurance			Global Banking and Investor Solutions			International Retail, Mobility and Leasing Services			Corporate Centre ⁽¹⁾	Total group Societe Generale
	French retail and Private Banking	Insurance	Total	Global Markets and Investors Services	Financial and Advisory	Total	Inter-national Retail Banking ⁽⁴⁾	Mobility and Leasing Services	Total		
<i>(In EUR m)</i>											
Net banking income	7,433	620	8,053	6,273	3,369	9,642	4,192	4,315	8,507	(1,098)	25,104
Operating expenses ⁽²⁾	(6,625)	(131)	(6,756)	(4,698)	(2,091)	(6,788)	(2,370)	(2,391)	(4,760)	(220)	(18,524)
Gross operating income	808	489	1,297	1,575	1,279	2,854	1,822	1,925	3,747	(1,318)	6,580
Cost of credit risk	(505)	(0)	(505)	20	(50)	(30)	(184)	(302)	(486)	(4)	(1,025)
Operating income	303	489	792	1,596	1,228	2,824	1,638	1,623	3,261	(1,323)	5,555
Net income from investments accounted for using the equity	7	-	7	7	0	7	-	10	10	0	24
Net income / expense from other assets ⁽⁴⁾	9	(0)	9	0	1	1	(8)	(3)	(11)	(111)	(113)
Value adjustments on goodwill	(0)	-	(0)	-	-	-	-	-	-	(338)	(338)
Earnings before Tax	319	489	808	1,603	1,229	2,832	1,630	1,630	3,260	(1,771)	5,128
Income tax	(81)	(127)	(208)	(379)	(139)	(517)	(431)	(394)	(824)	(130)	(1,679)
Consolidated Net Income	238	362	600	1,224	1,090	2,314	1,199	1,236	2,436	(1,901)	3,449
Non controlling interests	(0)	4	4	33	(0)	33	466	360	826	93	956
Net income, Group Share	238	358	596	1,191	1,090	2,281	733	876	1,609	(1,994)	2,493
Segment assets	263,833	172,353	436,186	650,502	169,783	820,285	109,836	108,091	217,927	79,647	1,554,045
Segment liabilities ⁽³⁾	289,846	158,076	447,922	670,821	80,101	750,922	88,969	53,760	142,729	136,225	1,477,798

* Following the steering changes at the beginning of 2023, data have been reflected according to the new organisation.

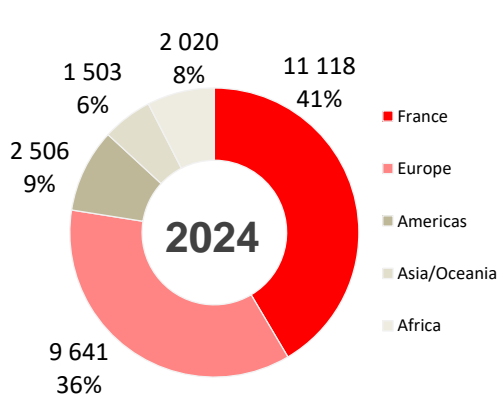
(1) Income and expenses, as well as assets and liabilities that are not directly related to business line activities are allocated to the Corporate Centre. Corporate Centre income includes, in particular, some consequences of the Group's centralised management of litigation and of transactions leading to changes in the consolidation scope. Management fees incurred by banking entities in connection with the distribution of insurance contracts are considered as costs directly related to the performance of the contracts and are therefore included in the valuation of the latter and presented under Insurance services expense (see Note 1); this restatement is allocated to the Corporate Centre.

(2) These amounts include Other operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.

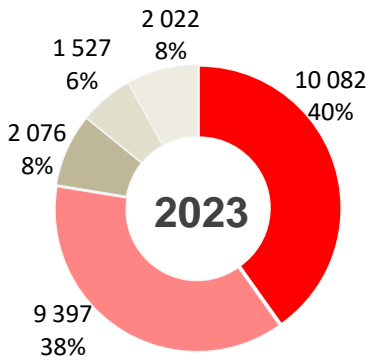
(3) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

3. SEGMENT REPORTING BY GEOGRAPHICAL REGION

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME (IN EUR M)



	31.12.2024
<i>(In EUR m)</i>	Net banking income
France	11,118
Europe	9,641
Americas	2,506
Asia/Oceania	1,503
Africa	2,020
Total	26,788

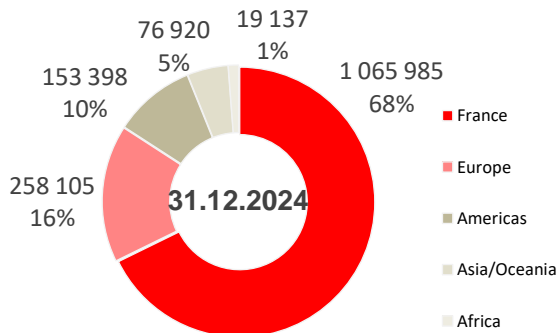


	31.12.2023
<i>(In EUR m)</i>	Net banking income
France	10,082
Europe	9,397
Americas	2,076
Asia/Oceania	1,527
Africa	2,022
Total	25,104

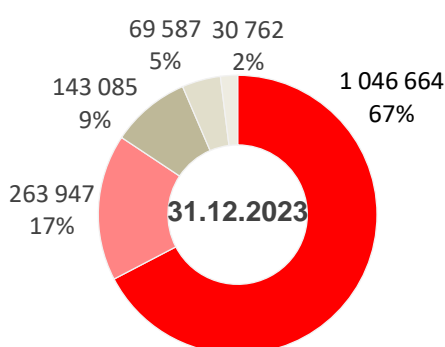
As at 31 December 2024, the amount of Net Banking Income is EUR 26,788 million compared to EUR 25,104 million as at 31 December 2023.

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS (IN EUR M)

ASSETS



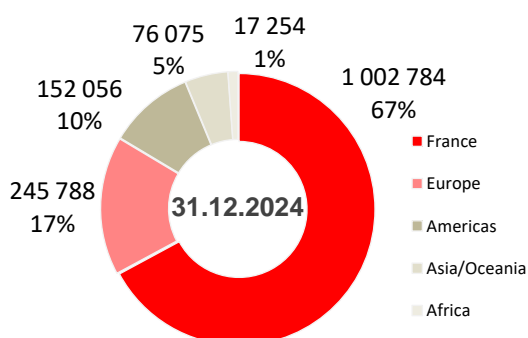
	31.12.2024
<i>(In EUR m)</i>	Assets
France	1,065,985
Europe	258,105
Americas	153,398
Asia/Oceania	76,920
Africa	19,137
Total	1,573,545



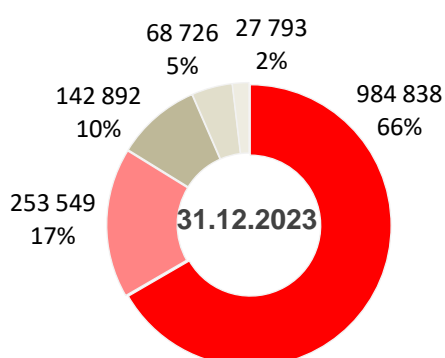
31.12.2023	
<i>(In EUR m)</i>	Assets
France	1,046,664
Europe	263,947
Americas	143,085
Asia/Oceania	69,587
Africa	30,762
Total	1,554,045

As at 31 December 2024, the amount of assets is EUR 1,573,545 million compared to EUR 1,554,045 million as at 31 December 2023.

LIABILITIES



31.12.2024	
<i>(In EUR m)</i>	Liabilities
France	1,002,784
Europe	245,788
Americas	152,056
Asia/Oceania	76,075
Africa	17,254
Total	1,493,957



31.12.2023	
<i>(In EUR m)</i>	Liabilities
France	984,838
Europe	253,549
Americas	142,892
Asia/Oceania	68,726
Africa	27,793
Total	1,477,798

As at 31 December 2024, the amount of liabilities (except shareholder equity) is EUR 1,493,957 million compared to EUR 1,477,798 million as at 31 December 2023.

Segment liabilities correspond to debts (total liabilities excluding equity).

NOTE 8.2 - PROVISIONS

ACCOUNTING PRINCIPLES

Under balance sheet liabilities, Provisions are comprised of provisions for financial instruments, disputes and employee benefits.

OVERVIEW

Table 8.2.A

<i>(In EUR m)</i>	Provisions as at 31.12.2023	Allocations	Write-backs available	Net allocation	Write- backs used	Currency and others	Provisions as at 31.12.2024
Provisions for credit of risk on off balance sheet commitments (see Note 3.8)	819	530	(573)	(43)	-	(34)	742
Provisions for employee benefits (see Note 5.1)	2,073	670	(156)	514	(457)	(191)	1,939
Provisions for mortgage savings plans and accounts commitments	121	9	(4)	5	(1)	-	125
Other provisions ⁽¹⁾	1,222	346	(210)	136	(80)	1	1,279
Total	4,235	1,555	(943)	612	(538)	(224)	4,085

(1) Including provisions for legal disputes, fines, penalties and commercial disputes.

1. COMMITMENTS UNDER MORTGAGE SAVINGS AGREEMENTS

ACCOUNTING PRINCIPLES

In France, *Comptes d'épargne-logement* (CEL or mortgage savings accounts) and *Plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of 10 July 1965. These products combine an initial deposit phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. The lending phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are measured at amortised cost.

These instruments create two types of commitments for the Group: the obligation to pay interest on customer savings for an indeterminate future period at an interest rate established at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also established at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Group, a provision is recorded on the liabilities side of the balance sheet. Any changes in these provisions are recognised as Net banking income under net interest income. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) making up a single generation.

During the deposit phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observations of past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the

basis of deposits that are currently recognised in the balance sheet at the date of calculation and on the basis of historical observations of past customer behaviour.

A provision is recognised if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products, with a similar estimated life and date of inception.

OUTSTANDING DEPOSITS IN PEL/CEL ACCOUNTS

Table 8.2.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
PEL accounts	13,132	15,677
<i>Less than 4 years old</i>	907	907
<i>Between 4 and 10 years old</i>	2,886	5,852
<i>More than 10 years old</i>	9,339	8,918
CEL accounts	1,752	1,733
Total	14,884	17,410

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO PEL/CEL ACCOUNTS

Table 8.2.C

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Less than 4 years old	22	3
Between 4 and 10 years old	-	-
More than 10 years old	1	3
Total	23	6

PROVISIONS FOR COMMITMENTS LINKED TO PEL/CEL ACCOUNTS

Table 8.2.D

<i>(In EUR m)</i>	31.12.2023	Allocations	Write-backs	31.12.2024
PEL accounts	39	7	(4)	42
<i>Less than 4 years old</i>	4	-	-	4
<i>Between 4 and 10 years old</i>	11	-	(4)	7
<i>More than 10 years old</i>	24	7	-	31
CEL accounts	82	2	(1)	83
Total	121	9	(5)	125

The provision of mortgage savings plans is still mainly linked to the risks associated with the commitment to remunerate cash deposits. The provisioning rate is 0.8% of the total outstanding amounts on 31 December 2024.

METHODS USED TO ESTABLISH PROVISION VALUATION INPUTS

The inputs used to estimate future customer behaviour are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these inputs can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market inputs used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the period in question, in line with the Retail Banking division's policy of interest rate risk management.

The discount rates used are derived from the zero-coupon swaps vs. Euribor yield curve at the valuation date, averaged over a 12-month period.

2. OTHER PROVISIONS

Other provisions include provisions for restructuring (except staff costs), provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

The Group is subject to an extensive legal and regulatory framework in the countries where it operates. In this complex legal context, the Group and some of its former and current representatives may be involved in various legal actions, including civil, administrative and criminal proceedings. The vast majority of these proceedings are part of the Group's current business. In recent years, litigation with investors and the number of disputes involving financial intermediaries such as banks and investment advisors has increased, partly due to a difficult financial environment.

It is by nature difficult to foresee the outcome of disputes, regulatory proceedings and acts involving Group entities, particularly if they are initiated by various categories of complainants, if the amount of claims for damages is not specified or is indeterminate or if the proceedings have no precedent.

In preparing its financial statements, the Group assesses the consequences of the legal, regulatory or arbitration proceedings in which it is involved. A provision is booked when losses from these proceedings become probable and the amount can be estimated reliably.

To assess the probability of losses and the amount of these losses, and thus to determine the amount of provisions to book, estimations are important. Management makes these estimates by exercising its judgment and taking into account all information available when financial statements are prepared. In particular, the Group takes into account the nature of the dispute, the underlying facts, ongoing proceedings and court decisions already taken, as well as its experience and the experiences of other companies dealing with similar cases (assuming that the Group has knowledge thereof) and, where appropriate, the opinion and reports of experts and independent legal advisers.

Each quarter, the Group carries out a detailed examination of outstanding disputes that present a significant risk. The description of those disputes is presented in Note 9 "Information on risks and litigation".

NOTE 8.3 - TANGIBLE AND INTANGIBLE FIXED ASSETS

ACCOUNTING PRINCIPLES

TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible and intangible fixed assets include operating and investment fixed assets. Equipment assets held for operating leases purpose are included in operating tangible assets, while buildings held for leasing purposes are included in investment property.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortisation and impairment, except investment property held by insurance entities to back insurance contracts measured at fair value. The purchase price of fixed assets includes borrowing costs incurred to fund a lengthy construction period for the fixed assets, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets. Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development.

As soon as they are fit for use, fixed assets are depreciated or amortised using the component-based approach. Each component is depreciated or amortised over its own useful life. The Group has applied this approach to its operating properties, breaking down its assets into components with depreciation periods of 10 to 50 years. Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated at 3 to 20 years.

Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

Depreciation and amortisation are recorded in the income statement under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Fixed assets grouped into Cash Generating Units are tested for impairment whenever there is any indication that their value may have diminished. Allocations and reversals of provisions for impairment are recorded in profit or loss under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Realised capital gains and losses on operating fixed assets are recognised under Net income from other assets.

The Group's Investment properties are measured at cost. They are depreciated using a component-based approach. Each component is depreciated over its own useful life of between 10 and 50 years.

However, investment property held by insurance entities to back the insurance contracts issued, are measured at fair value through profit or loss, once a year, based on valuation reports by an independent expert. The fair value of investment property is based on unobservable inputs, thus corresponding to the level 3 category of fair value measurement (see Note 3.4).

Profits or losses on operating lease assets and on investment property, including amortisation, depreciation and revaluation are recognised under Income from lease activities, mobility and other activities and Expense from lease activities, mobility and other activities (see Note 4.2).

OPERATING LEASE ASSETS

The cars leased by the Group in the context of fleet management are depreciated on a straight-line basis over the lease term for an average of 3 to 5 years. The depreciable amount of these cars is their acquisition cost less their residual value.

The acquisition cost of rental cars includes their acquisition cost plus the direct initial costs necessary for making them available to rental customers. Their residual value is an estimate of its resale value at the end of the contract. The estimate is based on statistical data and is reviewed at least once a year to take into account of price developments in the second-end car market. In case of increase or decrease in the residual value compared to its initial estimate, this change in estimate leads to adjust, vehicle by vehicle, its remaining depreciable value in order to modify its depreciation plan prospectively.

Profits or losses on the operating lease assets, including depreciation and impairment, are recognised under Income from lease activities, mobility and other activities and Expense from lease activities, mobility and other activities (see Note 4.2).

RIGHTS-OF-USE FOR ASSETS LEASED BY THE GROUP

Lease

Definition of the lease

A contract is, or contains, a 'lease' if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. (IFRS 16, paragraph 9)

- Controlling the use of the leased asset includes the right to obtain substantially all of the economic benefits from use of the identified asset until the end of the contract and the right (for the lessee) to direct the use of the asset.
- The existence of an identified asset will depend on the absence, for the lessor, of substantive rights to substitute the leased asset, throughout the period of use; this condition is assessed based on the facts and circumstances existing at the inception of the contract. When the lessor has the ability to freely substitute the leased asset and when it benefits economically from the substitution, the contract is not a lease, since its purpose is the provision of a capacity, not of an asset.
- The identified asset may be made of a physically distinct portion of a broader asset (for example a given floor within a building). However, a portion of the capacity or of an asset that is not physically distinct is not an identified asset (for example the lease of co-working space, within a whole unit, with no precise, specified, location within this unit).

Separation of lease and non-lease components

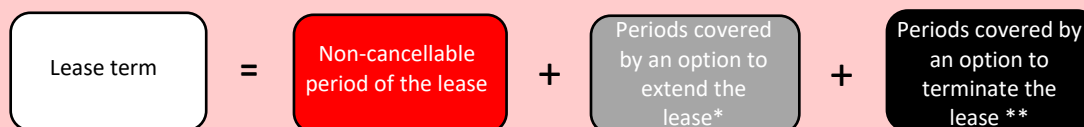
A contract may cover the lease of an asset by the lessor as well as the supply of additional services by that lessor. In this scenario, the lessee can separate the lease components from the non-lease components of the contract and treat them separately. The rental payments stipulated in the contract must be separated between the lease components and the non-lease components based on their individual prices (as directly indicated in the contract or estimated on the basis on all of the observable information). If the lessee cannot separate the lease components from the non-lease components (or services), the entire contract is treated as a lease.

Lease term

Definition of the lease term

The lease period to be applied in determining the rental payments to be discounted matches the non-cancellable period of the lease adjusted for:

- options to extend the contract that the lessee is reasonably certain to exercise;
- and early termination options that the lessee is reasonably certain not to exercise.



* if the lessee is reasonably certain to exercise that option

** if the lessee is reasonably certain not to exercise that option

The measurement of the reasonable certainty of exercising or not exercising the extension or early termination options shall take into account all the facts and circumstances that may create an economic incentive to exercise or not these options, specifically:

- the conditions for exercising these options (including measurement of the amount of the rental payments in case of an extension, or of the amount of penalties that may be imposed for early termination);
- substantial changes made to the leased premises (specific layouts, such as a bank vault);
- the costs associated with terminating the contract (negotiation costs, moving costs, research costs for a new asset that meets the lessee's requirements, etc.);

- the importance of the leased asset for the lessee, in view of its specific nature, its location, or the availability of substitute assets (specifically for branches located in commercially strategic sites, given their accessibility, expected traffic, or the prestige of the location);
- the history of renewals of similar contracts, as well as the strategy for the future use of the assets (based on the prospect of redeployment or rearrangement of a commercial branch network, for example).

When the lessee and the lessor each have the right to terminate the lease without the prior agreement of the other party and with no penalty other than a negligible one, the contract is no longer binding, and thus it no longer creates a lease liability.

In France, most property leases on premises occupied by branches are 9-year leases with an early-termination option at the end of 3 and 6-year term (leases referred to as “3/6/9”); at the end of the 9-year term, if no new agreement is signed, the initial lease is renewed by tacit agreement for a 5-year term. This 5-year term may be modified depending on the quality of the location, the completion of major investments, or the planned closure of a group of designated branches.

Changing the lease term

The term must be modified in case of a significant change of circumstances which lead the lessee to revise the exercise of the options included in the lease contract or in case of events which contractually oblige the lessee to exercise (or not) an option that had not been included (or is included) in the lease contract.

Following a change in the lease term, the lease obligation must be reassessed to reflect those changes by using a revised discount rate for the remaining estimated term of the contract.

Accounting treatment by the Group as a lessee

On the commencement date (on which the leased asset is made available for use), the lessee must record a lease liability on the liabilities side of the balance sheet and a right-of-use asset on the assets side of the balance sheet except for the exemptions described below.

In the income statement, the lessee must recognise an interest expense calculated on the lease liability under Net banking income and a depreciation of the right-of-use under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

The rental payments will partly reduce the lease liability and partly remunerate this liability in the form of interest expense.

Exemptions and exclusions

The Group does not apply the new lease treatment to contracts with a term of less than one year (including renewal options), nor to contracts on low-value items by applying the exemption threshold of USD 5,000 as indicated in the standard’s Basis for Conclusions (the threshold should be measured against the replacement cost per unit of the leased asset).

Rental payment amounts

The payments to be considered for the measurement of the lease liability include fixed and variable rental payments based on an index (e.g. consumer price index or construction cost index), plus, where applicable, the funds that the lessee expects to pay the lessor for residual value guarantees, purchase options, or early termination penalties.

However, variable lease payments that are indexed on the use of the leased asset (indexed on revenue or mileage, for example) are excluded from the measurement of lease liability. This variable portion of the rental payments is recorded in the net income over time according to fluctuations in contractual indexes fluctuations.

Rental payments have to be considered based on their amount net of value-added tax. In addition, for building leases, occupancy taxes and property taxes passed on by lessors will be excluded from lease liabilities because their amount, as set by the competent public authorities, is variable.

Recognition of the lease liability

The liability initial amount is equal to the discounted value of the rental payments that will be payable over the lease period.

This lease liability is then measured at the amortised cost using the effective interest rate method: part of each rental payment will then be booked as interest expenses in the income statement, and part will be gradually deducted from the lease liability on the balance sheet.

After the commencement date, the amount of the lease liability may be adjusted if the lease is amended, the lease period is re-estimated, or to account for contractual changes in the rental payments related to the application of indices or rates.

As applicable, the lessee must also recognise a provision in its liabilities to cover the costs of restoring the leased asset that would be assumed when the lease ends.

Recognition of the right-of-use

On the availability date of the leased asset, the lessee must enter a right-of-use asset, on the assets side of the balance sheet, for an amount equal to the initial value of the lease liability, plus, as applicable, initial direct costs (e.g. issuance of an authenticated lease, registration fees, negotiation fees, front-end fee, leasehold right, lease premium, etc), advance payments, and restoration costs.

This asset is then depreciated on a straight-line basis over the lease period that is applied for measuring the lease liability.

After the commencement date, the asset's value may be adjusted if the lease is amended, as it is the case for the lease liability.

Rights-of-use is presented on the lessee's balance sheet under the items of fixed assets where properties of the same type that are held in full ownership are entered. If the lease stipulates the initial payment of a leasehold right to the former tenant of the premises, the amount of that right is stated as a separate component of the right of use and presented under the same heading as the latter.

Lease discount rates

The Group uses the lessees' incremental borrowing rate to discount the rental payments as well as the amount of lease liabilities. For the entities which can directly refinance themselves on their local markets, the incremental borrowing rate is set at the lessee entity level, not at the Group level, in consideration of the borrowing terms and that entity's credit risk. For the entities which refinance themselves through the Group, the incremental borrowing rate is set by the Group.

The discount rates are set according to the currency, the country of the lessee entities and the maturity estimated of the contracts.

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

Table 8.3.A



<i>(In EUR m)</i>	31.12.2023	Increases / allowances	Disposals / reversals	Revaluation	Other movements	31.12.2024
Intangible Assets	3,562	220	(137)	-	(252)	3,393
<i>of which gross value</i>	9,990	942	(430)	-	(759)	9,743
<i>of which amortisation and impairments</i>	(6,428)	(722)	293	-	507	(6,350)
Tangible Assets (w/o assets under operating leases)	4,219	5	(92)	-	(247)	3,885
<i>of which gross value</i>	11,207	550	(839)	-	(624)	10,294
<i>of which amortisation and impairments</i>	(6,988)	(545)	747	-	377	(6,409)
Assets under operating leases	50,421	14,453	(12,889)	-	(223)	51,762
<i>of which gross value</i>	67,406	22,868	(20,889)	-	(154)	69,231
<i>of which amortisation and impairments</i>	(16,985)	(8,415)	8,000	-	(69)	(17,469)
Investment Property (except insurancy activities)	12	-	(2)	-	(2)	8
<i>of which gross value</i>	35	-	(5)	-	(4)	26
<i>of which amortisation and impairments</i>	(23)	-	3	-	2	(18)
Investment Property (including insurancy activities)	730	-	(1)	(23)	(5)	701
Rights-of-use	1,770	46	(110)	-	(46)	1,660
<i>of which gross value</i>	3,597	471	(291)	-	(119)	3,658
<i>of which amortisation and impairments</i>	(1,827)	(425)	181	-	73	(1,998)
Total	60,714	14,724	(13,231)	(23)	(775)	61,409

BREAKDOWN OF MINIMUM PAYMENTS RECEIVABLE ON OPERATING LEASE ASSETS

Table 8.3.B

<i>(In EUR m)</i>	31.12.2024	31.12.2023
Payments due in less than five years	19,365	21,555
<i>Payments due in less than one year</i>	4,172	5,115
<i>Payments due from one to two years</i>	4,601	5,125
<i>Payments due from two to three years</i>	5,043	5,615
<i>Payments due from three to four years</i>	3,958	4,376
<i>Payments due from four to five years</i>	1,591	1,324
Payments due in more than five years	490	146
Total	19,855	21,701

INFORMATIONS RELATIVE TO LEASES ON TANGIBLE ASSETS USED BY THE GROUP

	<p>Property Leases</p> <p>Most of the leases (more than 90%) involve building leases contracted for the lease of commercial and office space:</p> <ul style="list-style-type: none"> ▪ the commercial spaces are branches in the Group's French and international retail banking networks. In France, the majority of property leases contracted are 9-year commercial leases with early termination options at 3 and 6 years (so-called "3/6/9" leases). If a new contract is not signed by the end of that 9-year period, the initial lease is automatically extended; ▪ the office buildings are leased for certain departments reporting to the Group's French headquarters or the local head offices of the main foreign subsidiaries, and for certain locations in the main international financial centres: London, New York, Hong Kong... <p>Outside France, residual lease periods are generally below 10 years. In some countries, leases can be annual, with optional automatic renewal. In other locations, specifically London and New York, lease periods can be as long as 25 years.</p>
	<p>Equipment Leases</p> <p>Other leases (less than 10%) are mainly computer equipment leases and a very small percentage of vehicle leases.</p>

OVERVIEW TABLE OF LEASE TRANSACTION COSTS AND SUBLEASE INCOME

Table 8.3.C

<i>(In EUR m)</i>	31.12.2024			
	Real estate	IT	Others	Total
Lease	(469)	(55)	(9)	(533)
<i>Interest expenses on lease liabilities</i>	(54)	(3)	(1)	(58)
<i>Depreciation charge for right-of-use assets</i>	(375)	(44)	(4)	(423)
<i>Expense relating to short-term leases</i>	(22)	(3)	(4)	(29)
<i>Expense relating to leases of low-value assets</i>	(2)	(5)	(0)	(7)
<i>Expense relating to variable lease payments</i>	(16)	(0)	(0)	(16)
Sublease income	24	-	8	32

Table 8.3.D

	31.12.2023			
<i>(In EUR m)</i>	Real estate	IT	Others	Total
Lease	(458)	(47)	(9)	(514)
<i>Interest expenses on lease liabilities</i>	(45)	(1)	(1)	(47)
<i>Depreciation charge for right-of-use assets</i>	(378)	(41)	(4)	(423)
<i>Expense relating to short-term leases</i>	(22)	(1)	(4)	(27)
<i>Expense relating to leases of low-value assets</i>	(2)	(4)	-	(6)
<i>Expense relating to variable lease payments</i>	(11)	-	-	(11)
Sublease income	11	-	-	11

NOTE 8.4 - COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

Table 8.4.A

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
South Africa							
(1) SG JOHANNESBURG	Global Market and Investors Services	FULL	100	100	100	100	
Algeria							
ALD AUTOMOTIVE ALGERIE SPA	Mobility and Leasing Services	FULL	52.59	52.59	99.99	99.99	
SOCIETE GENERALE ALGERIE	International Retail Banking	FULL	100	100	100	100	
Germany							
ALD AUTOLEASING D GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100	
ALD INTERNATIONAL GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100	
ALD INTERNATIONAL GROUP HOLDINGS GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100	
ALD LEASE FINANZ GMBH	Mobility and Leasing Services	FULL	100	100	100	100	
BANK DEUTSCHES KRAFTFAHRZEUGG EWERBE GMBH	Mobility and Leasing Services	FULL	99.94	99.94	90	90	
BDK LEASING UND SERVICE GMBH	Mobility and Leasing Services	FULL	100	100	100	100	
(1) BSG FRANCE SA (6) GERMAN BRANCH	Global Market and Investors Services	FULL	51	0	100	0	
CAR PROFESSIONAL FUHRPARKMANAGEMENT UND BERATUNGSGESELLSCHAFT MBH & CO. KG	Mobility and Leasing Services	FULL	52.59	52.59	100	100	
CARPOOL GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100	
(5) FLEETPOOL GMBH	Mobility and Leasing Services	FULL	0	52.59	0	100	
FLEETPOOL GMBH (ex-LEASEPLAN SERVICES GMBH)	Mobility and Leasing Services	FULL	52.59	52.59	100	100	
GEFA BANK GMBH	Mobility and Leasing Services	FULL	100	100	100	100	
GEFA VERSICHERUNGSDIENST GMBH	Mobility and Leasing Services	EFS	100	100	100	100	
HANSEATIC BANK GMBH & CO KG	Mobility and Leasing Services	FULL	75	75	75	75	
HANSEATIC GESELLSCHAFT FUR BANKBETEILIGUNGEN MBH	Mobility and Leasing Services	FULL	75	75	100	100	

	HSCE HANSEATIC SERVICE CENTER GMBH	Mobility and Leasing Services	FULL	75	75	100	100
	INTERLEASING DELLO HAMBURG G.M.B.H.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEAN AUTOVERMIETUNG GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN DEUTSCHLAND GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN VERSICHERUNGSVERMITTLUNGSGESellschaft MBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PHILIPS MEDICAL CAPITAL GMBH	Mobility and Leasing Services	FULL	60	60	60	60
	RED & BLACK AUTO GERMANY 10	Mobility and Leasing Services	FULL	100	100	100	100
(6)	RED & BLACK AUTO GERMANY 11	Mobility and Leasing Services	FULL	100	0	100	0
(2)	RED & BLACK AUTO GERMANY 4 UG (HAFTUNGSBESCHR ANKT)	Mobility and Leasing Services	FULL	0	100	0	100
	RED & BLACK AUTO GERMANY 7	Mobility and Leasing Services	FULL	100	100	100	100
	RED & BLACK AUTO GERMANY 8	Mobility and Leasing Services	FULL	100	100	100	100
	RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHR ANKT)	Mobility and Leasing Services	FULL	100	100	100	100
	SG EQUIPMENT FINANCE GMBH	Mobility and Leasing Services	FULL	100	100	100	100
(1)	SG FRANCFORT	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE EFFEKTEN GMBH	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES GMBH	Global Market and Investors Services	FULL	100	100	100	100
(1)	SOGECAP DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100	100	100	100
(1)	SOGESSUR DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100	100	100	100
Saudi Arabia							
	SOCIETE GENERALE SAUDI ARABIA JSC	Financial and Advisory	FULL	100	100	100	100
Australia							
	SOCIETE GENERALE SECURITIES AUSTRALIA PTY LTD	Global Market and Investors Services	FULL	100	100	100	100
(1)	SOCIETE GENERALE SYDNEY BRANCH	Financial and Advisory	FULL	100	100	100	100
Austria							
	ALD AUTOMOTIVE FUHRPARKMANAGEMENT UND LEASING GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	FLOTTENMANAGEMENT GMBH	Mobility and Leasing Services	ESI	25.77	25.77	49	49

	LEASEPLAN OSTERREICH FUHRPARKMANAGEMENT GMBH	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1)	SG VIENNE	Financial and Advisory	FULL	100	100	100	100
Belgium							
	AXUS FINANCE SRL	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AXUS SA/NV	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	BASTION EUROPEAN INVESTMENTS S.A.	International Retail Banking	FULL	60.74	60.74	100	100
	BUMPER BE	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN FLEET MANAGEMENT N.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN PARTNERSHIPS & ALLIANCES	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(5)	LEASEPLAN TRUCK N.V.	Mobility and Leasing Services	FULL	0	52.59	0	100
(2)	PARCOURS BELGIUM	Mobility and Leasing Services	FULL	0	52.59	0	100
(1)	SG BRUXELLES	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG EQUIPMENT FINANCE BENELUX B.V. BELGIAN BRANCH	Mobility and Leasing Services	FULL	100	100	100	100
	SOCIETE GENERALE IMMOBEL	Financial and Advisory	FULL	100	100	100	100
Benin							
	SOCIETE GENERALE BENIN	International Retail Banking	FULL	93.43	93.43	94.1	94.1
Bermuda							
	CATALYST RE INTERNATIONAL LTD.	Global Market and Investors Services	FULL	100	100	100	100
Brazil							
	ALD AUTOMOTIVE S.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ALD CORRETORA DE SEGUROS LTDA	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	BANCO SOCIETE GENERALE BRASIL S.A.	Global Market and Investors Services	FULL	100	100	100	100
	LEASEPLAN ARRENDAMENTO MERCANTIL S.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN BRASIL LTDA.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	SOCIETE GENERALE EQUIPMENT FINANCE S/A - ARRENDAMENTO MERCANTIL	Mobility and Leasing Services	FULL	100	100	100	100
Bulgaria							
	ALD AUTOMOTIVE EOOD	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Burkina Faso							
	SOCIETE GENERALE BURKINA FASO	International Retail Banking	FULL	51.27	51.27	52.61	52.61

Cayman Islands							
	AEGIS HOLDINGS (OFFSHORE) LTD.	Financial and Advisory	FULL	100	100	100	100
Cameroon							
	SOCIETE GENERALE CAMEROUN	International Retail Banking	FULL	58.08	58.08	58.08	58.08
Canada							
(2)	13406300 CANADA INC.	Financial and Advisory	FULL	0	100	0	100
	SG MONTREAL SOLUTION CENTER 2 INC.	Financial and Advisory	FULL	100	100	100	100
	SG MONTREAL SOLUTION CENTER INC.	Financial and Advisory	FULL	100	100	100	100
(1)	SOCIETE GENERALE (CANADA BRANCH)	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE CAPITAL CANADA INC	Global Market and Investors Services	FULL	100	100	100	100
Chile							
	ALD AUTOMOTIVE LIMITADA	Mobility and Leasing Services	FULL	52.59	52.59	100	100
China							
	SOCIETE GENERALE (CHINA) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE LEASING AND RENTING CO. LTD	Mobility and Leasing Services	FULL	100	100	100	100
Colombia							
	ALD AUTOMOTIVE S.A.S	Mobility and Leasing Services	FULL	52.59	52.59	100	100
South Korea							
	SG SECURITIES KOREA CO., LTD.	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG SEOUL	Global Market and Investors Services	FULL	100	100	100	100
Ivory Coast							
	SOCIETE GENERALE AFRICAN BUSINESS SERVICES ABIDJAN	International Retail Banking	FULL	100	97.88	100	100
	SOCIETE GENERALE CAPITAL SECURITIES WEST AFRICA	International Retail Banking	FULL	72.37	71.27	100	100
	SOCIETE GENERALE COTE D'IVOIRE	International Retail Banking	FULL	73.25	73.25	73.25	73.25
Croatia							
	AYVENS CROATIA D.O.O. ZA OPERATIVNI I FINANCIJSKI LEASING (ex-ALD AUTOMOTIVE D.O.O. ZA OPERATIVNI I FINANCIJSKI LEASING)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AYVENS FLEET SERVICES CROATIA D.O.O. ZA TRGOVINU I USLUGE (ex-ALD FLEET SERVICES D.O.O ZA TRGOVINU I USLUGE)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Denmark							
	ALD AUTOMOTIVE A/S	Mobility and Leasing Services	FULL	52.59	52.59	100	100

	AUTO CLAIM HANDLING DANMARK A/S	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN DANMARK A/S	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	NF FLEET A/S	Mobility and Leasing Services	FULL	42.07	42.07	80	80
United Arab Emirates							
(1) (6)	BERNSTEIN AUTONOMOUS LLP (DUBAI BRANCH)	Global Market and Investors Services	FULL	51	0	100	0
	LEASEPLAN EMIRATES FLEET MANAGEMENT - LEASEPLAN EMIRATES LLC, UAE	Mobility and Leasing Services	ESI	25.77	25.77	49	49
(1)	SOCIETE GENERALE, DIFC BRANCH	Financial and Advisory	FULL	100	100	100	100
Spain							
	ALTURA MARKETS, SOCIEDAD DE VALORES, SA	Global Market and Investors Services	EJV	50	50	50	50
	AYVENS SPAIN MOBILITY SOLUTIONS S.A.U. (ex-ALD AUTOMOTIVE S.A.U)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1) (6)	BSG FRANCE SA SPANISH BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	GARANTHIA PLAN S.L.U. (ex-GARANTHIA PLAN S.L.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1)	GENEFIM SUCURSAL EN ESPANA	French Retail and Private Banking	FULL	100	100	100	100
	LEASE PLAN SERVICIOS S.A.U	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PAYXPART SPAIN	French Retail and Private Banking	FULL	80	60	100	100
	PIRAMBU S.L.	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A. (ex-SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.U)	Mobility and Leasing Services	FULL	100	100	100	100
	SOCGEN FINANCIACIONES IBERIA, S.L.	Financial and Advisory	FULL	100	100	100	100
	SOCGEN INVERSIONES FINANCIERAS S.L.	Financial and Advisory	FULL	100	100	100	100
(1)	SOCIETE GENERALE SUCCURSAL EN ESPANA	Global Market and Investors Services	FULL	100	100	100	100
	SODEPROM	French Retail and Private Banking	FULL	100	100	100	100
	SOLUCIONES DE RENTING Y MOVILIDAD, S.L. (SOCIEDAD UNIPERSONAL)	Mobility and Leasing Services	FULL	52.59	52.59	100	100

Estonia							
	ALD AUTOMOTIVE EESTI AS	Mobility and Leasing Services	FULL	39.45	39.45	75.01	75.01
United States of America							
	AEGIS HOLDINGS (ONSHORE) INC.	Financial and Advisory	FULL	100	100	100	100
(6)	BERNSTEIN NORTH AMERICA HOLDINGS LLC	Global Market and Investors Services	EJV	33.33	0	100	0
(6)	HAUSSMANN 1864 CAPITAL MANAGEMENT LLC	Financial and Advisory	FULL	100	0	100	0
	SG AMERICAS EQUITIES CORP.	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS OPERATIONAL SERVICES, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS SECURITIES HOLDINGS, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS SECURITIES, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS, INC.	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE USA CORP.	Mobility and Leasing Services	FULL	100	100	100	100
	SG MORTGAGE FINANCE CORP.	Financial and Advisory	FULL	100	100	100	100
	SG MORTGAGE SECURITIES, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG STRUCTURED PRODUCTS, INC.	Global Market and Investors Services	FULL	100	100	100	100
(1)	SOCIETE GENERALE (NEW YORK)	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE FINANCIAL CORPORATION	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE INVESTMENT CORPORATION	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE LIQUIDITY FUNDING, LLC	Global Market and Investors Services	FULL	100	100	100	100
Finland							
	AXUS FINLAND OY	Mobility and Leasing Services	FULL	52.59	52.59	100	100

	NF FLEET OY	Mobility and Leasing Services	FULL	42.07	42.07	80	80
France							
	29 HAUSSMANN EQUILIBRE	Insurance	FULL	87.1	87.1	87.1	87.1
	29 HAUSSMANN EURO CREDIT - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
(6)	29 HAUSSMANN EURO OBLIGATIONS D'ETATS - PART C	Insurance	FULL	44.93	0	44.93	0
	29 HAUSSMANN EURO RDT	Insurance	FULL	58.1	58.1	58.1	58.1
	29 HAUSSMANN SELECTION EUROPE - K	Insurance	FULL	45.23	45.23	45.23	45.23
	29 HAUSSMANN SELECTION MONDE	Insurance	FULL	68.7	68.7	68.7	68.7
	908 REPUBLIQUE	French Retail and Private Banking	ESI	50	40	50	40
	ADMINISTRATIVE AND MANAGEMENT SERVICES	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AIR BAIL	Financial and Advisory	FULL	100	100	100	100
	AIX - BORD DU LAC - 3	French Retail and Private Banking	EJV	50	50	50	50
	ALFORTVILLE BAIGNADE	French Retail and Private Banking	ESI	40	40	40	40
(3)	AMPERIM	French Retail and Private Banking	EJV	0	50	0	50
(6)	AMUNDI SMART BLENDED - I2-C EUR (C)	Insurance	FULL	99.97	0	99.97	0
	ANNEMASSE-ILOT BERNARD	French Retail and Private Banking	FULL	80	80	80	80
	ANTALIS SA	Financial and Advisory	FULL	100	100	100	100
(3)	ANTARES	French Retail and Private Banking	ESI	0	45	0	45
	ANTARIUS	Insurance	FULL	100	100	100	100
	ARTISTIK	French Retail and Private Banking	ESI	30	30	30	30
(6)	AUBERVILLIERS 23 LANDY	French Retail and Private Banking	FULL	51	0	51	0
	AYVENS (ex-ALD)	Mobility and Leasing Services	FULL	52.59	52.59	68.97	68.97
	BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	International Retail Banking	FULL	50	50	50	50
	BAUME LOUBIERE	French Retail and Private Banking	ESI	40	40	40	40
	BERCK RUE DE BOUVILLE	French Retail and Private Banking	ESI	25	25	25	25
(6)	BERGERIE CHATEL	French Retail and Private Banking	FULL	51	0	51	0
	BERLIOZ	Insurance	FULL	84.05	84.05	84.05	84.05
	BEZIERS-LA COURONDELLE	French Retail and Private Banking	EJV	50	50	50	50

(6)	BORDEAUX BOUTAUT	French Retail and Private Banking	FULL	51	0	51	0
	BOURSORAMA MASTER HOME LOANS FRANCE	French Retail and Private Banking	FULL	100	100	100	100
	BOURSORAMA SA	French Retail and Private Banking	FULL	100	100	100	100
	BREMANY LEASE SAS	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(6)	BRIE COSSIGNY	French Retail and Private Banking	FULL	70	0	70	0
(6)	BSG FRANCE S.A.	Global Market and Investors Services	FULL	51	0	100	0
	BUMPER FR 2022-1	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(2)	CARBURAUTO	French Retail and Private Banking	EJV	0	50	0	50
	CEGELEASE	French Retail and Private Banking	FULL	100	99.99	100	100
	CENTRE IMMO PROMOTION	French Retail and Private Banking	FULL	60	60	60	60
(8)	COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Corporate Centre	FULL	100	100	100	100
	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	Mobility and Leasing Services	FULL	99.89	99.89	99.89	99.89
(2)	CONTE	French Retail and Private Banking	EJV	0	50	0	50
(6)	COURTY GOULET	French Retail and Private Banking	FULL	51	0	51	0
	DARWIN DIVERSIFIE 40-60	Insurance	FULL	79.78	79.78	79.78	79.78
	DARWIN DIVERSIFIE 80-100	Insurance	FULL	78.34	78.34	78.34	78.34
	DISPONIS	French Retail and Private Banking	FULL	100	99.99	100	100
	ECHIQUIER AGENOR EURO SRI MID CAP	Insurance	FULL	40.85	40.85	40.85	40.85
(6)	ETAMPES PARIS	French Retail and Private Banking	FULL	51	0	51	0
	ETOILE CAPITAL	French Retail and Private Banking	FULL	100	100	100	100
	F.E.P. INVESTISSEMENTS	French Retail and Private Banking	FULL	100	100	100	100
	FCT LA ROCHE	Financial and Advisory	FULL	100	100	100	100
(6)	FCT RED & BLACK AUTO LOANS FRANCE 2024	Mobility and Leasing Services	FULL	99.89	0	100	0
	FEEDER LYX E ST50 D6	Insurance	FULL	100	100	100	100
	FEEDER LYXOR CAC40 D2-EUR	Insurance	FULL	100	100	100	100
	FENWICK LEASE	French Retail and Private Banking	FULL	100	99.99	100	100

	FINASSURANCE SNC	Mobility and Leasing Services	FULL	98.89	98.89	99	99
	FRANFINANCE	French Retail and Private Banking	FULL	100	99.99	100	99.99
	FRANFINANCE LA REUNION (ex-COMPAGNIE FINANCIERE DE BOURBON)	French Retail and Private Banking	FULL	100	99.99	100	100
	FRANFINANCE LOCATION	French Retail and Private Banking	FULL	100	99.99	100	100
(8)	GALYBET	Corporate Centre	FULL	100	100	100	100
(8)	GENEBANQUE	Corporate Centre	FULL	100	100	100	100
(5)	GENECAL FRANCE	Financial and Advisory	FULL	0	100	0	100
	GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	French Retail and Private Banking	FULL	100	100	100	100
	GENECOMI FRANCE	Financial and Advisory	FULL	100	100	100	100
	GENEFIM	French Retail and Private Banking	FULL	100	100	100	100
(8)	GENEFINANCE	Corporate Centre	FULL	100	100	100	100
(8)	GENEGIS I	Corporate Centre	FULL	100	100	100	100
(8)	GENEGIS II	Corporate Centre	FULL	100	100	100	100
	GENEPIERRE	Insurance	FULL	60.34	60.34	60.34	60.34
(8)	GENEVALMY	Corporate Centre	FULL	100	100	100	100
	HIPPOLYTE	Financial and Advisory	FULL	100	100	100	100
	HYUNDAI CAPITAL FRANCE (EX SEFIA)	Mobility and Leasing Services	ESI	49.95	49.95	50	50
	ILOT AB	French Retail and Private Banking	FULL	80	80	80	80
	IMMOBILIERE PROMEX	French Retail and Private Banking	ESI	35	35	35	35
	INVESTIR IMMOBILIER NORMANDIE	French Retail and Private Banking	FULL	100	100	100	100
	INVESTISSEMENT 81	Insurance	FULL	100	100	100	100
	IVRY CHAUSSINAND	French Retail and Private Banking	FULL	64	64	64	64
	JSJ PROMOTION	French Retail and Private Banking	ESI	45	45	45	45
(6)	JUSTE-SOGEPROM	French Retail and Private Banking	FULL	70	0	70	0
	LA CORBEILLERIE	French Retail and Private Banking	ESI	40	40	40	40
(8)	LA FONCIERE DE LA DEFENSE	Corporate Centre	FULL	100	100	100	100
(6)	LA RESERVE	French Retail and Private Banking	FULL	60	0	60	0
(6)	LAGNY LECLERC	French Retail and Private Banking	FULL	51	0	51	0

	LEASEPLAN FRANCE S.A.S.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LES ALLEES DE L'EUROPE	French Retail and Private Banking	ESI	34	34	34	34
	LES JARDINS D'ALHAMBRA	French Retail and Private Banking	ESI	35	35	35	35
	LES JARDINS DU VILLAGE	French Retail and Private Banking	FULL	80	80	80	80
	LES MESANGES	French Retail and Private Banking	FULL	55	55	55	55
(6)	LES NOUVEAUX PARTENAIRES AURA	French Retail and Private Banking	FULL	70	0	70	0
(6)	LES NOUVEAUX PARTENAIRES IDF	French Retail and Private Banking	FULL	70	0	70	0
	LES TROIS LUCS 13012	French Retail and Private Banking	FULL	100	100	100	100
	LES VILLAS VINCENTI	French Retail and Private Banking	ESI	30	30	30	30
	L'HESPEL	French Retail and Private Banking	ESI	30	30	30	30
(6)	LISTOPLAC	Financial and Advisory	FULL	100	0	100	0
	LOTISSEMENT DES FLEURS	French Retail and Private Banking	ESI	30	30	30	30
	LYON LA FABRIC	French Retail and Private Banking	EJV	50	50	50	50
	LYX ACT EURO CLIMAT-D3EUR	Insurance	FULL	100	100	100	100
	LYX ACT EURO CLIMAT-DEUR	Insurance	FULL	100	100	100	100
	LYXOR ACTIONS EURO CLIMAT D4 EUR	Insurance	FULL	100	100	100	100
	LYXOR GL OVERLAY F	Insurance	FULL	87.27	87.27	87.27	87.27
	LYXOR SKYFALL FUND	Insurance	FULL	88.98	88.98	88.98	88.98
	MEDITERRANEE GRAND ARC	French Retail and Private Banking	EJV	50	50	50	50
	NORBAIL SOFERGIE	French Retail and Private Banking	FULL	100	100	100	100
	NORMANDIE REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
(2)	ONYX	French Retail and Private Banking	EJV	0	50	0	50
	OPCI SOGECAPIMMO	Insurance	FULL	100	100	100	100
	ORADEA VIE	Insurance	FULL	100	100	100	100
	ORPAVIMOB	Financial and Advisory	FULL	100	100	100	100
	PARCOURS	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PARCOURS ANNECY	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PARCOURS BORDEAUX	Mobility and Leasing Services	FULL	52.59	52.59	100	100

	PARCOURS NANTES	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PARCOURS STRASBOURG	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PARCOURS TOURS	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	PAYXPERT FRANCE	French Retail and Private Banking	FULL	80	60	100	100
	PHILIPS MEDICAL CAPITAL FRANCE	Mobility and Leasing Services	FULL	60	60	60	60
	PIERRE PATRIMOINE	Insurance	FULL	100	100	100	100
	PLEASE	Mobility and Leasing Services	EJV	52.23	52.23	50	50
	PRAGMA	French Retail and Private Banking	FULL	100	100	100	100
	PRIMONIAL DOUBLE IMMO	Global Market and Investors Services	FULL	100	100	100	100
	PRIORIS	Mobility and Leasing Services	FULL	94.89	94.89	95	95
	PROGEREAL	French Retail and Private Banking	ESI	25.01	25.01	25.01	25.01
	PROJECTIM	French Retail and Private Banking	FULL	100	100	100	100
	RED & BLACK AUTO LEASE FRANCE 1	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	RED & BLACK AUTO LEASE FRANCE 2	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	RED & BLACK CONSUMER FRANCE 2013	French Retail and Private Banking	FULL	100	100	100	100
	RED & BLACK HOME LOANS FRANCE 2	French Retail and Private Banking	FULL	100	100	100	100
(6)	RED & BLACK HOME LOANS FRANCE 3	French Retail and Private Banking	FULL	100	0	100	0
	REEZOCORP	Mobility and Leasing Services	FULL	99.95	96.83	100	96.88
	RIVAPRIM REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
	S.C.I. DU DOMAINE DE STONEHAM	French Retail and Private Banking	EJV	50	50	50	50
(5)	SAGEMCOM LEASE	French Retail and Private Banking	FULL	0	99.99	0	100
	SAINTE-MARTHE ILOT C	French Retail and Private Banking	ESI	40	40	40	40
	SAINTE-MARTHE ILOT D	French Retail and Private Banking	ESI	40	40	40	40
(6)	SALLANCHES MONTFORT	French Retail and Private Banking	FULL	70	0	70	0
	SARL BORDEAUX-20-26 RUE DU COMMERCE	French Retail and Private Banking	ESI	30	30	30	30

	SARL D'AMENAGEMENT DU MARTINET	French Retail and Private Banking	EJV	50	50	50	50
(2)	SARL DE LA VECQUERIE	French Retail and Private Banking	ESI	0	32.5	0	32.5
	SARL SEINE CLICHY	French Retail and Private Banking	FULL	100	100	100	100
	SAS AMIENS - AVENUE DU GENERAL FOY	French Retail and Private Banking	FULL	100	100	100	100
	SAS BF3 NOGENT THIERS	French Retail and Private Banking	ESI	20	20	20	20
	SAS BONDUES - COEUR DE BOURG	French Retail and Private Banking	ESI	25	25	25	25
	SAS COPRIM RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
	SAS MERIGNAC OASIS URBAINE	French Retail and Private Banking	FULL	90	90	90	90
	SAS NORMANDIE RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
	SAS ODESSA DEVELOPPEMENT	French Retail and Private Banking	ESI	49	49	49	49
	SAS PAYSAGES	French Retail and Private Banking	FULL	51	51	51	51
	SAS PROJECTIM IMMOBILIER	French Retail and Private Banking	FULL	100	100	100	100
(2)	SAS ROANNE LA TRILOGIE	French Retail and Private Banking	ESI	0	41	0	41
	SAS SCENES DE VIE	French Retail and Private Banking	EJV	50	50	50	50
	SAS SOAX PROMOTION	Financial and Advisory	FULL	58.5	58.5	58.5	58.5
	SAS SOGEMYSJ	French Retail and Private Banking	FULL	51	51	51	51
	SAS SOJEPRIM	French Retail and Private Banking	FULL	100	100	100	100
	SAS TIR A L'ARC AMENAGEMENT	French Retail and Private Banking	EJV	50	50	50	50
	SAS TOUR D2	French Retail and Private Banking	JO	50	50	50	50
	SAS VILLENEUVE D'ASCQ - RUE DES TECHNIQUES BUREAUX	French Retail and Private Banking	EJV	50	50	50	50
(3)	SCCV 282 MONTOLIVET 12	French Retail and Private Banking	FULL	0	60	0	60
	SCCV ALFORTVILLE MANDELA	French Retail and Private Banking	ESI	49	49	49	49
	SCCV BAC GALLIENI	French Retail and Private Banking	FULL	51	51	51	51

(3)	SCCV BOIS-GUILLAUME PARC DE HALLEY	French Retail and Private Banking	EJV	0	50	0	50
	SCCV BOURG BROU	French Retail and Private Banking	FULL	60	60	60	60
	SCCV BRON CARAVELLE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV CAEN CASERNE MARTIN	French Retail and Private Banking	FULL	100	100	100	100
(2)	SCCV CAEN PANORAMIK	French Retail and Private Banking	ESI	0	40	0	40
	SCCV CANNES JOURDAN	French Retail and Private Banking	EJV	50	50	50	50
	SCCV CHARTREUX LOT C	French Retail and Private Banking	EJV	50	50	50	50
	SCCV CHARTREUX LOT E	French Retail and Private Banking	FULL	100	100	100	100
	SCCV CHOISY LOGEMENT	French Retail and Private Banking	FULL	100	100	100	100
	SCCV CLICHY BAC D'ASNIERES	French Retail and Private Banking	FULL	75	75	75	75
	SCCV CLICHY BRC	French Retail and Private Banking	EJV	50	50	50	50
	SCCV COLOMBES	French Retail and Private Banking	ESI	28.66	28.66	49	49
	SCCV COMPIEGNE - RUE DE L'EPARGNE	French Retail and Private Banking	ESI	35	35	35	35
	SCCV COMPIEGNE ROYALLIEU	French Retail and Private Banking	ESI	30	30	30	30
	SCCV CUGNAUX-LEO LAGRANGE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV DEVILLE-CARNOT	French Retail and Private Banking	FULL	60	60	60	60
	SCCV DUNKERQUE PATINOIRE DEVELOPPEMENT	French Retail and Private Banking	EJV	50	50	50	50
(6)	SCCV EMPREINTE	French Retail and Private Banking	FULL	51	0	51	0

	SCCV EPRON - ZAC L'OREE DU GOLF	French Retail and Private Banking	FULL	70	70	70	70
	SCCV ERAGNY GUICHARD	French Retail and Private Banking	FULL	51	51	51	51
	SCCV ESPACES DE DEMAIN	French Retail and Private Banking	EJV	50	50	50	50
	SCCV ETERVILLE ROUTE D'AUNAY	French Retail and Private Banking	EJV	50	50	50	50
	SCCV EURONANTES 1E	French Retail and Private Banking	EJV	50	50	50	50
	SCCV FAVERGES	French Retail and Private Banking	FULL	100	100	100	100
	SCCV GAMBETTA LA RICHE	French Retail and Private Banking	ESI	25	25	25	25
	SCCV GIGNAC MOUSSELINE	French Retail and Private Banking	FULL	70	70	70	70
	SCCV GIVORS ROBICHON	French Retail and Private Banking	FULL	85	85	85	85
	SCCV GOELETTES GRAND LARGE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV HEROUVILLE ILOT A2	French Retail and Private Banking	ESI	33.33	33.33	33.33	33.33
	SCCV ISTRES PAPAILLE	French Retail and Private Banking	FULL	70	70	70	70
	SCCV JA LE HAVRE 22 COTY	French Retail and Private Banking	ESI	40	40	40	40
	SCCV JDA OUISTREHAM	French Retail and Private Banking	EJV	50	50	50	50
(3)	SCCV KYMA MERIGNAC	French Retail and Private Banking	ESI	0	30	0	30
	SCCV LA BAULE - LES JARDINS D'ESCOUBLAC	French Retail and Private Banking	ESI	25	25	25	25
	SCCV LA MADELEINE - PRE CATELAN	French Retail and Private Banking	FULL	51	51	51	51
(3)	SCCV LA MADELEINE SAINT-CHARLES	French Retail and Private Banking	EJV	0	50	0	50

	SCCV LA PORTE DU CANAL	French Retail and Private Banking	EJV	50	50	50	50
	SCCV LACASSAGNE BRICKS	French Retail and Private Banking	ESI	49	49	49	49
	SCCV LE CENTRAL C1.4	French Retail and Private Banking	ESI	33.4	33.4	33.4	33.4
	SCCV LE CENTRAL C1.5A	French Retail and Private Banking	ESI	33.3	33.3	33.3	33.3
	SCCV LE CENTRAL C1.7	French Retail and Private Banking	ESI	33.3	33.3	33.3	33.3
	SCCV LES BASTIDES FLEURIES	French Retail and Private Banking	FULL	64.29	64.29	64.29	64.29
(2)	SCCV LES ECRIVAINS	French Retail and Private Banking	FULL	0	70	0	70
	SCCV LES HAUTS VERGERS	French Retail and Private Banking	FULL	55	55	55	55
	SCCV LES PATIOS D'OR DE FLEURY LES AUBRAIS	French Retail and Private Banking	FULL	64	64	80	80
	SCCV LES SUCRES	French Retail and Private Banking	EJV	50	50	50	50
	SCCV LESQUIN PARC	French Retail and Private Banking	EJV	50	50	50	50
	SCCV L'IDEAL - MODUS 1.0	French Retail and Private Banking	FULL	80	80	80	80
	SCCV LILLE - JEAN MACE	French Retail and Private Banking	ESI	33.4	33.4	33.4	33.4
	SCCV LOOS GAMBETTA	French Retail and Private Banking	ESI	35	35	35	35
	SCCV MARCQ EN BAROEUL GABRIEL PERI	French Retail and Private Banking	ESI	20	20	20	20
	SCCV MARQUETTE CALMETTE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV MASSY NOUAILLE	French Retail and Private Banking	FULL	80	80	80	80
	SCCV MEHUL 34000	French Retail and Private Banking	FULL	70	70	70	70

	SCCV MONROC - LOT 3	French Retail and Private Banking	EJV	50	50	50	50
	SCCV MONS EQUATION	French Retail and Private Banking	EJV	50	50	50	50
	SCCV NICE ARENAS	French Retail and Private Banking	FULL	100	100	100	100
	SCCV NOGENT PLAISANCE	French Retail and Private Banking	FULL	60	60	60	60
	SCCV NOISY BOISSIERE	French Retail and Private Banking	FULL	51	51	51	51
	SCCV PARIS ALBERT	French Retail and Private Banking	EJV	50	50	50	50
	SCCV PRADES BLEU HORIZON	French Retail and Private Banking	EJV	50	50	50	50
	SCCV QUAI DE SEINE A ALFORTVILLE	French Retail and Private Banking	FULL	51	51	51	51
	SCCV QUAI NEUF BORDEAUX	French Retail and Private Banking	ESI	35	35	35	35
(6)	SCCV ROUEN RUE LOUIS BLANC	French Retail and Private Banking	EJV	50	0	50	0
	SCCV ROUSSET - LOT 03	French Retail and Private Banking	FULL	70	70	70	70
	SCCV SAINT JUST DAUDET	French Retail and Private Banking	FULL	80	80	80	80
(6)	SCCV SAINT NAZAIRE MDP ILOT V4	French Retail and Private Banking	FULL	80	0	80	0
	SCCV SAY	French Retail and Private Banking	ESI	35	35	35	35
(2)	SCCV SENGHOR	French Retail and Private Banking	ESI	0	35	0	35
	SCCV SENSORIUM BUREAUX	French Retail and Private Banking	EJV	50	50	50	50
	SCCV SENSORIUM LOGEMENT	French Retail and Private Banking	EJV	50	50	50	50
	SCCV SOGAB ILE DE FRANCE	French Retail and Private Banking	FULL	80	80	80	80

	SCCV SOGAB ROMAINVILLE	French Retail and Private Banking	FULL	80	80	80	80
	SCCV SOGEPROM LYON HABITAT	French Retail and Private Banking	FULL	100	100	100	100
	SCCV SOPRAB IDF	French Retail and Private Banking	FULL	70	70	70	70
	SCCV ST MARTIN DU TOUCH ILOT S9	French Retail and Private Banking	EJV	50	50	50	50
	SCCV TOULOUSE LES IZARDS	French Retail and Private Banking	FULL	51	51	51	51
	SCCV TRETS CASSIN LOT 4	French Retail and Private Banking	FULL	70	70	70	70
	SCCV VERNONNET- FIESCHI	French Retail and Private Banking	FULL	51	51	51	51
	SCCV VILLA CHANZY	French Retail and Private Banking	ESI	40	40	40	40
	SCCV VILLA VALERIANE	French Retail and Private Banking	ESI	30	30	30	30
	SCCV VILLAS URBAINES	French Retail and Private Banking	FULL	80	80	80	80
	SCCV VILLENAVE D'ORNON GARDEN VO	French Retail and Private Banking	ESI	25	25	25	25
	SCCV VILLENEUVE BONGARDE T2	French Retail and Private Banking	FULL	51	51	51	51
	SCCV VILLENEUVE D'ASCQ-RUE DES TECHNIQUES	French Retail and Private Banking	EJV	50	50	50	50
	SCCV VILLENEUVE VILLAGE BONGARDE	French Retail and Private Banking	FULL	51	51	51	51
(3)	SCCV VILLEURBANNE TEMPO	French Retail and Private Banking	FULL	0	100	0	100
	SCCV WAMBRECHIES RESISTANCE	French Retail and Private Banking	EJV	50	50	50	50
(6)	SCCV ZAC DES DOCKS R4	French Retail and Private Banking	FULL	70	0	70	0
	SCI 1134, AVENUE DE L'EUROPE A CASTELNAU LE LEZ	French Retail and Private Banking	EJV	50	50	50	50

	SCI AQPRIM PROMOTION	French Retail and Private Banking	FULL	79.8	79.8	50	50
	SCI CENTRE IMMO PROMOTION RESIDENCES	French Retail and Private Banking	FULL	80	80	100	100
(2)	SCI CHELLES AULNOY MENDES FRANCE	French Retail and Private Banking	EJV	0	50	0	50
(3)	SCI DU PARC SAINT ETIENNE	French Retail and Private Banking	ESI	0	40	0	40
	SCI ETAMPES NOTRE-DAME	French Retail and Private Banking	EJV	50	50	50	50
	SCI L'ACTUEL	French Retail and Private Banking	ESI	30	30	30	30
	SCI LAVOISIER	French Retail and Private Banking	FULL	80	80	80	80
	SCI LES JARDINS D'IRIS	French Retail and Private Banking	FULL	60	60	60	60
(2)	SCI LES JARDINS DU BLAVET	French Retail and Private Banking	ESI	0	40	0	40
(3)	SCI LES PORTES DU LEMAN	French Retail and Private Banking	FULL	0	70	0	70
	SCI LINAS COEUR DE VILLE 1	French Retail and Private Banking	FULL	71	70	71	70
	SCI LOCMINE-LAMENNAIS	French Retail and Private Banking	ESI	30	30	30	30
	SCI MONTPELLIER JACQUES COEUR	French Retail and Private Banking	EJV	50	50	50	50
	SCI PRIMO E+	Global Market and Investors Services	FULL	100	100	100	100
	SCI PRIMO N+	Global Market and Investors Services	FULL	100	100	100	100
	SCI PRIMO N+2	Global Market and Investors Services	FULL	100	100	100	100
	SCI PRIMO N+3	Global Market and Investors Services	FULL	100	100	100	100
	SCI PROJECTIM HABITAT	French Retail and Private Banking	FULL	100	100	100	100

(2)	SCI QUINTEFEUILLE	French Retail and Private Banking	ESI	0	30	0	30
	SCI RESIDENCE DU DONJON	French Retail and Private Banking	EJV	40	40	40	40
(5)	SCI RHIN ET MOSELLE 1	French Retail and Private Banking	FULL	0	100	0	100
	SCI RIVAPRIM HABITAT	French Retail and Private Banking	FULL	100	100	100	100
	SCI RIVAPRIM RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
	SCI SAINT-DENIS WILSON	French Retail and Private Banking	FULL	60	60	60	60
	SCI SCS IMMOBILIER D'ENTREPRISES	French Retail and Private Banking	FULL	52.8	52.8	66	66
	SCI SOGECIP	French Retail and Private Banking	FULL	80	80	100	100
	SCI SOGECTIM	French Retail and Private Banking	FULL	100	100	100	100
	SCI SOGEPROM LYON RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
(2)	SCI TOULOUSE CENTREDA 3	French Retail and Private Banking	FULL	0	100	0	100
	SCI VILLA EMILIE	French Retail and Private Banking	ESI	35	35	35	35
(2)	SCI VITAL BOUHOT 16-22 NEUILLY SUR SEINE	French Retail and Private Banking	ESI	0	40	0	40
(5)	SERVIPAR	Mobility and Leasing Services	FULL	0	52.59	0	100
	SG 29 HAUSSMANN	French Retail and Private Banking	FULL	100	100	100	100
	SG ACTIONS EURO SELECTION	Insurance	FULL	40.05	40.05	40.05	40.05
(6)	SG ACTIONS EURO SMALL CAP - P (C)	Insurance	FULL	63.33	0	63.33	0
	SG ACTIONS FRANCE	Insurance	FULL	38.14	38.14	38.14	38.14

	SG ACTIONS LUXE-C	Insurance	FULL	84.25	84.25	84.25	84.25
(6)	SG ACTIONS MONDE	Insurance	FULL	74.66	0	74.66	0
	SG ACTIONS MONDE EMERGENT	Insurance	FULL	60.05	60.05	60.05	60.05
	SG ACTIONS US	Insurance	FULL	65.06	65.06	65.06	65.06
(6)	SG ACTIONS US TECHNO (C)	Insurance	FULL	84.65	0	84.65	0
	SG AMUNDI ACTIONS FRANCE ISR - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG AMUNDI ACTIONS MONDE EAU - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG AMUNDI MONETAIRE ISR	Insurance	FULL	100	100	100	100
(6)	SG AMUNDI MONETAIRE ISR - GSM (C)	Insurance	FULL	99.96	0	99.96	0
(3)	SG AMUNDI MONETAIRE ISR - PART P-C	Insurance	FULL	0	60.05	0	60.05
	SG AMUNDI OBLIG ENTREPRISES EURO ISR - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
(6)	SG BLACKROCK ACTIONS EURO ISR	Insurance	FULL	81.16	0	81.16	0
	SG BLACKROCK ACTIONS US ISR	Insurance	FULL	100	100	100	100
	SG BLACKROCK FLEXIBLE ISR	Insurance	FULL	100	100	100	100
	SG BLACKROCK OBLIGATIONS EURO ISR - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG CAPITAL DEVELOPPEMENT	French Retail and Private Banking	FULL	100	100	100	100
(3)	SG DNCA ACTIONS EURO ISR - PART-C	Insurance	FULL	0	60.05	0	60.05
(8)	SG FINANCIAL SERVICES HOLDING	Corporate Centre	FULL	100	100	100	100

	SG FLEXIBLE	Insurance	FULL	92.48	92.48	92.48	92.48
	SG OBLIG ETAT EURO - PART P-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG OBLIG ETAT EURO-R	Insurance	FULL	79.94	79.94	79.94	79.94
(6)	SG OBLIG HIGH YIELD (C)	Insurance	FULL	91.99	0	91.99	0
	SG OBLIGATIONS	Insurance	FULL	82.92	82.92	82.92	82.92
(3)	SG OPCIMMO	Insurance	FULL	0	97.95	0	97.95
	SG OPTION EUROPE	Global Market and Investors Services	FULL	100	100	100	100
(6)	SG TIKEHAU DETTE PRIVEE	Insurance	FULL	100	0	100	0
	SG VALOR ALPHA ACTIONS FRANCE	Insurance	FULL	72.77	72.77	72.77	72.77
(3)	SGA 48-56 DESMOULINS	Insurance	FULL	0	99	0	99
	SGA AXA IM US CORE HY LOW CARBON	Insurance	FULL	100	100	100	100
	SGA AXA IM US SD HY LOW CARBON	Insurance	FULL	100	100	100	100
	SGA INFRASTRUCTURES	Insurance	FULL	100	100	100	100
	SGB FINANCE S.A.	Mobility and Leasing Services	FULL	50.94	50.94	51	51
	SGEF SA	Mobility and Leasing Services	FULL	100	100	100	100
	SGI 10-16 VILLE L'EVEQUE	Insurance	FULL	100	100	100	100
	SGI 1-5 ASTORG	Insurance	FULL	100	100	100	100
	SGI HOLDING SIS	French Retail and Private Banking	FULL	100	100	100	100

(3) SGI PACIFIC	Insurance	FULL	0	89.24	0	89.53
(4) SHINE	French Retail and Private Banking	FULL	0	93.97	0	93.97
SNC COEUR 8EME MONPLAISIR	French Retail and Private Banking	ESI	30	30	30	30
SNC D'AMENAGEMENT FORUM SEINE ISSY LES MOULINEAUX	French Retail and Private Banking	EJV	33.33	33.33	33.33	33.33
SNC HPL ARROMANCHES	French Retail and Private Banking	FULL	100	100	100	100
SNC NEUILLY ILE DE LA JATTE	French Retail and Private Banking	ESI	40	40	40	40
(3) SNC PROMOSEINE	French Retail and Private Banking	EJV	0	33.33	0	33.33
SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	Financial and Advisory	FULL	100	100	100	100
SOCIETE CIVILE IMMOBILIERE CAP THALASSA	French Retail and Private Banking	ESI	45	45	45	45
SOCIETE CIVILE IMMOBILIERE CAP VEYRE	French Retail and Private Banking	ESI	50	50	50	50
SOCIETE CIVILE IMMOBILIERE DE DIANE	French Retail and Private Banking	ESI	30	30	30	30
(3) SOCIETE CIVILE IMMOBILIERE DE PIERLAS	French Retail and Private Banking	ESI	0	28	0	28
(8) SOCIETE CIVILE IMMOBILIERE DES COMBEAUX DE TIGERY	Corporate Centre	FULL	100	100	100	100
SOCIETE CIVILE IMMOBILIERE ESTEREL TANNERON	French Retail and Private Banking	ESI	30	30	30	30
SOCIETE CIVILE IMMOBILIERE FONTENAY - ESTIENNES D'ORVES	French Retail and Private Banking	EJV	50	50	50	50
SOCIETE CIVILE IMMOBILIERE GAMBETTA DEFENSE V	French Retail and Private Banking	ESI	20	20	20	20
SOCIETE CIVILE IMMOBILIERE LES HAUTS DE L'ESTAQUE	French Retail and Private Banking	ESI	35	35	35	35
SOCIETE CIVILE IMMOBILIERE LES HAUTS DE SEPTEMES	French Retail and Private Banking	ESI	25	25	25	25

	SOCIETE CIVILE IMMOBILIERE MIRECRAU	French Retail and Private Banking	ESI	35	35	35	35
(3)	SOCIETE CIVILE IMMOBILIERE VERT COTEAU	French Retail and Private Banking	ESI	0	35	0	35
	SOCIETE DE BOURSE GILBERT DUPONT	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE DE COURTAGES D'ASSURANCES GROUPE	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(5) (8)	SOCIETE DE LA RUE EDOUARD VII	Corporate Centre	FULL	0	100	0	100
	SOCIETE DE SERVICES FIDUCIAIRES (2SF)	French Retail and Private Banking	EJV	33.33	33.33	33.33	33.33
(8)	SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	Corporate Centre	FULL	100	100	100	100
(7)	SOCIETE GENERALE	Multi-Activities	FULL	100	100	100	100
	SOCIETE GENERALE - FORGE	Global Market and Investors Services	FULL	93.48	90.9	93.48	90.9
	SOCIETE GENERALE CAPITAL FINANCE	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE CAPITAL PARTENAIRES	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE FACTORING	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE REAL ESTATE	French Retail and Private Banking	FULL	100	100	100	100
(8)	SOCIETE GENERALE SCF	Corporate Centre	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES HOLDING	Financial and Advisory	FULL	100	100	100	100
(8)	SOCIETE GENERALE SFH	Corporate Centre	FULL	100	100	100	100
(8)	SOCIETE GENERALE VENTURES	Corporate Centre	FULL	100	100	100	100
(8)	SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	Corporate Centre	FULL	100	100	100	100
(8)	SOGE BEAUJOIRE	Corporate Centre	FULL	100	100	100	100
(8)	SOGE PERIVAL I	Corporate Centre	FULL	100	100	100	100

(8) SOGE PERIVAL II	Corporate Centre	FULL	100	100	100	100
(8) SOGE PERIVAL III	Corporate Centre	FULL	100	100	100	100
(8) SOGE PERIVAL IV	Corporate Centre	FULL	100	100	100	100
SOGEACT.SELEC.M ON.	Insurance	FULL	99.78	99.78	99.78	99.78
SOGEAX	French Retail and Private Banking	FULL	60	60	60	60
(8) SOGECAMPUS	Corporate Centre	FULL	100	100	100	100
SOGECAP	Insurance	FULL	100	100	100	100
SOGECAP - DIVERSIFIED LOANS FUND	Insurance	FULL	100	100	100	100
SOGECAP ACTIONS PROTEGEES - PART-C/D	Insurance	FULL	60.05	60.05	60.05	60.05
SOGECAP DIVERSIFIE 1	Insurance	FULL	100	100	100	100
(3) SOGECAP EQUITY OVERLAY (FEEDER)	Insurance	FULL	0	100	0	100
SOGECAP LONG TERME N°1	Insurance	FULL	100	100	100	100
(6) SOGECAP PROTECTED EQUITIES	Insurance	FULL	100	0	100	0
(3) SOGECAPIMMO 2	Insurance	FULL	0	90.71	0	90.84
(8) SOGEFIM HOLDING	Corporate Centre	FULL	100	100	100	100
SOGEFIMUR	French Retail and Private Banking	FULL	100	100	100	100
(5) SOGEFINANCEMENT	French Retail and Private Banking	FULL	0	100	0	100
SOGEFINERG FRANCE	Financial and Advisory	FULL	100	100	100	100

(8) SOGEFONTENAY	Corporate Centre	FULL	100	100	100	100
SOGELEASE FRANCE	French Retail and Private Banking	FULL	100	100	100	100
(8) SOGEMARCHE	Corporate Centre	FULL	100	100	100	100
(8) SOGEPARTICIPATIONS	Corporate Centre	FULL	100	100	100	100
SOGEPIERRE	Insurance	FULL	100	100	100	100
SOGEPROM	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM ALPES HABITAT	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM CENTRE-VAL DE LOIRE	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM COTE D'AZUR	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM ENTREPRISES	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM LYON	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM LYON AMENAGEMENT	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM PARTENAIRES	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM SERVICES	French Retail and Private Banking	FULL	100	100	100	100
SOGEPROM SUD REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
SOGESSUR	Insurance	FULL	100	100	100	100
SOGEVIMMO	Insurance	FULL	98.75	98.75	98.75	98.75

ST BARNABE 13004	French Retail and Private Banking	EJV	50	50	50	50
(6) ST GERMAIN BENI	French Retail and Private Banking	FULL	51	0	51	0
STAR LEASE	French Retail and Private Banking	FULL	100	100	100	100
TEMSYS	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(6) THONON ALLINGES	French Retail and Private Banking	FULL	70	0	70	0
TRANSACTIS	French Retail and Private Banking	EJV	50	50	50	50
TREEZOR SAS	French Retail and Private Banking	FULL	96.09	95.35	96.09	95.35
URBANISME ET COMMERCE PROMOTION	French Retail and Private Banking	FULL	100	100	100	100
VALMINCO	Global Market and Investors Services	FULL	100	100	100	100
(8) VALMINVEST	Corporate Centre	FULL	100	100	100	100
(6) VAUBAN DESMAZIERES	French Retail and Private Banking	FULL	67	0	67	0
(6) VERMELLES NATIONALE	French Retail and Private Banking	FULL	51	0	51	0
VG PROMOTION	French Retail and Private Banking	ESI	35	35	35	35
VIENNE BON ACCUEIL	French Retail and Private Banking	EJV	50	50	50	50
VILLA D'ARMONT	French Retail and Private Banking	ESI	40	40	40	40
Ghana						
SOCIETE GENERALE GHANA PLC	International Retail Banking	FULL	60.22	60.22	60.22	60.22
Gibraltar						
HAMBROS (GIBRALTAR NOMINEES) LIMITED	French Retail and Private Banking	FULL	100	100	100	100

	(2)	SG KLEINWORT HAMBROS (GIBRALTAR) LIMITED (ex-SG KLEINWORT HAMBROS BANK (GIBRALTAR) LIMITED)	French Retail and Private Banking	FULL	0	100	0	100
	(1)	SG KLEINWORT HAMBROS BANK LIMITED GIBRALTAR BRANCH	French Retail and Private Banking	FULL	100	100	100	100
Greece								
	(5)	ALD AUTOMOTIVE S.A. LEASE OF CARS	Mobility and Leasing Services	FULL	0	52.59	0	100
		LEASEPLAN HELLAS COMMERCIAL VEHICLE LEASING AND FLEET MANAGEMENT SERVICES SINGLE-MEMBER SOCIETE ANON	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Guinea								
		SOCIETE GENERALE GUINEE	International Retail Banking	FULL	57.94	57.93	57.94	57.93
Equatorial Guinea								
		SOCIETE GENERALE DE BANQUES EN GUINEE EQUATORIALE	International Retail Banking	FULL	52.44	52.44	57.23	57.23
Hong Kong								
	(6)	SANFORD C. BERNSTEIN (HONG KONG) LIMITED	Global Market and Investors Services	FULL	51	0	100	0
		SG ASSET FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CAPITAL FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CAPITAL FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CORPORATE FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CORPORATE FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	(1)	SG HONG KONG	Global Market and Investors Services	FULL	100	100	100	100
		SG LEASING (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG SECURITIES (HK) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
		SG SECURITIES ASIA INTERNATIONAL HOLDINGS LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(1)	SGL ASIA HK	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE ASIA LTD	Financial and Advisory	FULL	100	100	100	100
		TH INVESTMENTS (HONG KONG) 1 LIMITED	Financial and Advisory	FULL	100	100	100	100

	TH INVESTMENTS (HONG KONG) 5 LIMITED	Financial and Advisory	FULL	100	100	100	100
Hungary							
	ALD AUTOMOTIVE MAGYARORSZAG AUTOPARK-KEZELO ES FINANSZIROZO KORLATOLT FELELOSSEGU TARSASAG	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN HUNGARIA GEPJARMU KEZELO ES FIANSZIROZO RESZVENYTARSASAG	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	SG EQUIPMENT FINANCE HUNGARY PLC (ex-SG EQUIPMENT FINANCE HUNGARY ZRT)	Mobility and Leasing Services	FULL	100	100	100	100
Jersey Island							
	ELMFORD LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	HANOM I LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	J D CORPORATE SERVICES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(1)	SG KLEINWORT HAMBROS BANK LIMITED, JERSEY BRANCH	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS CORPORATE SERVICES (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS TRUST COMPANY (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SGKH TRUSTEES (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
Isle of Man							
	KBBIOM LIMITED	French Retail and Private Banking	FULL	100	100	100	100
Guernsey Island							
	CDS INTERNATIONAL LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	HAMBROS (GUERNSEY NOMINEES) LTD	French Retail and Private Banking	FULL	100	100	100	100
	KLEINWORT BENSON INTERNATIONAL TRUSTEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(1)	SG KLEINWORT HAMBROS BANK LIMITED GUERNSEY BRANCH	French Retail and Private Banking	FULL	100	100	100	100
India							
	ALD AUTOMOTIVE PRIVATE LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100

	LEASE PLAN INDIA PRIVATE LTD.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN FLEET MANAGEMENT INDIA PVT. LTD.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(6)	SANFORD C. BERNSTEIN (INDIA) PRIVATE LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(1)	SG MUMBAI	Financial and Advisory	FULL	100	100	100	100
(8)	SOCIETE GENERALE GLOBAL SOLUTION CENTRE INDIA	Corporate Centre	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES INDIA PRIVATE LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Ireland							
(5)	ALD RE PUBLIC LIMITED COMPANY (ex-ALD RE DESIGNATED ACTIVITY COMPANY)	Mobility and Leasing Services	FULL	0	52.59	0	100
	AYVENS IRELAND LIMITED (ex-LEASEPLAN FLEET MANAGEMENT SERVICES IRELAND LTD.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	EURO INSURANCES DESIGNATED ACTIVITY COMPANY	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	IRIS SPV PLC SERIES MARK	Global Market and Investors Services	FULL	100	100	100	100
	IRIS SPV PLC SERIES SOGECAP	Insurance	FULL	100	100	100	100
(1)	LEASEPLAN DIGITAL B.V. (DUBLIN BRANCH)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1)	LEASEPLAN FINANCE B.V. (DUBLIN BRANCH OF LEASEPLAN FINANCE B.V.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	NB SOG EMER EUR - I	Insurance	FULL	100	100	100	100
(6)	SANFORD C. BERNSTEIN IRELAND LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(1)	SG DUBLIN	Global Market and Investors Services	FULL	100	100	100	100
	SGBT FINANCE IRELAND DESIGNATED ACTIVITY COMPANY	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES, SGSS (IRELAND) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Italy							
	ALD AUTOMOTIVE ITALIA S.R.L	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1) (6)	BSG FRANCE SA ITALIAN BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	FIDITALIA S.P.A	Mobility and Leasing Services	FULL	100	100	100	100
	FRAER LEASING SPA	Mobility and Leasing Services	FULL	86.91	86.91	86.91	86.91

	LEASEPLAN ITALIA S.P.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	MORIGI FINANCE S.R.L.	Financial and Advisory	FULL	100	100	100	100
(6)	NIRONE FINANCE S.R.L.	Financial and Advisory	FULL	100	0	100	0
	RED & BLACK AUTO ITALY S.R.L.	Mobility and Leasing Services	FULL	100	100	100	100
	SG EQUIPMENT FINANCE ITALY S.P.A.	Mobility and Leasing Services	FULL	100	100	100	100
	SG FACTORING SPA	Financial and Advisory	FULL	100	100	100	100
	SG LEASING SPA	Mobility and Leasing Services	FULL	100	100	100	100
(1)	SG LUXEMBOURG ITALIAN BRANCH	Financial and Advisory	FULL	100	100	100	100
(1)	SG MILAN	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Global Market and Investors Services	FULL	100	100	100	100
(1)	SOGECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100	100	100	100
(1)	SOGESSUR SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100	100	100	100
Japan							
(6)	SANFORD C. BERNSTEIN JAPAN KK	Global Market and Investors Services	FULL	51	0	100	0
(1)	SG TOKYO	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE HAUSSMANN MANAGEMENT JAPAN LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES JAPAN LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Latvia							
	ALD AUTOMOTIVE SIA	Mobility and Leasing Services	FULL	39.44	39.44	75	75
Lithuania							
	UAB ALD AUTOMOTIVE	Mobility and Leasing Services	FULL	39.44	39.44	75	75
Luxembourg							
	ALD INTERNATIONAL SERVICES S.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AXUS LUXEMBOURG SA	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	BARTON CAPITAL SA	Financial and Advisory	FULL	100	100	100	100
	BUMPER DE S.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	CODEIS COMPARTIMENT A0084	Insurance	FULL	100	100	100	100
	CODEIS COMPARTIMENT A0076	Insurance	FULL	100	100	100	100

(6)	CODEIS COMPARTIMENT A0092	Global Market and Investors Services	FULL	100	0	100	0
	CODEIS SECURITIES S.A.	Global Market and Investors Services	FULL	100	100	100	100
	COVALBA	Financial and Advisory	FULL	100	100	100	100
	INFRAMEWA CO-INVEST SCSP	Insurance	FULL	60.05	60.05	60.05	60.05
(6)	ISCHIA INVESTMENTS SA	Financial and Advisory	FULL	100	0	100	0
	IVEFI S.A.	Financial and Advisory	FULL	100	100	100	100
(1)	LEASEPLAN GLOBAL PROCUREMENT (A LUXEMBOURGISH BRANCH OF LEASEPLAN GLOBAL B.V.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	MERIBOU INVESTMENTS SA	Financial and Advisory	FULL	100	100	100	100
(6)	MOOREA FUND - GLOBAL GROWTH ALLOCATION PORTFOLIO CLASS RE	Insurance	FULL	65.18	0	65.18	0
(6)	MOOREA FUND - SG CREDIT MILLESIME 2029 RE	Insurance	FULL	71.89	0	71.89	0
	MOOREA FUND SG CREDIT MILLESIME 2028 RE (EUR CAP)	Insurance	FULL	60.05	60.05	60.05	60.05
	MOOREA GLB BALANCED	Insurance	FULL	68.08	68.08	68.08	68.08
	MOOREA SUSTAINABLE US EQUITY RE	Insurance	FULL	60.05	60.05	60.05	60.05
	PIONEER INVESTMENTS DIVERSIFIED LOANS FUND	Insurance	FULL	100	100	100	100
(6)	PROCIDA INVESTMENTS S.A.	Financial and Advisory	FULL	100	0	100	0
	RED & BLACK AUTO LEASE GERMANY 3 S.A	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	RED & BLACK AUTO LEASE GERMANY S.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	SALINGER S.A	Financial and Advisory	FULL	100	100	100	100
	SG ISSUER	Global Market and Investors Services	FULL	100	100	100	100
	SG LUCI	Financial and Advisory	FULL	100	100	100	100
	SGBT ASSET BASED FUNDING SA	Financial and Advisory	FULL	100	100	100	100
	SGBT CI	Financial and Advisory	FULL	100	100	100	100
	SGL ASIA	Financial and Advisory	FULL	100	100	100	100
(8)	SGL RE	Corporate Centre	FULL	100	100	100	100
	SOCIETE GENERALE CAPITAL MARKET FINANCE	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE FINANCING AND DISTRIBUTION	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE LIFE INSURANCE BROKER SA	Financial and Advisory	FULL	100	100	100	100

	SOCIETE GENERALE LUXEMBOURG	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE LUXEMBOURG LEASING	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE PRIVATE WEALTH MANAGEMENT S.A.	Financial and Advisory	FULL	100	100	100	100
(2) (8)	SOCIETE GENERALE RE SA	Corporate Centre	FULL	0	100	0	100
	SOCIETE IMMOBILIERE DE L'ARSENAL	Financial and Advisory	FULL	100	100	100	100
	SOGELIFE	Insurance	FULL	100	100	100	100
	SPIRE SA - COMPARTIMENT 2021-51	Insurance	FULL	100	100	100	100
(2)	SURYA INVESTMENTS S.A.	Financial and Advisory	FULL	0	100	0	100
(6)	VIVARA INVESTMENTS S.A.	Financial and Advisory	FULL	100	0	100	0
	ZEUS FINANCE LEASING S.A.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Madagascar							
(4)	BFV - SOCIETE GENERALE	International Retail Banking	FULL	0	70	0	70
Malaysia							
	ALD MHC MOBILITY SERVICES MALAYSIA SDN BHD	Mobility and Leasing Services	FULL	31.55	31.55	60	60
Morocco							
(3)	ALD AUTOMOTIVE SA (ex-ALD AUTOMOTIVE SA MAROC)	Mobility and Leasing Services	FULL	0	27.06	0	50
(4)	ATHENA COURTAGE	International Retail Banking	FULL	0	58.26	0	99.9
(4)	FONCIMMO	International Retail Banking	FULL	0	57.67	0	100
(4)	INVESTIMA SA	International Retail Banking	FULL	0	38.14	0	58.48
(4)	LA MAROCAINE VIE	Insurance	FULL	0	79.24	0	99.98
(4)	SG MAROCAINE DE BANQUES	International Retail Banking	FULL	0	57.67	0	57.67
(4)	SOCIETE D' EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM"	International Retail Banking	FULL	0	32.37	0	57.09
	SOCIETE GENERALE AFRICAIN BUSINESS SERVICES S.A.S A.U (ex-SOCIETE GENERALE AFRICAN BUSINESS SERVICES S.A.S)	International Retail Banking	FULL	100	97.88	100	100
(4)	SOCIETE GENERALE DE LEASING AU MAROC	International Retail Banking	FULL	0	57.67	0	100
(4)	SOCIETE GENERALE OFFSHORE	International Retail Banking	FULL	0	57.64	0	99.94
(4)	SOGECAPITAL GESTION	International Retail Banking	FULL	0	57.65	0	99.95
(4)	SOGECAPITAL PLACEMENT	International Retail Banking	FULL	0	57.66	0	99.97
(4)	SOGEFINANCEMENT MAROC	International Retail Banking	FULL	0	57.67	0	100
Mauritius							
	SG SECURITIES BROKING (M) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Mauritania							
	SOCIETE GENERALE MAURITANIE	International Retail Banking	FULL	100	100	100	100
Mexico							

	ALD AUTOMOTIVE S.A. DE C.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ALD FLEET SA DE CV SOFOM ENR	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN MEXICO S.A. DE C.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	SGFP MEXICO, S.A. DE C.V.	Global Market and Investors Services	FULL	100	100	100	100
Monaco							
(1) (6)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS MONACO	Mobility and Leasing Services	FULL	99.89	0	100	0
(1)	SOCIETE GENERALE (SUCCURSALE MONACO)	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE PRIVATE BANKING (MONACO)	French Retail and Private Banking	FULL	99.99	99.99	99.99	99.99
Norway							
	AYVENS NORGE AS (ex-LEASEPLAN NORGE AS)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	NF FLEET AS	Mobility and Leasing Services	FULL	42.07	42.07	80	80
New Caledonia							
	CREDICAL	International Retail Banking	FULL	88.34	88.34	98.05	98.05
	SOCALFI	International Retail Banking	FULL	88.34	88.34	100	100
	SOCIETE GENERALE CALEDONIENNE DE BANQUE	International Retail Banking	FULL	90.09	90.09	90.09	90.09
Netherlands							
	AALH PARTICIPATIES B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ACCIDENT MANAGEMENT SERVICES (AMS) B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(2)	ALVARENGA INVESTMENTS B.V.	Financial and Advisory	FULL	0	100	0	100
	ASTEROLD B.V.	Financial and Advisory	FULL	100	100	100	100
	AXUS FINANCE NL B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(5)	AXUS NEDERLAND BV	Mobility and Leasing Services	FULL	0	52.59	0	100
	AXUS NEDERLAND N.V. (ex-LEASEPLAN NEDERLAND N.V.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AYVENS BANK N.V. (ex-LEASEPLAN CORPORATION N.V.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	BRIGANTIA INVESTMENTS B.V.	Financial and Advisory	FULL	100	100	100	100
(1) (6)	BSG FRANCE SA NETHERLANDS BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	BUMPER NL 2020-1 B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	BUMPER NL 2022-1 B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100

(6)	BUMPER NL 2023-1 B.V.	Mobility and Leasing Services	FULL	52.59	0	100	0
(6)	BUMPER NL 2024-1 B.V.	Mobility and Leasing Services	FULL	52.59	0	100	0
	CAPEREA B.V.	Financial and Advisory	FULL	100	100	100	100
	FIRENTA B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	FORD FLEET MANAGEMENT B.V.	Mobility and Leasing Services	FULL	26.35	26.35	50.11	50.1
	HERFSTTAFEL INVESTMENTS B.V.	Financial and Advisory	FULL	100	100	100	100
	HORDLE FINANCE B.V.	Financial and Advisory	FULL	100	100	100	100
(2)	LEASE BEHEER HOLDING B.V.	Mobility and Leasing Services	FULL	0	52.59	0	100
	LEASE BEHEER VASTGOED B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN CN HOLDING B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN DIGITAL B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN FINANCE B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN GLOBAL B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN RECHTSHULP B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LP GROUP B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	MONTALIS INVESTMENT BV	Financial and Advisory	FULL	100	100	100	100
(1)	SG AMSTERDAM	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE BENELUX BV	Mobility and Leasing Services	FULL	100	100	100	100
	SOGELEASE B.V.	Financial and Advisory	FULL	100	100	100	100
(2)	SOGELEASE FILMS	Financial and Advisory	FULL	0	100	0	100
	TRANSPORT PLAN B.V.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(2)	TYNEVOR B.V.	Financial and Advisory	FULL	0	100	0	100
Peru							
	ALD AUTOMOTIVE PERU S.A.C.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Poland							
	AYVENS FINANCIAL SERVICES POLAND SPOLKA Z OGRANICZONA ODPOWIEDZIALNOS CIA (ex-ALD AUTOMOTIVE POLSKA SP Z O.O.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AYVENS POLAND SP.Z O.O. (ex-LEASEPLAN FLEET MANAGEMENT (POLSKA) SP.Z O.O.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100

(1) (6)	BSG FRANCE SA POLISH BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	FLEET ACCIDENT MANAGEMENT SERVICES SP.Z O.O.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Mobility and Leasing Services	FULL	100	100	100	100
(1)	SOCIETE GENERALE S.A. ODDZIAL W POLSCE	Financial and Advisory	FULL	100	100	100	100
(1)	SOGECAP SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
(1)	SOGESSUR SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
French Polynesia							
	BANQUE DE POLYNESIE	International Retail Banking	FULL	72.1	72.1	72.1	72.1
	SOGELEASE BDP "SAS"	International Retail Banking	FULL	72.1	72.1	100	100
Portugal							
	FLEET COVER- SOCIEDADE MEDIACAO DE SEGUROS, LDA.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN PORTUGAL COMERCIO E ALUGUER DE AUTOMOVEIS E EQUIPAMENTOS LDA. (ex-LEASEPLAN PORTUGAL COMERCIO E ALUGUER DE AUTOMÓVEIS E EQUIPAMENTOS UNIPESSOAL LDA.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Czech Republic							
	AYVENS S.R.O. (ex- ALD AUTOMOTIVE S.R.O.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ESSOX SRO	International Retail Banking	FULL	80	80	100	100
	FACTORING KB	International Retail Banking	FULL	60.73	60.73	100	100
	KB PENZIJNI SPOLECNOST, A.S.	International Retail Banking	FULL	60.73	60.73	100	100
	KB REAL ESTATE	International Retail Banking	FULL	60.73	60.73	100	100
	KB SMARTSOLUTIONS, S.R.O.	International Retail Banking	FULL	60.73	60.73	100	100
	KOMERCNI BANKA A.S	International Retail Banking	FULL	60.73	60.73	60.73	60.73
	KOMERCNI POJISTOVNA A.S	Insurance	FULL	80.76	80.76	100	100
	MODRA PYRAMIDA STAVEBNI SPORITELNA AS	International Retail Banking	FULL	60.73	60.73	100	100
	PROTOS	International Retail Banking	FULL	60.73	60.73	100	100
	SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Mobility and Leasing Services	FULL	80.33	80.33	100	100
(2)	SOGEPROM CESKA REPUBLIKA S.R.O.	French Retail and Private Banking	FULL	0	100	0	100
	SOGEPROM MICHLE S.R.O.	French Retail and Private Banking	FULL	100	100	100	100

	STD2, S.R.O.	International Retail Banking	FULL	60.73	60.73	100	100
(4)	VN 42	International Retail Banking	FULL	0	60.73	0	100
	WORLDLINE CZECH REPUBLIC S.R.O.	International Retail Banking	ESI	0.61	0.61	40	40
Romania							
	ACCIDENT MANAGEMENT SERVICES S.R.L.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ALD AUTOMOTIVE SRL	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AYVENS SERVICE CENTER S.R.L. (ex-LEASEPLAN SERVICE CENTER S.R.L.)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	BRD - GROUPE SOCIETE GENERALE SA	International Retail Banking	FULL	60.17	60.17	60.17	60.17
	BRD ASSET MANAGEMENT SAI SA	International Retail Banking	FULL	60.17	60.17	100	100
	BRD FINANCE S.A. (ex-BRD FINANCE IFN S.A.)	International Retail Banking	FULL	80.48	80.48	100	100
	BRD SOGELEASE IFN S.A.	International Retail Banking	FULL	60.18	60.17	100	100
	LEASEPLAN ROMANIA S.R.L.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	S.C. ROGARIU IMOBILIARE S.R.L.	French Retail and Private Banking	FULL	75	75	75	75
(8)	SOCIETE GENERALE GLOBAL SOLUTION CENTRE ROMANIA	Corporate Centre	FULL	100	100	100	100
	SOGEPROM ROMANIA SRL	French Retail and Private Banking	FULL	100	100	100	100
(1)	SOGESSUR S.A PARIS - SUCURSALA BUCURESTI	Insurance	FULL	100	100	100	100
United Kingdom							
	ACR	Financial and Advisory	FULL	100	100	100	100
	ALD AUTOMOTIVE GROUP LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ALD AUTOMOTIVE LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	AUTOMOTIVE LEASING LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(6)	BERNSTEIN AUTONOMOUS LLP	Global Market and Investors Services	FULL	51	0	100	0
(1)	BRIGANTIA INVESTMENTS B.V. (UK BRANCH)	Financial and Advisory	FULL	100	100	100	100
	BUMPER UK 2019-1 FINANCE PLC	Mobility and Leasing Services	FULL	52.59	52.59	100	100

	BUMPER UK 2021-1 FINANCE PLC	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS UK	Mobility and Leasing Services	FULL	99.89	99.89	100	100
	DIAL CONTRACTS LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	DIAL VEHICLE MANAGEMENT SERVICES LTD	Mobility and Leasing Services	FULL	52.38	52.38	99.6	99.6
(1) (6)	EURO INSURANCES DAC TRADING AS LEASEPLAN INSURANCE	Mobility and Leasing Services	FULL	52.59	0	100	0
	FENCHURCH NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	FORD FLEET MANAGEMENT UK LIMITED	Mobility and Leasing Services	FULL	26.35	26.35	100	100
	FRANK NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(1)	HORDLE FINANCE B.V. (UK BRANCH)	Financial and Advisory	FULL	100	100	100	100
	INTERNAL FLEET PURCHASING LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	INULA HOLDING UK LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	JWB LEASING LIMITED PARTNERSHIP	Financial and Advisory	FULL	100	100	100	100
	KBIM STANDBY NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	KBPB NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	KH COMPANY SECRETARIES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	KLEINWORT BENSON FARMLAND TRUST (MANAGERS) LIMITED	French Retail and Private Banking	FULL	75	75	75	75
	LANGBOURN NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	LEASEPLAN UK LIMITED	Mobility and Leasing Services	FULL	52.59	52.59	100	100

	PAYXPERT SERVICES LTD	French Retail and Private Banking	FULL	80	60	80	60
	RED & BLACK AUTO LEASE UK 1 PLC	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ROBERT BENSON, LONSDALE & CO. (CANADA) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(6)	SANFORD C. BERNSTEIN (AUTONOMOUS UK) 1 LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(6)	SANFORD C. BERNSTEIN (CREST NOMINEES) LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(6)	SANFORD C. BERNSTEIN HOLDINGS LIMITED	Global Market and Investors Services	FULL	51	0	51	0
(6)	SANFORD C. BERNSTEIN LIMITED	Global Market and Investors Services	FULL	51	0	100	0
	SG (MARITIME) LEASING LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE (DECEMBER) LIMITED	Mobility and Leasing Services	FULL	100	100	100	100
(2) (8)	SG FINANCIAL SERVICES LIMITED	Corporate Centre	FULL	0	100	0	100
	SG HAMBROS TRUST COMPANY LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG HEALTHCARE BENEFITS TRUSTEE COMPANY LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SG INVESTMENT LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG KLEINWORT HAMBROS BANK LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS TRUST COMPANY (UK) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG LEASING (ASSETS) LIMITED	Financial and Advisory	FULL	100	100	100	100

	SG LEASING (GEMS) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (JUNE) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (MARCH) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (USD) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING IX	Financial and Advisory	FULL	100	100	100	100
	SG TITANIUM LIMITED	Financial and Advisory	FULL	100	100	100	100
	SOCGEN NOMINEES (UK) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	Mobility and Leasing Services	FULL	100	100	100	100
	SOCIETE GENERALE INTERNATIONAL LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(8) SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	Corporate Centre	FULL	100	100	100	100
	(1) SOCIETE GENERALE, LONDON BRANCH (ex-SG LONDRES)	Financial and Advisory	FULL	100	100	100	100
	STRABUL NOMINEES LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(1) TYNEVOR B.V. (UK BRANCH)	Financial and Advisory	FULL	0	100	0	100
Russian Federation							
	(4) LEASEPLAN RUS LLC	Mobility and Leasing Services	FULL	0	52.59	0	100
Senegal							
	SOCIETE GENERALE SENEGAL	International Retail Banking	FULL	64.45	64.45	64.87	64.87
Serbia							
	AYVENS D.O.O BEOGRAD (ex-ALD AUTOMOTIVE D.O.O BEOGRAD)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Singapore							
	(6) SANFORD C. BERNSTEIN (SINGAPORE) PRIVATE LIMITED	Global Market and Investors Services	FULL	51	0	100	0
	SG MARKETS (SEA) PTE. LTD.	Financial and Advisory	FULL	100	100	100	100

	SG SECURITIES (SINGAPORE) PTE. LTD.	Global Market and Investors Services	FULL	100	100	100	100
	(1) SG SINGAPOUR	Financial and Advisory	FULL	100	100	100	100
	SG TRUST (ASIA) LTD	French Retail and Private Banking	FULL	100	100	100	100
Slovakia							
	ALD AUTOMOTIVE SLOVAKIA S.R.O.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	ESSEX FINANCE S.R.O	International Retail Banking	FULL	80	80	100	100
	INSURANCEPLAN S.R.O.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	(1) KOMERCNI BANKA SLOVAKIA	International Retail Banking	FULL	60.73	60.73	100	100
	LEASEPLAN SLOVAKIA S.R.O.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	(1) SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O. ORGANIZACNA ZLOZKA (SLOVAK REPUBLIC BRANCH)	Mobility and Leasing Services	FULL	80.33	80.33	100	100
Slovenia							
	AYVENS SLOVENIJA D.O.O. (ex-ALD AUTOMOTIVE OPERATIONAL LEASING DOO)	Mobility and Leasing Services	FULL	52.59	52.59	100	100
Sweden							
	ALD AUTOMOTIVE AB	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	(1) BSG FRANCE SA (6) SWEDEN BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	CLAIMS MANAGEMENT SVERIGE AB	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	LEASEPLAN SVERIGE AB	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	NF FLEET AB	Mobility and Leasing Services	FULL	42.07	42.07	80	80
	(1) SOCIETE GENERALE SA BANKFILIAL SVERIGE	Global Market and Investors Services	FULL	100	100	100	100
Switzerland							
	ALD AUTOMOTIVE AG	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	(2) ALL-IN A.G.	Mobility and Leasing Services	FULL	0	52.59	0	100
	LEASEPLAN (SCHWEIZ) A.G.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
	(6) SANFORD C. BERNSTEIN (SCHWEIZ) GMBH	Global Market and Investors Services	FULL	51	0	100	0
	SG EQUIPMENT FINANCE SCHWEIZ AG	Mobility and Leasing Services	FULL	100	100	100	100
	(1) SG ZURICH	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE PRIVATE BANKING (SUISSE) S.A.	French Retail and Private Banking	FULL	100	100	100	100
Taiwan							

(1)	SG SECURITIES (HONG KONG) LIMITED TAIPEI BRANCH	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG TAIPEI	Global Market and Investors Services	FULL	100	100	100	100
Chad							
(4)	SOCIETE GENERALE TCHAD	International Retail Banking	FULL	0	56.91	0	67.92
Thailand							
(2)	SOCIETE GENERALE (THAILAND) LIMITED (ex-SOCIETE GENERALE SECURITIES (THAILAND) LTD.)	Global Market and Investors Services	FULL	0	100	0	100
Togo							
(1)	SOCIETE GENERALE TOGO	International Retail Banking	FULL	93.43	93.43	100	100
Tunisia							
	UNION INTERNATIONALE DE BANQUES	International Retail Banking	FULL	55.1	55.1	52.34	52.34
Turkey							
(5)	ALD AUTOMOTIVE TURIZM TICARET ANONIM SIRKETI	Mobility and Leasing Services	FULL	0	52.59	0	100
	LEASEPLAN OTOMOTIV SERVIS VE TICARET A.S.	Mobility and Leasing Services	FULL	52.59	52.59	100	100
(1)	SG ISTANBUL	Global Market and Investors Services	FULL	100	100	100	100
Ukraine							
	AYVENS UKRAINE LIMITED LIABILITY COMPANY (ex-ALD AUTOMOTIVE UKRAINE LIMITED LIABILITY COMPANY)	Mobility and Leasing Services	FULL	52.59	52.59	100	100

* FULL: Full consolidation - JO: Joint Operation - EJV: Equity (Joint Venture) - ESI: Equity (significant influence) - EFS: Equity For Simplification (Entities controlled by the Group that are consolidated using the equity method for simplification because are not significant).

(1) Branches.

(2) Entities wound up.

(3) Removal from the scope.

(4) Entities sold.

(5) Merged.

(6) Newly consolidated.

(7) The entity Societe Generale carries out activities that contribute to the following segments: French Retail and Private Banking, International Retail Banking, Global Markets and Investor Services, Financial and Advisory and Corporate Centre.

(8) The Corporate Centre mainly gathers the Group's central funding department, the operating real estate holding companies and the asset management of the Group.

NOTE 8.5 - FEES PAID TO STATUTORY AUDITORS

The consolidated accounts of the Societe Generale group are jointly certified by: KPMG S.A., represented by Mr. Guillaume MABILLE and PWC - PricewaterhouseCoopers Audit, represented by Mrs. Emmanuel BENOIST and Ridha BEN CHAMEK.

On a proposal from the Board of Directors and following the recommendation of Societe Generale's Internal Audit and Control Committee (ICAC), the Annual General Meeting of 22 May 2024 decided to appoint the firms KMPG SA and PWC - PricewaterhouseCoopers Audit for a period of six years. Their terms of office will end at the General Assembly approving the 2029 financial statements. As a reminder, the mandates of the firms ERNST & YOUNG and Others, and DELOITTE and Associates expired at this General Meeting without possibility of renewal.

In accordance with the European audit regulations, the ICAC implements a policy for the approval of non-audit services (NAS) provided by the statutory auditors and their networks in order to verify the compliance of the mission with these regulations prior to the start of the engagement.

A summary of the non-audit services (approved or rejected) is presented at each ICAC meeting.

The table below shows the fees charged by KMPG S.A. and PWC - PricewaterhouseCoopers Audit to Societe Generale S.A. and its subsidiaries.

		2024		
		KPMG	PWC	Total
<i>(In EUR m excluded VAT)</i>				
Statutory audit, certification, examination of parent company and consolidated accounts	Issuer	8	6	14
	Fully consolidated subsidiaries	19	18	37
Sub-total Audit		27	24	51
Non-audit services (NAS)	Issuer	4	2	6
	Fully consolidated subsidiaries	2	4	6
Sustainability audit		1	1	2
Total		34	31	65
<i>Including Network</i>		<i>20</i>	<i>20</i>	<i>40</i>

The fees relating to the mandates remaining in 2024 by the previous auditors EY and Deloitte are in the order of EUR 2 million. The fees charged in 2023 are set out below.

		2023		
		Ernst & Young et Autres	Deloitte et Associés	Total
<i>(In EUR m excluded VAT)</i>				
Statutory audit, certification, examination of parent company and consolidated accounts	Issuer *	5	8	13
	Fully consolidated subsidiaries *	15	12	27
Sub-total Audit		20	20	40
Non-audit services (NAS)	Issuer	1	1	2
	Fully consolidated subsidiaries	1	3	4
Total		22	24	46
<i>Including Network</i>		<i>9</i>	<i>14</i>	<i>23</i>

* Amounts restated compared to the published financial statements as at 31 December 2023.

In 2024, non-audit services mainly consist of missions of due diligences in connection with proposed disposals, provision of expertise and benchmarks, internal control reviews in the context of the compliance with ISAE (International Standard on Assurance Engagements) standards and extended audit procedures (agreed upon procedures and complementary audits).

NOTE 9 - INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay 4.9 billion euros in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the bank, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to 4.9 billion euros. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale 1 million euros. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to 4.9 billion euros. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'Etat*) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to call into question the corresponding tax loss carry forwards. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.

- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS") entered into an agreement to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates, including Stanford International Bank Limited. On 21 February 2023, the US Receiver and the Official Stanford Investors Committee ("OSIC") filed a motion in US District Court for the Northern District of Texas seeking approval of the settlement. The settlement provides for the payment by SGPBS of 157 million of American dollars in exchange for the release of all claims. During the 7 June 2023 hearing, the Court granted the US Receiver's motion to approve the settlement. This settlement order was appealed by the Joint Liquidators of Stanford International Bank Limited, appointed by the courts of Antigua (the "Joint Liquidators"). The appeal was finally decided by the U.S. Court of Appeal for the Fifth Circuit on 19 September 2024, granting the Antiguan Joint Liquidators' request to exclude them from the scope of the settlement order's injunction prohibiting further litigation against a Societe Generale group entity. The Fifth Circuit remanded the case to the U.S. District Court for the Northern District of Texas to modify the settlement order accordingly. The settlement amount that SGPBS must pay is fully covered by a provision in the accounts of Societe Generale S.A. following a financial guarantee provided by Societe Generale S.A. to SGPBS. Each of the other defendant banks in this litigation also announced settlements in the first quarter of 2023 with the US Receiver and OSIC resolving their claims. These settlements were reached in advance of a jury trial that had been scheduled to start on 27 February 2023 (which ultimately did not take place).

In the same matter, a pre-contentious claim (*requête en conciliation*) was initiated in Geneva in November 2022 by the Joint Liquidators, representing investors also represented by the US plaintiffs. SGPBS was served with the statement of claim on 20 June 2023 and defends itself against the claims in this proceeding.

- Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate (“the IBOR matter”) and the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter, the Bank responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

In the United States, Societe Generale, along with other financial institutions, was named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale was also named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions, which were pending in the US District Court in Manhattan (the “District Court”), are now definitively terminated.

As to US Dollar Libor, all claims against Societe Generale have now been dismissed. On 12 May 2023, Societe Generale and two other financial institutions entered into a settlement agreement to resolve a proposed class of over-the-counter (OTC) plaintiffs for a combined 90 million of American dollars. On 17 October 2023, the District Court granted final settlement approval. The remaining USD Libor opt out actions have all been voluntarily dismissed as to Societe Generale, in some cases as a condition of settlements.

As to Japanese Yen Libor complaint brought by purchasers of Euroyen over-the-counter derivative products, plaintiffs and Societe Generale entered into a settlement agreement on 16 February 2024 to put a final end to this matter. The settlement received final approval from the Court on 18 June 2024. This order is now final, and the litigation is concluded. In the other action related to Japanese Yen Libor, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange, the District Court granted on 25 September 2020 defendants’ motion for judgment on the pleadings and dismissed plaintiff’s remaining claims. Plaintiff appealed to the Second Circuit. On 18 October 2022, as amended on 8 December 2022, the Second Circuit affirmed the District Court’s dismissal of plaintiff’s claims. On 2 October 2023, the U.S. Supreme Court denied a petition filed by plaintiff that sought review of the Second Circuit’s ruling. As a result, the action is now concluded.

As to Euribor, Societe Generale and plaintiffs entered into a settlement agreement to put an end to this class action, which was finally approved by the District Court on 31 October 2023. As a result, this action is now concluded.

In Argentina, Societe Generale, along with other financial institutions, was named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concerned violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Plaintiff has finally decided, on its own initiative, to discontinue its action against Societe Generale.

- On 10 December 2012, the French Supreme Administrative Court (*Conseil d’Etat*) rendered two decisions ruling that the “*précompte* tax” which used to be levied on corporations in France does not comply with EU law and defining a methodology for the reimbursement of the amounts levied by the tax authorities. The procedure defined by the French Supreme Administrative Court nevertheless considerably reduces the amount to be reimbursed. However, Societe Generale purchased in 2005 the “*précompte* tax” claims of two companies (Rhodia and Suez, now Engie) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts.

Several French companies applied to the European Commission, which considered that the decisions handed down by the *Conseil d’Etat* on 10 December 2012, which were supposed to implement a judgment of European Union Court of Justice (EUCJ) on 15 September 2011, breached a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by referring the matter to the EUCJ on 8 December 2016. The EUCJ rendered its judgement on 4 October 2018 and sentenced France on the basis that the *Conseil d’Etat* disregarded the tax on EU sub-subsidiaries in order to secure the *précompte* paid erroneously and failed to raise a preliminary question before the EUCJ. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the

competent courts and the tax authorities. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Engie on our 2002 and 2003 Suez claims and ordered a financial enforcement in our favour. The Court held that the advance payment (“*précompte*”) did not comply with the Parent-Subsidiary Directive. Further to proceedings brought before the *Conseil d’Etat*, the latter ruled that a question should be raised before the EUCJ in order to obtain a preliminary ruling on this issue. The EUCJ has confirmed on 12 May 2022 that the *précompte* did not comply with the Parent-Subsidiary Directive. The *Conseil d’Etat*, by an Engie judgment of 30 June 2023 took note of this incompatibility and confirmed the decision held by the Administrative Court of Appeal of Versailles with respect to the 2002 year, but referred the examination of the 2003 year to this same Court, which confirmed on 9 January 2024 the partial relief granted by the administration in the course of the proceedings. Societe Generale lodged an appeal that was not admitted by the Conseil d’Etat by a decision of 23 December 2024 definitively putting a definitive end to the litigation relating to the 2002 and 2003 claims. In parallel, a compensation litigation in relation to the Rhodia claim and the Suez claims relating to the 1999 and 2001 financial years was brought in March 2023 before the European Commission and the Paris Administrative Court of Appeal.

- Societe Generale, along with other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for 50 million of American dollars. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale’s share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called “CumEx” patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.

- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called “feeder funds” that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately 150 million of American dollars from the Societe Generale entities. The Societe Generale entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees’ petition for a writ of certiorari. The case is now before the Bankruptcy Court for further proceedings. The Societe Generale defendants filed a motion to dismiss on 29 April 2022. The motion was denied by order dated 7 October 2022. Discovery is proceeding.

- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss. By order entered 30 March 2023, the court granted Societe Generale's motion to dismiss. Plaintiffs have appealed. On 7 January 2025, the Court of Appeals for the Second Circuit affirmed the lower court's dismissal of this action.
- On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in a similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss the amended complaint on 19 March 2021, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss, which was granted by the court on 23 January 2023. On 7 January 2025, the Court of Appeals for the Second Circuit affirmed the lower court's dismissal of this action.

On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The case was stayed pending developments in Pujol I. At the parties' request, following dismissal of Pujol I, the court lifted the stay on Pujol II and entered an order dismissing the case for the same reasons it dismissed Pujol I. Plaintiff has appealed. The 7 January 2025 decision by the Second Circuit also applies to Pujol II.

- In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or CHF-indexed loans issued by Euro Bank. The reserve in this matter in Societe Generale SA's accounts takes into consideration the increase in the number of court cases regarding the loans subject of the sale and the substance of the decisions handed down by Polish courts.
- Like other financial institutions, Societe Generale is subject to audits by the tax authorities regarding its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017 to 2022 audited years are subject to notifications of proposals of tax adjustments in respect of the application of a withholding tax. These proposals are contested by the Group. Given the significance of the matter, on 30 March 2023, the French Banking Federation has brought proceedings against the tax administration's doctrine. In this respect, on 8 December 2023, the French *Conseil d'Etat* ruled that the tax authorities may not extend the dividend withholding tax beyond its statutory scope, except if taxpayers engaged in an abusive behavior ("*abus de droit*"), thereby characterising the tax administration's position based on the concept of beneficial owner as illegal. French tax authorities are now focused on the abuse of law doctrine as a legal basis for the reassessed years and should, as a principle, perform a transaction per transaction analysis. In addition, further to raids conducted by the "*parquet national financier*" at the end of March 2023 at the premises of five banks in Paris, among which Societe Generale, the latter has been informed that it was subject to a preliminary investigation pertaining to the same issue. Societe Generale is defending the action.
- On 19 August 2022, a Russian fertiliser company, EuroChem North West-2 ("EuroChem"), a wholly owned subsidiary of EuroChem AG, filed a claim against Societe Generale S.A. and its Milan branch ("Societe Generale") before English courts. This claim relates to five on-demand bonds that

Societe Generale issued to EuroChem in connection with a construction project in Kingisepp, Russia. On 4 August 2022, EuroChem made demands under the guarantees. Societe Generale explained it was unable to honour the claims due to international sanctions directly impacting the transactions, an assessment which EuroChem disputes. Societe Generale filed its defence submissions on 1 November 2022, to which EuroChem replied on 19 December 2022. Procedural timetables were notably discussed during several procedural hearings. As things currently stand, the trial (if any) is expected to take place in June 2025.

- SG Americas Securities, LLC (“SGAS”) received a request for information in December 2022 from the US Securities and Exchange Commission (“SEC”) focused on compliance with record-keeping requirements in connection with business-related communications on messaging platforms that were not approved by the firm. On 28 March 2023, SGAS and Societe Generale received a similar request from the US Commodity Futures Trading Commission (“CFTC”). These inquiries follow a number of regulatory settlements in 2022 with other firms covering similar matters. SGAS reached a settlement with the SEC, announced on 8 August 2023, and agreed to pay a penalty of 35 million of American dollars, take certain remedial actions, and engage an independent compliance consultant. Societe Generale and SGAS reached a settlement with the CFTC, also announced on August 8, 2023, and agreed to pay a penalty of 75 million of American dollars and take certain remedial actions.

NOTE 10 - RISK MANAGEMENT LINKED WITH FINANCIAL INSTRUMENTS

This note presents the risks associated with financial instruments and how the Group manages them.

NOTE 10.1 - RISK MANAGEMENT

Risk management is one of the foundations of the banking business and Societe Generale group pays particular attention to it. Societe Generale Group has a robust organisation to manage all the risks to which it is exposed. It is based on three lines of defence and on the dissemination of a risk culture at all levels, in all geographies and in all business lines.

The risk management, which is managed at the highest level, is carried out in compliance with the regulations in force, in particular the order of 3 November 2014 revised by the order of 25 February 2021 on the internal control of companies in the banking sector, payment services and investment services sector subject to the supervision of the French Prudential Supervisory and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) and the finalised European Basel 3 Regulations (Capital Requirements Regulation/Capital Requirements Directive – CRR/CRD).

Risk management organisation and risks internal control.

The Board of Directors and General Management ensure a well-defined division of labor within the Group and the definition and implementation of an effective risk management framework. The Group is organised according to a three-line model of defence, with responsibilities defined and separated in accordance with applicable regulations and guidelines as well as industry best practices.

- **First Line of Defence (LoD1): Risk monitoring within the business lines**

The business lines (the Group BUs and SUs), which are the first line of defence, take risks and are responsible for their operational management directly and permanently. The BUs and SUs are primarily responsible for risk assessment, control and supervision within their respective scopes and have appropriate processes and controls in place to ensure that risks are kept within the limits of the risk appetite and that business activities are in line with external and internal requirements.

The Support Units (SU)

The Finance Department (DFIN) coordinates the Finance Management Function and is responsible for the Group's financial management, oversight and production. DFIN also ensures that performance indicators and financial information are given a coherent overview.

The Group General Secretariat (SEGL) has the mission within its areas of competence to protect the bank in order to promote its development. It assists the General Management on the subject of the Group's governance. In addition it manages the Group's overall security, together with the GCOO Service Unit in respect of IT systems security, of information systems and designs and implements the risk insurance policy for the entire Group and its staff. It oversees public affairs and institutional relations/advocacy initiatives within the Societe Generale group.

The Group Human Resources Division (HRCO) is responsible for defining and implementing the Group's Human Capital policy in line with the Group's overall strategy. HRCO is responsible for the management and supervision of Societe Generale's entire Human Resources (HR) sector. As a partner of the business lines and it is a key player in the Group's transformation.

The Group Chief Operating Office (GCOO) manages the Group's resources, supports the digital transformation and contributes to the development of the Group's operational efficiency.

The Sustainable Development Division which reports to the General Management, assists the Deputy Chief Executive Officer in charge of the whole ESG policies and their effective translation into the business lines and functions trajectories. It supports the Group ESG transformation to make it a major competitive advantage, in the business development as well as in the ESG (Environmental & Social & Governance) risks management.

- **Second Lines of Defence (LoD2): the Risk Division and the Compliance Division are the bank's second line of defense.**
 - The Risk Division (RISQ): Mission of the Risk Management Function

The main mission of the RISQ Management Department (RISQ) is to contribute to the definition of the strategy and the sustainable development of the Societe Generale Group's activities and profitability. To this end, the Risk Management Function (i) proposes to the General Management and the Board of Directors, and with the contribution of the Finance Department, the Group's risk appetite based on its independent analysis of all existing and potential risks; (ii) is involved in all important risk management decisions through an effective challenge; (iii) defines, implements, and monitors the effectiveness of an holistic, relevant and robust risk management framework, validated by the Board of Directors, to ensure the compliance with risk appetite and to provide the General Management and the Board of Directors with an independent analysis and advice on group-wide and holistic view of all the existing and forecasted risks the Group is facing; (iv) proposes adjustment and corrective measures, if necessary.

In particular, the Risk Management Function, as an independent second line of defence, contributes to the establishment of a risk culture by reporting a holistic view of risks and how they are managed, and ensuring that Business Units and Services Units are aware of their risks and the risk appetite in which they must operate.

The Risk Division is under the supervision of the Group Chief Executive Officer.

- The Compliance Division (CPLE): Compliance Function mandate

According to EBA's guidelines on internal governance and French regulation, the non-compliance risk is defined as being the risk of judicial, administrative or disciplinary sanctions, significant financial loss or reputational damage resulting from non-compliance with provisions specific to banking and financial sectors. Its main missions are to i) ensure that all risks of non-compliance are identified and that the Group complies with all regulatory and supervisory obligations, ii) assess the impact of regulatory and legal changes on the Group's activities and the compliance framework, iii) advise and inform the General Management and the Board of Directors on the risks of non-compliance.

- **The third line of defense (LoD3)** is provided by the General Inspection & Audit Division (IGAD), which includes Internal Audit and General Inspection. Strictly independent from the business lines as well as permanent control, it carries out a periodic control mission.

Comitology of risk management

The governance of risk management is ensured in particular through committees that are requested by two main bodies at the highest level of the Group: the Board of Directors and the General Management

Non-executive Governance – The dedicated bodies of the Board of Directors

- **The Board of Directors** approves the policies implemented by the control functions (risk appetite, compliance policy, audit charter, audit plan, etc.). It approves the overall strategy and appetite for management of all kinds of risks and monitors their implementation. To this end, it shall approve and regularly review strategies and policies governing the taking, management, monitoring and reduction of risks to which the Group is or may be exposed. The Board is also informed through the Risk Committee on the main risks incurred by the business and significant incidents revealed by the internal control and risk management systems. It ensures the effectiveness of the corrective measures taken in the event of failures.
- **The Risk Committee (CdR)** advises the Board of Directors on the overall strategy and the appetite regarding all kinds of risks, to which the bank is or is likely to be exposed, and assists the Board in monitoring the implementation of this strategy.

- **The Board of Directors' Audit and Internal Control Committee (CACI)** ensures the proper functioning of the internal risk control systems.

Executive Governance – Committee chaired by General Management (DGLE)

The Executive Committee (ExCo)

In terms of risk management, bank's executive committee, is responsible for assisting the General Management in ensuring that the Group has an efficient risks management framework in place and for supervising and monitoring this. This committee validates the Risk Appetite Statement (RAS) before submitting it to the Societe Generale Board of Directors.

Chaired by the General Management, the Committees responsible for central oversight of internal control and risk management are as follows:

- **The Group Risk Committee** (Group CORISQ), aims to validate the Group's main cross-cutting risk management tools, in particular the Group's risk taxonomy, risk identification, risk appetite framework (RAF) and stress testing. It is also in charge of developing risk appetite for credit, counterparty, market, operational, model, ESG ⁽¹⁾ and Country risk factors within the group's business lines.
- Along with the Risks Committee, **the Large Exposures Committee (CGR)**, is an ad hoc Committee, responsible for approving the sales and marketing strategy and risk appetite with regard to the major client groups (Corporates, Insurance Companies and Asset Managers).
- **The Finance Group Committee (COFI)**, is responsible for Societe Generale Group's financial strategy and for steering Societe Generale Group's strategic financial targets.
- **The Group Assets and Liabilities Management Committee (ALCO)**, is responsible for the management of SG Group's structural risks.
- **The Group Provisions Committee (COPRO)**, aims to present and validate the Group's net cost of risk (impairment and provisions for credit risk) that will be recorded for the quarter in question.
- **The Group Internal Control Coordination Committee (CCCIG)** ensures the consistency and effectiveness of the Group's internal control, in particular in response to the obligation set out in Art. 16 of the amended French Order of 3 November 2014.
- **The Responsible Commitments Committee (CORESP)**, deals with any subject falling within the Group's responsibility in Environmental and Social matters, or any other subject having an impact on the Group's responsibility or reputation and not already covered by an existing Executive Management Committee.
- **The Compliance Committee (COMCO)**, reviews the risks of non-compliance, the main issues and defines the Group's compliance principles and ensures the annual monitoring of the quality of the Sanctions & Embargoes risk management system.

(1) *Environmental, Social and Governance.*

NOTE 10.2 - CAPITAL MANAGEMENT AND ADEQUACY

1. THE REGULATORY FRAMEWORK

Since January 2014, Societe Generale has been applying the new Basel 3 regulation implemented in the European Union through a regulation and a directive (CRR and CRD respectively).

The general framework defined by Basel 3 is based on three pillars:

- Pillar 1 sets out minimum solvency, leverage and liquidity requirements and sets out the rules that banks must use to measure risks and calculate the resulting capital requirements, according to standard or more advanced methods;
- Pillar 2 concerns the discretionary supervision implemented by the competent supervisory authority, which allows it – through constant dialogue with the credit institutions it supervises – to assess the capital adequacy calculated in accordance with Pillar 1 and to calibrate additional capital requirements taking into account all the risks faced by these institutions;
- Pillar 3 promotes market discipline by developing a set of reporting requirements, both quantitative and qualitative, that enable market participants to better assess the capital, risk exposure, risk assessment procedures and hence the capital adequacy of a given institution.

Several amendments to the European regulatory standards were adopted in May 2019 (CRR2/CRD5). The majority of the provisions came into force in June 2021.

The amendments concern in particular the following items:

- Leverage ratio: the minimum requirement of 3% to which is added since January 2023, 50% of the buffer required as a systemic institution.
- Derivatives counterparty risk (SA-CCR⁽²⁾): the “SA-CCR” method is the Basel method replacing the old CEM⁽³⁾ method for determining the prudential exposure to derivatives in the standardised approach.
- Large Exposure: the main change is the calculation of the regulatory limit (25%) on Tier 1 capital (instead of total capital), as well as the introduction of a specific cross-limit on systemic institutions (15%).
- TLAC: the ratio requirement for G-SIBs is introduced in CRR. In accordance with to the Basel text, G-SIBs must comply with an amount of capital and eligible debts equal to the highest between 18% + risk-weighted assets buffers and 6.75% leverage from 2022.

In December 2017, the Group of Central Bank Governors and Heads of Banking Supervision (GHOS), which oversees the Basel Committee on Banking Supervision, approved regulatory reforms to complement Basel 3.

The transposition into European law of the finalisation of Basel 3 in the CRR3 and CRD6 texts was completed through publication in the EU Official Journal in June 2024. The new rules will be applicable mainly from 1 January 2025.

One of the main novelties is the introduction of a global output floor: the Group’s Risk-Weighted Assets (RWA) will be subject to a floor corresponding to a percentage of the standard method (credit, market and operational). The output floor level will gradually increase from 50% in 2025 to 72.5% in 2030.

(2) *Standardised Approach to Counterparty Credit Risk*

(3) *Current Exposure Method*

Regarding FRTB, for the Standard Approach (SA-Standard Approach), the reporting has been effective since the third quarter of 2021. The full implementation of FRTB, including the rules on the boundary between the banking and trading book, should be aligned with the entry into force of CRR3. Nevertheless, the European legislators reserve the right to postpone this application (up to 2 years) depending on how it is applied in other jurisdictions (in particular in the US).

2. CAPITAL MANAGEMENT

As part of its capital management, the Group ensures, under the guidance of the Finance Department and the control of the Risk Department, that its solvency level is always compatible with the following objectives:

- maintaining its financial strength while respecting risk appetite;
- preservation of its financial flexibility to finance its internal and external development;
- appropriate allocation of capital between its various business lines in accordance with the Group's strategic objectives;
- maintaining the Group's resilience in the event of stress scenarios;
- meeting the expectations of its various stakeholders: supervisors, debt and capital investors, rating agencies and shareholders.

The Group therefore determines its internal solvency target, in accordance with these objectives and compliance with regulatory thresholds.

The Group has an internal capital adequacy assessment process that measures and explains changes in the Group's capital ratios over time, taking into account future regulatory constraints where appropriate.

NOTE 10.3 - CREDIT RISK

DEFINITION

Credit risk is to the risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments.

Credit risk may be further amplified by individual, country or sector concentration risk. It includes:

- debtor risk;
- underwriting risk.

1. GENERAL PRINCIPLES AND GOVERNANCE

1.1 GENERAL PRINCIPLES

Business Units and entities translate the principles laid out in this section as necessary into credit policies, which must comply with all the following rules:

- The credit policy that defines lending criteria and, usually, limits on risk-taking by sector, type of loan, country/geographic area or by customer/customer segment. These rules are defined in particular by the CORISQ and Credit Risk Committees (CRCs) and drawn up in consultation with the Business Units concerned.
- The credit policy is in line with the Group's risk management strategy in accordance with its risk appetite validated by the Board of Directors.
- Credit policies are based on the principle that any commitment involving credit risks depends on:
 - in-depth knowledge of the customer and its business;
 - an understanding of the purpose and nature of the transaction structure as well as sources of income that will generate fund repayment;
 - the adequacy of the transaction structure, in order to minimise the risk of loss in the event of counterparty default.
- The analysis and the validation of the files, involving respectively and independently the responsibility of the Primary Customer Responsibility Unit (PCRU-SSC) and the dedicated risk units within the risk management function. In order to ensure a consistent approach in the Group's risk-taking, this PCRU-SSC and/or risk unit reviews all applications for authorisation relating to a given customer or category of customers (except in the case of credit delegations granted by the PCRU-SSC and RISQ to certain Societe Generale entities), the monitoring being conducted on a consolidated customer basis for all these authorisations. The PCRU-SSC and risk unit must operate independently of each other.
- The allocation of a rating or a score, which is a key criterion of the granting policy on the non-retail perimeter. These ratings are validated by the dedicated risk unit. Particular attention is paid to the regular review of these ratings. On retail perimeter, cf infra "Specificities of retail portfolios".
- On the non-retail perimeter, a delegation of authority regime, mainly based on the internal rating of counterparties, provides decision-making authority on the risk units on one hand and the PCRU-SSC on the other.
- Proactive management and monitoring of counterparties whose situation has deteriorated to contain the risk of loss given a default of a counterparty.

Risk Appetite Statement

Credit risk is framed through a set of limits that reflect the Group's risk appetite.

The appetite for credit risk is tracked through credit principles, policies and limits alongside pricing policies, at the group, business unit and business line level:

- The projected level of the net cost of risk in the bank's budget and in the strategic and financial plans over a minimum three-year horizon, based on the central and stressed scenarios. In this regard,

special attention is paid to concentration risk and the Societe Generale Group regularly assesses portfolio risk in stress scenarios.

- An acceptable level of coverage of credit loss risk per interest margin product, through pricing policies that are differentiated in relation to the degree of risk.

1.2 GOVERNANCE

As part of the quarterly reporting to the Board of Directors and the Risk Committee of the Board of Directors, an overview of the main credit risk metrics supplemented by details on thresholds and limits where applicable is presented. The following metrics are in particular the subject of a presentation with a quarterly history: net cost of risk, NPL rate (non-performing loans), coverage rate, average credit quality of portfolios, corporate outstanding placed under surveillance (watchlist), supervision of corporate exposures by sector of activity, *Grands Risques Réglementaires* (major regulatory risk exposures), etc.

A monthly report to the Risk Committee of the Board of Directors also provides additional information that involves an overview of the exposure down to a Business Unit/Entity level or more granular level of financing activities. A summary of the CORISQ by theme is also presented, providing recurring details on retail and non-retail perimeters and activities, and on sectoral limits and country risks.

As part of the monthly CORISQ report to the General Management, a summary of the main credit files is presented. Thematic presentations also provide recurring clarifications on certain perimeters and activities.

1.3 SPECIFICITIES OF INDIVIDUAL AND PROFESSIONAL PORTFOLIOS (RETAIL)

Individual and professional portfolio (retail portfolio) have specific features in terms of risk management. This management is based in particular on a statistical approach and on the use of tools and methods in the industrialisation of processes.

STATISTICAL APPROACH

The retail portfolio is made up of a sum of exposures of low unit amounts, validated in a partially automated manner, which cumulatively constitute significant outstanding at Group level and therefore a high level of risk.

Given the high number and standardisation of retail clients commitments, there is a need for aggregated monitoring at all levels of the Risk function in charge of credit risk. This mass monitoring of retail customer exposure is based on the use of a statistical risk approach and monitoring by homogeneous risk class or according to other relevant axes (economic sectors for the Professionals for instance).

Under these circumstances, the risk monitoring system for the Retail portfolio cannot be totally similar to that dedicated to corporates, both in terms of procedures and tools.

For instance, any change in marketing policy (shortening probationary period on loyalty, delegation of lending decisions to brokers, increase in margin rates, etc.) can have a rapid and massive impact and must therefore be monitored in a system that allows all actors (i) to identify as soon as possible where any deterioration in exposures is coming from and (ii) to take remedial action.

Although IFRS 9 standard authorises a collective approach and the Group has a statistical approach on retail customers for the evaluation of the expected loss, the increase in credit risk for the purposes of the staging is identified on an individual basis for this clientele. The available parameters (operation of accounts and late payments) generally allow for the assessment of the significant increase in credit risk at the level of individual exposure. The collective approach is currently used only in a very small number of instances in the Group.

IMPORTANCE OF TOOLS AND METHODS IN THE INDUSTRIALISATION OF PROCESSES

The Risk management function must also support Business Units and subsidiary managers in managing their risks with a view to assessing:

- the effectiveness of credit policies;
- the quality of the portfolio and its development over the entire life of exposures (from granting to recovery).

Risk Department structures its supervision around the following four processes:

- **Granting:** this decision-making process is mainly automated depending on the nature and complexity of the transactions, and hence the associated risk.
- **Monitoring:** different entities use different systems for granting and managing retail risks systems (scoring, expert systems, rules, etc.) and an appropriate monitoring system must be in place for each to assess the appropriateness of the grant rules applied (notably via monitoring).
- **Recovery:** recovery is an essential step in the life cycle of Retail portfolio credits and makes a decisive contribution to our control of cost of risk. Regardless of the organisation adopted (outsourcing, in-house collection, etc.), the establishment of an effective collection process in place is an essential element of good risk management. It makes a decisive contribution to controlling the cost of risk and limiting the level of our non-performing loans. In case of outsourced debt collection, it must comply with the Group's regulations governing outsourcing.
- **Provisioning:** impairment and provisions against the retail portfolio are mostly evaluated in a statistical way. They are calculated according to the methodologies and governance methods defined and validated by the Risk Department.

2. METHODOLOGY AND MEASUREMENT ELEMENTS

Since 2007, Societe Generale has been authorised by its supervisory authorities to apply, for the majority of its exposures, the internal method (Internal Rating Based method – IRB) to calculate the regulatory capital required for credit risk.

The remaining exposures subject to the Standard approach mainly concern the retail and SME portfolios of the International Retail Banking activities. For exposures processed under the standard method excluding retail customers, the Group mainly uses ratings from the Standard & Poor's, Moody's and Fitch rating agencies and the Banque de France. In the event that several ratings are available for a third party, the second-best rating is applied.

2.1 GENERAL FRAMEWORK OF THE INTERNAL APPROACH

To calculate its capital requirements under the IRB (Internal Rating Based) method, Societe Generale estimates the Risk-Weighted Assets (RWA) and the Expected Loss (EL) based on the nature of the transaction, the quality of the counterparty (via internal rating) and any measures taken to mitigate risk.

The calculation of RWA is based on the Basel parameters, which are estimated from the internal risk measurement system:

- the Exposure at Default (EAD) value is defined as the Group's exposure in the event that the counterparty should default. The EAD includes exposures recorded on the balance sheet (such as loans, receivables, accrued income, etc.), and a proportion of off-balance sheet exposures calculated using internal or regulatory Credit Conversion Factors (CCF);
- the Probability of Default (PD): the probability that a counterparty will default within one year;
- the Loss Given Default (LGD): the ratio between the loss on an exposure in the event a counterparty defaults and the amount of the exposure at the time of the default.

The estimation of these parameters is based on a quantitative evaluation system which is sometimes supplemented by expert or business judgment.

In addition, a set of procedures defines the rules relating to ratings (scope, frequency of review, approval procedure, etc.) and model life cycle.

The Group also takes into account:

- the impact of guarantees and credit derivatives, where applicable by substituting the PD, the LGD and the risk-weighting calculation of the guarantor for that of the obligor (the exposure is thus considered to be a direct exposure to the guarantor) in the event that the guarantor's risk weighting is more favorable than that of the obligor;
- collateral used (physical or financial) taken into account via the LGD level.

Societe Generale can also apply an IRB Foundation approach (where only the PD parameter is estimated by the Bank, while the LGD and CCF parameters being set by the supervisor) to some specialised lending exposures, booked in subsidiaries such as Franfinance Location, Sogelease and Star Lease, or when mandatory required by regulation.

Moreover, the Group has authorisation from the supervisor to use the IAA (Internal Assessment Approach) method to calculate the regulatory capital requirement for ABCP (Asset-Backed Commercial Paper) securitisation.

In addition to the capital requirement calculation under the IRBA method, the Group's credit risk measurement models contribute to the management of the Group's activities. They also constitute tools to structure, price and approve transactions and contribute to the setting of approval limits granted to business lines and the Risk function.

2.2 CLIMATE RISK - MEASURING SENSITIVITY TO TRANSITION RISK

Transition risk's impact on Societe Genrale Corporate clients' credit risk has been identified as one of the main climate change-related risk for the Group.

To measure this impact, the Group has gradually integrated a Corporate Climate Vulnerability Indicator (CCVI), which is based on an Industry Climate Vulnerability Indicator (ICVI) concerning credit risk assessments carried out on customers for whom a credit risk rating is carried out, excluding Financial Institutions.

The ICVI score reflects the vulnerability to climate change of the companies that are least advanced on climate strategies in each business sector. The CCVI depends on the ICVI and the answers to a company climate questionnaire assessing the climate strategy of each company.

3. CREDIT RISK HEDGING

3.1 GUARANTEES AND COLLATERAL

The Group uses credit risk mitigation techniques for both market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

There are two main categories:

- Personal guarantees are commitments made by a third party to replace the primary debtor in the event of the latter's default. These guarantees encompass the protection commitments and mechanisms provided by banks and similar credit institutions, specialised institutions such as mortgage guarantors, monoline or multiline insurers, export credit agencies, states in the context of the health crisis linked to Covid-19 and consequences of Ukraine conflict, etc. By extension, credit insurance and credit derivatives (purchase of protection) also belong to this category.
- Collateral may consist of physical assets in the form of personal or real property, commodities or precious metals, as well as financial instruments such as cash, high-quality investments and securities, and also insurance policies.

Appropriate haircuts are applied to the value of collateral, reflecting its quality and liquidity.

In order to reduce its risk-taking, the Group is pursuing active management of its securities, in particular by diversifying them: physical collateral, personal guarantees and other collateral (including credit derivatives).

For information, the mortgage loans of retail customers in France benefit overwhelmingly from a guarantee provided by the financing company *Crédit Logement*, ensuring the payment of the mortgage to the bank in the event of default by the borrower (under conditions of compliance with the terms of collateral call defined by *Crédit Logement*).

During the credit approval process, an assessment is performed on the value of guarantees and collateral, their legal enforceability and the guarantor's ability to meet its obligations. This process also ensures that the collateral or guarantee successfully meets the criteria set forth in the Capital Requirements Directive (CRD) and in the Capital Requirements Regulation (CRR).

The guarantors are subject to an internal rating updated at least annually. Regarding collateral, regular revaluations are made based on an estimated disposal value composed of the market value of the asset and, in some cases, a discount. The market value corresponds to the value at which the good should be exchanged on the date of the valuation under conditions of normal competition. It is preferably obtained based on comparable assets, failing this by any other method deemed relevant (example: value in use). This value is subject to haircuts depending on the quality of the collateral and the liquidity conditions.

Regarding collateral used for credit risk mitigation and eligible for the RWA calculation, it should be noted that 95% of guarantors are investment grade. These guarantees are mainly provided by *Crédit Logement*, export credit agencies, the French State (within the "*Prêts Garantis par l'Etat*" framework of the loans guaranteed by the French State) and insurance companies.

In accordance with the requirements of European Regulation No. 575/2013 (CRR), the Group applies minimum collateralisation frequencies for all collateral held in the context of commitments granted (financial collateral, commercial real estate, residential real estate, other security interests, leasing guarantees).

More frequent valuations must be carried out in the event of a significant change in the market concerned, the default or litigation of the counterparty or at the request of the risk management function.

In addition, the effectiveness of credit risk hedging policies is monitored as part of the assessment of losses in case of default (Loss Given Default – LGD).

It is the responsibility of the risk management function to validate the operational procedures put in place by the business lines for the periodic valuation of collateral (guarantees and collateral), whether automatic valuations or on an expert opinion and whether during the credit decision for a new financing or during the annual renewal of the credit file.

The amount of guarantees and collateral is capped at the amount of outstanding loans less impairment, *i.e.* EUR 365.1 billion as at 31 December 2024 (compared with EUR 374.2 billion as at 31 December 2023), of which EUR 144.8 billion for retail customers and EUR 220.3 billion for other types of counterparties (compared with EUR 152.8 billion and EUR 221.4 billion as at 31 December 2023, respectively).

The outstanding loans covered by these guarantees and collateral correspond mainly to loans and receivables at amortised cost, which amounted to EUR 277.6 billion as at 31 December 2024, and to off-balance sheet commitments, which amounted to EUR 78.4 billion (compared with EUR 290.6 billion and EUR 74.4 billion as at 31 December 2023 respectively).

The amounts of guarantees and collateral received for performing outstanding loans (Stage 1) and under-performing loans (Stage 2) with payments past due amounted to EUR 3.7 billion as at 31 December 2024 (EUR 3.8 billion as at 31 December 2023), including EUR 1.7 billion on retail customers and EUR 2 billion on other types of counterparties (versus EUR 1.2 billion and EUR 2.6 billion as at 31 December 2023 respectively).

The amount of guarantees and collateral received for non-performing outstanding loans as at 31 December 2024 amounted to EUR 5.6 billion (compared with EUR 5.6 billion as at 31 December 2023), of which EUR 1.4 billion on retail customers and EUR 4.2 billion on other types of counterparties (compared with EUR 1.5 billion and EUR 4.1 billion respectively as at 31 December 2023). These amounts are capped at the amount of outstanding.

3.2 USE OF CREDIT DERIVATIVES TO MANAGE CORPORATE CONCENTRATION RISK

The Group may use credit derivatives, in the management of its Corporate credit portfolio, primarily to reduce individual, sector and geographic concentrations and to implement a proactive risk and capital management approach.

Housed in the Corporate and Investment Banking arm, the capital management team of Capital and Liquidity Solutions (CLS) team works in close conjunction with the Risk Department and the businesses to reduce excessive portfolio concentrations, react quickly to any deterioration in the creditworthiness of a particular counterparty and recommend actions to improve the capital allocation. CLS is part of the Credit Portfolio Management department responsible for managing and optimising the asset portfolio of the Corporate and Investment Banking division, for monitoring performance and managing the scarce resources in the credit and loan portfolio.

Total outstanding purchases of protection through Corporate credit derivatives slightly decreases at EUR 1.8 billion in nominal terms and a corresponding fair value of EUR -6.4 million at the end of December 2024 (compared to EUR 2.3 million in nominal terms at the end of December 2023). New operations have mainly been performed to reduce concentration risk (EUR 1.2 billion in nominal) and to a lower extend improve capital allocation (EUR 0.6 billion in nominal).

Over 2024, the credit default swaps (CDS) spreads of European investment grade issues (Itraxx index) experienced a significant change around an annual average of 56 bps (compared to 78 bps in 2023). The overall sensitivity of the portfolio (Price Value of a Basis Point) is slightly diminishing.

The protection purchases are mostly made against European clearing houses, and all against counterparties with "Investment Grade" ratings (rating at least equal to BBB-).

Moreover, the amounts recognised as assets (EUR 0.7 billion as at 31 December 2024 versus EUR 2 billion as at 31 December 2023) and liabilities (EUR 0.9 billion as at 31 December 2024 versus EUR 1 billion as at 31 December 2023) correspond to the fair value of credit derivatives mainly held under a trading activity.

3.3 CREDIT INSURANCE

The Group has developed relationships with private insurers over the last several years to hedge some of its loans against commercial and political non-payment risks.

This activity is performed within a risk framework and monitoring system approved by the Group's General Management. The system is based on an overall limit for the activity, along with sub-limits by maturity, and individual limits for each insurance counterparty, the latter being furthermore required to meet strict eligibility criteria. There is also a limit for insured transactions in Non-Investment Grade countries.

4. RESTRUCTURED DEBT/FORBORNE DEBT

For the Societe Generale group, "restructured/forborne" debt refers either to loans with amounts, terms or financial conditions contractually modified or which have been partially or totally refinanced due to the borrower's financial difficulties (whether these financial difficulties have already occurred or will definitely occur unless the debt is restructured). Societe Generale aligns its definition of restructured loans with the EBA one.

Restructured debt does not include commercial renegotiations involving customers for whom the Bank has agreed to renegotiate the debt in order to maintain or develop a business relationship, in accordance with credit approval rules and without any financial difficulties.

Any situation leading to a debt restructuring and involving a loss of value greater than 1% of the original debt or in which the customer's ability to repay the debt according to the new schedule appears compromised must result in the classification of the customer concerned in default, and the classification of outstandings as impaired, in accordance with the EBA directives on the application of the definition of default according to Article 178 of European Regulation No. 575/2013. In this case, customers are kept in default as long as the Bank is uncertain about their ability to honor their future commitments and at least for one year from the date of the restructuring. In other cases, an analysis of the customer's economic and financial situation makes it possible to estimate his ability to repay according to the new

schedule. If this ability is proved, the client can be remained non-defaulted status. Otherwise, the customer is also transferred to default.

The total balance sheet amount of restructured debt as on 31 December 2024 mainly corresponds to loans and receivables at amortised cost for an amount of EUR 7.2 billion.

NOTE 10.4 - COUNTERPARTY RISK

DEFINITION

The Counterparty Credit Risk (CCR) is the risk that a counterparty to which Societe Generale Group has market transactions (derivative and/or repo) related exposures ⁽⁴⁾ defaults or that the credit quality deteriorates.

CCR is therefore a multidimensional risk, crossing credit and market risks, in the sense that the future value of the exposure to a counterparty and its credit quality are uncertain and variable over time (credit component), both being affected by changes in market parameters (market component).

CCR can be broken down into:

- Default risk: this is the replacement risk to which Societe Generale Group is exposed if a counterparty fails to meet its payment obligations. In this case, the Group must replace the transaction following the default of the counterparty. Potentially, this must be done in stressed market conditions, with reduced liquidity and sometimes even facing Wrong-Way Risk (WWR).
- Credit Valuation Adjustment (CVA) risk: this is the variability of the counterparty risk value adjustment, which is the market value of the CCR for derivatives and repos, i.e. an adjustment made to the transaction price to take account of the credit quality of the counterparty. It is measured as the difference between the price of a contract with a risk-free counterparty and the price of the same contract taking into account the default risk of the counterparty.
- Risk on clearing activities with Central Counterparties (CCP) : this relates to the potential default of another clearing member of the central clearing house, which could result in losses for the Group on its contribution to the default fund.

Settlement-delivery risk ⁽⁵⁾ is the risk of non-payment of amounts due by a counterparty or the risk of non-delivery of currencies, securities, commodities or other products by a counterparty in the context of the settlement of a market transaction whose payment type is FOP (Free of Payment, which implies that payment and delivery are two distinct flows that should be considered independently of each other). It also includes execution risk, which corresponds to the replacement risk on purchase/sale transactions of securities with a maturity of less than or equal to 5 business days with a delivery versus payment (DVP) settlement, which refers to a simultaneous⁽⁶⁾ exchange between payments and deliveries.

1. GENERAL PRINCIPLES AND GOVERNANCE

1.1 GENERAL PRINCIPLES

Counterparty credit risk is framed through a set of limits that reflect the Group's appetite for risk.

The business development strategy of the Group for market activities is primarily focused on meeting clients' needs, with a comprehensive range of products and solutions. The counterparty risk resulting from these market activities is strictly managed through a set of limits, in particular stress tests.

The Market Risk Department is responsible for the assessment and validation of the limit requests submitted by the different business lines. These limits ensure that the Group complies with the market risk appetite approved by the Board of Directors.

(4) *Market transactions means any transaction entered into by the Group on an organised or over-the-counter financial market involving a financial instrument in cash or derived from one or more underlying instruments (equities, funds, interest and exchange rates, credit spreads, commodities).*

(5) *Only settlement-delivery risk from market transactions*

(6) *This simultaneity is achieved through the intervention of a Central Securities Depository (CSD) and, where applicable, a settlement agent*

The choice and calibration of these limits ensure the operational transposition of the Group's counterparty risk appetite through its organisation:

- These limits are allocated at various levels of the Group's structure and/or at the counterparties' level.
- Their calibration is determined using a detailed analysis of the risks related to the supervised portfolio. This analysis may include various elements such as market conditions, specifically liquidity, position maneuverability, credit quality of the counterparty, risk/rewards analysis, ESG criteria, etc.
- Regular reviews make it possible to manage risks according to the prevailing market conditions and the counterparties' credit quality.
- Specific limits, or even bans, may be put in place to manage risks for which the Group has limited or no risk appetite.

For its counterparty risk management, the Group uses valuation models as well as models for the calculation of economic or regulatory metrics. The Group implements an appropriate policy for managing the risks inherent in the use of these models.

Societe Generale calculates a stress-testing measure of its counterparty risk to take into account exceptional market disturbances. Counterparty stress tests are a fundamental aspect of risk management. They help design the forward-looking approach needed for strategic and financial planning. The objective of stress tests is to identify and quantify, at the end of the annual risk identification process, all the significant risks to which the Group is exposed and to guide the strategic decisions of the DGLE.

The entire risk control framework is based on standardised measures of counterparty risk, adapted to each type of risk and enabling an assessment to be made at the level of each counterparty, or at an aggregate portfolio level.

1.2 GOVERNANCE

Counterparty credit risk management mainly relies on dedicated first and second lines of defence as described below:

- the first lines of defence (LoD1) notably include the business lines that are subject to counterparty credit risk, the Primary Client Responsibility Unit that is in charge of handling the overall relationship with the client and the group to which it belongs, dedicated teams within Global Banking & Advisory and Global Markets Business Units responsible for monitoring and managing the risks within their respective scope of activities;
- the Risk Department acts as a second line of defence (LoD2) through the setup of a counterparty credit risk control system, which is based on standardised risk measures, to ensure the permanent and independent monitoring of counterparty credit risks.

The fundamental principles of limit granting policy are:

- dedicated LoD1 and LoD2 must be independent of each other;
- the Risk Department has a division dedicated to counterparty credit risk management in order to monitor and analyse the overall risks of counterparties whilst taking into account the specificities of counterparties;
- a system of delegated authorities, mainly based on the internal rating of counterparties, confers decision-making powers to LoD1 and LoD2;
- the limits and internal ratings defined for each counterparty are proposed by LoD1 and validated by the dedicated LoD2 ⁽⁷⁾. The limits may be set individually, at the counterparty level, or globally through framing a (sub)set of counterparties (for example: supervision of stress test exposures).

These limits are subject to annual or *ad hoc* reviews depending on the needs and changing in market conditions.

(7) For Hedge Funds and PTG counterparties, the rating proposal is delegated to LoD2.

A dedicated team within the Risk Department is in charge of production, reporting and controls on risk metrics, namely:

- ensuring the completeness and reliability of the risk calculation by taking into account all the transactions booked by the transaction processing department;
- producing daily certification and risk indicator analysis reports;
- controlling compliance with defined limits, at the frequency of metrics calculation, most often on a daily basis: breaches of limits are reported to Front Office and dedicated LoD2 for remediation actions.

In addition, a specific monitoring and approval process is implemented for the most sensitive counterparties or the most complex categories of financial instruments.

While not a substitute for CORISQ or for the Risk Committee of the Board of Directors (see the section on Risk management governance), the Counterparty Credit Risk Committee (CCRC) closely monitors counterparty credit risk through:

- a global overview on exposure and counterparty credit risk metrics such as the global stress tests, the Potential Future Exposure (PFE), etc., as well as focuses on specific activities such as collateralised financing, or agency business;
- dedicated analysis on one or more risks or customer categories or frameworks or in case of identification of emerging risk areas.

This Committee, chaired by the Risk Department on a monthly basis, brings together representatives from the Global Banking and Investment Solutions (GBIS), from the Market Activities and the Global Banking and Advisory Business Units, but also departments that, within the risk management function, are in charge of monitoring counterparty credit risks on market transactions and credit risk. The CCRC also provides an opinion on the changes to the risk frameworks within its authority. The CCRC also identifies key CCR topics that need to be escalated to the management.

2. METHODOLOGY AND MEASUREMENT ELEMENTS

REPLACEMENT RISK

The measure of replacement risk is based on an internal model that determines the Group's exposure profiles. As the value of the exposure to a counterparty is uncertain and variable over time, we estimate the potential future replacement costs over the lifetime of the transactions.

REGULATORY INDICATOR

With respect to the calculation of capital requirements for counterparty credit risk, the ECB, following the Targeted Review of Internal Models (TRIM), has renewed the approval for using the internal model described above to determine the Effective Expected Positive Exposure (EEPE) indicator.

For products not covered by the internal model as well as for entities in the Societe Generale group that have not been authorised by the supervisor to use the internal model, the Group uses the market-price valuation method for derivatives ⁽⁸⁾ and the general financial security-based method for securities financing transactions (SFT).

The effects of compensation agreements and collateralisation are taken into account either by their simulation in the internal model when such credit risk mitigant or guarantees meet regulatory criteria, or by applying the rules as defined in the market-price valuation method or the financial security-based method, by subtracting the value of the collateral.

(8) In this method, the EAD (Exposure at Default) relating to the Bank's counterparty risk is determined by aggregating the positive market values of all transactions (replacement cost) supplemented by an add-on.

These exposures are then weighted by rates resulting from the credit quality of the counterparty to compute the Risk Weighted Assets (RWA). These rates can be determined by the standard approach or the advanced approach (IRBA).

As a general rule, when EAD is modelled in EEPE and weighted according to IRB approach, there is no adjustment of the LGD according to the collateral received as it is already taken into account in the EEPE calculation.

OTHER INTERNAL INDICATOR / ECONOMIC

As part of the economic monitoring of positions, Societe Generale mainly relies on a maximum exposure indicator determined from the Monte Carlo simulation, called internally Counterparty Value-at-Risk (CVaR) or PFE (Potential Future Exposure). This is the maximum amount of loss that could occur after eliminating 1% of the most adverse occurrences. This indicator is calculated at different future dates, which are then aggregated into segments, each of them being framed by limits.

In order to monitor the CCR in an aggregated way at the level of its customer portfolio, the Group relies mainly on two metrics:

- Global Adverse Stressed Loss (GASEL), a CCR measure designed to holistically monitor the risks induced by market activities. This stress test assumes sudden market movements (identical to those applied on MARK trading desks) triggering a general increase in the probability of default among all counterparties. The market scenarios used by GASEL are the same as those used to manage market risks.
- The stress test on collateralised financing activities that measures the aggregate stressed loss across all counterparties for an activity with significant adverse correlation risks (wrong-way risk), as collateral generally has lower liquidity under stressed market conditions.

CVA (CREDIT VALUATION ADJUSTMENT) RISK

In addition to the replacement risk, the CVA (Credit Valuation Adjustment) measures the adjustment of the value of the Group's derivatives and repos portfolio in order to take into account the credit quality of the counterparties facing the Group (see dedicated section).

Positions taken to hedge the volatility of the CVA (credit, interest rate or equity instruments) are monitored through:

- sensitivity limits;
- stress test limits: scenarios representative of the market risks impacting the CVA (credit spreads, interest rates, exchange rates and equity) are applied to carry out the stress test on CVA.

The different indicators and the stress tests are monitored on the net amount (the sum of the CVA exposure and of their hedges managed by the desks).

CVA'S MAIN PRINCIPLES

The CVA (Credit Valuation Adjustment) is an adjustment to marked-to-market of the derivatives and repos portfolio to take into account the credit quality of each counterparty facing the Group in the valuation.

This adjustment is equivalent to the counterparty credit risk hedging cost usually based on in the Credit Default Swap (CDS) market.

For a specific counterparty, the CVA is determined from:

- The positive expected exposure to the counterparty, which is the average of the positive hypothetical future exposure values for a transaction, or a group of transactions, weighted by the probability that a default event will occur. It is mainly determined using risk neutral Monte Carlo simulations of risk factors that may affect the valuation of the derivatives transactions. The transactions are revalued through time according to the different scenarios, taking into account the terms and conditions defined in the contractual legal framework agreed, notably in terms of netting and collateralisation (i.e. that transactions with appropriate credit mitigants will generate lower expected exposure compared to transactions without credit mitigants).
- The probability of default of the counterparty, which is linked to the level of CDS spreads.
- The amount of losses in the event of default (LGD – Loss Given Default taking into account the recovery rate).

The Group calculates this adjustment for all counterparties which are not subject to a daily margin call or for which collateral only partially covers the exposure.

RISK ON CENTRAL COUNTERPARTIES

Clearing of transactions is a common practice for Societe Generale as part of its market activities (listed and OTC derivatives, repo transactions, securities purchases), on its own behalf and on behalf of its clients.

As a member of the clearing houses with which it operates, the Group contributes to their risk management framework through deposits into the defaults funds, in addition to margin calls.

The counterparty credit risk stemming from the clearing of derivatives and repos with central counterparties (CCP) is subject to a specific framework on:

- initial margins;
- the Group's contributions to the CCP default funds (guarantee deposits);
- a stress test limit defined to frame the potential loss from a CCP member defaulting.

SETTLEMENT-DELIVERY RISK

Governance and principles for RDL management are the same as for those governing CCR.

The Group measures its exposure to this risk of non-payment or non-delivery of funds or securities using a dedicated metric (RDL). It is measured as the amount of flows (of funds, securities or commodities) to be received after netting the settlement flows to be paid and received and taking into account the risk mitigation mechanisms.

The characteristics of the transactions, as well as the legal and operational environment in which they are processed, are used to calculate the settlement-delivery risk profile for each Counterparty. The settlement-delivery risk is supervised by the RDL metric, whose limits are defined by credit analysts and validated by RISQ, accordingly with the Group's risk appetite. Several RISQ departments ("Risk Cells") are responsible for approving limits according to the type of counterparty.

Limits are set at the legal entity level for all types of Counterparties and ceiling limits are set at the sub-group level for financial institutions and sovereign entities.

For each counterparty, limits are set and reviewed annually, taking into account its anticipated business needs, the risk appetite of the counterparty, its financial strength, and the possible atypical duration of its credit lines (short term).

3. MITIGATION OF COUNTERPARTY CREDIT RISK

The Group uses various techniques to reduce this risk:

- the signing, in the most extensive way possible, of close-out netting agreements for over-the-counter (OTC) transactions and Securities Financing Transactions (SFT);
- the collateralisation of market operations, either through clearing houses for eligible products (listed products and certain of the more standardised OTC products), or through a bilateral margin call exchange mechanism which covers both current exposure (variation margins) but also future exposure (initial margins).

CLOSE-OUT NETTING AGREEMENTS

The Group's standard policy is to conclude master agreements including provisions for close-out netting, with its counterparties as soon as possible.

These provisions allow on the one hand the immediate termination (close out) of all transactions governed by these agreements when one of the parties' defaults, and on the other hand the settlement of a net amount corresponding to the total value of the portfolio, after netting of mutual debts and claims at current market value. This balance may be the subject of a guarantee or collateralisation. It results in a single net claim owed by or to the counterparty.

In order to reduce the legal risk associated with documentation and to comply with key international standards, the Group documents these agreements under the main international standards as published by National or International professional associations such as International Swaps and Derivatives Association (ISDA), International Capital Market Association (ICMA), International Securities Lending Association (ISLA), French Banking Federation (FBF), etc.

These contracts establish a set of contractual terms generally recognised as standard and give way to the modification or addition of more specific provisions between the parties in the final contract. This standardisation reduces implementation times and secures operations. The clauses negotiated by clients outside the bank's standards are approved by the decision-making bodies in charge of the master agreements standards – Normative Committee and/or Arbitration Committee – made up of representatives of the Risk Division, the Business Units, the

Legal Division and other decision-making departments of the bank. In accordance with regulatory requirements, the clauses authorising global close-out netting and collateralisation are analysed by the bank's legal departments to ensure that they are enforceable under the legal provisions applicable to clients.

COLLATERALISATION

Most of over-the-counter transactions are collateralised. There are two types of collateral exchanges:

- initial margin (IM) or Independent Amount (IA ⁽⁹⁾): an initial amount of collateral aiming at covering Potential Future Exposure (PFE), *i.e.* the unfavourable change in the Mark-to-Market of positions in the time period between the last collection of variation margins and the liquidation of positions following the counterparty default;
- variation margin (VM): collateral collected to cover current exposure arising from Mark-to-Market changes, used as an approximation of the actual loss resulting from the default of one of the counterparties.

(9) IA (Independent Amount) is the same concept as initial margin but applies to different perimeters (OTC swaps not cleared for IA).

All aspects of the margining regime are defined in collateral arrangements, such as credit support annexes (CSA ⁽¹⁰⁾).

The main features defined are:

- The scope covered (*i.e.* the nature of transactions allowed).
- The eligible collateral and the applicable haircut: main types of collateral exchanged are cash or high-quality and liquid assets according to the Group's policy, and are subject to a haircut, which is the valuation percentage applicable to each type of collateral, based on liquidity and price volatility of the underlying during both normal and stressed market conditions.
- The timing and frequency of the calculation of the margin call and exchanges, usually daily.
- The margin call thresholds if not under regulatory obligation.
- The Minimum Transfer Amount (MTA).

In addition, specific parameters or optional features can be defined depending on the type of counterparty / transaction, such as an additional guarantee amount (flat-rate increase of the exposure allowing the party making a margin call to be "over-collateralised"), or rating-dependent clauses, typically mutual in nature, where additional collateral is requested in case of a party's rating downgrade.

The Group monitors given and received collateral exchanges. In case of discrepancies between the parties with respect to margin call amounts, dedicated teams from the operations and the Risk Departments are in charge of analysing the impacted transactions to ensure they are correctly valued and of addressing the issue.

BILATERAL COLLATERAL EXCHANGE

The initial margin, historically very rare except with hedge funds, was generalised by EMIR (European Market Infrastructure Regulation) and DFA (Dodd-Frank Act) regulations which introduced the mandatory use of master agreements and related CSA, prior to or when entering into an uncleared OTC derivative transactions. It is now mandatory for the Group to exchange IM and VM for non-cleared OTC derivative transactions with a large number of its counterparties (its financial counterparties and some non-financial counterparties above certain thresholds defined by the regulation, with compliance dates depending on the volume of transactions).

The Regulatory Technical Standards (RTS) on Initial Margin Model Validation (IMMV) under EMIR allows counterparties subject to mandatory bilateral collateral exchange requirements to waive these rules in certain circumstances. The Group has incorporated a waiver application process for intra-group entities into its risk management policies. The eligibility criteria for this waiver are framed and monitored as required by the Delegated Regulation.

CLEARING HOUSES

The Group thus compensates its own operations (principal activity), but also client clearing activities (agency-type activity). Such clearing activities are related to listed and OTC derivatives, as well as securities transactions (cash and repos). Compensated derivatives are subject to systematic margin calls to mitigate counterparty credit risk variation margins and initial margins, in order to cover current exposure and future exposure.

(10) The Credit Support Annex (CSA) is a legal document under ISDA contract that regulates the management of collateral between two counterparties.

SETTLEMENT-DELIVERY RISK

Main settlement-delivery risk mitigation means are the following:

- the enforceability of the netting agreement;
- the implementation of DvP (Delivery versus Payment) transactions, for cash-for-security transactions;
- the implementation of PvP (Payment versus Payment) transactions, for foreign exchange transactions, using market infrastructures such as CLS;
- the use of clearing houses for OTC transactions eligible for clearing;
- failed trade monitoring;
- the assignment of a restrictive Action Code

Depending on the circumstances (such as the bankruptcy of a counterparty), it is possible to block outgoing payments via the unilateral payment cancellation process.

NOTE 10.5 - MARKET RISK

DEFINITION

Market risk is the risk of loss of value on financial instruments arising from changes in market parameters, the volatility of these parameters, and the correlations between these. These parameters include, but are not limited to, exchange rates, interest rates, the price of securities (equities or bonds), commodities, derivatives and other assets.

1. GENERAL PRINCIPLES AND GOVERNANCE

1.1 GENERAL PRINCIPLES

Main missions

While the primary responsibility for risk management lies with those responsible for the activities of the trading rooms (front office), the supervisory system is based on an independent department within the Risk Department.

In this context, the main missions of this department are:

- the definition and proposal of the Group's market risk appetite;
- the proposal to the Group Risk Committee (CORISQ) of market limits for each of the Group's activities;
- the assessment of all the requests for limits made by the various activities, within the framework of the global authorisations granted by the Board of Directors and the General Management and their level of use;
- the permanent verification of the existence of an effective market risk monitoring framework for the activity by appropriate limits;
- the coordination of the review by the Risk department of the strategic initiatives of the Market Risk department;
- the definition of the indicators used to monitor market risk;
- the daily calculation and certification of risk indicators and the P&L resulting from the Group's market activities, based on formal and secure procedures, as well as the reporting and analysis of these indicators;
- the daily monitoring of compliance with the limits notified to each activity;
- the risks assessment of new products or new market activities.

In order to carry out these various missions, the Risk department in charge of monitoring market operations defines the architecture principles and functionalities of the information system for the production of risk indicators and P&L on market operations and ensures that these principles and functionalities are properly adapted to business needs.

Risk appetite statement

The business development strategy of the Group for market activities is primarily focused on meeting clients' needs through a comprehensive range of products and solutions. The risk resulting from these market activities is strictly managed through a set of limits for several indicators:

- Value at Risk (VaR) and Stressed Value at Risk (SVaR): these global indicators are used for market risk calculations for RWA and for the day-to-day monitoring of the market risks incurred by the Group within the scope of its trading activities.
- Stress test measurements, based on decennial shock-type indicators, which make it possible to restrict the Group's exposure to systemic risk and exceptional market shocks. These measurements can be global, multi-risk factor (based on historical or hypothetical scenarios), by activity or risk factor in order to take into account extreme risks on a specific market, or event-driven, to temporarily monitor a particular situation.
- Sensitivity and nominal indicators used to manage the size of positions:
 - sensitivities are used to monitor the risk incurred locally on a given type of position (e.g. sensitivity of an option to changes in the underlying asset);
 - while nominal indicators are used for significant positions in terms of risk;
- Additional indicators such as concentration risk or holding period, maximum maturity, etc..

Setting and monitoring limits

The choice and calibration of these limits ensure the operational transposition of the Group's appetite for market risk through its organisation:

- These limits are allocated at various levels of the Group's structure and/or by risk factor.
- Their calibration is determined using a detailed analysis of the risks of the managed portfolio. This analysis may include various elements such as market conditions, including liquidity, the maneuverability of positions, the income generated in relation to the risks taken, ESG criteria, etc.
- Their regular review makes it possible to manage risks according to the evolution of market conditions.
- Specific limits or even prohibitions may be put in place to regulate risks for which the Group has limited or no appetite.

1.2 GOVERNANCE

Market risks oversight is provided by various Committees at different levels of the Group:

- The Risk Committee of the Board of Directors ⁽¹¹⁾ is informed of the Group's major market risks; in addition, it issues a recommendation on the most substantial proposed changes in terms of market risk measurement and framework (after prior approval by the CORISQ); this recommendation is then referred to the Board of Directors for a decision.
- The Group Risk Committee ⁽¹²⁾ (CORISQ), chaired by the Chief Executive Officer of the Group (DGLE), is regularly informed of Group-level market risks. Moreover, upon a proposal from the Risk Department, it validates the main choices with regard to market risk measurement, as well as the key developments on the architecture and implementation of the market risk framework at Group level. The global market risk limits with the DGLE delegation level or above are reviewed in CORISQ at least once a year.

(11) The Risk Committee met ten times in 2024, covering topics related to market activities.

(12) Three CORISQ meetings dedicated to market activities took place in 2024.

- The market risks of the Group are reviewed during the Market Risk Committee ⁽¹³⁾ (MRC) led by the Market Risk Department, chaired by the Risk Department and attended by the Head of the Global Banking and Investor Solutions Division and the Head of the Global Markets Division. This Committee provides information on risk levels for the main risk indicators as well as for some specific activities pointed out depending on market or business driven events. It also provides an opinion on the market risk framework changes falling under the remit of the Risk Department. In this context, a systematic review of all the limits with a Head of the Risk Division level is organised at least once a year.
- During these Committees, several metrics for monitoring market risks are reported:
 - stress test measurements: Global Stress Test on market activities and Market Stress Test;
 - regulatory metrics: Value-at-Risk (VAR) and Stressed Value-at-Risk (SVAR);
- In addition to these Committees, detailed and summary market risk reports, produced on a daily, weekly, monthly or quarterly basis, either related to various Group levels or geographic areas, are sent to the relevant business line and risk function managers.

In terms of governance, within the Market Risk Department, the main functional and transversal subjects are dealt with during Committees organised according the nature of activity in question.

2. MARKET RISK MAIN MEASURES

REGULATORY INDICATORS

VALUE AT RISK 99% (VAR)

Methodology

The internal VaR model was introduced at the end of 1996 and has been approved by the supervisor within the scope of the regulatory capital requirements. This approval was renewed in 2020 at the Target Review of Internal Models (TRIM).

The Value at Risk (VaR) assesses the potential losses on positions over a defined time horizon and for a given confidence interval (99% for Societe Generale). The method used is the “historical simulation” method, which implicitly takes into account the correlation between the various markets, as well as general and specific risk. It is based on the following principles:

- Storage in a database of the risk factors that are representative of Societe Generale’s positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.). Controls are regularly performed in order to check that all major risk factors for the trading portfolio of the Group are taken into account by the internal VaR model.
- Definition of 260 scenarios corresponding to one-day variations in these market parameters over a rolling one-year period; these scenarios are updated daily with the inclusion of a new scenario and the removal of the oldest scenario. There are three coexisting methods for modeling scenarios (relative shocks, absolute shocks and hybrid shocks), the choice between these methods for a given risk factor is determined by its nature and its historical trend.
- The application of these 260 scenarios to the market parameters of the day.
- Revaluation of daily positions, on the basis of the 260 sets of adjusted market parameters: in most cases, this calculation involves a full re-pricing. Nonetheless, for certain risk factors, a sensitivity-based approach may be used.

(13) The Market Risk Committee met 11 times in 2024.

Key risk factors	Description
Interest rates	Risk resulting from changes in interest rates and their volatility on the value of a financial instrument sensitive to interest rates, such as bonds, interest rate swaps, etc.
Share prices	Risk resulting from variations in prices and volatility of shares and equity indices, in the level of dividends, etc.
Exchange rates	Risk resulting from the variation of exchange rates between currencies and of their volatility
Commodity prices	Risk resulting from changes in prices and volatility of commodities and commodity indices
Credit Spreads	Risk resulting from an improvement or a deterioration in the credit quality of an issuer on the value of a financial instrument sensitive to this risk factor such as bonds, credit derivatives (credit default swaps for example)

Within the framework described above, the one-day 99% VaR, calculated according to the 260 scenarios, corresponds to the weighted average ⁽¹⁴⁾ of the second and third largest losses computed, without applying any weighting to the other scenarios.

The day-to-day follow-up of market risk is performed via the one-day VaR, which is calculated on a daily basis at various granularity levels. Regulatory capital requirements, however, oblige us to take into account a ten-day horizon, thus we also calculate a ten-day VaR, which is obtained by multiplying the one-day VaR aggregated at Group level by the square root of 10. This methodology complies with regulatory requirements and has been reviewed and validated by the supervisor.

The VaR assessment is based on a model and a certain number of conventional assumptions, the main limits of which are as follows:

- by definition, the use of a 99% confidence interval does not take into account losses arising beyond this point; VaR is therefore an indicator of the risk of loss under normal market conditions and does not take into account exceptionally significant fluctuations;
- VaR is computed using closing prices, meaning that intra-day fluctuations are not taken into account;
- the use of a historical model is based on the assumption that past events are representative of future events and may not capture all potential events.

The Market Risk Department monitors the limitations of the VaR model by measuring the impacts of integrating a risk factor absent from the model (RNIME ⁽¹⁵⁾ process). Depending on the materiality of these missing factors, they may be capitalised. Other complementary measures also allow to control the limitations of the model.

The same model is used for the VaR computation for almost all of Global Banking and Investor Solution's activities (including those related to the most complex products) and the main market activities of Retail Banking and Private Banking.

The few activities not covered by the VaR method, either for technical reasons or because the stakes are too low, are monitored using stress tests, and capital charges are calculated using the standard method or through alternative in-house methods. For example, the currency risk of positions in the banking book is not calculated with an internal model because this risk is not subject to a daily revaluation and therefore cannot be taken into account in a VaR calculation.

(14) 39% of the second highest risk and 61% of the third highest risk.

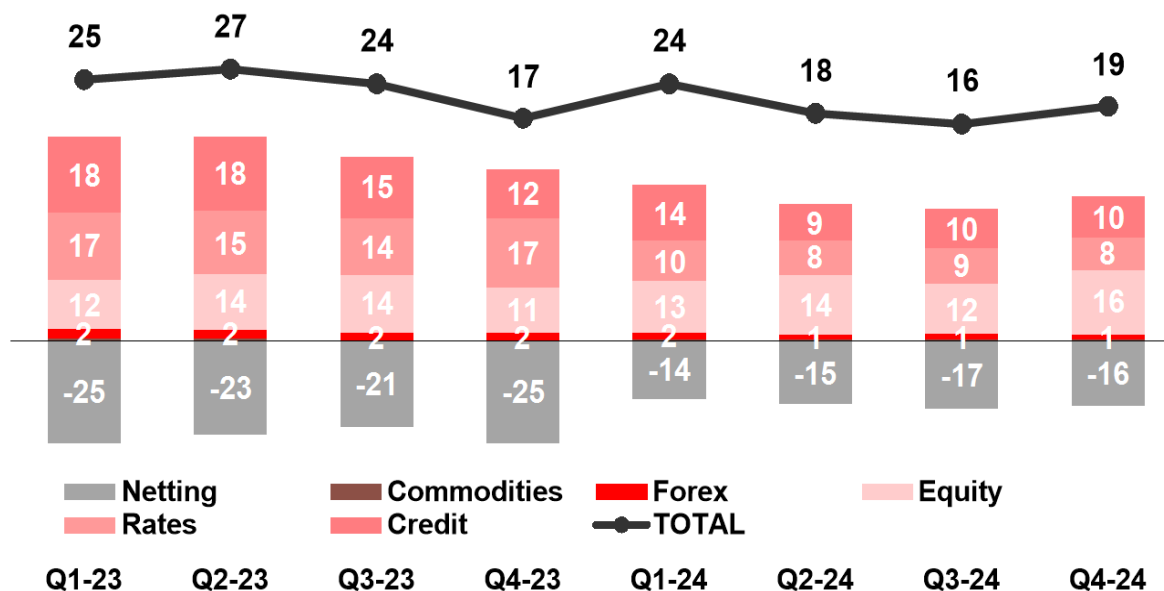
Backtesting

The relevance of the model is checked through continuous backtesting in order to verify whether the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval. The results of the backtesting are audited by the Risk Department in charge of the validation of internal models, which, as a second line of defense, also assesses the theoretical robustness (from a design and development standpoint), the correctness of the implementation and the adequacy of the model use. The independent review process ends with: (i) review and approval committees and (ii) an audit report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review. The model control mechanism gives rise to reporting to the appropriate authorities.

In compliance with regulations, the backtesting compares the VaR to the (i) actual and (ii) hypothetical change in the portfolio's value:

- in the first case (backtesting against "actual P&L"), the daily P&L ⁽¹⁶⁾ includes the change in book value, the impact of new transactions and of transactions modified during the day (including their sales margins) as well as provisions and values adjustments made for market risk;
- in the second case (backtesting against "hypothetical P&L"), the daily P&L ⁽¹⁷⁾ includes only the change in book value related to changes in market parameters and excludes all other factors.

Breakdown by risk factor of trading VaR (1-day, 99%) – Changes in quarterly average over the 2023-2024 period (in EUR m)



(15) Risk Not in Model Engine.

(16) "Actual P&L" by agreement hereinafter.

(17) "Hypothetical P&L" by agreement hereinafter.

<i>(in EUR m)</i>	31.03.2023	31.06.2023	31.09.2023	31.12.2023	31.03.2024	31.06.2024	31.09.2024	31.12.2024
Netting	(25)	(23)	(21)	(25)	(14)	(15)	(17)	(16)
Commodities	1	1	0	0	0	0	0	0
Change	2	2	2	2	2	1	1	1
Forex	12	14	14	11	13	14	12	16
Rates	17	15	14	17	10	8	9	8
Credit	18	18	15	12	14	9	10	10
Total	25	27	24	17	24	18	16	19

The VaR was riskier in 2024 (EUR 19 million versus EUR 23 million in 2023 on average), mainly due to the exit from market scenarios linked to the banking crisis of March 2023. The risk reduction is notably observed in rate and credit activities.

STRESSED VAR (SVAR)

The Internal Stressed VaR model (SVaR) was introduced at the end of 2011 and has been approved by the Regulator within the scope of the regulatory capital requirements on the same scope as the VaR. As with the VaR model, this approval was renewed in 2020 at the Target Review of Internal Models (TRIM).

The calculation method used for the 99% one-day SVaR is the same as the one for the VaR. It consists in carrying out an historical simulation with one-day shocks and a 99% confidence interval. Contrary to VaR, which uses 260 scenarios for one-day fluctuations over a rolling one-year period, SVaR uses a fixed one-year historical window corresponding to a period of significant financial tension.

Following a validation of the ECB obtained at the end of 2021, a new method for determining the fixed historical stress window is used. It consists in calculating an approximate SVaR for various risk factors selected as representative of the Societe Generale portfolio (related to equity, fixed income, foreign exchange, credit and commodity risks): these historical shocks are weighted according to the portfolio's sensitivity to each of these risk factors and aggregated to determine the period of highest stress for the entire portfolio ⁽¹⁸⁾. The historical window used is reviewed annually. In 2024 this window was "September 2008-September 2009".

The ten-day SVaR used for the computation of the regulatory capital is obtained, as for VaR, by multiplying the one-day SVaR by the square root of ten.

As for the VaR, the Market Risk Department controls the limitations of the SVaR model by measuring the impact of integrating a risk factor absent from the model (RNIME process). Depending on the materiality of these missing factors, they may be capitalised. Other complementary measures also control the limitations of the model. The continuous backtesting performed on VaR model cannot be replicated to the SVaR model as, by definition, it is not sensitive to the current market conditions. However, as the VaR and the SVaR models rely on the same approach, they have the same advantages and limits.

The relevance of the SVaR is regularly monitored and reviewed by the Risk Department in charge of the validation of internal models, as a second line of defense. The independent review process ends with (i) review and approval Committees and (ii) an Audit Report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review. The model control mechanism gives rise to recurrent reporting to the appropriate authorities.

SVaR increased on average in 2024 (EUR 41 million versus EUR 36 million in 2023). Slightly up over the year the SVaR has evolved with a variability comparable to that of 2023. Its level is still explained by the Indexation and Financing Action activities, as well as by the Interest Rate perimeters.

(18) At the request of the ECB, a posteriori audit is carried out to verify the relevance of this historical window by carrying out calculations in full revaluation.

OTHER INTERNAL/ECONOMIC INDICATORS

STRESS TEST ASSESSMENT

Societe Generale calculates a measure of its risks in a stress test to take into account exceptional market disruptions.

A stress test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the positions affected.

Two major metrics are defined and used:

- the Global Stress Test on market activities, which estimates the losses linked to market risks, market/counterparty cross-risk, and dislocation and carry risk on exotic activities, that could arise simultaneously in the event of a severe but plausible systemic crisis. This stress test is modeled on five scenarios;
- the Market Stress Test, which focuses solely on market risk, applying the same scenarios as the Global Stress Test and additional scenarios corresponding to different market conditions.

The various scenarios for those stress tests are regularly reviewed by the Market Risk Department. The relevance of the methodologies used in these stress tests is regularly monitored and reviewed by the Model Risk Department responsible for validating methodological changes in stress tests as part of its membership in the second line of defense. The independent review process ends with (i) a report describing the scope of the review, the tests performed, the results of the review, the conclusions or recommendations and by (ii) review and approval committees. These reviews are presented during dedicated biannual Committees, chaired by the Risk Department and attended by representatives of the Market Risk Department and the Model Risk Department, economists and representatives of Societe Generale's trading activities. These Committees cover the following topics: validation of methodological changes, changes in scenarios (introduction, removal, shock review), review of the appropriate coverage of the risk factors by the scenarios, review of the approximations made in terms of calculation, monitoring of the correct documentation of the whole process and review of recommendations related to these stress tests. It should be noted that these committees also cover adverse stress tests (i.e. specific stress tests by asset class or by risk factor) and stress tests by counterparty. The level of delegation to activate in production evolutions in stress tests depends on the impact of the contemplated changes.

The Global Stress Test on market activities limits and the Market Stress Test limits play a central role in the definition and the calibration of the Group's appetite for market risk: these indicators cover all activities and the main market risk factors and related risks associated with a severe market crisis, this allows both to limit the overall amount of risk and to take into account any diversification effects.

This system is complemented by stress-testing frameworks on the various individual risk factors, in particular equities and interest rates, on which the Group has significant exposures.

THE GLOBAL STRESS TEST ON MARKET ACTIVITIES

The Global Stress Test on market activities is the main risk indicator used on this scope. It covers all the risks on market activities that would occur simultaneously in case of a severe, but plausible, market crisis. The impact is measured over a short period of time with an expected occurrence of once per decade. The Global Stress Test uses five market scenarios and has three components, each of which are considered in each of the five scenarios in order to ensure consistency within the same scenario:

- market risk;
- dislocation and carry risks on exotic activities related to concentration effects and crowded trades;
- market/counterparty cross-risks arising in transactions with weak counterparties (hedge funds and proprietary trading groups).

The Global Stress Test corresponds to the least favorable results arising from the five scenarios.

THE MARKET RISK COMPONENT

It corresponds to the results of the Market Stress Test ⁽¹⁹⁾ restricted to scenarios that could cause dislocation effects on market positions and default by weak counterparties. These scenarios all simulate a sharp fall in the equity markets and a widening in credit spreads which could trigger dislocation effects. Following the last review of the scenarios at the end of 2020, it was decided to use for the calculation of the stress test, three theoretical scenarios (generalised (*i.e.* financial crisis scenario), eurozone crisis, general decline in risk assets) and two historical scenarios focusing respectively on the period of early October 2008 and early March 2020.

This component includes the impact of the stress test scenario on the counterparty credit risk reserves (Credit Value Adjustment) and funding risk reserves (Funding Value Adjustment) whose variation in case of a crisis affects the results of trading activities.

THE DISLOCATION AND CARRY RISK COMPONENT

Additional market risks to those assessed in the Market Stress Test can occur in market situation in which one or more participants – generally structured products – have concentrated or crowded trades. Dynamic risk hedging strategies can cause larger market dislocations than those calibrated in the Market Stress Test, and these dislocations can extend beyond the shock timeline used due to an imbalance between supply and demand.

Equity, credit, fixed income, currency and commodity trading activities are regularly reviewed to identify these areas of risk and to define a scenario that takes into account the specific features of each activity and position. Each scenario associated with an identified area of risk is added to the market risk component if – and only if – it is compatible with the market scenario in question.

(19) Measurement of the impact on the Net Banking Income in case of shocks on all risk factors (refer to below description).

MARKET/COUNTERPARTY CROSS-RISK COMPONENT ON WEAK COUNTERPARTIES

Some counterparties may be significantly affected by a major crisis on the financial markets and their probability of default may increase. The third component of the Global Stress Test therefore aims to take into account this increased risk on certain types of weak counterparties (low-recourse counterparties, hedge funds or proprietary trading groups).

Four measurements are used:

- The **collateralised financing stress test**: this stress test focuses on collateralised financing activities and more specifically on weak counterparties. It applies a dislocation shock to several asset classes with the assumption of extremely tight liquidity conditions. Collateral and counterparty default rates are stressed concomitantly, taking into account any consanguinity with the collateral posted.
- The **adverse stress test on hedge funds and proprietary trading groups (PTG)**: this stress test applies three pairs of stress scenarios to all market transactions generating replacement regarding this type of counterparty.
Each set of scenarios consists of a short-term scenario (scenario derived from the Market Stress Test) applied to positions with margin calls, and a long-term scenario (whose shocks are generally more severe) for positions without margin calls. Stressed current exposures are weighted by the probability of default of each counterparty and by the loss given default (LGD), then aggregated.
- The **adverse stress test on products whose underlying is a hedge fund**: this type of underlying poses a risk of illiquidity in the event of a crisis. The purpose of this stress test is to estimate the corresponding potential loss on transactions with this type of underlying and presenting a "gap risk".
- The **Clearing House (CCP) Member stress test**: it estimates the potential loss in the event of a default of a CCP member of which Societe Generale is also a member.

THE MARKET STRESS TEST

This metric, which focuses on market risk, measures the impact on the NBI in the event of shocks on all risk factors. This stress test is based on 12 scenarios ⁽²⁰⁾ (3 historical and 9 hypothetical). The main principles are as follows:

- the scenario considered in the market stress test on a given day is the one with the worst result among the different scenarios defined;
- the shocks applied are calibrated on time horizons specific to each risk factor (the time horizon can range from five days for the most liquid risk factors to three months for the least liquid);
- risks are calculated every day for each of the Bank's market activities (all products together), using each of the historical and hypothetical scenarios.

(20) Including the scenarios used in the global stress tests on market activities.

HISTORICAL SCENARIOS

This method consists of an analysis over a long period of the major economic crises that have affected the financial markets: changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises have been analysed in order to define scenarios for potential variations in these main risk factors which, when applied to the Bank's trading positions, could generate significant losses. Accordingly, this approach makes it possible to determine the historical scenarios used for the calculation of the stress test. This set of scenarios is also the subject of regular reviews. In 2020, 2 new historical scenarios related to the Covid-19 crisis were integrated: a crisis scenario (marked by a decline in equity indices and an increase in credit spreads) as well as a rebound scenario (marked by an increase in equity indices and a decrease in credit spreads). In 2023, the historical rebound scenario in financial markets observed in 2020 was replaced by two hypothetical scenarios based on the same market context. Societe Generale is currently using 3 historical scenarios in the calculation of the stress test, which cover the periods from October to December 2008 and March 2020.

HYPOTHETICAL SCENARIOS

The hypothetical scenarios are defined with the Group's economists and are designed to identify possible sequences of events that could lead to a major crisis in the financial markets (e.g. European crisis, a drop in assets, etc.). The Group's aim is to select extreme but plausible events which would have major repercussions on all international markets. Accordingly, Societe Generale has defined 9 hypothetical scenarios. In 2023, an obsolete scenario corresponding to the Russian crisis of 1998 was replaced by a new theoretical scenario centered on an inflationary crisis and 2 new hypothetical scenarios corresponding to bull markets were added.

NOTE 10.6 - STRUCTURAL RISK: INTEREST RATE AND EXCHANGE RATE

Interest rate and foreign exchange risks in banking book are linked to:

- The banking book activities, including commercial transactions and their hedging, but excluding positions linked to employee commitments covered by the dedicated system. This is the Group's structural exposure to interest rate and foreign exchange risks.
- Positions relating to long term employee benefit commitments and their hedging, which are monitored under a dedicated system.

1. GENERAL PRINCIPLES AND GOVERNANCE

1.1 GENERAL PRINCIPLES

The principles and standards for managing these risks are defined at the Group level. The ALMT (Asset and Liability Management and Treasury) department within the Group's Finance Division leads the control framework of the first line of defense while the Risk Department Management assumes the role of second line of defense supervision.

The general principle for managing structural interest rate and exchange rate risks within consolidated entities is to ensure that movements in interest and foreign exchange rates do not significantly threaten the Group's financial base or its future earnings in the framework of the Risk Appetite defined by the Group through its dedicated various rate and FX metrics.

Within the entities, commercial and corporate center operations booked in the banking book balance sheet must therefore be matched in terms of interest rates and exchange rates as much as possible to immunise the patrimonial value of the Bank to rate and exchange rate variations. In addition, hedges may be entered into to reduce the dependence of future interest margins to interest rate fluctuations. With regards to exchange rate risk, in accordance with the relevant regulatory provisions, a structural foreign exchange position is maintained at the financial center level, in order to minimise the variation of the Group's Common Equity Tier 1 (CET1) ratio to exchange rates fluctuations.

1.2 GOVERNANCE

The Group ALM Committee, a General Management Body

The purpose of the ALM Group Committee is to:

- validate and ensure the adequacy of the system for monitoring, managing and supervising structural risks;
- review changes in the Group's structural risks through consolidated reporting;
- review and validate the measures and the adjustments proposed by the Group's Finance Department.

The Group ALM Committee gives delegation to the Global Rate Forex Committee chaired by the Finance Department and the Risk Division for the validation of frameworks not exceeding defined amounts.

The ALMT Department, within the Group's Finance Division

The ALMT Department is responsible for:

- defining the structural risk policies for the Group and formalising risk appetite to structural risks;
- analysing the Group's structural risk exposure and defining hedging strategies;
- monitoring the regulatory environment concerning structural risk;
- defining the ALM principles for the Group;
- defining the modelling principles applied by the Group's entities regarding structural risks;
- identifying, consolidating and reporting on Group structural risks;
- monitoring compliance with structural risk limits.

The ALM Risk Control Department, within the Risk Division

Within the Risk Division, the ALM Risk Department oversees structural risks and assesses the management system for these risks. As such, this department is in charge of:

- interest and foreign exchange rates risks identification of the Group;
- defining the steering indicators and overall stress test scenarios of the different types of structural risks and setting the main limits for the business divisions and the entities and Business Units (BU)/Service Units (SU);
- defining the normative environment of the structural risk metrics, modelling and framing methods.

In addition, by delegation of MRM, this department ensures the validation of ALM models for which it organises and chairs the Validation Committee of Models.

Finally, he chairs the Model Validation Committee and the ALM Standards Validation Committee and thus ensures that the regulatory framework is correctly read and properly adapted to Societe Generale environment.

The entities and BU/SU are responsible for ALM risk management

Each entity, each BU/SU, manages its structural risks and is responsible for regularly assessing risks incurred, producing the risk report and developing and implementing hedging options. Each entity, each BU/SU is required to comply with Group standards and to adhere to the limits assigned to it.

As such, the entities and the BUs/SUs apply the standards defined at Group level and develop the models, with the support of the central modelling teams of the Finance Department.

An ALM manager reporting to the Finance Department in each entity is responsible for monitoring these risks. This manager is responsible for reporting ALM risks to the Group Finance Department. All entities have an ALM Committee responsible for implementing validated models, managing exposure to interest rate and exchange rate risks and implementing hedging programs in accordance with the principles set out by the Group and the limits validated by the ALM Committee and the BU/SU ALM Committees.

2. METHODOLOGY AND MEASUREMENT ELEMENTS

2.1 MEASURING AND MONITORING OF INTEREST RATE RISK

REGULATORY INDICATORS

The Supervisory Outlier Test (SOT) regulatory metrics are calculated and monitored at Group level by applying the rate shocks as specified in EBA's RTS 2022/10 (including the post-shock rate floor). The Group's standards provide for the inclusion of commercial margins in the calculation of value metrics. For regulatory income metrics based on constant outstanding, outstandings migration assumptions are made, in particular between non-interest-bearing deposits and interest-bearing deposits.

OTHER INTERNAL/ECONOMIC INDICATORS

Societe Generale uses several further indicators to measure the Group's overall interest rate risk. The most important indicators are:

- The sensitivity of the net present value (NPV) to the risk of interest rate mismatch. It is measured as the variation of the net present value of the static balance sheet to a change in interest rates. This measure is calculated for all currencies to which the Group is exposed.
- The sensitivity of the interest margin measured over two years to changes in interest rates in various interest rate scenarios. It takes into account the variation generated by future commercial production.
- The sensitivity of the market value (MVC: Market Value Change) of instruments recognised at fair value (mainly government bonds as well as derivatives not documented as hedging instruments from an accounting perspective) in various interest rate scenarios, is measured over two years.
- The sensitivity of NPV to basis risk (risk associated with decorrelation between different variable rate indices).
- The sensitivity of the NPV calculated for some balance sheet items (notably the banking book security portfolio) to a credit spread shock.

Limits on these indicators are applicable to the Group, the BUs/SUs and the various entities. All of these metrics are also calculated on a monthly basis for the significant perimeters, and the limit framework respect is checked at the same frequency at Group level.

Limits are set for shocks at +/-0.1% and for stressed shocks (+/-1% for value variation and +/-2% for income variation) without floor application. The measurements are computed monthly (with the exception of the months of January and July for which no Group-level closing is achieved). For value metrics, some limits are set for measurements made by taking into account only negative variations. An additional synthetic measurement of value variation – considering all currencies – is framed for the Group. In addition, a stressed value metric (application of an upward or downward shock differentiated by currency) is defined at Group level.

To comply with these frameworks, the entities combine several possible approaches:

- orientation of the commercial policy in such a way as to offset interest rate positions taken in assets and liabilities side;
- implementation of a swap operation or – failing this in the absence of such a market – use of loans and borrowings transactions;
- purchase/sale of options on the market to cover optional positions taken towards our clients.

Assets and liabilities are analysed without a prior allocation of resources to uses. Maturities of outstanding amounts are determined by taking into account the contractual characteristics of the transactions, adjusted for the results of customer behaviour modelling (in particular for demand deposits, savings and early loan repayments), as well as a certain number of disposal agreements, in particular on affiliates securities and shareholders' equity items. The discount rate used for value steering metrics includes liquidity spreads for on-balance sheet products.

As at 31 December 2024, the main models applicable for the calculation of interest rate risk measurements are models – sometimes dependent rates notably for deposits – on part of the deposits without a maturity date leading to an average duration of less than 5 years– the schedule may in some cases to reach the maximum maturity of 20 years.

The automatic balance sheet options are taken into account:

- either via the *Bachelier* formula or possibly from *Monte-Carlo* type calculations for value variation calculations;
- or by taking into account the pay-offs depending on the scenario considered in the income variation calculations.

Hedging transactions are mainly documented in the chart of accounts, this can be carried out either:

- as micro-hedging (individual hedging of commercial transactions);
- as macro-hedging under the IAS 39 “carve-out” arrangement (global backing of portfolios of similar commercial transactions within a Treasury Department; macro-hedging concerns essentially French retail network entities).

Macro-hedging derivatives are mainly interest rate swaps in order to maintain networks' net asset value and result variation within limit frameworks, considering hypotheses applied. For macro-hedging documentation, the hedged item is an identified portion of a portfolio of commercial client or interbank operations. Conditions to respect in order to document hedging relationships are reminded in Note 3.2 to the consolidated financial statements.

The Group also measures and controls its change in value due to the Credit Spread in the Banking Book for a shock of +0.1% applied to items measured at fair value and to all bond portfolios within the scope of consolidation. A shock differentiated according to the quality of the counterparty is under consideration as well as a review of the scope.

Finally, the Group measures and monitors the difference between the fair value and amortised cost of fixed-income securities of the banking book.

VARIATION IN THE ECONOMIC VALUE OF OWN FUNDS AT THE 6 REGULATORY SHOCKS (IRRBB1)

31.12.2024

(In EUR m)

Supervisory shock scenarios		Changes of the economic value of equity *	Changes of the net interest income
1	Parallel up	(2,533)	371
2	Parallel down	(1,824)	(826)
3	Steepener	501	
4	Flattener	(1,768)	
5	Short rates up	(1,745)	
6	Short rates down	831	

31.12.2023 **

(In EUR m)

Supervisory shock scenarios		Changes of the economic value of equity	Changes of the net interest income
1	Parallel up	(2,328)	285
2	Parallel down	(1,546)	(760)
3	Steepener	759	
4	Flattener	(2,137)	
5	Short rates up	(1,968)	
6	Short rates down	1,030	

* *The Economic Value of Capital is a component of the Net Present Value as defined above, taking into account all assets and liabilities with the exception of shareholders' equity principally.*

** *SOT NII et SOT EVE values.*

2.2 MEASURING AND MONITORING OF STRUCTURAL EXCHANGE RATE RISK

Structural exchange rate risk, understood as resulting from all transactions that do not belong to the Trading Book, mainly results from:

- Exposures related to net investments abroad in foreign currencies, *i.e.* in subsidiaries and branches. FX positions generated by an imperfect hedge are valued through other comprehensive income.
- Exposures related to activities made by entities in currencies that are not their reporting currency.
- Open positions taken on the balance sheet with the aim of making the CET1 ratio insensitive to changes in the exchange rate of currencies against the euro.

To achieve its objective of making the CET1 ratio insensitive to fluctuations in exchange rates against the euro, the following actions are taken:

- Group entities are asked to individually hedge the results related to activities in currencies other than their reporting currency.
- The foreign exchange position generated by investments in foreign holdings and branches, as well as by the conversion of their results into euros, is partially covered centrally: at the level of the Group Finance Division. Societe Generale retains a target exposure multiplied by the RWA generated in this currency in each RWA constituent currency equivalent to the level of the CET1 Target Group ratio and covers the balance by borrowings or forward foreign exchange transactions denominated in the currency of investments and recognised as investment hedging instruments (cf. Note 3.2).

For each currency, the difference between actual and target exposure is governed by limits validated by the Finance Committee and by the Board of Directors.

Similarly, the sensitivities of the CET1 ratio to shocks of $\pm 10\%$ per currency are framed.

NOTE 10.7 - STRUCTURAL RISK: LIQUIDITY

DEFINITION

Liquidity risk is defined as the risk that the bank does not have the necessary funds to meet its commitments. Funding risk is defined as the risk that the Group will no longer be able to finance its activities with appropriate volumes of resources and at a reasonable cost.

1. GENERAL PRINCIPLES AND GOVERNANCE

The liquidity and funding management set up at Societe Generale aims at ensuring that the Group can (i) fulfil its payment obligations at any moment in time, during normal course of business or under lasting financial stress conditions (management of liquidity risks); (ii) sustainably finance the development of its activities at a reasonable cost (management of funding risks). Doing so, the liquidity and funding management ensures compliance with risk appetite and regulatory requirements.

1.1 GENERAL PRINCIPLES

To achieve these objectives, Societe Generale has adopted the following guiding principles:

- Liquidity risk management is centralised at Group level, ensuring pooling of resources, optimisation of costs and consistent risk management. Businesses must comply with static liquidity deadlocks in normal situations, within the limits of their supervision and the operation of their activities, by carrying out operations with Corporate Centre, where appropriate, according to an internal refinancing schedule. Assets and liabilities with no contractual maturity are assigned maturities according to agreements or quantitative models proposed by the Finance Department and by the business lines and validated by the Risk Division.
- Funding resources are based on business development needs and the risk appetite defined by the Board of Directors (see section 2).
- Financing resources are diversified by currencies, investor pools, maturities and formats (vanilla issues, structured, secured notes, etc.). Most of the debt is issued by the parent company. However, Societe Generale also relies on certain subsidiaries to raise resources in foreign currencies and from pools of investors complementary to those of the parent company.
- Liquid reserves are built up and maintained in such a way as to respect the stress survival horizon defined by the Board of Directors. Liquid reserves are available in the form of cash held in central banks and securities that can be liquidated quickly and housed either in the banking book, under direct or indirect management of the Group Treasury. in the trading book within the market activities under the supervision of the Group Treasury.
- The Group has options that can be activated at any time in a stressful situation, through an Emergency Financing Plan (EFP) at Group level (except for insurance activities, which have a separate contingency plan), defining leading indicators for monitoring the evolution of the liquidity situation, operating procedures and remedial actions that can be activated in a crisis situation.

1.2 GOVERNANCE

The main liquidity risk governance bodies are as follows:

- the Board of Directors, which:
 - sets yearly the level of liquidity risk tolerance as part of the Group's risk appetite, based on a set of key metrics, which includes both internal and regulatory metrics, in particular the period of time during which the Group can operate under stressed conditions ("survival horizon");
 - approves financial indicators framing including the scarce resources indicators framing (financing program definition);

- reviews at least quarterly the Group’s liquidity and funding situation: key liquidity metrics, including stressed liquidity gap metrics as evaluated through Societe Generale group models, the regulatory metrics LCR and NSFR, the pace of execution of the funding plan and the related cost of funds;
- General Management, which:
 - allocates liquidity and funding targets to the various Business Units and the Group Treasury entity, upon proposal from the Group Finance division;
 - defines and implements the liquidity and funding risk strategy, based on inputs from the Finance and Risk Divisions and the Business Units. In particular, the General Management chairs the Finance Committee, held every 6 weeks and attended by representatives from the Finance and Risk Divisions and Business Units, which is responsible for monitoring structural risks and managing scarce resources:
 - validation and monitoring of the set of limits for structural risks, including liquidity risk;
 - monitoring of budget targets and decisions in case of a deviation from the budget;
 - definition of principles and methods related to liquidity risk management (e.g. definition of stress scenarios);
 - assessment of any regulatory changes and their impacts;
- the Group Finance Division, which is responsible for the liquidity and funding risks as First Line of Defense, interacting closely with Business Units. Within the Group Finance Division, there are three main departments involved respectively in the preparation and implementation of decisions taken by the abovementioned bodies:
 - the Strategic and Financial Steering Department is responsible for framing and steering the Group’s scarce resources, including liquidity, within the Group’s risk appetite and financial indicators framing;
 - the Group ALM and Treasury Department is in charge of:
 - all aspects of the operational management of liquidity and funding across the Group, including managing the liquidity position, executing the funding plan, supervising and coordinating treasury functions, providing operational expertise in target setting, managing the liquidity reserves and the collateral used in funding transactions, managing the corporate centre;
 - the definition of modelling and monitoring structural risks, including liquidity risk alongside interest rate and foreign exchange risks in the Banking Book;
 - also sitting with the Group Finance Division, the Metrics Production Department runs the management information system regarding liquidity and funding risks across the Group. For liquidity metrics, the Group relies on a centralised system architecture, with all Business Units feeding a central data repository from which all metrics are produced, either regulatory metrics (e.g. the LCR or the NSFR) or metrics used for internal steering (e.g. stress test indicators);
- the ALM Risk Department, which perform as the second line of defense functions, ensure the supervision of liquidity risks and evaluates the management system for these risks. As such, it is in charge of:
 - the definition of liquidity indicators and the setting of the main existing limits within the Group;
 - the definition of the normative framework for measuring, modelling methods and monitoring these risks.

In addition, by delegation of Model Risk Management, this department ensures the validation of ALM models for which it organises and chairs the Validation Committee of Models.

Finally, it ensures the correct interpretation of the regulatory framework as well as an adequate implementation in the Societe Generale environment.

2. METHODOLOGY AND MEASUREMENT ELEMENTS

The key operational steps of liquidity and funding management are as follows:

- Risk identification is a process which is set out and documented by the Risk Division, in charge of establishing a mapping of liquidity risks. This process is conducted yearly with each Business Unit and within the Group Treasury Department, aimed at screening all material risks and checking their proper measurement and capturing the control framework. In addition, a Reverse Stress Testing process exists, which aims at identifying and quantifying the risk drivers which may weigh most on the liquidity profile under assumptions even more severe than used in the regular stress test metrics.
- Definition, implementation and periodic review of liquidity models and conventions used to assess the duration of assets and liabilities and to assess the liquidity profile under stress. Liquidity models are managed along the overall Model Risk Management governance, also applicable to other risk factors (market, credit, operational), controlled by the Group Risk division.
- Yearly definition of the definition of Risk Appetite. The Board of Directors approves the elements proposed by the General Management, in this case the framework for financial indicators. Liquidity Risk Appetite covers the following metrics:
 - key regulatory indicators (LCR, Adjusted LCR excess in USD, and NSFR);
 - the footprint of the Group in Short-Term Wholesale funding markets;
 - the net liquidity position under several stress scenarios (systemic, idiosyncratic, combined), at a given survival horizon that vary with the scenario (from 3 months to one year). With the scenarios, the idiosyncratic shock is characterised by one of its main consequences, which would be an immediate 2 to 3-notch downgrade of Societe Generale's long-term rating. In such adverse or extreme scenarios, the liquidity position of the Group is assessed over time, taking into account the negative impacts of the scenarios, such as deposit outflows, drawing by clients of the committed facilities provided by Societe Generale, increase in margin calls related to derivatives portfolios, etc. The survival horizon is the moment in time when the net liquidity position under such assumptions becomes negative;
 - the overall transformation position of the Group (static liquidity deadlock in normal situation matured up to a maturity of 10 years);
 - the amount of free collaterals providing an immediate access to central bank funding, in case of an emergency (only collaterals which do not contribute to the numerator of the LCR are considered, i.e. non-HQLA collaterals);
- The financial trajectories under baseline and stressed scenarios are determined within the framework of the funding plan to respect the risk appetite. The budget's baseline scenario reflects the central assumptions for the macro-economic environment and the business strategy of the Group, while the stressed scenario is factoring both an adverse macro-economic environment and idiosyncratic issues.
- The funding plan comprises both the long-term funding program, which frames the issuance of plain vanilla bonds and structured notes, and the plan to raise short-term funding resources in money markets.
- The Funds Transfer Pricing (FTP) mechanism, drawn up and maintained within the Group Treasury, provides internal refinancing schedules that enable businesses to recover their excess liquidity and finance their needs through transactions carried out with its own management.
- Production and broadcasting of periodic liquidity reports, at various frequencies (daily indicators, weekly indicators, monthly indicators), leveraging in most part on the central data repository, operated by a dedicated central production team. The net liquidity position under the combined (idiosyncratic and market/systemic) stress scenario is reassessed on a monthly basis and can be analysed along multiple axes (per product, Business Unit, currency, legal entity). Each key metric (LCR, NSFR, transformation positions, net liquidity position under stress) is reviewed formally on a monthly basis by the Group Finance and Risk divisions. Forecasts are made and revised weekly by the Strategic and Financial Steering Department and reviewed during a Weekly Liquidity Committee chaired by the Head of Group Treasury. This Weekly Liquidity Committee gives tactical instructions to Business Units, with the objective to adjust in permanence the liquidity and funding risk profile, within the limits and taking into account business requirements and market conditions.
- Preparation of a Contingency Funding Plan, which is applicable Group-wide, and provides for: (i) a set of early warning indicators (e.g. market parameters or internal indicators); (ii) the operating

model and governance to be adopted in case of an activation of a crisis management mode (and the interplay with other regimes, in particular Recovery management); (iii) the main remediation actions to be considered as part of the crisis management.

These various operational steps are part of the ILAAP (Internal Liquidity Adequacy Assessment Process) framework of Societe Generale.

Every year, Societe Generale produces for its supervisor, the ECB, a self-assessment of the liquidity risk framework in which key liquidity and funding risks are identified, quantified and analysed with both a backward and a multi-year forward-looking perspective. The adequacy self-assessment also describes qualitatively the risk management set up (methods, processes, resources...), supplemented by an assessment of the adequacy of the Group's liquidity.

REGULATORY INDICATORS

Regulatory requirements for liquidity risk are managed through two ratios:

- the Liquidity Coverage Ratio (LCR), which aims to ensure that banks hold sufficient liquid assets or cash to survive to a significant stress scenario combining a market crisis and a specific crisis and lasting for one month. The minimum regulatory requirement is 100% at any time;
- the Net Stable Funding Ratio (NSFR), a long-term ratio of the balance sheet transformation, which compares the financing needs generated by the activities of institutions with their stable resources; The minimum level required is 100%.

OTHER INTERNAL/ECONOMIC INDICATORS

Liquidity risk control is further based on:

- compliance with a minimum survival time horizon under various stress scenarios (Internal Liquidity Stress Indicator - ILSI);
- a framework for processing and anti-processing positions (price risk);
- the management of the Contingent Liquidity Reserve at the Central Bank.