RISK REPORT

2025

PILLAR 3 2024

SOCIETE GENERALE

CONTENTS

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RISK REPORT

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ABBREVIATIONS USED:

Millions of euros: EURm / **Billions of euros:** EURbn / **FTE:** Headcount in Full-Time Equivalents

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

1

GROUP CONCISE RISK STATEMENT

Societe Generale seeks a sustainable development based on a diversified and balanced banking model with a strong European foothold and a global presence targeted on a few areas of strong business expertise. Risk appetite is declined in a global strategy which fulfills the following targets:

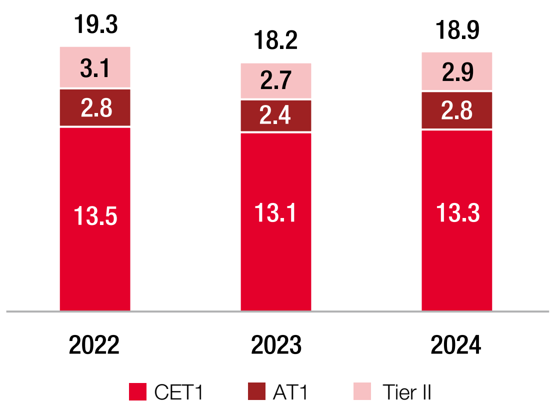
- CET 1 ratio at 13% in 2026, under Basel IV;
- average annual revenue growth between 0% and 2% over 2022-2026;
- increased operational efficiency with cost-to-income ratio below 60% in 2026;
- return on tangible equity (ROTE) between 9% and 10% in 2026;
- best standards of risk monitoring with a NCR comprised between 25 and 30 bps on 2024-2026, and a non performing loan rate between 2,5% and 3% in 2026;
- maintaining a robust liquidity profile with an LCR superior or equal to 130% on 2024-2026 and a NSFR superior or equal to 112% on 2024-2026.

End of 2024, Group risk appetite indicators covering solvency topics, credit risk, market risk and counterparty risk, operational risks and structural risks were within the risk appetite defined by the Group, complying with the limits set by the Board of Directors.

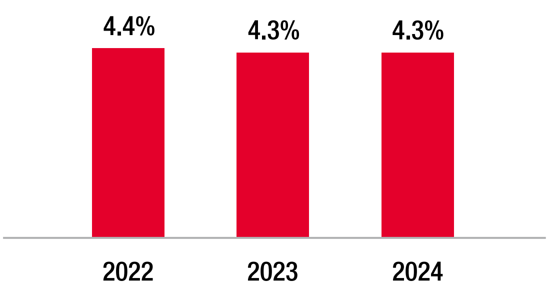
1.1 FINANCIAL STRENGTH PROFILE

In 31 December 2024, the Group complies with all regulatory requirements relating to solvency. Concerning the internal economic approach of the ICAAP, the rate of coverage of the Group's internal capital requirement by the internal capital the end of 2024 is greater than 100% and respects the risk appetite validated by the Board.

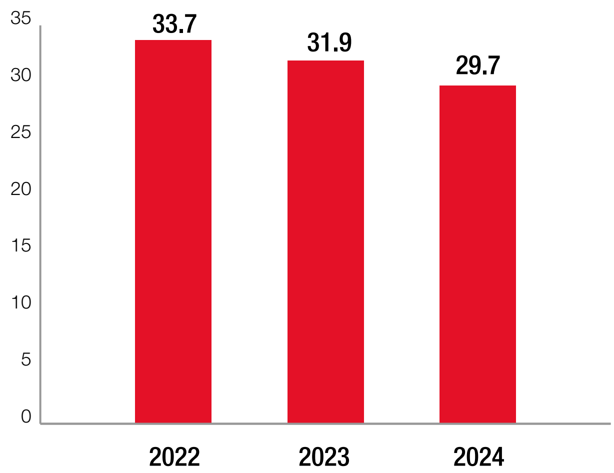
SOLVENCY RATIOS AT 31 DECEMBER 2024 (IN %)



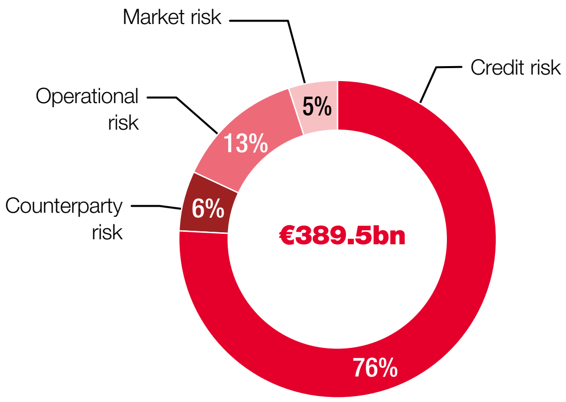
LEVERAGE RATIO AT 31 DECEMBER 2024



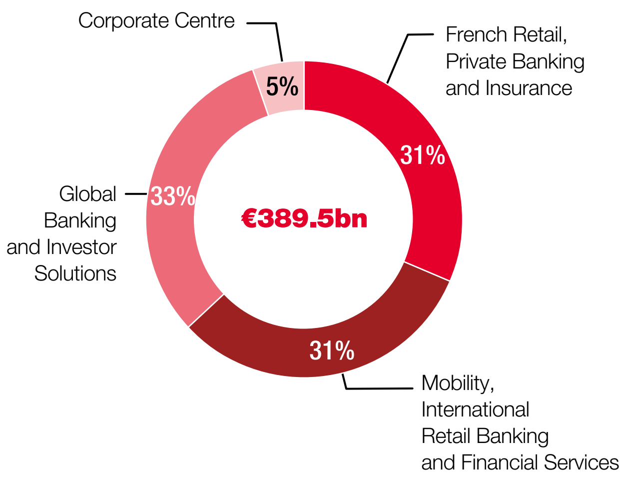
TLAC RATIO AT 31 DECEMBER 2024 (IN %)



DISTRIBUTION OF RWA BY RISK TYPE (RWA AS OF 31.12.2024: EUR 389.5BN *VS.* RWA AS OF 31.12.2023: EUR 388.8BN)



DISTRIBUTION OF RWA BY CORE BUSINESS (RWA AS OF 31.12.2024: EUR 389.5BN *VS.* RWA AS OF 31.12.2023: EUR 388.8BN)

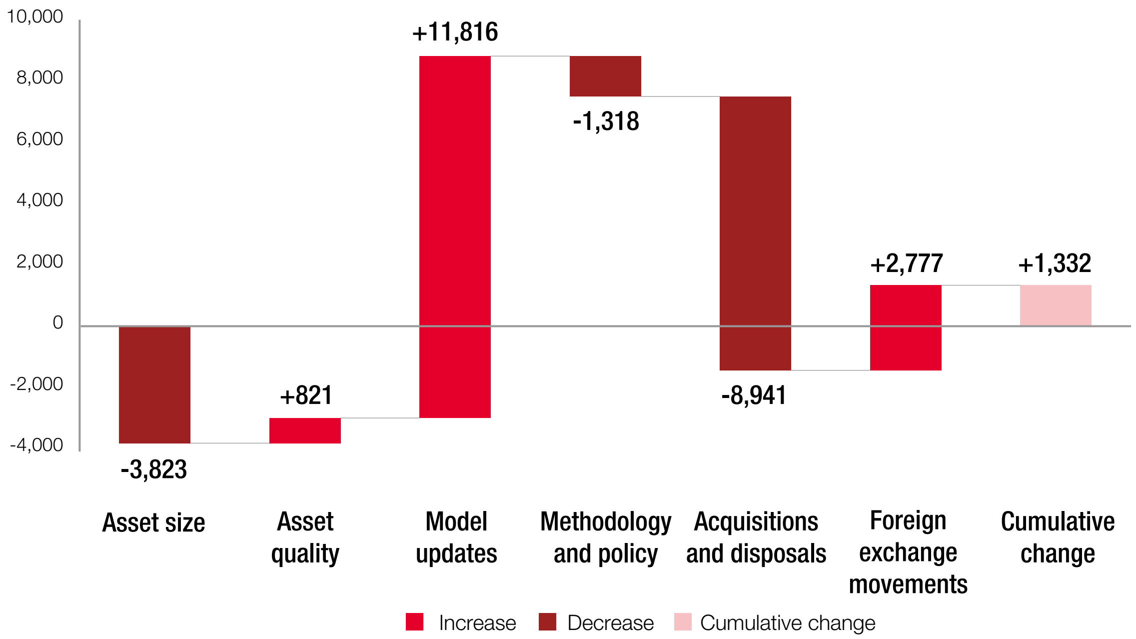


In addition, the Group presents its unconsolidated structured entities in Note 2.3 of the financial statements of the 2025 Universal Registration Document. Intra-group transactions are governed by a credit granting process respecting different levels of delegation within the Business Units, the Risk Department and the Finance Department.

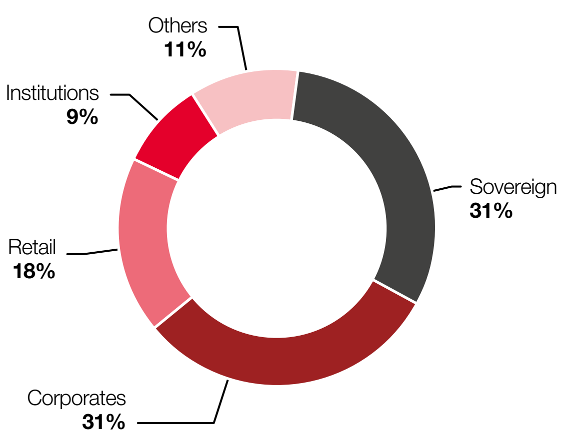
The risks of intervention on these intra-group transactions are tracked as part of the risk inventory and represent a non-material risk to date. The entities' structural risk management and oversight systems are also submitted to the Finance Department and the Risk Department.

1.2 CREDIT RISK AND COUNTERPARTY CREDIT RISK

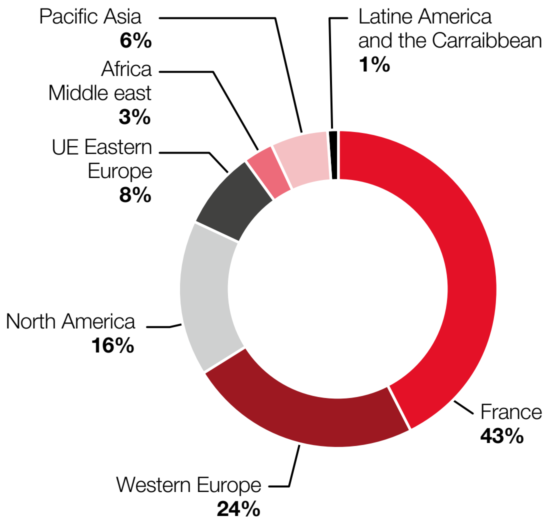
CHANGE IN WEIGHTED EXPOSURE FROM EUR 323BN TO EUR 324BN (IN MEUR) AT 31 DECEMBER 2024



PORTFOLIO BREAKDOWN BY CUSTOMER TYPE (IN EAD) AT 31 DECEMBER 2024



BREAKDOWN OF GROUP EXPOSURE BY GEOGRAPHIC AREA (IN EAD) AT 31 DECEMBER 2024



As of December 2024, the evolution of counterparty and credit risk exposure compared to 2023 is stable.

The rising cost of risk compared to 2023 reflects the rising cost of risk on defaulted stocks in a normalization context after post-COVID years with very low levels of defaults, while recoveries on performing loans (Stage 1/Stage 2) remain at a measured level slightly above 2023.

Overall, the Group maintains a prudent provisioning policy in a context of less favorable economic prospects and still marked by high geopolitical uncertainties.

TABLE 1: PROVISIONING OF DOUBTFUL LOANS

	31.12.2024	31.12.2023
Cost of risk *(in bps)*	26	17
Cost of risk *(in EURm)*	1,530	1,025
Group gross doubtful loans ratio[1]	2.8%	2.9%
Doubtful loans (Stage 3)	14.4	16.1
Stage 3 Provisions	6.2	7.4
Group net doubtful loans coverage ratio	43.0%	46.0%

(1) Customer loans and advances, deposits at banks and loans due from banks, finance leases, excluding loans and advances classified as held for sale, cash balances at central banks and other demand deposits, in accordance with the EBA/ITS/2019/02 Implementing Technical Standards amending Commission Implementing Regulation (EU) No 680/2014 with regard to the reporting of financial information (FINREP). The NPL rate calculation was modified in order to exclude from the gross exposure in the denominator the net accounting value of the tangible assets for operating lease. Performing and non-performing loans include loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning and so not split by stage. Historical data restated.

The ESG risk elements are presented in Chapter 14 of this Pillar 3 document.

As defined in Table 1 of Pillar 3 on ESG risks related to transition risk linked to climate change, exposures to sectors that contribute significantly to climate change[1] (based on NACE codes provided by the EBA) amount to EUR 153.6 billion of gross carrying amount.

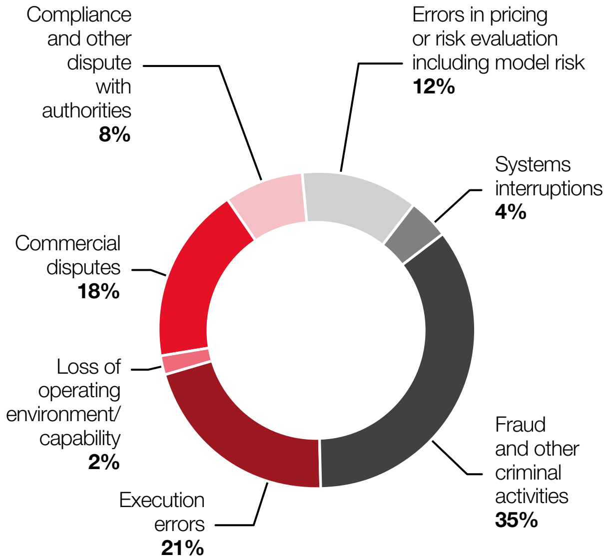
As defined in Table 5 of Pillar 3 on ESG risks concerning the physical risk related to climate change and taking into account the assumptions used and the data available, corporate exposures subject to gross physical risk before any mitigation is taken into account represent 29.9 billion euros of gross book value.

(1) In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

1.3 OPERATIONAL RISK

As of 31 December 2024, operational risk-weighted exposures represented EUR 50.1 billion, same level as 2023. These weighted exposures are mainly determined using the internal model (91% of the total).

OPERATIONAL RISK LOSSES BREAKDOWN BY RISK EVENT TYPE (IN VALUE) AT 31 DECEMBER 2024



1.4 MARKET RISK

These weighted exposures amounted to EUR 12.2 billion at the end of 2024. The capital requirements for market risk decreased in 2024. This decrease is notably reflected in the risks calculated using the standard approach, and is only partly offset by the increase in risks assessed using the internal model approach:

- the risks calculated using the standard approach have decreased mainly due to the foreign exchange risk;
- the risks assessed using the internal model approach have increased, primarily due to VaR and SVaR that was partly offset by IRC and CRM:
  - VAR/SVaR : the capital requirements for VaR and SVaR have increased, mainly due to linear equity activities related to the cash and carry positions of the Group,
  - IRC/CRM : the capital requirements for IRC and CRM have decreased mainly due to a tightening of credit spreads over the period in the United States and Europe (both for HY and IG issuers).

Market risk-weighted exposures are mainly determined using internal models (77% of the total at the end of 2024).

BREAKDOWN OF MARKET RISK RWA BY COMPONENT AS OF 31.12.2024: EUR 12.2BN *VS.* EUR 12.5BN AS OF 31.12.2023

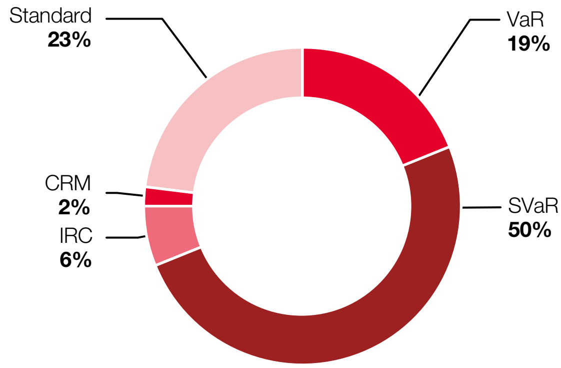


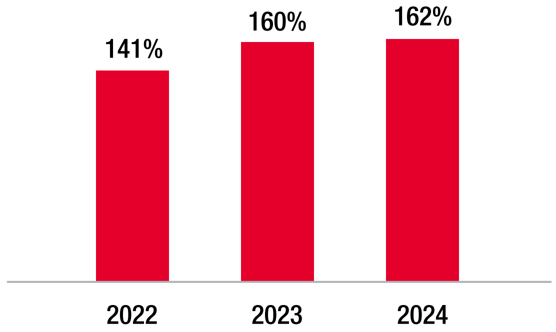
TABLE 2: MARKET RISK - VAR AND SVAR AT 31 DECEMBER 2024

(In EURm)	2024	2023
VaR (1 day, 99%) average value	19	23
SVaR (1 day, 99%) average value	41	36

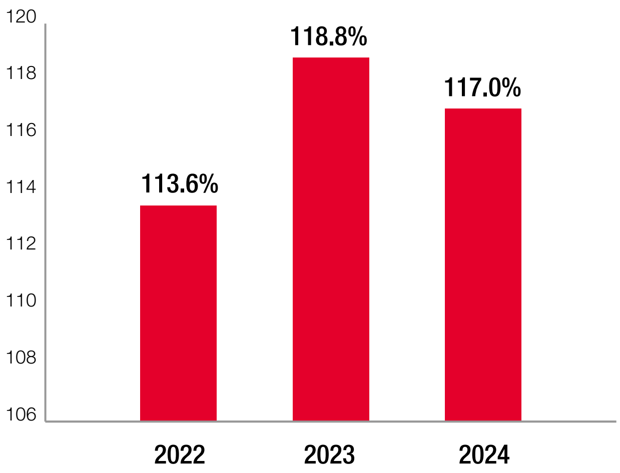
1.5 STRUCTURAL RISK - LIQUIDITY

The SG LCR is steady between end of 2023 and end of 2024 (from 160% to 162%), the decrease of the numerator (drop of the liquidity buffer of EUR 16 billion following repayments of TLTRO III made in 2024) being compensated by the lower amount of net cash outflows. The liquid reserves are stable (EUR 315 billion end of 2024 *versus* EUR 316 billion end of 2023), the impact of the lower liquidity buffer being offset by the increase in central bank eligible non-HQLA collateral following the same TLTRO III repayments.

LCR RATIO AT 31 DECEMBER 2024



NSFR RATIO AT 31 DECEMBER 2024



1.6 STRUCTURAL RISK - RATES

In a parallel schock scenario where the interest rates increase, the impact of the changes of EVE (economic value of equity) in 2024 is EUR -2,533 million and EUR 371 million on interest margin. On the contrary, in a parallel schock scenario where the interest rates decrease, the impact of the changes of EVE (economic value of equity) in 2024 is EUR -1,824 million and EUR -826 million on interest margin.

(See details of Chapter 11 “Structural Interest Rate and Exchange Rate Risks”).

TABLE 3: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1) AT 31 DECEMBER 2024

		31.12.2024	
(In EURm)		Changes of the economic value of equity (EVE)(1)	Changes of the net interest income (NII)
Supervisory shock scenarios			
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	

(1) The Economic Value of Capital is a component of the Net Present Value, taking into account all assets and liabilities with the exception of shareholders' equity principally.

		31.12.2023(R)	
(In EURm)		Changes of the economic value of equity (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
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	

(R) Restatement following method change with SOT NII & SOT EVE values.

1.7 SIGNIFICANT OPERATIONS IN 2024

On 2 April 2024, Societe Generale finalized the creation of the Bernstein joint venture with Alliance Bernstein in the cash and equity research activities with a capital impact of -6 basis points at the date of completion of the transaction.

Societe Generale also continued this year the initiatives on social and environmental responsibility (CSR) which remains at the heart of its strategy with:

- the announcement of the launch of a EUR 1 billion investment fund to accelerate the development of solutions in the energy transition. As such, Societe Generale has acquired a 75% stake in Reed Management SAS, an alternative management company founded by energy investment specialists and has committed to allocating 250 million euros in the inaugural fund.

In addition, various divestiture projects were finalized in 2024, which are fully in line withSociete Generale's strategic roadmap to shape a simplified, more synergistic and efficient model while strengthening the Group's capital:

- the sale of Societe Generale Tchad to the Coris group was finalized in January 2024;
- the sale of Societe Generale Marocaine de Banques including its subsidiaries and La Marocaine Vie to the Saham group was finalized in December 2024 with an estimated positive effect of around 15 basis points on the CET1 ratio of the Group;
- the total sale of the group's shares (70%) in Societe Generale Madagasikara in Madagascar to the BRED Banque Populaire was finalized in December 2024 with a positive impact of around 2 basis points on the group's CET1 ratio at the date of completion of the transaction.

In addition, the Group finalized two divestiture operations in 2025 and announced in January 2025 the divestiture of the 100% stake in Societe Generale Mauritania:

- the sale of Societe Generale Private Banking Switzerland to the Union Bancaire Privée (UBP SA) was completed in January 2025;
- the sale of the activities of Societe Generale Equipment Finance to the BPCE Group was finalized on 28 February 2025 with a positive impact of around 30 basis points on the CET1 ratio of the Group.

In 2024, the Group also announced several other strategic projects being finalized with the aim of pursuing this strategy of simplifying the portfolio of activities:

- the total sale of the group's shares (93.43%) in Societe Generale Bénin, including its branch Societe Generale Togo to the Beninese State. This transaction would have a positive impact of approximately 2 basis points on the Group's CET1 ratio at the expected completion date by the end of the first quarter of 2025;
- the divestment of SG Kleinwort Hambros to the Private Banking Union (UBP SA), a Swiss bank specializing in wealth and asset management, expected by the end of the first quarter of 2025. The divestments of private banking activities in Switzerland and the United Kingdom would have a positive impact of around 10 basis points on the Group's CET1 ratio;
- the total sale of the group's shares (57.93%) in Societe Generale Guinée in Guinea Conakry to the pan-African banking group, Atlantic Financial Group, which would have a positive impact of about 2 basis points on the Group's CET1 ratio at the expected completion date by the end of the first quarter of 2025.

1.8 KEY FIGURES

TABLE 4: KEY METRICS (KM1)

(In EURm)		31.12.2024	30.09.2024[R]	30.06.2024	31.03.2024	31.12.2023
AVAILABLE OWN FUNDS (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	51,764	50,875	50,937	50,832	51,127
2	Tier 1 capital	62,573	60,131	60,977	60,835	60,510
3	Total capital	73,744	70,572	72,009	72,148	70,846
RISK-WEIGHTED EXPOSURE AMOUNTS						
4	Total risk-weighted assets	389,503	392,339	388,536	388,216	388,825
CAPITAL RATIO (AS A PERCENTAGE OF RISK-WEIGHTED AMOUNTS)						
5	Common Equity Tier 1 ratio *(%)*	13.29%	12.97%	13.11%	13.09%	13.15%
6	Tier 1 ratio *(%)*	16.06%	15.33%	15.69%	15.67%	15.56%
7	Total capital ratio *(%)*	18.93%	17.99%	18.53%	18.58%	18.22%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)[1]						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage *(%)*	2.42%	2.42%	2.42%	2.42%	2.14%
EU 7b	*of which to be made up of CET1 capital (%)*	*1.44%*	*1.44%*	*1.44%*	*1.44%*	*1.20%*
EU 7c	*of which to be made up of Tier 1 capital (%)*	*1.86%*	*1.86%*	*1.86%*	*1.86%*	*1.60%*
EU 7d	Total SREP own funds requirements *(%)*	10.42%	10.42%	10.42%	10.42%	10.14%
COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)						
8	Capital conservation buffer *(%)*	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State *(%)*	-	-	-	-	-
9	Institution-specific countercyclical capital buffer *(%)*	0.82%	0.80%	0.81%	0.79%	0.56%
EU 9a	Systemic risk buffer *(%)*	-	-	-	-	-
10	Global Systemically Important Institution buffer *(%)*	1.00%	1.00%	1.00%	1.00%	1.00%
EU 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement *(%)*	4.32%	4.30%	4.31%	4.29%	4.06%
EU 11a	Overall capital requirements *(%)*	14.74%	14.72%	14.73%	14.71%	14.20%
12	CET1 available after meeting the total SREP own funds requirements *(%)*	7.35%	7.03%	7.17%	7.15%	7.45%
LEVERAGE RATIO						
13	Leverage ratio total exposure measure[2]	1,442,125	1,435,055	1,461,927	1,458,821	1,422,247
14	Leverage ratio (%)	4.34%	4.19%	4.17%	4.17%	4.25%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF LEVERAGE RATIO TOTAL EXPOSURE EXPOSURE AMOUNT)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage *(%)*	0.10%	0.10%	0.10%	0.10%	-
EU 14b	*of which to be made up of CET1 capital (%)*	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements *(%)*[3]	3.10%	3.10%	3.10%	3.10%	3.00%

(In EURm)		31.12.2024	30.09.2024[(R)]	30.06.2024	31.03.2024	31.12.2023
LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO						
EU 14d	Leverage ratio buffer requirement *(%)*	0.50%	0.50%	0.50%	0.50%	0.50%
EU 14e	Overall leverage ratio requirements *(%)*[(3)]	3.60%	3.60%	3.60%	3.60%	3.50%
LIQUIDITY COVERAGE RATIO						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	286,262	288,265	283,125	276,307	271,976
EU 16a	Cash outflows – Total weighted value	386,280	378,756	384,230	393,272	400,665
EU 16b	Cash inflows – Total weighted value	202,702	195,483	202,667	218,786	229,446
16	Total net cash outflows (adjusted value)	183,577	183,273	181,564	174,531	171,220
17	Liquidity coverage ratio *(%)*	156.40%	157.65%	156.38%	158.62%	159.31%
NET STABLE FUNDING RATIO						
18	Total available stable funding	660,801	660,284	573,173	671,843	666,138
19	Total required stable funding	566,450	569,779	672,647	573,333	560,850
20	NSFR ratio *(%)*	116.66%	115.88%	117.36%	117.18%	118.77%

(R) : Restated

(1) The own funds requirement applicable to Societe Generale group under Pillar 2 reaches 2.42% (of which 1.20% in CET1) until 31/12/2024 increasing the total SREP own funds requirements totals 10.42%.

(2) Over the entire historical period considered, the leverage exposure mesure takes into account the option to temporarily exempt certain central bank exposures authorised under existing European regulation.

(3) The leverage ratio requirement applicable to Societe Generale group is 3.6% of which 3,1% complies with the Pillar 1 regulatory requirement and 0.5% is related to OLRR cushions.

TABLE 5: TLAC – KEY METRICS (KM2)

				TLAC		
(in EURm)		31.12.2024	30.09.2024[(R)]	30.06.2024	31.03.2024	31.12.2023
OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS[(1)]						
1	Own funds and eligible liabilities	115,758	108,418	110,259	125,613	124,152
2	Total RWA of the Group	389,503	392,339	388,536	388,216	388,825
3	**Own funds and eligible liabilities as a percentage of RWA**	**29.72%**	**27.63%**	**28.38%**	**32.36%**	**31.93%**
4	Total exposure measure of the Group	1,442,125	1,435,055	1,461,927	1,458,821	1,422,247
5	**Own funds and eligible liabilities as percentage of the total exposure measure**	**8.03%**	**7.55%**	**7.54%**	**8.61%**	**8.73%**
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)	No	No	No	No	No
6b	Pro-memo item: Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	0	0	0	13,588	13,609
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied *(%)*	0.00%	0.00%	0.00%	66.10%	66.55%

(R) : Restated

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

As of 31 december 2024, Societe Generale Group presents a TLAC ratio of 29.72% of risk-weighted assets (RWA) for a regulatory requirement of 22.32%, and 8.03% of the leverage exposure for a regulatory requirement of 6.75%.

As of Q2-2024, Societe Generale Group has chosen to waive the possibility offered by Article 72 ter of the CRR to use Senior Preferred debt for compliance with its TLAC requirement.

2

RISK FACTORS

IN BRIEF

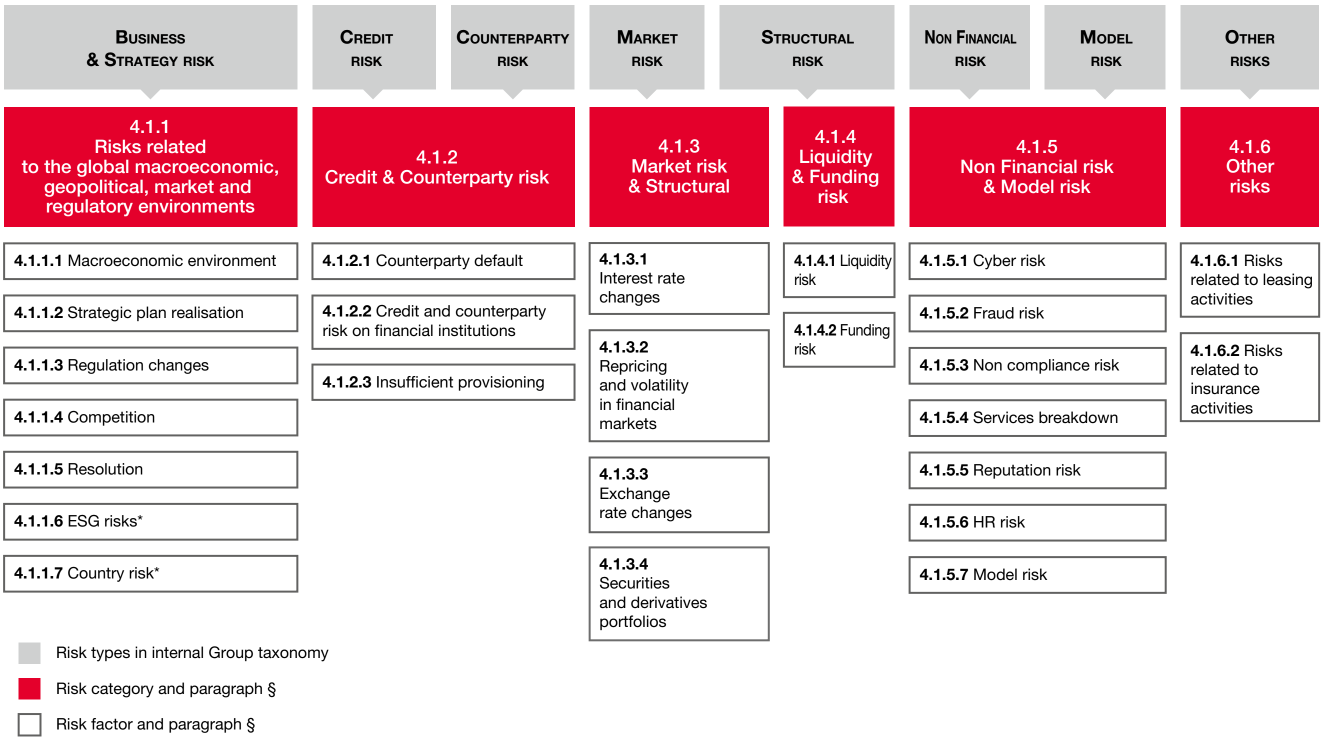
This section describes the various types of risks and the risks to which Societe Generale is exposed.

2.1 RISK FACTORS BY CATEGORY

This section identifies the main risk factors which the Group estimates could have a significant impact on its business activities, profitability, solvency or ability to raise finance.

Societe Generale has updated its risk typology as part of its internal risk management structure. For the purposes of this section, the different risks have been grouped into six main categories (4.1.1 to 4.1.6), in accordance with Article 16 of the Regulation (EU) 2017/1129, also known as "Prospectus 3" regulation of 14 June 2017 according to the main risk factors that the Group estimates could impact the risk categories. Risk factors are presented based on an evaluation of their materiality, with the most material risks indicated first within each category.

The diagram below groups the different risks into six categories and identifies the main impacting risk factors.



** This risk factor is identified as the root cause that could trigger or aggravate one or more risk categories.*
Note to the reader: The diagram illustrates how the types of risks identified in the Group's risk typology have been grouped into the six categories and which risk factors mainly impact them.

2.1.1 RISKS RELATED TO THE GLOBAL MACROECONOMIC, GEOPOLITICAL, MARKET AND REGULATORY ENVIRONEMENTS

2.1.1.1 The international economic, social and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely impact SG's business activities, financial position and performance

As a global financial institution, the Group's activities are sensitive to changes in financial markets and economic conditions in Europe, the United States and elsewhere around the world. The Group generates 41% of its business in France (in terms of net banking income for the financial year ended 31 December 2024), 36% in Europe, 9% in the Americas and 14% in the rest of the world. The Group could face significant worsening of market and economic conditions in particular resulting from crises affecting capital or credit markets, liquidity constraints, regional or global recessions and fluctuations in commodity prices, notably oil and natural gas. Other factors could lead to such deteriorations, such as variations in currency exchange rates or interest rates, inflation or deflation, rating downgrades, restructuring or defaults of sovereign or private debt, adverse geopolitical events (including acts of terrorism and military conflicts), or cybercrime risks. The rapid development of Artificial Intelligence carries risks of fraud and of obsolescence of various technologies.

Plans to ease financial regulations in the United States and the United Kingdom could result in a loss of competitiveness in the Eurozone financial sector. In addition, a health crisis or the emergence of new pandemics similar to Covid-19 cannot be ruled out, nor can unforeseen events or natural disasters.

Such events, which can develop quickly and whose impacts may not have been sufficiently anticipated and hedged, could impact the Group's operating environment for short or extended periods and have a material adverse impact on its financial position on the market, the cost of risk and its results.

The economic and financial environment is exposed to growing geopolitical risks. The war in Ukraine, which began in February 2022, is causing severe tensions between Russia and Western countries, potentially impacting global growth, raw materials prices, as well as the economic and financial sanctions that have been imposed on Russia by numerous countries, particularly in Europe and the United States. The war between Israel and Hamas, which began in October 2023, as well as tensions with Iran and in the Middle East in general, could have similar impacts or contribute to existing ones.

In the United States, a significant shift in economic policy is expected following the outcome of the recent presidential election, with a more protectionist stance. In France, political uncertainties and government instability due to the lack of a parliamentary majority could be a source of further financial and social tensions. In the medium term, the fragmentation of the European political landscape could undermine the coordination of policies linked to defence and energy transition as well as the banking and capital markets union.

In Asia, relations between the US and China, China and Taiwan and between China and the European Union are fraught with geopolitical and trade tensions, the relocation and offshoring of production sites and the risk of technological breakthroughs.

A context of raised interest rates and sluggish economic growth could have an impact on the valuation of equities, and interest rate-sensitive sectors such as real estate are adjusting, notably in Europe. The US Federal Reserve (Fed) and the European Central Bank (ECB) are expected to maintain relatively tight monetary conditions, even though they have begun a rate-cutting cycle, in line with declining inflation.

These risks and uncertainties could cause high volatility on the financial markets and a significant drop in the price of certain financial assets, potentially leading to payment defaults, with consequences that are difficult to anticipate for the Group.

Considering these uncertainties in terms of their duration and scale, these disruptions could significantly impact the activities and profitability of certain Group counterparties in 2025.

In the longer term, the energy transition to a "low-carbon economy" could adversely impact fossil energy producers, energy-intensive sectors of activity and the countries that depend on them.

Ayvens was created following the merger between ALD and LeasePlan in 2023. As a result, the automotive sector now represents an important exposure for the Group. It is currently undergoing major strategic transformations, including environmental (growing share of electric vehicles), technological, as well as competitive (arrival of Asian manufacturers in Europe on the electric vehicles market), the consequences of which could entail major risks for the Group's financial results and the value of its assets.

The Group's results are therefore dependant on economic, financial, political and geopolitical conditions prevailing on the main markets in which the Group operates.

2.1.1.2 The Group's failure to meet the strategic and financial targets it announced to the market could adversely impact its business activities and financial results

During its Capital Markets Day, the Group presented its strategic plan:

- to be a rock-solid bank by streamlining business portfolios, leveraging capital allocation and utilization, improving operational efficiency and continuing to apply its best-in-class risk management model;
- to develop high-performance sustainable businesses: excel at what the Group does best, be a leader in ESG and foster a culture of performance and accountability.

Under its strategic plan, the Group has set the following financial targets:

- a robust CET1 ratio of 13% in 2026 after the implementation of Basel IV;
- average annual revenue growth of between 0% and 2% over the 2022-2026 period;
- an improved operating efficiency, with a cost-to-income ratio lower than 60% in 2026 and ROTE of between 9% and 10% in 2026;
- a distribution rate of 50% of reported net income[(1)], applicable from 2024.

(1) After deduction of interest on deeply subordinated notes and undated subordinated notes, restated from non-cash items that have no impact on the CET1 ratio.

In addition, the Group has announced financial targets for 2025 that are consistent with the targets for 2026:

- a solid CET1 ratio superior to 13% throughout 2025 post Basel IV throughout 2025;
- revenue growth of at least 3% in 2025 compared to 2024 (excluding assets sold);
- decrease in costs above -1% *vs.* 2024 (excluding sold assets);
- improved operating efficiency, with a cost-to-income ratio below 66% in 2025 and a ROTE of more than 8% in 2025;
- a solid asset portfolio, with a controlled cost of risk of between 25 and 30 base points in 2025.

Furthermore, Societe Generale has placed Environmental, Social and Governance (ESG) at the heart of its strategy in order to contribute to positive transformations in the environment and the development of local regions. In this respect, the Group made new commitments during its Capital Market Day on 18 September 2023 such as:

- an 80% reduction in upstream Oil & Gas exposure by 2030 *vs.* 2019; with a 50% reduction by 2025;
- a EUR 1 billion transition investment fund to accelerate the development of energy transition solutions and nature-based, high-impact projects that contribute to the UN's Sustainable Development Goals.

In line with this strategy, the Group is fully committed to achieving its on-going strategic milestones, notably:

- the Group's "Vision 2025" project involves a review of the network of branches resulting from the merger of Crédit du Nord and Societe Generale. The year 2024 saw controlled execution in terms of deployment of the new relational and operational model. The realisation of the social trajectory is also on track. However, the merger has had, among other exogenous factors, a negative impact on the sales performance of the French networks in 2024, and could continue to weaken the Group's position with some of its clients, resulting in loss of revenue;
- Mobility and Financial Services are leveraging the creation of Ayvens following the ALD/LeasePlan merger to be a world leader in the mobility ecosystem. However, 2024 was a transitional period, with the implementation of gradual integrations. From 2025 onwards, the new entity will make the transition to the target business model, including the implementation and stabilisation of IT and operational processes. If the integration plan is not carried out as expected or within the planned schedule, this could have adverse effects on Ayvens, particularly by generating additional costs, or by reducing the synergies expected from 2025 onwards.

The joint venture between Bernstein and AllianceBernstein in cash equity and equity research activities was finalised on 2 April 2024 and the capital impact was -6 basis points on CET1 ratio at Q2 24. This transaction is fully aligned with the strategic priorities of the Group's Global Banking and Investor Solutions franchise.

In 2024 the Group announced a series of divestments under its strategic roadmap aimed at shaping a simplified, more synergised and efficient model, while strengthening the Group's capital base.

The finalisation of agreements on such strategic transactions depends on several stakeholders and is hence subject to the usual conditions precedent, as well as to the approval by the relevant financial and regulatory authorities. More generally, any major difficulties encountered in implementing the main levers for executing the strategic plan, notably in simplifying business portfolios, allocating and using capital efficiently, improving operating efficiency and managing risks to the highest standards, could potentially weigh on Societe Generale's share price.

In addition, on 5 April 2024, the Group announced a plan to restructure its head office in France in order to simplify its operations and structurally improve its operating efficiency. Consultation with employee representative bodies took place in the second quarter of 2024, and the implementation of these organizational changes has resulted in around 900 job cuts at head office without forced departures (*i.e.* around 5% of head office headcount). This project is fully in line with the Group's operating efficiency objective, with expected gross savings of EUR 1.7 billion by 2026 *vs.* 2022.

Failure to meet these commitments, and those that the Group may make in the future, could entail legal risks and risks to its reputation. Furthermore, the rollout of these commitments may have an impact on the Group's business model. Finally, failure to make specific commitments, particularly in the event of changes in market practices, could also generate reputation and strategic risks.

2.1.1.3 The Group is subject to an enlarged regulatory framework in each country where it operates. Changes to this regulatory framework could negatively impact the Group's businesses, financial position and costs, as well as the financial and economic environment in which it operates

The Group is governed by the laws of the jurisdictions in the countries and territories where it operates. This includes French, European and US legislation as well as other local laws and regulations that govern its cross-border activities,. The application of existing laws and the implementation of future legislation require significant resources that could impact the Group's performance. In addition, possible failure to comply with laws could lead to fines, damage to the Group's reputation and public image, the suspension of its operations and, in extreme cases, the withdrawal of operating licences.

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

- several regulatory changes are still likely to significantly alter the framework for Market activities:

  (i) the increase in transparency on the implementation of the new requirements and investor protection measures: review of MiFID II/MiFIR, whose final versions were published in the EU's Official Journal in March 2024 and the implementation texts of which are currently being finalised, the Insurance Distribution Directive (IDD), the European Long-Term Investment Fund Regulation (ELTIF), (ii) the implementation of the fundamental review of the trading book, or FRTB planned for the first quarter of 2026, which may significantly increase requirements applicable to European banks, (iii) possible relocations of clearing activities could be requested despite the European Commission's decision of 8 February 2022 to extend the equivalence granted to UK central counterparties until 30 June 2025, (iv) the European Commission's proposal to amend the regulation on benchmarks (European Parliament and EU Council, Regulation (EU) No. 2016/1011, 8 June 2016) with possible changes in scope and charges and (v) the review of the Market Abuse ((EU) n°596/2014 of 16 April 2014) and Prospectus ((EU) 2017/1129 of 14 June 2017) Regulations, under the Listing Act, which came into force on 4 December 2024, it being specified that many provisions are subject to differed application (15, 18 or 24 months following entry into force), (vi) the adoption of new obligations as part of the review of the EMIR regulation (EMIR 3.0); in particular, the obligation for active account funding in a European Union central counterparty, the information requirements for clearing service providers *vis-à-vis* their clients, the authorization regime for initial margin models, simplification of the conditions for clearing and bilateral margining exemptions for intra-group OTC derivatives transactions, new requirements for entities subject to the reporting obligation to put in place appropriate procedures and systems to guarantee the quality of the data they report;

- the Retail Investment Strategy (RIS) presented by the European Commission on 24 May 2023, aimed at prioritising the interests of retail investors and strengthening their confidence in the EU Capital Markets Union, including measures to regulate commission retrocessions in the case of non-advised transactions and to introduce a value-for-money test for investment products;
- the Commission's proposal of 28 June 2023 for a regulation on the establishment of the digital euro, accompanying the initiatives taken by the ECB in this field;
- the signature by the Presidents of the European Parliament and European Council, on 21 May 2024, of the regulation on Artificial Intelligence (AI Act), which establishes rules on artificial intelligence systems applicable in all economic sectors, and incorporates a risk-based approach. This regulation will be fully applicable 24 months after its enactment on 1 August 2024. As an exception, six months after its entry into force, the prohibition of certain prohibited artificial intelligence systems will become applicable, and 12 months after its entry into force, the obligations for general-purpose artificial intelligence will come into force;
- the proposed Financial Data Access Regulation (FIDA) which, in conjunction with the proposed Payment Services Directive (PSD3) and the proposed Payment Services Regulation (PSR), aims to (i) tackle the risk of fraud and improve client choice and confidence in payments, (ii) improve the functioning of the Open Banking and Open Finance sectors, (iii) increase harmonization of the implementation and execution of payments and the regulation of e-money, and (iv) improve access to payment systems and bank accounts for non-banking Payment Service Providers (PSPs);
- the enhancement of data quality and tightening of protection requirements and extending cyber-resilience requirements following the adoption by the Council on 28 November 2022 of the European Directive and regulation package on digital operational resilience for the financial sector (DORA), applicable since 17 January 2025. Added to this is the transposition of the NIS 2 Directive (Network and Information Security Directive, published in the Official Journal of the EU on 27 December 2022), which extends the scope of application of the initial NIS Directive;
- the implementation of European regulatory frameworks related to due diligence under the so-called "CS3D" Directive proposal (Corporate Sustainability Due Diligence Directive, which was adopted by the Council on 24 May 2024), as well as to sustainable finance including the regulation on European green bonds, with an increase in non-financial reporting obligations, particularly under the CSRD Directive (Corporate Sustainability Reporting Directive), enhanced inclusion of environmental, social and governance issues in risk management activities and the inclusion of such risks in the supervisory review and assessment process (Supervisory Review and Evaluation Process, or SREP);
- new obligations arising from the Basel Committee's proposed reform of banking regulations (the final text of Basel 3, also called Basel 4). The Regulation (EU) no. 575/2013 of 31 May 2024 (CRR3) which entered into force on 9 July 2024 and is applicable since 1 January 2025, together with the Directive (EU) 2024/1619 of 31 May 2024 (CRD6), constitute the texts implementing the reform in Europe;
- the European Commission's initiative, published on 18 April 2023, aimed at tightening the framework for bank crisis management and deposit insurance (CMDI). This proposal, which was adopted in April 2024 by the plenary session of the European Parliament, could lead to a wider use of the guarantee and resolution funds and thus increase the likelihood of having to bail out these funds in the future;
- since 2023, the "Interest Rate Risk in the Banking Portfolio" (IRRBB) guidelines published by the European Banking Authority in October 2022 have applied:
  - since 30 June 2023 for the IRRBB part,
  - since 31 December 2023 for the "Credit Spread Risk arising from non-trading Portfolio Activities" (CSRBB) section, requiring banks to calculate and manage the impact of a change in Credit Spread on the Bank's value and revenues,
  - for supervisory outlier tests (SOTs), which include a measurement and monitoring of the sensitivity of the Net Interest Income in value and revenue streams, and became mandatory on a quarterly basis from 30 June 2024 – a requirement already implemented by the Group since 2023,
  - for the production of new detailed reports on IRRBB and CSRBB risks, produced and sent to the regulator (ITS and STE) since 31 December 2023;
- new obligations arising from European regulations adopted in June 2024 harmonising and strengthening rules on combating money laundering and the financing of terrorism within the EU, which will enter into force from July 2027, as well as creating a new European agency to combat money laundering, which will be based in Frankfurt and start operating from summer 2025;
- the adoption of Regulation (EU) 2023/886 of 13 March 2024, making instant euro payments fully available in the EU and EEA countries, which came into force on 9 January 2025. Among other things, this regulation excludes the screening of instant transfers in euros against European sanction lists, in order to limit the number of rejections, and provides for checks to be carried out at least once every calendar day after any new financial restrictive measure comes into force.

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

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

2.1.1.4 Fiercer competition from banking and non-banking operators could adversely impact the Group's business lines and financial results, both on the French domestic market and internationally

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

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

Moreover, competition has increase following the emergence of non-banking operators that, in some cases, may benefit from a regulatory framework that is more flexible and less demanding in terms of equity capital requirements.

Faced with these challenges, the Group has implemented a strategy, notably the development of digital technologies and the creation of commercial or equity partnerships with these new operators. In this context, the Group may have to make additional investments to be able to offer new innovative services and compete with these new operators. Tougher competition could, however, adversely impact the Group's business and results, both on the French market and internationally.

2.1.1.5 The Group is subject to regulations relating to resolution procedures which could adversely impact its business activities and the value of its financial instruments in the event of resolution by authorities

Directive 2014/59/EU of the European Parliament and of the Council of the European Union of 15 May 2014 (BRRD) establishing a framework for the recovery and resolution of credit institutions and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of the European Union of 15 July 2014 (the Single Resolution Mechanism, or "SRM") define, respectively, a European Union-wide framework and a Banking Union-wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD provides the authorities with a set of tools to intervene early and quickly enough in an institution considered to be failing so as to ensure the continuity of the institution's essential financial and economic functions while reducing the impact of the failure of an institution on the economy and the financial system (including exposure of taxpayers to the consequences of the failure). Within the Banking Union, under the SRM Regulation, a centralised resolution authority is established and entrusted to the SRB and national resolution authorities.

The powers granted to the resolution authority under the BRRD and the SRM Regulations include write-down/conversion powers to ensure that capital instruments and eligible liabilities absorb the Group's losses and recapitalise it in accordance with an established order of priority (the "**Bail-in Mechanism**"). Subject to certain exceptions, losses are borne first by the shareholders and then by the holders of additional Tier 1 and Tier 2 capital instruments, then by the non-preferred senior debt holders and finally by the senior preferred debt holders, all in the order of their claims in a normal insolvency proceeding. The conditions for resolution provided by the French Monetary and Financial Code implementing the BRRD are deemed to be met if: (i) the resolution authority or the competent supervisory authority determines that the institution is failing or likely to fail; (ii) there is no reasonable perspective that any measure other than a resolution measure could prevent the failure within a reasonable timeframe; and (iii) a resolution measure is necessary to achieve the resolutions' objectives (in particular, ensuring the continuity of critical functions, avoiding a significant negative impact on the financial system, protecting public funds by minimising the recourse to extraordinary public financial support, and protecting clients' funds and assets) and the winding-up of the institution under normal insolvency proceedings would not meet these objectives to the same extent.

The resolution authority could also, independently of a resolution measure or in combination with a resolution measure, proceed with the write-down or conversion of all or part of the Group's capital instruments (including subordinated debt instruments) into Common Equity Tier 1 (CET1) instruments if it determines that the Group will no longer be viable unless it exercises this write-down or conversion power or if the Group requires extraordinary public financial support (except where the extraordinary public financial support is provided in the form defined in Article L. 613-48 III, paragraph 3 of the French Monetary and Financial Code).

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

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

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

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

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

2.1.1.6 Environmental, social and governance (ESG) risk factors, particularly those related to climate change, could impact the Group's business activities, financial results and financial situation in the short, medium-and long-term

Environmental, social and governance (ESG) risks are defined as risks stemming from the current or prospective impacts of ESG factors on counterparties, invested assets of financial institutions or on their own account. ESG risks are seen as potentially aggravating factors to the traditional categories of risks (including credit risk, counterparty risk, market risk, non-financial risks, structural risks, business and strategy risks, and other types and factors of risk). ESG risks are therefore likely to impact the Group's activities, results and financial position in the short, medium and long-term.

The Group is consequently exposed to environmental risks, including climate change risks, through certain of its financing, investment and service activities.

The Group could be exposed to physical risk resulting from a deterioration in the credit quality of its counterparties whose activity could be negatively impacted by extreme climatic events or long-term gradual changes in climate, and through a decrease in the value of collateral received (particularly in the context of real estate financing in the absence of guarantee mechanisms provided by specialised financing companies). The Group could also be exposed to transition risk through the deterioration in the credit quality of its counterparties impacted by issues related to the process of transitioning to a low-carbon economy, linked for example to regulatory changes, technological disruptions or changes in consumer preferences.

Beyond the risks related to climate change, risks more generally related to environmental damage (such as the risk of loss of biodiversity, water resources or pollution) are also potentially aggravating factors to the Group's risks. The Group could notably be exposed to credit risk on a portion of its portfolio, on back of lower profitability of some of its counterparties due, for example, to increasing legal and operating costs (due to the implementation of new environmental standards).

In addition, the Group is exposed to social risks, related for example to non-compliance by some of its counterparties with labour laws regarding their employees, occupational health and safety issues, or consumer laws which may entail or exacerbate reputational and credit risks at the Group level.

Similarly, governance related risks as implemented by the Group's counterparties and stakeholders (suppliers, service-providers), such as an inadequate management of environmental and social issues, could generate credit and reputational risks for the Group.

Beyond the risks related to its counterparties or invested assets, the Group could also be exposed to risks related to its own activities. Hence, the Group is exposed to physical climate risk through certain of its activities in regions impacted by extreme climatic events (flooding, etc.).

The Group also remains exposed to specific social and governance risks, relating for example to the operational cost of implementation of regulations (in particular related to labour laws) and the management of its human resources.

All of these risks could potentially impact the Group's core businesses, operating results and reputation in the short, medium and long term.

For more details on ESG risks refer to the chapter 5 of the 2025 Universal Registration Document.

2.1.1.7 Country risk and changes in the regulatory, political, economic, social and financial context within in a given region or country could adversely impact the Group's financial situation

Because of its international activities, the Group is exposed to the aggravating factor of country risks.

A country risk arises whenever an exposure (receivables, securities, guarantees, derivatives) is likely to be adversely impacted by changes in the country's regulatory, political, economic, social or financial conditions.

Strictly speaking, the concept of country risk refers to political and non-transfer risk, which includes the risk of non-payment resulting either from acts or measures taken by the local public authorities (*e.g.* decision by the local authorities to prohibit the debtor from fulfilling its commitments, nationalisation, expropriation or non-convertibility), or from internal (riot, civil war, etc.) or external (war, terrorism, etc.) events.

More broadly, a deterioration in the ranking of a given country, in its sovereign credit rating or business activities can entail a commercial risk, with a particular deterioration in the credit quality of all counterparties in a given country as a result of an economic or financial crisis in the country, irrespective of the specific financial situation of each counterparty. This could be the result of a macroeconomic shock (sharp slowdown in activity, systemic crisis in the banking system, etc.), a currency devaluation or a sovereign default on its external debt, possibly leading to other defaults.

2.1.2 CREDIT AND COUNTERPARTY RISKS

Risk -weighted assets (RWA) in relation to credit and counterparty risks amounted to EUR 327.2 billion as of December 2024.

2.1.2.1 The Group is exposed to credit, counterparty and concentration risks which could have a material adverse impact on its business lines, operating results and financial position

Due to its Financing and Market activities, the Group is exposed to credit and counterparty risk. The Group may therefore incur losses in the event of default by one or more counterparties, particularly if the Group encounters legal or other difficulties in enforcing the collateral allocated to its exposures or if the value of this collateral is not sufficient to fully recover the exposure in the event of default. Despite the vigilance and monitoring measures implemented by the Group to limit the concentration impacts of its credit portfolio exposure, it is possible that counterparty defaults increase could be amplified within the same economic sector or region of the world owing to the interdependence of these counterparties.

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

As of 31 December 2024, the Group's exposure at default (EAD, excluding counterparty risk) was EUR 1,020 billion, with the following breakdown by type of counterparty: 33% on sovereigns, 30% on corporates, 20% on retail clients and 5% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled EUR 305 billion.

Regarding counterparty risks resulting from market transactions (excluding CVA), at the end of December 2024, the exposure value (EAD) was EUR 119 billion, mainly to corporates (39%) and credit institutions and similar entities (43%) and to a lesser extent to sovereign entities (14%). Risk-weighted assets (RWA) for counterparty risk amounted to EUR 19 billion.

As of 31 December 2024, the main sectors to which the Group is exposed in its corporate portfolio included the financial services (accounting for 6.7% of Group's total EAD exposure), utilities (3%), real estate (2.6%), manufacturing industries (2.5%), telecom, media and technologies (2.3%) and agriculture and food industry (1.9%).

In terms of geographical concentration, the five main countries to which the Group was exposed as of December 2024 were France (41% of the Group's total EAD, the US (15%), the UK (5%), Germany (4%) and the Czech Republic (5%). Furthermore, the financial situation of certain counterparties could be impacted by non-financial risks, macroeconomic developments, geopolitical tensions, market-driven events and regulatory changes.

For more information on credit and counterparty risks, see sections 4.5.5 "Quantitative information" and 4.6.3 of the 2025 Universal Registration Document.

2.1.2.2 The solid fundamentals and performance of other financial institutions and market players could adversely impact the Group's core businesses

Financial institutions and other market players (commercial or investment banks, credit insurers, mutual funds, alternative funds, institutional clients, clearing houses, investment service providers, etc.) are important counterparties for the Group in capital or inter-bank markets. Financial services institutions and financial operators are closely interrelated as a result of trading, clearing and funding relationships. In addition, there is an important share of operators with little or no regulation (hedge funds, for example). As a result, defaults by one or several operators in the sector or a crisis of confidence impacting one or more operators could result in market-wide liquidity scarcity or chain defaults, which would have an adverse impact on the Group's activity. Developments in the financial markets, high volatility of the market parameters or the commercial real-estate crisis, could also weaken or even cause the default of certain financial operators, thereby increasing liquidity risk and the cost of funding. The recent crisis involving certain US banks and Crédit Suisse in 2023 highlighted the speed at which a liquidity crisis can develop with operators deemed fragile by the markets, who could subsequently become victims of a serious and rapid loss of confidence from their investors, counterparties and/or depositors.

The recent growth of "Private Credit" activities, which have become an important part of financing the economy but without benefitting from the same kind of regulatory oversight as banking activities, could make the financial system even more fragile in the event of a major crisis, notably due to the interconnections with the insurance sector, pension funds and Private Equity funds.

In addition, certain financial operators could experience operational or legal difficulties during the liquidation or settlement of certain financial transactions. These risks are specifically monitored and managed (see section on counterparty risks).

In addition, the Group is also exposed to risks related to clearing institutions and particularly to the default of one or more of their members. These exposures are significant and can be explained in particular by the increase in transactions traded through these institutions, induced in part by regulatory changes that require mandatory clearing for over-the-counter derivative instruments standardised by these clearing counterparties. For information purposes, the Group's exposure to clearing houses amounted to EUR 28 billion of EAD as of 31 December 2024. The default of a member of a clearing institution[1] could generate losses for the Group and have an adverse impact on the business and results of the Group. These risks are also subject to specific monitoring and supervision (see section on counterparty risks).

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

(1) The Group is also exposed to a default risk as a clearing institution, which would be a major/systemic event although less likely.

2.1.2.3 The Group's operating income and financial situation could be adversely impacted by late or insufficient provisioning of credit exposures

The Group regularly records provisions for non-performing loans in connection with its lending activities in order to anticipate the occurrence of losses. The amount of provisions is based on the most accurate assessment at the time of the recoverability of the debts in question. This assessment, based notably on multi-scenario approaches, relies on an analysis of the current and prospective situation of the borrower as well as an analysis of the value and recovery prospects of the debt, taking into account any security interests. In some cases, the provisioning method may call for the use of statistical models (loans to individual clients) or decision-support tools (loans to French retail banking business clients with less than EUR 1 million of exposure) based on the analysis of historical losses and recovery data. Since 1 January 2018, the Group has also been recording provisions on performing loans under the IFRS 9 accounting standard. This assessment is based on statistical models for assessing probabilities of default and potential losses in the event of default, which take into account a prospective analysis based on regularly updated macroeconomic scenarios.

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

As of December 2024, the stock of provisions relating to outstanding amounts (on- and off-balance-sheet) amounted to EUR 3.1 billion on performing assets and EUR 6.5 billion on assets in default. Outstanding loans in default at amortised cost (stage 3 under IFRS 9) represented EUR 14.7 billion, including 64% in France, 11% in Africa and Middle East and 10% in Western Europe (excluding France). The gross ratio of non-performing loans on the balance-sheet was 2.81% and the gross coverage ratio of these loans was approximately 43%. The cost of risk stood at 26 basis points as of 2024, against a cost of risk of 17 basis points in 2023.

2.1.3 MARKET AND STRUCTURAL RISKS

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

2.1.3.1 Major changes in interest rates could adversely impact the Group's retail banking activities and balance-sheet value

The Group generates a significant part of its income through net interest margins and, as such, remains exposed to interest-rate fluctuations in both absolute terms and with respect to the shape of the yield curve, particularly in its Retail Banking activities in France. The Group's results are influenced by changes in interest rates in Europe and in the other markets where it operates. It is the same for value metrics.

In general, lower interest rates mean a reduction in the Group's interest-rate margin, due not only to lower remuneration from deposit replacement but also to a higher risk of mortgage loans renegotiated on the French market.

A series of very rapid rate hikes also presents a risk to the Group's revenues. Such a scenario can be the consequence of a strong economic recovery or spiking inflation. A sharp increase in key rates combined with a context of high inflation can have negative impacts, particularly in France, due to the upward interest-rate adjustment to the remuneration on certain savings products (the Livret A savings account, in particular) and the inability to fully pass on the increase to client rates for assets such as mortgage and consumer loans (in addition to the specific problems associated with the usury rate in the French market).

In general, any sudden fluctuation in interest rates may induce a change in client behaviour and calls for adjustments to the interest-rate hedges in place which could dent Group revenues and value. Finally, a potential decrease in value of assets measured at fair value could also negatively impact revenues.

For more information on structural interest-rate risks, see Chapter 4.8 "Structural risks, interest rate and foreign exchange rate" and Note 8.1 "Segmented reporting" in Chapter 6 of the 2025 Universal Registration Document.

2.1.3.2 Changes and volatility on global money markets could have an adverse material impact on the Group's core businesses and results

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

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

Severe market disruptions and high market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Group's markets activities. Such losses may extend to a broad range of trading and hedging products, notably on derivative instruments, both vanilla and structured.

In the event that a much lower-volatility environment emerges, reflecting a generally optimistic sentiment in the markets and/or the presence of systematic volatility sellers, increased risks of correction may also develop, particularly if the main market participants have similar positions (market positions) on certain products. Such corrections could result in significant losses for the Group's market activities. The volatility of the financial markets makes it difficult to predict trends and implement effective trading strategies; it also increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. The realisation of any such losses could have a material adverse effect on the Group's results of operations and financial position.

Similarly, the sudden decrease in, or even the cancellation of, dividends, as experienced during the Covid-19 pandemic, and changes in the correlations of different assets of the same class, could impact the Group's performance, with many activities being sensitive to these risks. A prolonged slowdown in financial markets or reduced liquidity in financial markets could make asset disposals or position manoeuvrability more difficult, leading to significant losses. In many of the Group's activity segments, a prolonged decline in financial markets, particularly asset prices, could reduce the level of activity in these markets or their liquidity. These variations could lead to significant losses if the Group were unable to quickly unwind the positions concerned, adjust the coverage of its positions, or if the assets held in collateral could not be divested, or if their selling prices did not cover the Group's entire exposure on defaulting loans or derivatives.

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

Moreover, in the event of a market downturn, the Group could see a decline in the volume of transactions carried out on behalf of its clients, leading to a decrease in the revenues generated from this activity and in particular in commissions received.

In 2024, global inflation continued to decline, but at a slower pace than in 2023, and remains above the 2% threshold targeted by central banks, generating uncertainty about the speed at which central banks will be able to ease monetary policy. The ECB and the Fed have begun a cycle of rate cuts, but without giving any indication of the level that could be reached at the end of the cycle. The Fed will remain attentive to the potentially inflationary consequences of President Trump's programme. Central banks are also gradually reducing the size of their balance-sheets, which may have an impact on banking liquidity.

2.1.3.3 Fluctuations in foreign exchange rates could adversely impact the Group's financial results

As a result of the Group's policy of desensitising the CET1 ratio to changes in the foreign exchange rate of currencies against the euro, the Group's consolidated equity is favourably exposed in the event of currency appreciation against the euro.

In the event of an appreciation in value of the euro against foreign currencies, the Group's consolidated equity would therefore be negatively impacted.

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

See Chapter 4.8 “Structural risks, interest rate and foreign exchange rate” of the 2025 Universal Registration Document.

2.1.3.4 Changes in the fair value of the Group portfolios of securities and derivatives and of its own debt could adversely impact the net carrying amount of these assets and liabilities and hence on the Group's net income and equity capital

The carrying amount of Societe Generale's securities portfolios (excluding securities measured at amortised cost), derivatives and certain other assets, as well as its own debt recorded in its balance-sheet, is adjusted at each financial statement reporting date.

Adjustments have been made on the basis of changes in the fair value of the Group's assets or liabilities during the financial year, and changes are recorded either in the income statement or directly in shareholders' equity.

Variations recorded in the income statement impact the Group's consolidated results and consequently its net income.

All fair value adjustments have an impact on shareholders' equity and, consequently, on the Group's prudential ratios.

A downward adjustment in the fair value of the Group's securities and derivatives portfolios may result in a decrease in shareholders' equity and, to the extent that such an adjustment is not offset by reversals impacting the value of the Group's liabilities, the Group's prudential capital ratios might also be lowered. Fair value adjustments are revalued for each accounting period.

As of 31 December 2024, on the assets side of the balance-sheet, financial instruments valued at fair value through profit or loss, hedging derivative instruments and financial assets at market value through shareholders' equity amounted to EUR 526 billion, EUR 9 billion and EUR 96 billion, respectively. On the liabilities side, financial instruments valued at fair value through profit or loss and hedging derivative instruments amounted respectively to EUR 397 billion and EUR 16 billion on 2024.

2.1.4 LIQUIDITY AND FUNDING RISKS

2.1.4.1 Further downgrades in the Group's external rating or in the French government's sovereign rating could adversely impact the Group's cost of financing and its access to liquidity

To properly carry out its business activities, the Group is dependent on the financial markets (money and bond markets) and on deposits collected from clients. In the event of difficulties in accessing the secured or unsecured debt markets on terms it considers acceptable, due to market conditions or factors specific to the Group, its liquidity could be impaired. In addition, if the Group is unable to maintain a satisfactory level of client deposits collection, it would have to rely on the financial markets, which would increase its financing costs and have a negative impact on its net interest margin and results.

The Group is exposed to the risk of a variation in credit spreads: the Group's medium- and long-term financing cost is directly linked to the level of credit spreads which can fluctuate depending on general market conditions.

The variation of these spreads could also be adversely impacted by a change by the rating agencies in France's sovereign debt rating or countries rating where the Group operates as well as the Group's external ratings as described below.

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

Material events such as severe damage to the Group's reputation, the deterioration of the economic environment following a health crisis or a sovereign rating downgrade of France or countries where the Group operates, could increase the risk of external rating downgrades in order to address such circumstances. The Group's ratings could thus be placed under negative watch or be subject to a downgrade. In particular, France's sovereign ratings could be downgraded again due to an increase in its debt and deficits, difficulty in taking budget-adjusting measures or adopting structural reforms due to the political and social context. These elements could have a negative impact on the Group's financing costs and its access to liquidity. The Group's ratings by Fitch Ratings, Moody's, R&I and Standard & Poor's are available on the Group's website (*https://investors.societegenerale.com/fr/informations-financieres-et-extra-financiere/notations/notations-financieres*).

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

In 2024, the Group raised a total of EUR 48.2 billion of long-term funding (of which EUR 43.5 billion for the parent company and EUR 4.7 billion for its subsidiaries) comprising, at the parent company level, subordinated and deeply subordinated issues (EUR 2.7 billion), senior vanilla non-preferred issues (EUR 6.7 billion), unsecured senior vanilla preferred issues (EUR 5.7 billion), senior structured issues (EUR 25.5 billion) and secured issues (EUR 2.9 billion).

For 2025, the Group has planned a funding program of approximately EUR 17 billion in vanilla long-term debt, mainly focused on senior non-preferred and subordinated debt."

2.1.4.2 The Group's ability to obtain financing and the cost of such financing could be undermined in the event of new financial crises or deteriorating economic conditions

In previous crises (such as the 2008 financial crisis, the eurozone sovereign debt crisis, tensions on the financial markets linked to the Covid-19 pandemic before the intervention of the central banks) or more recently tensions linked to geopolitical shocks and, in 2023, to the transition towards a higher interest rate regime, access to financing from European banks was intermittently restricted or subject to less favourable conditions.

If unfavourable debt market conditions re-emerged following a new systemic or Group-specific crisis, the impact on the liquidity of the European financial sector in general and on the Group in particular could be very significantly unfavourable and could have an adverse impact on the Group's operating results as well as its financial position. In this respect, the case of Crédit Suisse is illustrative of the potential consequences of a crisis impacting a systemic bank on the access to liquidity for the sector and an increase in banks' financing costs.

In recent years, central banks have taken measures to facilitate financial institutions' access to liquidity, in particular through TLTRO (Targeted Longer-Term Refinancing Operations) programmes and by implementing asset purchase policies to keep long-term interest rates at very low levels. In a context of higher inflation, central banks (notably the ECB) phased out these accommodating policies in particular with the end of the TLTRO mechanism under which the last drawdowns matured in 2024, the gradual withdrawal of asset-purchase policies and a rise in key interest rates.

In addition, if the Group were unable to maintain a satisfactory level of deposits from its clients, it could be forced to seek financing on the money or bond markets, which could increase its financing costs and negatively impact its net interest margin as well as its results.

The Group's regulatory short-term liquidity coverage ratio (LCR) stood at 162%[1] as of 31 December 2024 (end of period) and liquidity reserves amounted to EUR 315 billion as of December 2024.

(1) In the course of preparing regulatory filings in January, an error was discovered in the calculation of the Group's LCR. The cash position of an institutional counterparty was fed to the LCR model from both the accounting and the operational systems. This error doubled the projected cash outflows in the LCR model. Correcting the issue raised the LCR from 156% to 162% in Q4 2024.

2.1.5 NON-FINANCIAL (INCLUDING OPERATIONAL) RISKS AND MODEL RISKS

As of 31 December 2024, risk-weighted assets in relation to operational risk amounted to EUR 50.1 billion, or 13% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (59% of total operational risk).

Between 2020 and 2024, the Group's operational risks were primarily concentrated in five risk categories, representing 94% of the Group's total operating losses observed over the period: fraud (mainly external frauds) and other criminal activities (35%), execution errors (21%), disputes with authorities (8%), errors in pricing or risk assessment, including model risk (12%) and commercial disputes (18%). The Group's other categories of operational risk (unauthorised activities in the markets, loss of operating resources and failure of information systems) remain minor, representing on average 6% of the Group's losses between 2020 and 2024.

See Chapter 4.10.3 "Operational risk measurement" of the 2025 Universal Registration Document for more information on the allocation of operating losses.

2.1.5.1 Breaches in information systems such as cyberattacks could adversely impact the Group's core businesses, resulting in financial losses and damage to the Group's reputation

The Group relies heavily on communication and information systems to conduct its business and this is reinforced by the widespread use of remote banking and the digitalisation of processes. Any breach of its systems or the systems of its external partners could materially disrupt the Group's business. Such incidents could result in significant costs related to the recovery and verification of information, loss of revenues, client attrition and disputes with counterparties or clients, difficulties in managing market operations and short-term refinancing operations, and ultimately damage the Group's reputation. Difficulties experienced by the Group's counterparties could also indirectly generate credit and/or reputational risks for the Group. The situation stemming from the conflict in Ukraine (mentioned in section 4.1.1.1 "The international economic, social and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely impact its activities, financial position and results of operations") increases the risk of cyberattacks for the Group and its external partners.

Each year, the Group is subject to several cyberattacks on its information systems or those of its clients, partners and suppliers. The Group could be subject to targeted and sophisticated attacks on its computer network, including phishing campaigns designed by "**artificial intelligence**" to achieve higher levels of persuasion, resulting in embezzlement, loss, theft or disclosure of confidential data or client data which could constitute violations of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR). Such actions could result in operational losses and have an adverse impact on the Group's business, results and reputation with its clients.

2.1.5.2 The Group is exposed to the risk of fraud, resulting in potential financial losses and damage to its reputation

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

The risk of fraud increases intrinsically in a crisis context (financial pressure among clients, third parties or our employees) and in a remote working environment that may limit the capacity for monitoring and foreign exchanges by or with the manager or other employees contributing to the prevention or detection of fraud risk. This risk mainly involves external fraud related to the Bank's credit activities and to the means of payment (electronic banking, transfers, and checks) made available to clients. Fraud schemes are changing rapidly in terms of volume and approach, in line with the security measures and counter-measures developed in the market and within the Group. Internal fraud is carried out through the misappropriation of funds and the granting of undue facilities and can be carried out with or without external collusion. Finally, unauthorised rogue trading, with or without circumvention of controls, could impact results and have a major negative impact on the Group's reputation.

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

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

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

For a description of the most significant ongoing proceedings, see section 4.11 "Compliance", Note 8.3.2 "Other provisions for risks and expenses" and Note 9 "Information on risks and litigation" of Chapter 6 of the 2025 Universal Registration Document.

2.1.5.4 An operating failure, interruption or breakdown impacting the Group's commercial partners or information systems could have an adverse impact on the Group's business activities, resulting in financial losses and damage to its reputation

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

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

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

The Group is also subject to various regulatory reforms and major internal strategic projects that may lead to operational disruptions and have an impact on the Group's operations, the accounting of transactions and their tax or prudential treatment, and on the Group's results in the event of poor project management and understanding of operational risks (see section 4.1.1.2 "The Group's failure to achieve the strategic and financial targets disclosed to the market could have an adverse impact on its business and its results").

2.1.5.5 Damage to the Group's reputation could undermine its competitiveness, business lines and financial situation

An organisation benefits from a good reputation when its activities and services meet or exceed the expectations of its stakeholders, both external (clients, investors, shareholders, regulators, supervisors, suppliers, opinion leaders such as NGOs, etc.) and internal (employees).

The Group's reputation for its solid financial position and integrity is critical to its ability to foster loyalty and develop its relationships with clients and other counterparties in a highly competitive environment. Any reputational damage could result in lost business with its existing clients or a loss of confidence among stakeholders, thereby impacting the Group's competitiveness, business performance and financial situation. This is also an aggravating factor of other risks. As in the case of the banking crisis at the beginning of 2023, material damage to the Group's reputation could also result in increased difficulty in raising capital and in refinancing.

Therefore, failure by the Bank to comply with the relevant regulations and to meet its commitments, especially those relating to CSR, could undermine the Group's reputation.

Failure to comply with the various internal rules and Codes(1), which aim to embed the Group's values in a Code of Ethics and responsibile governance, could also have an impact on the Group's image.

For more information about reputation risk please see section 4.13 "Environmental, social and governance (ESG) risks", 4.11 "Compliance risk" and 4.10 "Operational risk" of the 2025 Universal Registration Document.

2.1.5.6 The Group's inability to attract and retain qualified employees may adversely impact its performance

As of 31 December 2024, the Group employed around 119,000 people in 62 countries. Human resources are key assets of the Group, its business model and value proposition.

The emergence of new market players and new technologies in the banking sector, as well as the consequences of the health crisis, have accelerated the transformation of the Bank, directly impacting the way the Company operates and/or the way employees work. Inadequate career and skills management (integration, career prospects, training, HR support, compensation levels in line with market practice, etc.), transformation projects, as well as a lack of attractiveness and poor working conditions could lead to a loss of resources, know-how and commitment. This would have a negative impact on individual and collective performance and the Group's competitiveness. The inability of Societe Generale to attract and retain staff, a high rate of turnover, the loss of strategic employees and poor management of human capital in a tense geopolitical context could adversely impact the performance of the Group, result in a loss of business, a deterioration in the quality of service (at the expense of client satisfaction) and a deterioration in the quality of working life (to the detriment of the employee experience).

For more information, see section 5.2.1 "Being a responsible employer" of the 2025 Universal Registration Document.

2.1.5.7 The model used, in particular within the Group, to take strategic decisions and manage risks could fail, be delayed in their deployment or prove inadequate and result in financial losses for the Group

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

In particular:

- the valuation of certain financial instruments that are not traded on regulated markets or other trading platforms, such as OTC derivative contracts between banks, uses internal models that incorporate unobservable parameters. The unobservable nature of these parameters results in an additional degree of uncertainty as to the adequacy of the valuation of the positions. In the event that the relevant internal models prove unsuitable for changing market conditions, some of the instruments held by the Group could be misvalued and could generate losses for the Group;

(1) Internal Rules, "Code of Conduct", "Anti-corruption and Influence Peddling Code", "Code of Tax Conduct" and, more generally, the Group's standards.

- the assessment of client solvency and the Bank's exposure to credit risk and counterparty risk is generally based on historical assumptions and observations that may prove to be inappropriate in light of new economic conditions. It is based on economic scenarios and projections that may not adequately anticipate unfavourable economic conditions or the occurrence of unprecedented events. This miscalculation could, among other things, result in an under-valuation and an under-provisioning of risks and an incorrect assessment of capital requirements;
- hedging strategies used in market activities rely on models that include assumptions about the changes of market parameters and their correlation, partly inferred from historical data. These models could be inappropriate in certain market environments (in the event of a large-scale armed conflict, strong movements in volatility resulting, for example, from a pandemic, the conflict between Russia and Ukraine or tensions between the United States and China, in the Middle East or in Africa), leading to an effective hedging strategy, thus causing unanticipated losses that could have a material adverse impact on the Group's results and financial position;
- hedging strategies to manage interest-rate and liquidity risks related to retail banking activities, particularly those in France, use models that include behavioural assumptions. These models are partly based on historical observations the purpose of which is to identify likely client behaviour as well as changes in the interest rate terms offered to clients in relation to their banking products under expected future interest rate conditions. That said, they may be unsuitable due to a change in macroeconomic regime (For example, significant movements in interest rates or inflation), in the competitive or regulatory environment, and/or in the Bank's commercial policy, which would therefore temporarily make the resulting hedging strategies inappropriate, thereby potentially harming bank revenues.

In addition, the Group has introduced changes to its internal credit risk model framework, the first milestones of which have been reached. This evolution aims at rationalizing the architecture of the Group's internal credit models and bringing them into line with new European regulatory requirements. These changes could have a significant impact on the calculation of its RWA credit and counterparty risk in the event of timetable delays when submitting its models to the supervisor or in the event of the late approval by the supervisor.

2.1.6 OTHER RISKS

2.1.6.1 Risks on long-term leasing activities

As part of its long-term automotive leasing activities, the Group is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value. Future sales and estimated losses are impacted by external factors such as macroeconomic conditions, government policies, tax and environmental regulations, consumer preferences, new vehicle prices, etc.

Regarding mobility, the used vehicle market continues its normalization started in 2023, although it remained at high levels in 2024. This situation reflects a high sustained demand for internal combustion engine vehicles while the weakness of the used market for electric vehicles continues. The Group, which has a funded fleet of 2.6 million vehicles at the end of 2024, recorded earnings from the sale of used vehicles of EUR 1,455 per used vehicles sold in 2024, before impact of reductions in impairment costs and LeasePlan purchase price allocation[(1)]. Used car sales result profits excluding depreciation adjustment[(2)] totalled EUR 907.9 million in 2024, compared to EUR 1,078.5 million in 2023.

Ayvens also specifically monitors residual value for electric vehicles, whose future sale in the specific used vehicle market could also involve uncertainties related to the level of demand, the level of prices, or rapid technological change.

2.1.6.2 Risks related to insurance activities

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

In 2024, the Group's insurance activities represented net banking income of EUR 0.7 billion, or 2.5% of the Group's consolidated net banking income. The Group's Insurance Division is mainly focused on life insurance. At 31 December 2024, life insurance contracts registered outstandings of EUR 146 billion, divided between euro-denominated contracts (60%) and unit-linked contracts (40%).

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

With its impact on the yield of euro-denominated contracts, a prolonged outlook of low interest rates lowers the appeal of these products for investors, which can negatively impact the raising of finance and generation of revenues from this segment of the life insurance business.

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

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

In the event of a deterioration in market parameters, the Group could be required to strengthen the capital base of its insurance subsidiaries to enable them to continue to comply with the relevant regulatory requirements.

(1) In accordance with IFRS 3 "Business Combinations".

(2) From 31 December 2024, Ayvens changed presentation of the components within the Gross Operating Income in its income statement. Prospective depreciation, which reflects revision of residual values of the running fleet and previously accounted for in the Leasing contract margin, is now recognised in the Used Car Sales. This transfer is accompanied by a change of the "Used car sales result" caption becoming "Used car sales result and depreciation adjustments". These presentation changes do not impact Gross Operating Income overall, nor Net income, Group share.

3

RISK MANAGEMENT ORGANISATION

IN BRIEF

This section describes Societe Generale's risk management approaches and strategies. It describes how the functions in charge of risk management are organised, how these functions guarantee their independence and how they broadcast the risk culture within the Group.

3.1 SUITABILITY OF RISK MANAGEMENT SYSTEMS

The Pillar 3 report, published under the remit of Societe Generale Group’s Senior Management, sets out, in accordance with the CRR regulation, the quantitative and qualitative information on Societe Generale’s capital, liquidity and risk management to ensure transparency towards the various market operators. This information has been prepared in compliance with internal control procedures approved by the Board of Directors during approval of the Group Risk Appetite Framework and Group Risk Appetite Statement and are based on the annual review, by General Management in the Group Internal Control Coordination Committee (GICCC) and by the Risk Committee of the Board of Directors, of Societe Generale’s Risk division, particularly in its ability to exercise its role as the second line of defense for the entire Group.

The risk management framework is based on a three-pronged organization and comprehensive comitology, notably at the level of the Management Board and General Management, to cover all risks. It is based on the definition and monitoring of a risk appetite and the assessment of risks through the conduct of stress tests in accordance with a defined framework and principles.

3.2 RISK MANAGEMENT GOVERNANCE

Audited I 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 structure and internal controls

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 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.

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) is tasked with, under its terms of reference, protecting 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 DEFENCE

The Risk Division (RISQ): Purpose of Risk Management

The main aim of the Risk 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 embedment 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 reports to the Group's Chief Executive Officer.

The Compliance Division (CPLE): Compliance Function mandate

According to EBA's guidelines on internal governance and French regulations, 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 DEFENCE (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.

Risk management comitology

The SG Group manages risks under a system of governance through committees that report to the Board of Directors and to General Management.

NON-EXECUTIVE GOVERNANCE – BODIES REPORTING TO 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 is 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), approves 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 tasked with 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 record for the quarter in question;
- **the Group Internal Control Coordination Committee** (GICCC) ensures the consistency and effectiveness of the Group's internal controls, in particular in as laid down in Article 16 of the amended French Order of 3 November 2014;

(1) Environmental, Social and Governance.

- **the Responsible Commitments Committee** (CORESP), deals with any subject falling within the Group's environmental and social remits, or with 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; ▲
- **the Group Information Systems Committee** ("ISCO"), chaired by the CEO, is responsible for SG Group's Information System ("IS") strategy and for steering SG Group's strategic IS targets;
- **the Data Quality and Aggregation Strategy Committee,** chaired by a Deputy Chief Executive Officer, oversees initiatives and makes decisions on the Group's data, metrics, and reports quality.

According to the findings of last census carried out on 31 December 2024, the full-time equivalent (FTE) workforce of:

- the Group's Risk Department for the second line of defence represents approximately 4,176 FTEs (1,818 within the Group's Risk Department itself and 2,358 for the rest of the Risk function);
- the Compliance Department or the second line of defence represents approximately 2,785 FTEs;
- the Information System Security Department totals approximately 632 FTEs.

Risk reporting

The Group's risk measurement systems serve as the basis for the production of internal Management Reports allowing the monitoring of the Group's main risks (credit risk, counterparty, market, operational, liquidity, structural, settlement/delivery) as well as the monitoring of compliance with the regulatory requirements.

Thus, the risk reports intended for the management bodies are guided in particular by the following principles:

- coverage of all significant risks;
- combination of a global and holistic view of risks and a more in-depth analysis of the different types of risk;
- overview supplemented by focus on certain specific scopes, forward-looking elements (based in particular on the presentation of elements on the evolution of the macroeconomic context) and elements on emerging risks;
- balance between quantitative data and qualitative comments.

For all the risk monitoring Committees listed above (at senior management or Board level), dedicated reporting is provided to ensure comprehensive monitoring of the risks covered by these Committees.

Although these reports are used at the Group level to monitor and review the Group's risk profile in a holistic manner, further reports are provided to the Executive Board or senior management to monitor and control specific types of risk. *Ad hoc* reporting can also be done.

3.3 RISK APPETITE STATEMENT - DETERMINATION AND MONITORING OF RISKS

Risk identification process

The Risk Identification Process is a key effective tool of the Group risk-management framework since it allows to identify all risks that are or might become material at the Group level. This process, which is continuously performed by Business Units and Service Units, should be comprehensive to cover all Group exposures and all risk categories defined in the Risk Taxonomy.

The outcome of the annual Risk Identification process is approved annually by the Group CORISQ and presented to the Group Board of Directors.

Once the physical risks have been identified, the Group defines its risk appetite, *i.e.* the level of risk that the Group is prepared to accept, as part of its business and strategy, on the types of risk identified as physical. The governance of risk appetite determination and risk appetite monitoring are described in the following paragraphs.

The main elements of the Group's risk profile as of 31 December 2024 are detailed in the "Risk and Capital Adequacy" chapter of this document, respectively:

- credit risk: Chapter 4.5;
- market risk: Chapter 4.7;
- liquidity risk: Chapter 4.9;
- structural risk (rate, foreign exchange rate): Chapter 4.8;
- non-financial risks and non-compliance risks: Chapter 4.10 and Chapter 4.11.

Risk Appetite Statement

Definition

Risk appetite is defined as the level of risk that the Group is prepared to assume in achieving its strategic objectives.

It is structured as follows:

- qualitatively, based on a set of principles and policies applicable to different categories of risk;
- quantitatively, in a risk management framework with fixed limits, alert thresholds a crisis level where applicable.

For each indicator, risk levels are defined: a limit corresponding to the risk appetite level not to be exceeded, an alert threshold to prevent the limit being exceeded, and a crisis level corresponding to a regulatory requirement, where the indicator is subject to it, increased by a buffer to allow remedial measures. Thus, when one of the risk levels is exceeded, a process of escalation is triggered to inform the Risk Management, the General Management and the Board of Directors, and proportionate corrective action plans are put in place.

Principle

The Risk Appetite Statement is based on:

- the strategic profile of the Group: definition of the main principles for balancing the portfolio of activities by geography and expertise;
- the Group's financial soundness profile: formalization of the Group's broad financial objectives (profitability, solvency, rating, liquidity…), in line with its strategy, which include targets to be met in the baseline scenario of the four-year financial plan, as well as minimum levels to be achieved as part of the overall stress test of risk appetite. The target solvency and liquidity profile is further defined in accordance with the ICAAP and ILAAP processes.

The risk appetite is part of the Group's overall strategy, which is reflected in the following objectives:

- a robust CET 1 ratio of 13% in 2026 after the implementation of Basel IV;
- an expected annual growth in revenues of between 0% and 2% on average over 2022-26;
- increased operational efficiency with an operating coefficient of less than 60% in 2026 and achieving ROTE profitability of between 9% and 10% in 2026;
- maintaining risk management at the highest standards with a cost of risk between 25 and 30 basis points over 2024-26 and a non-performing stock rate between 2.5% and 3% in 2026;
- maintaining a robust liquidity profile with a Liquidity Coverage Ratio (LCR) of 130% or more and a Net Stable Funding Ratio (NSFR) of 112% or more over the cycle.

The Risk Appetite Statement is based on the following principles:

- **solvability and profitability**: the Group, calibrates its capital frameworks (consistent with the results of the ICAAP Group process) to ensure: the meeting minimum regulatory requirements on regulatory capital ratios (CET1, total capital ratio…), a sufficient level of creditor protection with a debt issuance program, in particular a hybrid program consistent with the Group's rating or regulatory ratio objectives and the coverage of the one-year internal capital requirement by available internal capital;
- **financing and liquidity**: the Group shall maintain adequate diversification of its sources of funding and ensure the resilience of its liabilities, calibrated taking into account the compliance with the regulatory ratios LCR and NSFR, and the survival horizon in a combined liquidity stress scenario;

- **credit risk**: the Group privileges in assuming credit risks, the Group focuses on a medium- and long-term client relationship perspective, targeting both clients with whom the Bank has established a relationship of trust and prospects with profitable business development potential in the medium term. It keeps a diversified risk-taking portfolio by sector of activity, country or client and promotes the use of risk mitigation arrangements (guarantor, collateral);
- **market risk**: the Group is committed to meeting client needs with a full range of products. The main activities impacted are within the Markets Directorate and now focus mainly on two sub-activities (Equities and Rates) but also on some subsidiaries of the international network. The Group thus manages the market risk associated with these activities. On the other hand, the Group has little or no appetite for long-term transactions (>20 years), transactions deemed too risky (currencies in some countries), complex products, certain sectors (leverage in the US) and markets or financial instruments that may be subject to "unfavourable" regulatory developments in the future;
- **non-financial risk (including compliance risk):** Overall, the Group has no appetite for operational risk and risk of non-compliance. It has no tolerance for incidents whose severity can seriously damage its image, threaten its results or the confidence of its clients and employees, prevent the continuity of its critical activities or challenge its strategic orientations;
- **market risks in the banking book (*e.g.* interest rate risks (IRRBB), credit spread risk in the banking book, foreign foreign exchange)**: The Group's ALM strategy is based on the coverage of value and income rate risk. The Group's foreign foreign exchange risk management policy is to minimize the sensitivity of its CET1 ratio to changes in foreign exchange rates;
- **environmental, social and governance risk factors**: ESG risks represent a potentially aggravating factor of the existing categories of risks, and of other types of risk factors. They can have a negative impact on the Group's financial performance materializing through various types of risks, such as credit risk or operational risk. The risks linked to ESG factors are thus taken into account in the process of evaluating their impact on the different risk categories and on other risk factors.

The principles relating to the consideration of ESG factors are presented in the sections 5.1.3.2.1 "General description of the processes to identify and assess material IROs", 5.1.4.8 "Risk management and internal controls over sustainability reporting" and 5.3.5.4 "Definition of risk appetite and climate risks" of the 2025 Universal Registration Document.

Governance of RAS

Risk appetite is determined at the Group level, is operationally functional in the business units and subsidiaries, and is monitored, the principles of which, described in the Risk Appetite Framework, are summarized below.

As part of the governance of risk appetite, the Group is organized as follows:

- the Board of Directors:
  - approves the Group Risk Appetite Statement annually and the Group Risk Appetite Framework. In particular, he endorsed the Group's key risk appetite frameworks,
  - ensures that risk appetite is relevant to the Group's strategic and financial objectives and its vision of the risks of the macroeconomic and financial environment,
  - reviews quarterly the risk appetite dashboards presented to it, and is informed of risk appetite overruns and remediation action plans,
  - fixes the compensation of corporate officers, sets out the principles of the remuneration policy applicable in the Group, especially for regulated persons whose activities may have a significant impact on the Group's risk profile, and ensures that they are in line with risk management objectives,
  - the Board of Directors primarily relies on the Risk Committee;
- General Management:
  - approves the document summarising the Group's risk appetite Statement and its Risk Appetite Framework based on the proposal of the Chief Risk Officer and the Chief Financial Officer,
  - examines the risk appetite compliance dashboards presented to it quarterly and is informed of risk appetite breaches and the redemption action plans implemented,
  - ensures the efficacy and integrity of the risk appetite implementation system,
  - ensures that the risk appetite for the Group's Business Units and eligible subsidiaries/branches is formalised and translated into frameworks consistent with the Group's risk appetite,
  - ensures internal communication of risk appetite and its transposition in the Universal Registration Document.

3.4 RISK QUANTIFICATION AND STRESS TESTING

Within the Group, stress tests, which is a key part of risk management, contribute to the identification, measurement and management of risks, as well as to the assessment of the adequacy of capital and liquidity to the Group's risk profile.

The purpose of the stress tests is to cover and quantify, resulting from the Risk Identification annual process, all the material risks to which the Group is exposed and to inform key management decisions. They are therefore used to evaluate the performance of a given portfolio, an activity or entity of the Group in an adverse business context. It is essential in building the forward-looking approach required for strategic/financial planning. In this context, they constitute a privileged measure of the resilience of the Group, its activities and its portfolios, and are an integral part of the process of developing risk appetite.

The Group stress testing framework combines stress tests in line with the stress testing taxonomy set by the EBA. Group-wide stress tests should cover all legal entities in the Group consolidation perimeter, subject to risk materiality. Stress test categories are:

- stress tests based on scenarios: application of historical and/or hypothetical conditions but which must remain plausible and in conjunction with the Economic and Sector Studies Department, to a set of risk factors (interest rates, GDP, etc.);
- sensitivity stress tests: assessment of the impact of the variation of an isolated risk factor or of a reduced set of risk factors (a shock in rates, credit rating downgrade, equity index shock, etc.);
- reverse stress tests: start with a pre-defined adverse outcome, such as a level of a regulatory ratio, and then identifies possible scenarios that could lead to such an adverse outcome.

The system of stress tests within the Group therefore includes:

- global stress tests:

  Global Group stress tests cover all activities and subsidiaries that are part of the Group's consolidation scope ("Group-wide"), as well as all major risks (including credit risk, market risk, non-financial risk and structural risk). They aim at stressing both the Group P&L and key balance-sheet metrics, notably capital and liquidity ratios.

  The central stress test is the Global group stress test, which is based on a central scenario and on adverse macroeconomic scenarios modelled by the Economic Research Department, under the independent supervision of the Group Chief Economist. Macroeconomic scenarios are supplemented by other parameters such as capital market conditions, including assumptions on funding.

  The performance of the Global Group stress test is based on the uniform application of the methodology and assumptions at the level of all entities and at Group level. This means that the risk factors, and in particular the macroeconomic assumptions used locally, must be compatible with the macroeconomic scenario defined by the Group. Entities must submit macroeconomic variables to the Group's Economic Studies Department to check their consistency.

  The regulatory stress test conducted periodically by the EBA also covers all entities and risks and is scenario-based. Therefore, its execution globally mirrors the process defined for the internal Group Global Stress Test, with an increased involvement of the Group central teams, except for the scenario design which is defined by the supervisor;

- specific stress tests which assess a specific type of risk (market risk, credit risk, liquidity risk, interest rate risk, etc.):
  - credit risk stress tests complement the global analysis with a more granular approach and allow fine-tuning of the identification, assessment and management of risk, including concentration,
  - market stress tests estimate the loss resulting from a severe change in financial market risk factors (equity indexes, interest rates, credit spreads, exotic parameters, etc.). They apply to all Group's market activities and rely on adverse historical and hypothetical scenarios,
  - the operational risk assessment relies on an analysis of historical losses, factoring in internal and external loss data as well as the internal framework and the external environment. This includes losses incurred by international financial institutions, and hypothetical forward-looking "scenario analyses" for all operational risk categories,
  - liquidity stress tests which include: (i) a market-wide scenario that attempts to capture a crisis in which financial markets would undergo an extreme market liquidity disruption causing systemic stress event, and (ii) an idiosyncratic scenario that attempts to capture a firm-specific crisis potentially triggered by a material loss, reputational damage, litigation, executive departures,
  - stress tests which assess the sensitivity to structural interest rate risk concerning the banking book. The exercise focuses on rate variations by stressing (i) the net present value of the positions or (ii) the interest margin and on foreign exchange rate fluctuations on the residual foreign exchange positions,
  - a stress test on employment benefits which consists of simulating the impact of variations in market risk factors (inflation, interest rates, etc.) on the Group's net position (dedicated investments minus the corresponding employment benefits),
  - stress tests on the risk linked to insurance activities defined in the risk appetite of the Insurance Business Unit, which puts stress on risk factors specific to financial and insurance activities to measure and control the main risks relating thereto,
  - Residual Value Risk Stress Tests where ALD/Ayvens performs various shocks on leasing-specific risk factors to measure and control its major risks like residual value risk,

- climate stress tests based on climate risk scenarios at least once a year. These stress tests may encompass both transition and/or physical risk and may cover short term to medium-long term horizons,
- reverse stress tests, both as part of the risk appetite and the recovery plan. The impact of these stress tests is typically defined *via* a breaking point in the solvency ratio or liquidity indicator, which poses a significant threat to the Bank. Hypothetical scenarios leading to this breaking point are then constructed in order to identify new weaknesses and to test the availability and feasibility of managerial/remediation measures.

In addition to internal stress test exercises, the Group is part of the sample of European banks participating in major international stress tests programmes conducted by the European Banking Authority (EBA) and the European Central Bank (ECB).

DEFINITION OF "CENTRAL" AND "STRESSED" ECONOMIC SCENARIOS

Central scenario

The central scenario is based firstly on a set of observed factors such as recent economic situation and economic policy shifts (budgetary, monetary and foreign exchange-rate policies). From these observed factors, economists calculate the most likely trajectory of economic and financial variables for the desired forecast horizon.

Stressed scenario

In 2024, the Group selected two stress scenarios, a deflationary scenario and a stagflation scenario.

Stress deflation is inspired by past crises (major financial crisis, European sovereign crisis, Covid shock). This scenario relies on a negative demand shock leading to deflationary pressures.

The stagflation stress test, which was developed in 2022 to take into account the emergence of new risks, is based on the oil shock of the Iranian revolution combined with a financial crisis. This scenario relies on a negative supply shock leading to inflationary pressures.

The Economic Studies Department of SG stress scenarios envisage a GDP shock over a four-year horizon of 10 pp compared to the baseline scenario. These figures are comparable to those of the 2023 EBA stress test, which forecasts a cumulative shock of 9.6 pp over three years for the euro area and 8.3 pp for the United States; EBA stress was defined as a stagflationary shock.

4

FRAMEWORK OF INTERNAL CONTROLS

IN BRIEF

This section describes the framework and application of internal control at Societe Generale.

4.1 INTERNAL CONTROLS

In accordance with the modified French Decree of 3 November 2014, the Group has implemented an internal control framework for SG SA and the Group's entities included in the scope of application. The Board of Directors and the executive officers are jointly responsible for the governance of internal control. General Management establishes and presents to the Board of Directors a series of control processes and frameworks corresponding to the risk strategy approved by said Board in connection with the risk appetite. It oversees the implementation and effectiveness thereof.

The Audit and Internal Control Committee reports to the Board of Directors. It is responsible for preparing the decisions of the Board in respect of internal control supervision.

As part of their remit, the General Management and Risks Division submits reports to the Audit and Internal Control Committee on the internal control of the Group. The Committee monitors the implementation of remediation plans when it considers the risk level to be justified.

Internal control is based on a **body of standards and procedures.**

All SG Group activities are governed by the rules and procedures contained in documents collectively referred to as the "Standard Guidelines" and are included in SG's Code, which:

- set out the rules for action and conduct applicable to Group staff;
- define the structures of the businesses and the sharing of roles and responsibilities;
- describe the management rules and internal procedures specific to each business and activity.

The Societe Generale Code groups together the standard guidelines which, in particular:

- define the governance of the SG Group, the structures and duties of its Business Units and Services Units, as well as the operating principles of the cross-business systems and processes (Codes of Conduct, charters, etc.);
- lay down the operating framework of an activity and the management principles and rules applicable to products and services rendered, and also define internal procedures.

The Societe Generale Code has force of law within the Group and falls under the responsibility of the Group Corporate Secretary.

By their very nature, risks take different forms and evolve over time. They exist in all business processes and activities. They need to be managed and controlled, as part of a global, dynamic framework focused on prevention, and integrated at all levels of the organisation as part of the Bank's day-to-day management. The internal control framework is key to this approach. Such framework is made up of all methods used to ensure that the operations carried out and the organisation and procedures implemented comply with:

- legal and regulatory provisions;
- professional and ethical practices;
- internal rules and guidelines defined by the Board of Directors.

In particular, the internal control framework aims to:

- prevent malfunctions;
- assess the risks involved, and exercise sufficient control to ensure they are managed;
- ensure the adequacy and effectiveness of internal processes, particularly those which help safeguard assets;
- detect irregularities;
- guarantee the reliability, integrity and availability of financial and management information; and
- check the quality of information and communication systems.

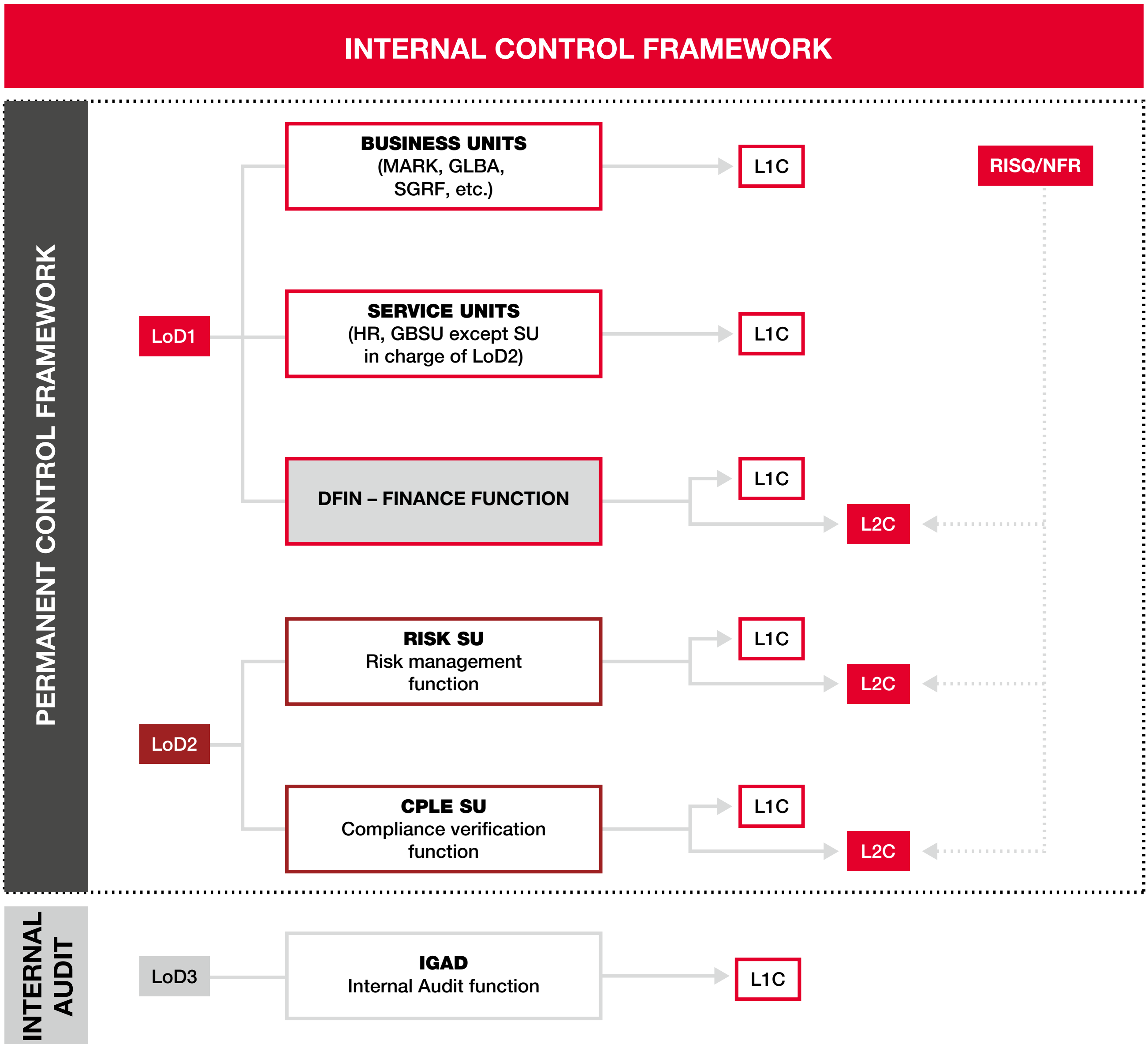
The internal control framework is designed to limit risk to an acceptable level. Its implementation must therefore be managed in line with the risk appetite.

The SG Group's internal control framework is based on the following fundamentals:

- the completeness of the scope of controls, which concern all risk types and apply to all the Group's entities;
- the individual responsibility of each employee and each manager in managing the risks they take or supervise, and in overseeing the operations they handle or are responsible for;
- the responsibility of the second line of defence services (LOD2), defined below, in light of their expertise and independence, in defining the control needs of so-called normative controls – with the support of the first line of defence services (LOD1), defined below, in their respective areas of expertise if necessary – reviewing the control results, and reporting on a consolidated risk overview;
- the exercise of level 2 permanent control by the independent control teams, in particular through the RISQ/CTL, CPLE/CTL, DFIN/CTL Departments;
- the proportionality of controls to the magnitude of the risks involved;
- the independence of internal audit and the independence of the second line of defence vis-à-vis the core businesses.

The three lines of defense model is the model advocated by the Basel Committee and the EBA for assigning responsibilities for internal control and risk management framework within a financial institution. This model is broken down at Societe Generale as follows:

- the "Internal audit", represented by the General Inspection and the Audit (IGAD), is the third line of defense;
- the second line of defense is composed by the compliance function and the risk management function;
- the first line of defense is made up of the other BUs and SUs.



Permanent controls

FIRST-LEVEL PERMANENT CONTROLS

The level 1 permanent controls, carried out in the context of operations within the BUs and the SUs, ensure the security and quality of trades and operations. These controls are defined as a set of provisions constantly implemented to ensure, at the operational level, the regularity, validity, and security of the operations carried out.

The level 1 of permanent controls consists of:

- any combination of actions and/or frameworks that may limit the probability of a risk occurring or reduce its consequences for the Company: these include controls carried out on a regular and permanent basis by businesses or by automated systems during trades processing, automated or non-automated security rules and controls that are part of the transaction processing, or controls included in operational procedures. Organisational frameworks (*e.g.*, separation of functions) or governance, training actions, when they directly contribute to controlling certain risks, also fall into this category;
- controls carried out by managers: line managers control the correct functioning of the frameworks under their responsibility. As such, they are obliged to apply formal procedures on a regular basis to ensure that employees comply with rules and procedures and that Level 1 controls are carried out effectively.

In order to coordinate the operational risk management and the level 1 permanent control framework, the BU/SU deploy a specific department so-called CORO for Controls & Operational Risks Office function (Operational Risks Controls and Management Department).

SECOND-LEVEL PERMANENT CONTROLS

The level 2 permanent controls are designed to ensure that the Level 1 controls are effective:

- the defined scope includes all permanent Level 1 controls, including managerial supervision controls and controls carried out by dedicated teams;
- this review and these verifications aim to give an opinion on (i) the effectiveness of Level 1 controls, (ii) the quality of their implementation, (iii) their relevance (including, in terms of risk prevention), (iv) the definition of their *modus operandi*, (v) the relevance of remediation plans implemented following the detection of anomalies, and the quality of their follow-up, and thus contribute to the evaluation of the ieffectiveness of Level 1 controls.

The Level 2 permanent control is carried out by teams independent from operational personnel.

These controls are performed centrally by dedicated teams within Risk Service Unit (RISQ/CTL), Compliance Service Unit (CPLE/CTL) and Finance Service Unit (DFIN/CTL) and locally by the second-level control teams within the BU/SUs or entities.

Regular Controls

The internal audit function is performed by the General Inspection and Internal Audit Service Unit ("IGAD") under the responsibility of the Group's General Inspector.

The SG Group's internal audit function constitutes the third line of defense and provides assurance over the effectiveness of the systems of internal control It is strictly independent of the core businesses, Support Units and other internal control functions.

The internal audit function performed by IGAD, defined in accordance with IIA (Institute of Internal Auditors) standards has the role to provide independent, objective, reliable and timely assurance to the Audit and Internal Control Committee, SG Group Management, and, where applicable, external auditors and regulators over the effectiveness of controls, risk management, and governance activities to mitigate risk and enhance the control culture within the Group.

IGAD's scope of operations includes Societe Generale SA and all Group entities excluding entities where the Group holds a minority interest, irrespective of level of influence of SG Management over entity activities and decisions except where such a participation is likely to have a significant impact on the Group's risk profile. All Group activities, operations and processes without exception may be the subject of a mission led by IGAD.

Outsourced activities also fall within the scope of the internal audit function, according to the appropriate provisions of the contract between the Group or one of its legal entities and the external provider of the outsourced activities.

The Group's General Inspector reports directly to the Group's Chief Executive Officer.

He meets regularly with the Chairman of the Board of Directors. The Internal Rules of the Board of Directors provide that the General Inspector shall report to the Board of Directors on his mission on the basis of presentations made beforehand to the Audit and Internal Control Committee. He presents the audit and inspection plans approved by the Group's Chief Executive Officer for approval to the Board of Directors, after review by the Audit and Internal Control Committee.

The General Inspector is a permanent member of the Audit and Internal Control Committee, to which he regularly presents a summary of the activity of IGAD as well as the review of the follow-up of the implementation of the recommendations issued by both the Audit and the General Inspection and the supervisors. The General Inspector is also a permanent member of the Risk Committee. He may be heard on any subject by these Committees at their request or on its initiative.

Finally, pursuant to the Board of Directors' internal rules, the General Inspector may, if necessary, in the event of an actual or potential deterioration of risks, report to the Board of Directors, directly or through the Audit and Internal Control Committee, without referring to the Executive Managers.

In order to achieve its objectives, the General Inspection and Internal Audit Service Unit is provided with appropriate resources, proportionate to the challenges, both in terms of quality and quantity. In total, it comprises around 875 employees based at the Group's head office, subsidiaries or branches (France and abroad).

The IGAD Service Unit is a hierarchically integrated unit. The General Inspection Department, based at headquarters, operates throughout the Group. The Internal Audit Departments are each responsible for a defined scope of activities or risks. Whether located at headquarters or within entities (branches or subsidiaries), the audit teams are all attached to the IGAD Service Unit. Thanks to a matrix organisation, the main cross-cutting topics at Group level are covered.

The General Inspection and Internal Audit Departments carry out their work from missions. In addition to the missions listed in its tour plan, the General Inspection may be asked to carry out specific studies or contribute to "due diligence" reviews in the event of the acquisition or disposal of entities or activities by the Group. This work is governed by procedures ensuring that the Inspection Department cannot subsequently find itself in a conflict-of-interest situation.

The General Inspection and Internal Audit Departments draw up their respective audit plans based on a risk-based approach. Internal Audit combines this approach with the requirement to comply with a five-year audit cycle and determines the frequency of its interventions according to the level of risk of the scopes to be audited. While the General Inspection Department is not required to comply with an audit cycle, its work is considered for the compliance with the audit cycle.

The General Inspection and Internal Audit Departments are also involved in monitoring the implementation of supervisors' recommendations as part of their independent positioning within the Group.

As required by international standards governing internal controls and audits, IGAD is subject to independent external certification by IFACI (French Institute of Audit and Internal Control).

Coordination of internal controls

RISQ/NFR is tasked with permanent control framework and internal control coordination and contributes to the Risk Management Framework (RMF) of the Group. In such respect, it liaises with the Service Units in charge of second-level permanent control (DFIN, RISQ, CPLE), the Heads of first-level permanent control within the Business Units and Service Units, and the General Inspection & Audit Service Unit (IGAD) at all times.

The Group ICCC, Pillar ICCCs and BU/SU ICCCs work with each other to form the internal control coordination framework at Societe Generale.

The BU ICCCs and PICCCs form an integrated framework in which the first, besides their role as the oversight bodies for internal control at BU/SUs and subsidiary, contribute to the efficiency of annual PICCC reviews by leaving the PICCC free to prioritise issues requiring special attention. The BU ICCC will have to be positioned approximately six months later than the date of the PICCC so as to ensure that the BU has two major periods of review of the Permanent Control system and Internal Control Coordination per year.

BU ICCCs are the basic vehicles through which the Heads of BU/SU and subsidiary carry out their permanent control duties. In this context the dossiers are archived in full and the whole scope is documented.

The PICCC, for its part, takes a double approach: supervision of the correct exercise of control by the responsible services and in-depth consideration of special watchpoints.

4.2 CONTROL OF PRODUCTION AND DISCLOSURE OF FINANCIAL MANAGEMENT DATA

Stakeholders involved

Numerous stakeholders are involved in the production of financial data:

- the **Board of Directors**, and more specifically its **Audit and Internal Control Committee**, is tasked with examining the draft financial statements which are to be submitted to the Board, as well as verifying the conditions under which they were prepared and ensuring not only the relevance but also the consistency of the accounting principles and methods applied. The Audit and Internal Control Committee's remit also is to monitor the independence of the Statutory Auditors, and theimpactiveness of the internal control, measurement, supervision and control systems for risk related to the accounting and financial processes. The Statutory Auditors meet with the Audit and Internal Control Committee during the course of their engagement;
- the **Group Finance Department** gathers the accounting and management data compiled by the subsidiaries and the Business Units/Services Units in a set of standardised reports. It consolidates and verifies this information so that it can be used in the overall management of the Group and disclosed to third parties (supervisory bodies, investors, etc.). It also has a team in charge of the preparation of the Group regulatory reports.

  Under the terms of their missions, they are responsible for:

  - monitoring the financial aspects of the Group's capital transactions and its financial structure,
  - managing its assets and liabilities, and consequently defining, managing and controlling the Group's financial position and structural risks,
  - ensuring that the regulatory financial ratios are respected,
  - defining accounting and regulatory standards, frameworks, principles and procedures for the Group, and ensuring that they are observed,
  - verifying the accuracy of all financial and accounting data published by the Group;
- the **Finance Departments of subsidiaries and Business Units/ Services Units** carry out certification of the accounting data and entries booked by the back offices and of the management data submitted by the front offices. They are accountable for the financial statements and regulatory information required at the local level and submit reports (accounting data, finance control, regulatory reports, etc.) to the Group Finance Department. They can perform these activities on their own or else delegate their tasks to Shared Service Centre operating in finance and placed under Group Finance Department governance;
- the **Risk Department** consolidates the risk monitoring data from the Group's Business Units/Services Units and subsidiaries in order to control credit, market and operational risks. This information is used in Group communications to the Group's governing bodies and to third parties. Furthermore, it ensures in collaboration with the Group Finance Department, its expert role on the dimensions of credit risk, structural liquidity risks, rates, foreign exchange rates, on the issues of recovery and resolution and the responsibility of certain closing processes, notably the production of solvency ratios;
- the **Back offices** are responsible for all support functions to front offices and ensure contractual settlements and deliveries. Among other responsibilities, they check that financial transactions are economically justified, book transactions and manage means of payment.

Accounting and regulatory standards

Financial statements are drawn up in keeping with local accounting standards while the consolidated Group financial statements are prepared in accordance with the standards defined by the Group Finance Department,in accordance with IFRS standards as adopted by the European Union.

The applicable standards on solvency and liquidity, promulgated by the Basel Committee, were translated into European law by a directive (CRD4) and a regulation (CRR). They were rounded out by the Regulation CRR2 and the Directive CRD5 which entered into force on 28 June 2019. These texts are supplemented by several delegated acts and implementation technical standards. As the Societe Generale Group is identified as a "financial conglomerate", it is subjected to additional supervision.

The Group Finance Department has dedicated teams that monitor the applicable standards and draft new internal standards to comply with any changes in the accounting and regulatory framework.

Procedures for producing financial and accounting data

Within the consolidation, each entity prepares its own accounting and management statements on a monthly or quaterly basis, according to the materiality of the entity. This information is then consolidated each month at Group level and is disclosed to the markets on a quarterly basis. Data reported are subject to analytical reviews and consistency checks performed by Finance Department or delegated to financial shared service centres acting under their responsibility and sent to the Group Finance Department. The Group Finance Department forwards the consolidated financial statements, Management Reports and regulatory statements to General Management and any interested third parties.

Internal control procedures governing the production of financial and accounting data

Accounting data is compiled independently of the front offices and the sales teams.

The quality and objectivity of the accounting and management data are ensured by the separation of sales functions and all the functions of operational processing and follow-up of the operations: back offices and middle offices integrated into the Resources Department and teams in charge of producing the financial reports that are housed in the Finance Department. These teams carry out a series of controls defined by Group procedures on financial and accounting data, in particular:

- verification of the economic justification of all information reported;
- reconciliation of accounting and management data, using specific procedures, respecting the specified deadlines;
- for market activities, reconciliation between the accounting result, produced by the Finance Department and the economic result, produced by a dedicated expert department in the Risk Department.

Given the increasing complexity of the Group's financial activities and organisation, staff training and IT tools are regularly upgraded to ensure that the production and verification of accounting and management data are impactive and reliable.

SCOPE OF CONTROL

In practice, the internal control procedures implemented in the Group's businesses are designed to guarantee the quality of financial and accounting information, and notably to:

- ensure that the transactions entered in the Group's accounts are exhaustive and accurate;
- validate the valuation methods used for certain transactions;
- ensure that transactions are correctly assigned to the corresponding fiscal period and recorded in the accounts in accordance with the applicable accounting regulations, and that the accounting aggregates used to prepare the Group financial statements are compliant with the regulations in force;
- ensure the inclusion of all entities to be consolidated in accordance with Group regulations;
- check that the operational risks associated with the production and transmission of accounting data through the IT system are correctly controlled, that the necessary adjustments are accurately performed, that the reconciliation of accounting and management data is satisfactory, and that the flows of cash payments and other items generated by transactions are exhaustive and adequate.

CONTROL BY THE FINANCE DEPARTMENTS

The Finance Department of each subsidiary checks the accuracy and consistency of the financial statements with respect to the relevant accounting frameworks (local standards and IFRS for subsidiaries, as well as French standards for branches). It performs checks to guarantee the accuracy of the information disclosed.

The financial data received for consolidation from each subsidiary is taken from corporate accounting data by the subsidiaries after they have been locally brought into line with Group accounting principles.

Each subsidiary must be able to explain the transition from the Company financial statements to the financial statements reported through the consolidation tool.

The Finance Departments of the Business Units/Services Units have a dedicated department for financial management and control.

The Finance Departments also rely on shared service centres that perform Level 1 controls necessary to ensure the reliability of accounting, tax and regulatory information on the financial statements they produce in accordance with local and IFRS standards and notably data quality and consistency checks (equity, securities, foreign exchange, financial aggregates from the balance sheet and income statement, deviations from standards), justification and certification of the financial statements under their responsibility, intercompany reconciliation of the financial statements, regulatory statement checks and verification of evidence of tax charges and balances (current, deferred and duties).

The results of these controls are declared as part of the managerial supervision and Group accounting certification processes.

These controls allow the shared services centres to provide all necessary information to the Finance Departments of Business Units/ Services Units and the Group Finance and Accounting Department to ensure the reliability and consistency of the accounts prepared.

These shared service centres are located in Paris, Bangalore and Bucharest.

CONTROLS PERFORMED BY ALL STAKEHOLDERS INVOLVED IN THE PRODUCTION OF ACCOUNTING, FINANCIAL AND MANAGEMENT DATA

The activity of the operational stakeholders is permanently monitored under direct responsibility of their management teams who regularly verify the quality of the controls conducted and the exhaustiveness of accounting data and its related processing.

SUPERVISION BY THE GROUP FINANCE DEPARTMENT

Once the financial statements prepared by the entities have been restated according to Group standards, they are entered into a central database and processed to produce the consolidated statements.

The service in charge of consolidation in the Group Accounting Department checks that the consolidation scope complies with the applicable accounting standards and performs multiple checks on data received for consolidation purposes. These checks include:

- confirmation that the data collected are correctly aggregated;
- verification of recurring and non-recurring consolidation entries;
- exhaustive processing of critical points under the scope of consolidation ;
- processing of any residual differences in reciprocal or intercompany statements.

Finally, this service ensures that the overall consolidation process has been conducted properly by performing analytical reviews of the summary data and verifying the consistency of the main aggregates of the financial statements. These checks are complemented by cross-functional analysis such as analysis of changes in shareholders' equity, goodwill, provisions and consolidated deferred taxes.

A team in this department is tasked with managing and coordinating the Group accounting certification framework to certify first-level controls on a quarterly basis (internal control certification).

The Group Finance Department has also a dedicated team, it which is responsible for ensuring second-level permanent controls on all Finance processes and for implementing the framework within the Group. Its mission is to ensure the impactiveness, quality and relevance of the Level 1 control framework by assessing it through process or activity reviews, testing controls and quarterly certifications. The team, reporting directly to the Group Finance Department, also reports functionally to the Head of permanent control and non finnacial Risk Department (within Risk Department).

Framework of internal and regular controles in accounting processes

Internal Audit and the General Inspection define their audits and inspections using a risk-based approach and define an annual work program (Inspection and Audit plan schedule – *plan de tournée*). As part of their assignments, teams may verify the quality of the control environment contributing to the quality of the accounting and management data produced by the audited entities. They may check a certain number of accounts and assess the reconciliations between accounting and management data, as well as the quality of the permanent supervision procedures for the production and control of accounting data. They also assess the performance of IT tools and the accuracy of manual processing.

The department tasked with auditing the Group's Central Departments is responsible for auditing the Group Finance Department. Within that Department, a distinct team, placed under the responsibility of a dedicated Audit Business Correspondent, monitors and animates audit work related to accounting and financial matters on a Group-wide basis. The team provides expertise in identifying the Group's main accounting risks and develops training sessions and methodologies to help share expertise in the auditing of accounting risks.

Audit missions carried out by IGAD contribute to the reliability of the Group's accounting information, as well as its subsidiaries.

Based on their findings, these teams make recommendations to the parties involved in the production and control of accounting, financial and management data. Departments being assigned these recommendations are responsible for their implementation. A monitoring is performed by IGAD.

5

CAPITAL MANAGEMENT AND ADEQUACY

IN BRIEF

This section provides details on capital resources, regulatory requirements and the composition of the leverage ratio.

Evolution of CET1 capital

+€0.6bn*

(between 2024 and 2023)

Evolution of total regulatory capital

+€2.9bn*

CET1 ratio at end 2024

13.3%*

** Figures taking into account the phasing under IFRS 9 (CET1 ratio of 13.34% at end-2022 without phasing, a phasing effect of +17 bp) and the effects of the transitional Covid-19 measures taken by the ECB and ending on 31 December 2022.*

5.1 REGULATORY FRAMEWORK

Audited I Since January 2014, Societe Generale has been applied the new Basel III regulations implemented in the European Union under the terms of the relevant CRR Regulation and CRD Directive.

The general framework defined by Basel III is structured around three pillars:

- Pillar 1 sets the minimum solvency, leverage and liquidity requirements and defines the rules that banks must use to measure risks and calculate the related 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 European regulatory standards were adopted in May 2019 (CRR2/CRD5). The majority of the provisions came into impact in June 2021.

These amendments manly concern:

- 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 III.

The transposition into European law of the finalisation of Basel III 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.

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). ▲

5.2 CAPITAL MANAGEMENT

Audited I As part of its capital management, the Group ensures, under the supervision of the Finance Department and control of the Risk Department, that its solvency level is always compatible with a view to:

- 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. ▲

This process is based on a selection of key metrics for measuring risk and capital measurement such as CET1, Tier 1 and Total Capital ratios. These regulatory indicators are supplemented by an assessment of the coverage of internal capital needs by available internal capital and thus confirming *via* an economic perspective, the relevance of the targets set in the risk appetite. Besides, this assessment takes into account the constraints arising from the other metrics of the risk appetite, such as rating, MREL and TLAC or leverage ratio.

All of these indicators are measured on a forward-looking basis in relation to their target on a quarterly or even monthly basis for the current year. During the preparation of the financial plan, they are also assessed on a quarterly or annual basis within a three-year timeframe according to at least a baseline and two adverse scenarios, in order to demonstrate the resilience of the bank's business model against adverse macroeconomic and financial uncertain environments. Capital adequacy is continuously monitored by the Executive Management and by the Board of Directors as part of the Group's corporate governance process and is reviewed in depth during the preparation of the financial plan. It ensures that the bank always complies with its financial target and that its capital level is above the “Maximum Distributable Amount” (MDA) threshold.

Besides, the Group maintains a balanced capital allocation among its three strategic core businesses:

- French Retail Banking, Private banking, Insurance;
- Mobility, International Banking and Financial Services;
- Global Banking and Investor Solutions.

Each of the Group's core businesses accounts for around a third of total Risk-Weighted Assets (RWA), with a predominance of credit risk (84% of total Group RWA, including counterparty credit risk).

As of 31 December 2024, Group RWA were relatively stable at EUR 389.5 billion, compared with EUR 388.8 billion at the end of December 2023.

RWA is central to the bank's capital trajectory and is based on a deep understanding of the different variation drivers. Where appropriate, the General Management may decide, upon a proposal from the Finance Department, to implement managerial actions to increase or reduce the share of the core businesses, for example by validating the execution of synthetic securitisation or disposals of performing or non-performing portfolios. The Group Capital Committee and the contingency capital plan provide General Management with framework analysis, governance and several levers in order to adjust the capital management trajectory.

5.3 SCOPE OF PRUDENTIAL REPORTING

The Group's scope of prudential reporting includes all fully consolidated entities according to accounting rules except for insurance entities, which are subject to separate capital supervision.

Whenever relevant, subsidiaries may be excluded from prudential reporting scope notably if the sum of balance-sheet and off balance-sheet commitments are lower than EUR 10 million or 1% of the total balance-sheet and off balance-sheet of the legal entity owning the equity. Legal entities excluded from the prudential reporting scope are subject to periodic reviews, at least annually.

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

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

TABLE 6: DIFFERENCE BETWEEN ACCOUNTING SCOPE AND PRUDENTIAL REPORTING SCOPE

Type of entity	Accounting treatment	As prudential treatment
Entities with a finance business	Full consolidation	Full consolidation
Entities with an Insurance business	Full consolidation	Equity method
Holdings with a finance activity by type	Equity method	Equity method
Joint ventures with a finance activity by type	Equity method	Proportional consolidation

The following table provides a reconciliation between the consolidated balance-sheet and the accounting balance-sheet within the prudential scope. The amounts presented are accounting data, not a measure of RWA, EAD or prudential capital. Prudential filters related to entities and holdings not associated with an insurance activity are grouped together on account of their non-material weight (< 0.1%).

TABLE 7: RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS (CC2)

Assets as of December 12.2024 *(In EURm)*	**balance-sheet as in published financial statements**	**Prudential restatements linked to insurance[(1)]**	**Prudential restatements linked to consolidation methods**	**balance-sheet under regulatory scope of consolidation**	**Reference to table 21 (CC1)**
Cash, due from banks	201,680	-	-	201,680	
Financial assets at fair value through profit or loss	526,049	(107,731)	-	418,318	
Hedging derivatives	9,233	(136)	-	9,097	
Financial assets at fair value through other comprehensive income	96,024	(54,349)	-	41,675	
Securities at amortised cost	32,655	(4,840)	-	27,814	
Due from banks at amortised cost	84,051	(1,174)	45	82,922	
o.w. subordinated and participating loans	*230*	-	-	*230*	*1*
client loans at amortised cost	454,622	8	(48)	454,582	
Revaluation differences on portfolios hedged against interest rate risk	(292)	-	-	(292)	
Insurance and reinsurance contracts assets	615	(615)	-	-	
Tax assets	4,686	(182)	-	4,505	
o.w. deferred tax assets that rely on future profitability excluding those on temporary differences	*1,847*	-	*(621)*	*1,226*	*2*
o.w. deferred tax assets on temporary differences	*1,544*	-	*611*	*2,155*	*3*
Other assets	70,903	(149)	79	70,834	
o.w. defined-benefit pension fund assets	*79*	-	*4*	*83*	*4*
Non-current assets held for sale	26,426	(8)	-	26,418	
Investments accounted for using the equity method	398	4,089	(74)	4,413	
Tangible and intangible assets	61,409	(849)	110	60,670	
o.w. intangible assets	*3,393*	-	*(21)*	*3,371*	*5*
Goodwill	5,086	(356)	-	4,730	
TOTAL ASSETS	**1,573,545**	**(166,291)**	**113**	**1,407,367**	

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

Liabilities as of December 2024 *(In EURm)*	**balance-sheet as in published financial statements**	**Prudential restatements linked to insurance[(1)]**	**Prudential restatements linked to consolidation methods**	**balance-sheet under regulatory scope of consolidation**	**Reference to table 21 (CC1)**
Due to central banks	11,364	-	-	11,364	
Financial liabilities at fair value through profit or loss	396,614	(2,944)	-	393,671	
Hedging derivatives	15,750	(14)	-	15,736	
Debt securities issued	162,200	2,104	-	164,304	
Due to banks	99,744	(3,719)	118	96,143	
Customer deposits	531,675	1,704	(122)	533,258	
Revaluation differences on portfolios hedged against interest rate risk	(5,277)	-	-	(5,277)	
Tax liabilities	2,236	(241)	-	1,996	
Other Liabilities	90,786	(9,786)	116	81,116	
Non-current liabilities held for sale	17,079	14	-	17,093	
Insurance contracts related liabilities	150,691	(150,691)	-	-	
Provisions	4,085	(36)	1	4,051	
Subordinated debts	17,009	(1,438)	-	15,572	
o.w. redeemable subordinated notes including revaluation differences on hedging items	*15,303*	-	-	*15,303*	*5*
TOTAL DEBTS	**1,493,957**	**(165,045)**	**113**	**1,329,025**	
Subtotal Equity, Group share	70,256	(187)	-	70,068	6
Issued common stocks, equity instruments and capital reserves	*31,154*	*1*	-	*31,155*	
Retained earnings	*33,863*	*(188)*	-	*33,675*	
Net income	*4,200*	-	-	*4,200*	
Unrealised or deferred capital gains and losses	*1,039*	-	-	*1,039*	
Non-controlling interests	9,332	(1,059)	-	8,274	7
TOTAL EQUITY	**79,588**	**(1,246)**	**-**	**78,342**	
TOTAL LIABILITIES	**1,573,545**	**(166,291)**	**113**	**1,407,367**	

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

Assets as of 12.2023 *(In EURm)*	**Balance sheet as in published financial statements**	**Prudential restatements linked to insurance[1]**	**Prudential restatements linked to consolidation methods**	**Balance sheet under regulatory scope of consolidation**	**Reference to table 21 (CC1)**
Cash, due from banks	223,048	(0)	0	223,048	
Financial assets at fair value through profit or loss	495,882	(100,787)	(0)	395,095	
Hedging derivatives	10,585	(158)	-	10,427	
Financial assets at fair value through other comprehensive income	90,894	(52,900)	-	37,993	
Securities at amortised cost	28,147	(4,945)	-	23,203	
Due from banks at amortised cost	77,879	(1,626)	23	76,275	1
o.w.subordinated and participating loans	*199*	-	-	*199*	
Clients loans at amortised cost	485,449	783	(45)	486,187	
Revaluation differences on portfolios hedged against interest rate risk	(432)	-	-	(432)	
Insurance and reinsurance contracts assets	459	(459)	-	-	
Tax assets	4,718	(211)	0	4,507	
o.w deferred tax assets that rely on future profitability excluding those on temporary differences	*1,873*	-	*(710)*	*1,163*	*2*
o.w deferred tax assets on temporary differences	*1,818*	-	*423*	*2,241*	
Other assets	69,765	(107)	80	68,738	
o.w. defined-benefit pension fund assets	*49*	-	-	*49*	*3*
Non-current assets held for sale	1,763	-	-	1,763	
Investments accounted for using the equity method	227	4,205	(68)	4,364	
Tangible and intangible assets	60,714	(883)	104	59,934	
o.w. intangible assets	*3,561*	-	*(26)*	*3,535*	*4*
Goodwill	4,949	(356)	-	4,594	4
TOTAL ASSETS	**1,554,045**	**(157,443)**	**94**	**1,396,696**	

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

Liabilities as of 12.2023 *(In EURm)*	**Balance sheet as in published financial statements**	**Prudential restatements linked to insurance[1]**	**Prudential restatements linked to consolidation methods**	**Balance sheet under regulatory scope of consolidation**	**Reference to table 21 (CC1)**
Due to central banks	9,718	-	-	9,718	
Financial liabilities at fair value through profit or loss	375,584	(2,684)	-	372,899	
Hedging derivatives	18,708	(4)	-	18,705	
Debt securities issued	160,506	338	-	160,844	
Due to banks	117,847	(2,677)	49	115,219	
Customer deposits	541,677	1,309	(122)	542,864	
Revaluation differences on portfolios hedged against interest rate risk	(5,857)	-	-	(5,857)	
Tax liabilities	2,402	(194)	0	2,208	
Other Liabilities	93,658	(9,715)	167	84,111	
Non-current liabilities held for sale	1,703	-	-	1,703	
Insurance contracts related liabilities	141,723	(141,723)	-	-	
Provisions	4,235	(27)	1	4,209	
Subordinated debts	15,894	(808)	-	15,086	
o.w. redeemable subordinated notes including revaluation differences on hedging items	*14,682*	*1*	-	*14,683*	*5*
TOTAL DEBTS	**1,477,798**	**(156,186)**	**95**	**1,321,706**	
SubTotal Equity, Group share	65,975	(192)	(0)	65,783	6
Issued common stocks, equity instruments and capital reserves	*30,110*	*1*	-	*30,110*	
Retained earnings	*32,892*	*(193)*	*(0)*	*32,698*	
Net income	*2,493*	*(0)*	-	*2,493*	
Unrealised or deferred capital gains and losses	*481*	*0*	*(0)*	*481*	
Non-controlling interests	10,272	(1,065)	-	9,206	7
TOTAL EQUITY	**76,247**	**(1,257)**	**(0)**	**74,990**	
TOTAL LIABILITIES	**1,554,045**	**(157,443)**	**94**	**1,396,696**	

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

The main companies of the Group outside the prudential scope of reporting are as follows:

TABLE 8: ENTITIES OUTSIDE THE PRUDENTIAL SCOPE

Company	Activity	Country
Antarius	Insurance	France
Catalyst RE International LTD	Insurance	Bermuda
Sogelife	Insurance	Luxembourg
Sogecap	Insurance	France
Euro Insurances Designated Activity Company	Insurance	Ireland
SG Luci	Insurance	Luxembourg
Komercni Pojstovna AS	Insurance	Czech Republic
Oradea Vie	Insurance	France
SGL RE	Insurance	Luxembourg
Sogessur	Insurance	France

In general, all regulated Group undertakings are subject to solvency requirements set by their respective supervisory authorities. Regulated financial entities and regulated affiliates outside of Societe Generale's prudential consolidation scope all comply with their respective solvency requirements. As a general principle, all banks should be under a double supervision, on a standalone basis and on a consolidated basis, but the CRR allows, under specific conditions, waivers from the requirements on an individual basis granted by the competent authorities.

The supervisory authority accepted that some Group entities within the same Member State may be exempted from the application of prudential requirements on an individual basis or, where applicable, on a sub-consolidated basis. Terms and conditions of waiver of requirements granted by supervisors include a commitment to provide these subsidiaries with the Group's support to ensure their overall solvency and liquidity, as well as a commitment to ensure that they are managed prudently according to the applicable banking regulations.

The conditions for applying waivers regarding monitoring on an individual basis for a parent company, as far as solvency and large exposure ratios are concerned, are defined by the CRR which stipulates that two conditions must be met:

- there is no significant de jure et de facto obstacle, whether current or anticipated, preventing the prompt transfer of equity capital or the rapid repayment of liabilities to the parent company in a given Member State;
- the risk assessment, measurement and control procedures in place for supervision on a consolidated basis cover a subsidiary in a given Member State.

Consequently, Societe Generale SA is not subject to prudential requirements on an individual basis.

Any transfer of equity or repayment of liabilities between the parent company and its entities is carried out in compliance with capital and liquidity requirements that are locally applicable. The obligation to comply with such requirements may impact the capacity of subsidiaries to transfer funds to the parent company. Every year, in compliance with local capital and liquidity regulatory requirements, the Group reviews the capitalisation of its subsidiaries (direct and indirect) and proposals for appropriation of their allocating their net income (payment of dividends, retained earnings, etc.). In addition, the Group studies requests from its subsidiaries relating to changes in their equity or eligible liabilities (capital increases or decrease, distributions of exceptional dividends, loan issues or repayments). These reviews and studies show that, as long as subsidiaries comply with their regulatory constraints, there is no significant obstacle to transfer funds from Societe Generale to them or vice versa.

The financing process of subsidiaries within the Group allows rapid repayments of loans between the parent company and its subsidiaries.

The outline of the differences in the scopes of consolidation (by entity) is available on the website *https://www.societegenerale.com/fr/base-documentaire*, section "Universal Registration Document, Pillar 3" This information corresponds to table LI3 of EBA instructions (EBA/ITS/2020/04).

5.4 REGULATORY CAPITAL

As reported in accordance with International Financial Reporting Standards (IFRS), Societe Generale's regulatory capital consists of the following components:

Common Equity Tier 1 capital

According to the applicable regulations, Common Equity Tier 1 capital mainly comprises the following:

- ordinary shares (net of repurchased shares and treasury shares) and related share premium accounts;
- retained earnings;
- components of other comprehensive income;
- other reserves;
- minority interests limited by CRR/CRD.

Deductions from Common Equity Tier 1 capital essentially involve the following:

- estimated dividend payments;
- goodwill and intangible assets, net of associated deferred tax liabilities;
- unrealised capital gains and losses on cash flow hedging;
- income on own credit risk;
- deferred tax assets on tax loss carry forwards;
- deferred tax assets on refundable tax credit;
- deferred tax assets resulting from temporary differences beyond a threshold;
- assets from defined benefit pension funds, net of deferred taxes;
- any positive difference between expected losses on client loans and receivables managed under the internal ratings-based (IRB) approach, and the sum of related value adjustments and collective impairment losses;
- Pillar 1 NPL backstop;
- value adjustments resulting from the requirements of prudent valuation;
- securitisation exposures weighted at 1,250%, when these positions are excluded from the calculation of RWA;
- delivery risk;
- equity stake within the financial sector beyond the regulatory franchise.

Additional Tier 1 capital

According to CRR/CRD regulations, Additional Tier 1 capital is made up of deeply subordinated notes that are issued directly by the Bank, and have the following features:

- these instruments are perpetual and constitute unsecured, deeply subordinated obligations. They rank junior to all other obligations of the Bank, including undated and dated subordinated debt, and senior only to common stock shareholders;
- Societe Generale may elect, on a discretionary basis, not to pay the interest and coupons linked to these instruments. This compensation is paid out of distributable items;
- they include neither a step-up in compensation nor any other incentive to redeem;
- they must have a loss-absorbing capacity;
- they might be haircut or converted when in resolution or independently of a resolution measurement;
- subject to the prior approval of the European Central Bank, Societe Generale has the option to redeem these instruments at certain dates, but no earlier than five years after their issuance date.

Deductions of additional Tier 1 capital essentially apply to the following:

- AT1 treasury shares;
- holding of AT1 hybrid shares issued by financial sector entities;
- minority interests beyond the minimum T1 requirement in the entities concerned.

Tier 2 capital

Tier 2 capital includes:

- subordinated notes;
- any positive difference between the sum of value adjustments and impairment losses on client loans and receivables exposures managed under the IRB approach and expected losses, up to 0.6% of total credit RWA under the IRB approach;
- value adjustments for credit risk related to collective impairment losses on client loans and receivables exposures managed under the standardised approach, up to 1.25% of total credit RWA.

Deductions of Tier 2 capital essentially apply to the following:

- Tier 2 hybrid treasury shares;
- holding of Tier 2 hybrid shares issued by financial sector entities;
- minority interests beyond the minimum capital requirement in the entities concerned.

All capital instruments and their features are detailed online (*www.societegenerale.com/en/measuring-our-performance/information-and-publications/registration-documents*).

TABLE 9: TOTAL AMOUNT OF DEBT INSTRUMENTS ELIGIBLE FOR TIER 1 EQUITY

Issuance Date	Currency	Issue amount (in currency m)	First call date	Yield before the call date and frequency	Yield after the call date and frequency	Book value (EURm) at 31.12.2024	Book value (EURm) at 31.12.2023
29.09.2015	USD	1 250 M	29.09.2025	8.000% annually	Mid Swap USD 5 years +5.873%	1,203	1,131
6.04.2018	USD	1250M	6.04.2028	6.750% annually	Mid Swap USD 5 years +3.929%	1,203	1,131
16.04.2019	SGD	750M	16.04.2024	6.125% annually	Swap Offer Rate SGD 5 years +4.207%	-	514
12.09.2019	AUD	700M	12.09.2024	4.875% annually	Mid Swap S/Q AUD 5years +4.036%	-	430
18.11.2020	USD	1 500 M	18.11.2030	5.375% annually	U.S. Treasury Rate 5 years +4.514%	1,444	1,358
26.05.2021	USD	1 000 M	26.05.2026	4.750% annually	U.S. Treasury Rate 5 years +3.931%	963	905
15.07.2022	SGD	200 M	15.07.2027	8.25% annually	Swap Offer Rate SGD 5 years + 5.6%	141	137
22.11.2022	USD	1 500 M	22.11.2027	9.375% annually	U.S. Treasury Rate 5 years +5.385%	1,444	1,358
18.01.2023	EUR	1000 M	18.01.2029	7.875% annually	Mid Swap Rate 5 years +5.228%	1,000	1,000
14.11.2023	USD	1250M	14.11.2028	10.000% annually	U.S. Treasury Rate 5 years +5.448%	1,203	1,131
25.03.2024	USD	1000M	25.03.2034	8.5000% annually	U.S. Treasury Rate 5 years +4.153%.	963	-
21.11.2024	USD	1000M	21.11.2029	8.125% annually	U.S. Treasury Rate 5 years +3.790%	963	-
TOTAL						**10,526**	**9,095**

TABLE 10: CHANGES IN DEBT INSTRUMENTS SUBJECT TO SOLVENCY CAPITAL REQUIREMENTS

(In EURm)	31.12.2023	Issues	Redemptions	Prudential supervision valuation haircut	Others	31.12.2024
Debt instruments eligible for Tier 1	9,095	1,925	(944)	-	450	10,526
Debt instruments eligible for Tier 2	11,110	1,156	-	(1,183)	378	11,461
TOTAL ELIGIBLE DEBT INSTRUMENTS	**20,205**	**3,081**	**(944)**	**(1,183)**	**828**	**21,987**

Solvency ratios

The solvency ratios are set by comparing the Group's equity (Common Equity Tier 1 (CET1), Tier 1 (T1) or Total Capital (TC)) with the sum of risk-weighted exposures for credit risk and the capital requirement multiplied by 12.5 for market and operational risks.

Each quarter, the ratios are calculated following the accounting closing and then compared to the supervisory requirements.

The Pillar 1 regulatory minimum capital requirement is set at 4.5% for CET1, 6% for T1 and 8% for TC. This minimum remains stable over time.

The minimum Pillar 2 requirement (P2R) is set by the supervisor following the Supervisory Review and Evaluation Process (SREP). It has been standing at 2.42% until 31 December 2024 including the additional requirement regarding Pillar 2 prudential expectations on the provisioning of non-performing loans granted before 26 April 2019.

In addition to the above requirements, the overall buffer requirement is the sum of:

- the mean of the countercyclical buffer rates of each country, weighted by the relevant credit risk exposures in these countries standing at 0.82%;
- the conservation buffer in force since 1 January 2016 with a maximum level standing at 2.50%;
- the Group's G-SIB buffer imposed by the Financial Stability Board (FSB), which is equal to 1%.

As of 31 December 2024, taking into account the combined regulatory buffers, the phased-in CET1 ratio level that would trigger the Maximum Distributable Amount (MDA) mechanism stands at 10.26%.

TABLE 11: BREAKDOWN OF SG'S PRUDENTIAL CAPITAL REQUIREMENTS

	31.12.2024	01.01.2024
Minimum requirement for Pillar 1	4.50%	4.50%
Minimum requirement for Pillar 2 (P2R)[(1)(2)]	1.44%	1.44%
Minimum requirement for countercyclical buffer	0.82%	0.56%
Minimum requirement for conservation buffer	2.50%	2.50%
Minimum requirement for systemic buffer	1.00%	1.00%
Minimum requirement for CET1 ratio	**10.26%**	**10.00%**

(1) According to Article 104 bis of the CRDV Directive, banks must now meet a minimum of 56% P2R with CET1 capital and 75% with Tier 1 capital. This article does not apply to the requirement arising from Pilar 2 NPL backstop which shall be fully covered with CET1 capital, in accordance with SREP notification.

(2) Following prudential reportings published.

TABLE 12: REGULATORY CAPITAL AND SOLVENCY RATIOS[(1)]

(In EURm)	31.12.2024	31.12.2023[(R)]
Shareholders' equity (IFRS), Group share	**70,255**	**65,975**
Deeply subordinated notes	(10,526)	(9,095)
Perpetual subordinated notes	-	(0)
Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes	**59,729**	**56,880**
Non-controlling interests	9,332	9,302
Intangible assets	(2,413)	(2,751)
Goodwill	(4,897)	(4,622)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,853)	(1,095)
Deductions and regulatory adjustments	(8,135)	(6,587)
COMMON EQUITY TIER 1 CAPITAL	**51,764**	**51,127**
Deeply subordinated notes and preferred shares	10,526	9,095
Other additional Tier 1 capital	422	408
Additional Tier 1 deductions	(139)	(120)
TOTAL TIER 1 CAPITAL	**62,573**	**60,510**
Tier 2 instruments	11,461	11,110
Other Tier 2 capital	225	257
Tier 2 deductions	(514)	(1,031)
Total regulatory capital	**73,744**	**70,846**
TOTAL RISK-WEIGHTED ASSETS	**389,503**	**388,825**
Credit and counterparty credit risk-weighted assets	327,224	326,182
Market risk-weighted assets	12,195	12,518
Operational risk-weighted assets	50,085	50,125
Solvency ratios		
Common Equity Tier 1 ratio	13.29%	13.15%
Tier 1 ratio	16.06%	15.56%
Total capital ratio	18.93%	18.22%

(1) Ratios set in accordance with CRR2/CRD5 rules as published in June 2019, including Danish compromise for insurance, and taking into account the IFRS 9 phasing (fully-loaded CET1 ratio of 13.28% as of December 2024, the phasing impact being +1 bps).

(R) : Restatement following method change.

The solvency ratio as of 31 December 2024 stood at 13.3% in Common Equity Tier 1 (13.1% as of December 2023) and 16.1% in Tier 1 (15.6% as of December 2023) for a total ratio of 18.9% (18.2% as of December 2023).

Group shareholders' equity as of December 2024 totalled EUR 70.3 billion (compared with EUR 65.9 billion as of December 2023).

After taking into account non-controlling interests and regulatory adjustments, CET1 regulatory capital was EUR 51.8 billion as of December 2024, *vs.* EUR 51.1 billion as of December 2023. The Additional Tier One deductions mainly regard authorisations to buy back own Additional Tier 1 capital instruments as well as subordinated bank and insurance loans issued by the Group.

TABLE 13: CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS

(In EURm)	31.12.2024	31.12.2023[R]
Unrecognised minority interests	(3,914)	(3,423)
Deferred tax assets	(1,226)	(1,162)
Prudent Valuation Adjustment	(830)	(782)
Adjustments related to changes in the value of own liabilities	108	(51)
Other	(2,273)	(1,170)
TOTAL CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS	**(8,135)**	**(6,587)**

(R): Restatement following method change.

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

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

5.5 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

The Basel III Accord has established the rules for calculating minimum capital requirements in order to more accurately assess the risks to which banks are exposed, taking into account the risk profile of transactions *via* two approaches intended for determining RWA: a standardised approach and an advanced one based on internal methods modelling the counterparties' risk profiles.

Change in risk-weighted assets and capital requirements

TABLE 14: OVERVIEW OF RISK-WEIGHTED ASSETS

	Risk-weighted assets			Total own funds requirements
(In EURm)	31.12.2024	30.09.2024	31.12.2023	31.12.2024
Credit risk (excluding counterparty credit risk)	**297,927**	**302,178**	**296,912**	**23,834**
o.w. standardised approach	*97,959*	*104,934*	*106,455*	*7,837*
o.w. Foundation IRB (FIRB) approach	*4,254*	*4,163*	*3,856*	*340*
o.w. slotting approach	*707*	*637*	*716*	*57*
o.w. equities under the simple risk-weighted approach	*2,178*	*2,302*	*2,146*	*174*
o.w. other equities under IRB approach	*16,260*	*16,478*	*16,589*	*1,301*
o.w. Advanced IRB (AIRB) approach	*176,570*	*166,963*	*167,151*	*14,126*
Counterparty credit risk – CCR	**21,883**	**21,599**	**21,815**	**1,751**
o.w. standardised approach	*6,375*	*6,200*	*5,374*	*510*
o.w. internal model method (IMM)	*10,546*	*10,118*	*11,070*	*844*
o.w. exposures to a CCP	*1,470*	*1,659*	*1,572*	*118*
o.w. credit valuation adjustment – CVA	*2,723*	*3,038*	*3,013*	*218*
o.w. other CCR	*768*	*586*	*786*	*61*
Settlement risk	**8**	**0**	**5**	**1**
Securitisation exposures in the non-trading book (after the cap)	**7,406**	**6,862**	**7,450**	**592**
o.w. SEC-IRBA approach	*2,130*	*1,719*	*1,978*	*170*
o.w. SEC-ERBA incL IAA	*4,063*	*4,040*	*4,228*	*325*
o.w. SEC-SA approach	*1,213*	*1,103*	*1,243*	*97*
o.w. 1,250%/deductions	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)	**12,195**	**11,002**	**12,518**	**976**
o.w. standardised approach	*2,825*	*2,527*	*3,305*	*226*
o.w. IMA	*9,370*	*8,475*	*9,214*	*750*
Large exposures	**-**	**-**	**-**	**-**
Operational risk	**50,085**	**50,699**	**50,125**	**4,007**
o.w. basic indicator approach	-	-	-	-
o.w. standardised approach	*4,730*	*5,333*	*4,759*	*378*
o.w. advanced measurement approach	*45,355*	*45,365*	*45,365*	*3,628*
Amounts (included in the "credit risk" section above) below the thresholds for deduction (subject to 250% risk weight)	6,794	7,262	6,646	544
TOTAL	**389,503**	**392,339**	**388,825**	**31,160**

TABLE 15: RISK-WEIGHTED ASSETS (RWA) PER CORE BUSINESS AND RISK CATEGORY

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 31.12.2024	Total 31.12.2023
French Retail Banking, Private banking, Insurance	115.1	-	5.2	120.3	118.5
Mobility, International Retail Banking and Financial Services	113.3	-	7.5	120.9	130.0
Global Banking and Investor Solutions	87.3	10.7	29.4	127.3	118.5
Corporate Centre	11.5	1.5	8.1	21.1	21.8
Group	**327.2**	**12.2**	**50.1**	**389.5**	**388.8**

As of 31 December 2024, RWA (EUR 389.5 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 84% of RWA (of which 35% for Mobility, International Retail Banking and Financial Services);
- market risk accounted for 3% of RWA (of which 88% for Global Banking and Investor Solutions);
- operational risk accounted for 13% of RWA (of which 59% for Global Banking and Investor Solutions).

TABLE 16: MAIN SUBSIDIARIES' CONTRIBUTIONS TO THE GROUP'S RWA

	Ayvens		Boursorama		Komerčni Banka	
(In EURm)	IRB	Standard	IRB	Standard	IRB	Standard
Credit and counterparty credit risks	**13,775**	**33,902**	**541**	**1,714**	**14,724**	**2,464**
Sovereign	-	20	-	-	75	13
Financial institutions	28	767	2	1	695	356
Corporate	6,136	7,639	-	1	10,022	1,368
Retail	414	4,044	524	1,459	3,596	23
Equity investments	1,006	25	15	-	336	2
Other non-credit obligation assets	6,192	21,407	-	253	-	701
Securitisation	-	-	-	-	-	-
Market risk	**-**		**-**		**1**	
Operational risk	**4,403**		**320**		**817**	
TOTAL 2024	**52,080**		**2,576**		**18,006**	
TOTAL 2023	**52,794**		**2,403**		**17,833**	

5.6 TLAC AND MREL RATIOS

The Total Loss Absorbing Capacity (TLAC) requirement which applies to Societe Generale has been 18% of RWA since 1 January 2022, to which the conservation buffer of 2.5%, the G-SIB buffer of 1% and the countercyclical buffer must be added. As of 31 December 2024, the TLAC requirement therefore stood at 22.3% of Group RWA.

The TLAC rule also provides for a minimum ratio of 6.75% of the leverage exposure since January 2022.

As of 31 December 2024, Societe Generale reached a phased-in TLAC ratio of 29.72% excluding senior preferred debts.

The TLAC ratio expressed as a percentage of leverage exposure is 8.03%.

The Minimum Requirement for own funds and Eligible Liabilities (MREL) has applied to credit institutions and investment firms within the European Union since 2016.

Contrary to the TLAC ratio, the MREL requirement is tailored to each institution and regularly revised by the resolution authority. This requirement amounts to 27.6% in 2024. Throughout the year, Societe Generale complied with its requirements while MREL ratio as a percentage of RWA stands at 34.2% at the end of 2024.

Moreover, the MREL requirement as a percentage of leverage exposure amounted to 6.23% while the ratio stands at 9.2% at the end of 2024.

5.7 LEVERAGE RATIO

The Group calculates its leverage ratio according to the CRR2 rules applicable since June 2021.

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

The Group aims to maintain a consolidated leverage ratio that is significantly higher than the 3.6% minimum set in the Basel Committee's recommendations, implemented in Europe *via* CRR2, including leverage pillar 2 add-on and a fraction of the systemic buffer which is applicable to the Group.

As of 31 December 2024, the phased leverage ratio of Societe Generale stood at 4.34% taking into account a Tier 1 capital amount of EUR 62.6 billion compared with a leverage exposure of EUR 1,442 billion (*versus* 4.25% as of December 2023, with EUR 60.5 billion and EUR 1,422 billion, respectively).

TABLE 17: SUMMARY OF THE LEVERAGE RATIO AND THE TRANSITION FROM PRUDENTIAL BALANCE-SHEET TO LEVERAGE EXPOSURE(1)

(In EURm)	31.12.2024	31.12.2023
Tier 1 capital(2)	**62,573**	**60,510**
Total assets in prudential balance-sheet(3)	**1,407,367**	**1,396,696**
Adjustments for derivative financial instruments	1,540	(175)
Adjustments for securities financing transactions(4)	13,982	13,888
Off-balance-sheet exposure (loan and guarantee commitments)	127,198	123,518
Technical and prudential adjustments	(107,962)	(112,030)
Leverage ratio exposure	**1,442,125**	**1,422,247**
Leverage ratio	**4.34%**	**4.25%**

(1) *Ratio set in accordance with CRR2 rules and taking into account the IFRS 9 phasing (leverage ratio of 4.34% without phasing as of December 2024, the phasing impact being 0 bps).*
(2) *The capital overview is available in Table 12.*
(3) *The prudential balance-sheet corresponds to the IFRS balance-sheet less entities accounted for through the equity method (mainly insurance subsidiaries).*
(4) *Securities financing transactions: repurchase transactions, securities lending or borrowing transactions and other similar transactions.*

5.8 LARGE EXPOSURES RATIO

The CRR incorporates the provisions regulating large exposures. As such, Societe Generale must not have any exposure towards a single beneficiary which exceeds 25% of the Group's capital.

The final rules of the Basel Committee on large exposures, transposed in Europe through CRR2, have been applicable since June 2021. The main changes compared with CRR concern the calculation of the regulatory limit (25%), henceforth expressed as a proportion of Tier 1 (instead of cumulated Tier 1 and Tier 2), and in the introduction of a cross-specific limit on systemic institutions (15%).

5.9 FINANCIAL CONGLOMERATE RATIO

The Societe Generale Group, also identified as a "Financial conglomerate", is subject to additional supervision from the ECB.

As of 31 December 2024, Societe Generale's financial conglomerate equity covered the solvency requirements for both banking and insurance activities.

As of 30 June 2024, the financial conglomerate ratio was 131.8%, consisting of a numerator "Own funds of the Financial Conglomerate" of EUR 78.8 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 59.8 billion.

As of 31 December 2023, the financial conglomerate ratio was 135.2%, consisting of a numerator "Own funds of the Financial Conglomerate"of EUR 77.6 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 57.4 billion.

TABLE 18: FINANCIAL CONGLOMERATES INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY RATIO (INS2)

(In EURm)	31.12.2024
Supplementary own fund requirements of the financial conglomerate (amount)	19,041
Capital adequacy ratio of the financial conglomerate (%)	132%

5.10 ADDITIONAL QUANTITATIVE INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY

TABLE 19: COMPARISON OF OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 (IFRS9-FL)

	(In EURm)	31.12.2024	30.09.2024[R]	30.06.2024	31.03.2024	31.12.2023
AVAILABLE CAPITAL (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	51,764	50,875	50,937	50,832	51,127
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	51,714	50,805	50,874	50,755	50,894
3	Tier 1 capital	62,573	60,131	60,977	60,835	60,510
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	62,523	60,061	60,914	60,758	60,278
5	Total capital	73,744	70,572	72,009	72,148	70,846
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	73,694	70,502	71,946	72,072	70,614
RISK-WEIGHTED ASSETS (AMOUNTS)						
7	Total risk-weighted assets	389,503	392,339	388,536	388,216	388,825
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	389,484	392,319	388,504	388,198	388,825
RISK-WEIGHTED ASSETS (AMOUNTS)						
9	Common Equity Tier 1 (as a percentage of RWA)	13.29%	12.97%	13.11%	13.09%	13.15%
10	Common Equity Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.28%	12.95%	13.09%	13.07%	13.09%
11	Tier 1 (as a percentage of RWA)	16.06%	15.33%	15.69%	15.67%	15.56%
12	Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.05%	15.31%	15.68%	15.65%	15.50%
13	Total capital (as a percentage of RWA)	18.93%	17.99%	18.53%	18.58%	18.22%
14	Total capital (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.92%	17.97%	18.52%	18.57%	18.16%
LEVERAGE RATIO						
15	Leverage ratio total exposure measure[1]	1,442,125	1,435,055	1,461,927	1,458,821	1,422,247
16	Leverage ratio	4.34%	4.19%	4.17%	4.17%	4.25%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.34%	4.19%	4.17%	4.17%	4.24%

(R): Restated

(1) *Leverage ratio total exposure measure taking into account the IFRS 9 transitional provisions over the whole historical period considered, as well as the option to exempt some central bank exposures until 31 March 2022 included.*

TABLE 20: NON-DEDUCTED EQUITIES IN INSURANCE UNDERTAKINGS (INS1)

	31.12.2024	
(In EURm)	Exposure value	RWA amount
Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	4,046	14,971

OWN FUNDS DETAILS

TABLE 21: COMPOSITION OF REGULATORY OWN FUNDS (CC1)

		31.12.2024		31.12.2023	
(In EURm)		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES					
1	Capital instruments and the related share premium accounts	19,557	6	19,648	6
	of which fully paid up capital instruments	*1,000*		*1,004*	
	of which share premium	*18,556*		*18,644*	
2	Retained earnings	31,312	6	30,376	6
3	Accumulated other comprehensive income (and other reserves)	4,568	6	4,390	6
EU-3a	Funds for general banking risk	-		-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-		-	
5	Minority interests (amount allowed in consolidated CET1)	5,418	7	5,879	7
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	2,348	6	1,398	6
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**63,202**		**61,691**	
COMMON EQUITY TIER 1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS					
7	Additional value adjustments (negative amount)	(830)		(782)	
8	Intangible assets (net of related tax liability) (negative amount)	(7,310)	4	(7,373)	4
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(1,226)	2	(1,162)	2
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	368		318	
12	Negative amounts resulting from the calculation of expected loss amounts	(682)		(221)	
13	Any increase in equity that results from securitised assets (negative amount)	-		-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	111		(49)	
15	Defined-benefit pension fund assets (negative amount)	(150)	3	(81)	3
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(122)		(222)	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	(57)		(63)	
EU-20b	*of which qualifying holdings outside the financial sector (negative amount)*	-		-	
EU-20c	*of which securitisation positions (negative amount)*	*(42)*		*(63)*	
EU-20d	*of which free deliveries (negative amount)*	*(15)*		-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-		-	
22	Amount exceeding the 17,65% threshold (negative amount)	-		-	
23	*of which direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-		-	
25	*of which deferred tax assets arising from temporary differences*	-		-	
EU-25a	Losses for the current financial year (negative amount)	-		-	

		31.12.2024		31.12.2023	
(In EURm)		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-		-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-		-	
27a	Other regulatory adjusments	(1,540)		(930)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(11,438)**		**(10,565)**	
29	**Common Equity Tier 1 (CET1) capital**	**51,764**		**51,127**	
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS					
30	Capital instruments and the related share premium accounts	9,323		7,964	
31	*of which classified as equity under applicable accounting standards*	*10,526*	6	*9,095*	6
32	*of which classified as liabilities under applicable accounting standards*	-		-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-		-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-		-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	1,203		1,131	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	422	7	408	7
35	*of which instruments issued by subsidiaries subject to phase out*	-		-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**10,948**		**9,503**	
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS					
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(126)		(108)	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(13)	1	(12)	1
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-		-	
42a	Other regulatory adjustments to AT1 capital	-		-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(139)**		**(120)**	
44	**Additional Tier 1 (AT1) capital**	**10,809**		**9,383**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**62,573**		**60,510**	
TIER 2 (T2) CAPITAL: INSTRUMENTS					
46	Capital instruments and the related share premium accounts	11,036	5	9,423	5
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-		-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-		-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	425	5	1,686	5
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	225	7	257	7
49	*of which instruments issued by subsidiaries subject to phase out*	-		-	
50	Credit risk adjustments	-		-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**11,685**		**11,367**	

(In EURm)		31.12.2024		31.12.2023	
		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS					
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(133)		(132)	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(382)	1	(899)	1
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-		-	
56b	Other regulatory adjustments to T2 capital	-		-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(514)**		**(1,031)**	
58	**Tier 2 (T2) capital**	**11,171**		**10,336**	
59	**Total capital (TC = T1 + T2)**	**73,744**		**70,846**	
60	**Total RWA**	**389,503**		**388,825**	
CAPITAL RATIOS AND REQUIREMENTS INCLUDING BUFFERS					
61	**Common Equity Tier 1 (as a percentage of RWA)**	**13.29%**		**13.15%**	
62	**Tier 1 (as a percentage of RWA)**	**16.06%**		**15.56%**	
63	**Total capital (as a percentage of total RWA)**	**18.93%**		**18.22%**	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of RWA)	10.26%		9.76%	
65	*of which capital conservation buffer requirement*	*2.50%*		*2.50%*	
66	*of which countercyclical buffer requirement*	*0.82%*		*0.56%*	
67	*of which systemic risk buffer requirement*	*0.00%*		-	
EU-67a	*of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.00%*		*1.00%*	
EU-67b	*of which additional own funds requirements to address the risks other than the risk of excessive leverage*	*1.44%*		*1.20%*	
68	**Common Equity Tier 1 available to meet buffer (as a percentage of RWA)**	**7.35%**		**7.45%**	
AMOUNTS BELOW THE THRESHOLDS FOR DEDUCTION (BEFORE RISK WEIGHTING)					
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,227		3,604	
73	Direct and indirect holdings by the institution of the CET1 3 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	564		418	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	2,153		2,240	
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-		-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,269		1,377	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-		-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,246		1,226	

(In EURm)		31.12.2024		31.12.2023	
		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
CAPITAL INSTRUMENTS SUBJECT TO PHASE-OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JANUARY 2014 AND 1 JANUARY 2022)					
80	Current cap on CET1 instruments subject to phase out arrangements	-		-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-		-	
82	Current cap on AT1 instruments subject to phase out arrangements	-		-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-		-	
84	Current cap on T2 instruments subject to phase out arrangements	-		-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		-	

The regulatory own funds items are used as a starting point to describe differences between balance sheet items used to calculate own funds and regulatory own funds.

Notes

I Common Equity Tier 1 (CET1): Instruments and reserves

1. difference due to deduction for holdings of own CET1 instruments;
2. difference linked to a limited recognition of minority interests.

II Common Equity Tier 1: Regulatory adjustments

3. other comprehensive income from changes in the fair value through equity of financial assets are not deducted from regulatory own funds, except gains and losses on derivatives held as cash flow hedges;
4. the differences between the amounts of the balance sheet under the prudential scope and under regulatory capital are related to taxes deferred on OCA and DVA;
5. goodwill and other intangible assets net of related deferred tax liabilities are fully deducted from regulatory own funds;
6. gains or losses on liabilities valued at fair value and recognised in the income statement resulting from changes in own credit spread (OCA) as well as gains or losses resulting from changes in credit spread on own liability derivatives (DVA) are deducted from Common Equity Tier 1 instruments.

III Additional Tier 1 (AT1) capital: Instruments

7. differences between balance sheet amounts within the prudential scope and own funds and regulatory own funds related to conversion differences on capital equity instruments;
8. minority interests recognised in Additional Tier 1 instruments ate stated in the same way as described in Note 2.

IV Additional Tier 1 (AT1) capital: Regulatory adjustments

9. discrepancy due to the exclusion of insurance subordinated loans in the consolidated balance sheet.

V Tier 2 (T2) capital: Instruments and provisions

10. difference due to instruments ineligible to a classification as regulatory own funds;
11. minority interests recognised in Tier 2 instruments receive the same accounting treatment as described in Note 2.

TLAC RATIO DETAILS

TABLE 22: TLAC – COMPOSITION (TLAC1)

(In EURm)		31.12.2024	31.12.2023
OWN FUNDS AND ELIGIBLE LIABILITIES AND ADJUSTMENTS			
1	Common Equity Tier 1 capital (CET1)	51,764	51,127
2	Additional Tier 1 capital (AT1)	10,809	9,383
6	Tier 2 capital (T2)	11,171	10,328
11	Total of eligible Own funds	73,744	70,838
OWN FUNDS AND ELIGIBLE LIABILITIES: NON-REGULATORY CAPITAL ELEMENTS			
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	40,846	36,002
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	1,168	3,704
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	-	13,283
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-	326
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	-	13,609
17	Eligible liabilities items before adjustments	42,014	53,315
EU-17a	*of which subordinated*	*42,014*	*39,706*
OWN FUNDS AND ELIGIBLE LIABILITIES: ADJUSTMENTS TO NON-REGULATORY CAPITAL ELEMENTS			
18	Own funds and eligible liabilities items before adjustments	115,758	124,152
19	(Deduction of exposures between MPE resolution groups)	-	-
20	(Deduction of investments in other eligible liabilities instruments)	-	-
22	Own funds and eligible liabilities after adjustments	115,758	*124,152*
RWA AND LEVERAGE EXPOSURE MEASURE OF THE RESOLUTION GROUP			
23	Total RWA	389,503	388,825
24	Total exposure measure	1,442,125	1,422,247
RATIO OF OWN FUNDS AND ELIGIBLE LIABILITIES			
25	Own funds and eligible liabilities (as a percentage of total RWA)	29.72%	31.93%
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	8.03%	8.73%
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	7.35%	7.45%
28	Institution-specific combined buffer requirement	4.32%	4.06%
29	*of which capital conservation buffer requirement*	*2.50%*	*2.50%*
30	*of which countercyclical buffer requirement*	*0.82%*	*0.56%*
31	*of which systemic risk buffer requirement*	*0.00%*	-
EU-31a	*of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.00%*	*1.00%*
MEMORANDUM ITEMS			
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR	963,253	986,774

TABLE 23: TLAC – CREDITOR RANKING OF THE RESOLUTION ENTITY[1] (TLAC3)

		31.12.2024				
		Insolvency ranking				
		1	2	3	5	6
(In EURm)		(most junior)				
1	Description of insolvency ranking[2]	Equity	Deeply subordinated notes	Subordinated notes	Senior non preferred unsecured	Senior preferred unsecured
2	Liabilities and own funds	51,764	10,526	16,806	44,548	599,984
3	*o.w. excluded liabilities*	-	-	-	-	*444,219*
4	Liabilities and own funds less excluded liabilities	51,764	10,526	16,806	44,548	155,766
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	51,764	10,526	12,629	40,846	17,565
6	*o.w. residual maturity ≥ 1 year < 2 years*	-	-	*1,425*	*6,012*	*6,310*
7	*o.w. residual maturity ≥ 2 year < 5 years*	-	-	*388*	*21,306*	*7,814*
8	*o.w. residual maturity ≥ 5 years < 10 years*	-	-	*5,065*	*11,771*	*2,554*
9	*o.w. residual maturity ≥ 10 years, but excluding perpetual securities*	-	-	*5,390*	*1,757*	*887*
10	*o.w. perpetual securities*	*51,764*	*10,526*	-	-	-

		31.12.2024				
		Insolvency ranking				
		7	8	9	10	
(In EURm)						Sum of 1 to 10
1	Description of insolvency ranking[2]	Deposits of natural persons and SME	Covered deposits	Claims with a special or general unsecured preferential right	Claims arising after the safeguard procedures	
2	Liabilities and own funds	36,421	141,525	1,429	245,720	1,148,724
3	*o.w. excluded liabilities*	*36,421*	*141,525*	*1,429*	*245,720*	*869,314*
4	Liabilities and own funds less excluded liabilities	-	-	-	-	279,410
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	-	-	-	-	133,331
6	*o.w. residual maturity ≥ 1 year < 2 years*	-	-	-	-	*13,748*
7	*o.w. residual maturity ≥ 2 year < 5 years*	-	-	-	-	*29,507*
8	*o.w. residual maturity ≥ 5 years < 10 years*	-	-	-	-	*19,390*
9	*o.w. residual maturity ≥ 10 years, but excluding perpetual securities*	-	-	-	-	*8,034*
10	*o.w. perpetual securities*	-	-	-	-	*62,290*

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

		31.12.2023					
		Insolvency ranking					
		1	2	3	7	8	9
(In EURm)		(most junior)					
1	Description of insolvency ranking[(2)]	Equity	Deeply subordinated notes	Subordinated notes	Senior non preferred unsecured	Senior preferred unsecured	Deposits of natural persons and SME
2	Liabilities and own funds	51,127	9,095	15,878	42,428	628,953	38,561
3	*o.w. excluded liabilities*	-	-	-	-	*480,277*	*38,561*
4	Liabilities and own funds less excluded liabilities	51,127	9,095	15,878	42,428	148,676	-
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	51,127	9,095	14,805	36,002	20,489	-
6	*o.w. residual maturity ≥ 1 year < 2 years*	-	-	*4,081*	*3,889*	*5,035*	-
7	*o.w. residual maturity ≥ 2 year < 5 years*	-	-	*1,777*	*17,444*	*10,884*	-
8	*o.w. residual maturity ≥ 5 years < 10 years*	-	-	*4,823*	*12,745*	*3,701*	-
9	*o.w. residual maturity ≥ 10 years, but excluding perpetual securities*	-	-	*4,125*	*1,925*	*869*	-
10	*o.w. perpetual securities*	*51,127*	*9,095*	-	-	-	-

		31.12.2023				
		Insolvency ranking				
		10	11	14	17	
(In EURm)					(most senior)	Sum of 1 to 17
1	Description of insolvency ranking[(2)]	Covered deposits	Pre-insolvency judgment claims with preferential right	Claims arising after the safeguard procedure	Super-privileged debts owed to employees	
2	Liabilities and own funds	130,772	258,038,872	282,028	1,474	1,200,574
3	*o.w. excluded liabilities*	*130,772*	*258,038,872*	*282,028*	*1,474*	*9,333,704*
4	Liabilities and own funds less excluded liabilities	-	-	-	-	267,204
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	-	-	-	-	131,518
6	*o.w. residual maturity ≥ 1 year < 2 years*	-	-	-	-	*13,005*
7	*o.w. residual maturity ≥ 2 year < 5 years*	-	-	-	-	*30,104*
8	*o.w. residual maturity ≥ 5 years < 10 years*	-	-	-	-	*21,268*
9	*o.w. residual maturity ≥ 10 years, but excluding perpetual securities*	-	-	-	-	*6,919*
10	*o.w. perpetual securities*	-	-	-	-	*60,222*

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

LEVERAGE RATIO DETAILS

TABLE 24: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (LR1-LRSUM)

(In EURm)		31.12.2024	31.12.2023
1	Total assets as per published financial statements	1,573,545	1,554,045
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(166,178)	(157,349)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	(2,599)	(2,533)
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(2,003)	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	1,540	175
9	Adjustments for securities financing transactions "SFTs"	13,982	13,888
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	129,418	123,756
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(217)	(238)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	(30,073)	(27,186)
12	Other adjustments	(75,290)	(82,311)
13	**Total exposure measure**	**1,442,125**	**1,422,247**

TABLE 25: LEVERAGE RATIO – COMMON DISCLOSURE (LR2-LRCOM)

(In EURm)		31.12.2024	31.12.2023
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,063,372	1,048,769
2	(Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework)	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(25,603)	(25,051)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(11,791)	(10,621)
7	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**1,025,978**	**1,013,096**
DERIVATIVE EXPOSURES			
8	Replacement cost associated with SA-CCR derivatives transactions (*i.e.* net of eligible cash variation margin)	127,878	98,852
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	118,082	103,675
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(140,868)	(110,767)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	47,602	47,953
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(45,574)	(45,867)
13	**Total derivative exposures**	**107,120**	**93,846**
SECURITIES FINANCING TRANSACTION EXPOSURES			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	307,952	304,215
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(96,450)	(85 508)
16	Counterparty credit risk exposure for SFT assets	13,982	13,888
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b(4) and 222 of Regulation (EU) No 575/2013	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**225,485**	**232,595**
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposures at gross notional amount	288,980	280,049
20	(Adjustments for conversion to credit equivalent amounts)	(161,564)	(156,363)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	(217)	(238)
22	**Other off-balance sheet exposures**	**127,198**	**123,448**
EXCLUDED EXPOSURES			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR) (on and off balance sheet)	(30,073)	(27,186)
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-

(In EURm)		31.12.2024	31.12.2023
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(13,583)	(13 551)
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans) (Other exempted exposures)	-	-
EU-22k	(Total exempted exposures)	(43,656)	(40,738)
CAPITAL AND TOTAL EXPOSURES			
23	Tier 1 capital	62,573	60,510
24	Total leverage ratio exposures	1,442,125	1,422,247
LEVERAGE RATIO			
25	**Leverage ratio (%)**	**4.34%**	**4.25%**
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.34%	4.25%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank exposures) (%)	4.34%	4.25%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.10%	-
EU-26b	*of which to be made up of CET1 capital (%)*	-	-
27	Leverage ratio buffer requirement (%)	0.50%	0.50%
EU-27a	Overall leverage ratio requirement (%)	3.60%	3.50%
CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	232,588	230,625
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	211,503	218,706
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,463,210	1,434,166
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,463,210	1,434,166
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.28%	4.22%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.28%	4.22%

TABLE 26: LEVERAGE RATIO – SPLIT-UP OF ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (LR3-LRSPL)

(In EURm)		31.12.2024	31.12.2023
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**992,140**	**982,742**
EU-2	Trading book exposures	115,140	96,612
EU-3	Banking book exposures, of which:	876,999	886,130
EU-4	*Covered bonds*	*136*	*159*
EU-5	*Exposures treated as sovereigns*	*311,970*	*307,237*
EU-6	*Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns*	*15,204*	*15,125*
EU-7	*Institutions*	*21,480*	*22,508*
EU-8	*Secured by mortgages of immovable properties*	*153,111*	*162,085*
EU-9	*Retail exposures*	*69,249*	*73,562*
EU-10	*Corporates*	*212,383*	*221,994*
EU-11	*Exposures in default*	*13,114*	*12,864*
EU-12	*Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)*	*80,353*	*70,595*

COUNTERCYCLICAL BUFFER DETAILS

The countercyclical capital buffer (or CCyB) rate is defined by country. The countercyclical capital buffer requirement is calculated by averaging the countercyclical rates of each country, weighted by the exposures relevant to credit risk in those countries. The countercyclical capital buffer rate came into effect on 1 January 2016, with a transitional period that ended in 2019. In France, the authority in charge of defining the countercyclical rate applicable to exposures in France and of recognising rates applicable in other countries is the High Council for Financial Stability (HCSF). Each quater, the HCSF publishes the CCyB rate for France and the rates recognised for third countries. The rate applicable to the Group is recalculated whenever a country is subject to a rate change. As a result, there is no annual rate for this cushion, but a rate applicable on a given date.

TABLE 27: GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER (CCYB1)

	31.12.2024												
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures – Exposure value for non-trading book	Total exposure value	Own fund requirements						
(In EURm)	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models[(1)]			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	RWA	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Europe	**111,646**	**405,125**	**347**	**0**	**33,322**	**550,440**	**20,284**	**19**	**25**	**20,328**	**254,103**	**84.71%**	
Bulgaria	63	33	-	-	-	96	5	-	-	5	58	0.02%	2.00%
Czech Republic	3,824	34,023	-	-	-	37,847	1,237	0	-	1,237	15,466	5.16%	1.25%
Denmark	1,085	1,353	-	-	-	2,438	119	0	-	119	1,491	0.50%	2.50%
France	40,400	252,888	19	-	19,891	313,197	11,308	5	16	11,329	141,613	47.21%	1.00%
Norway	480	1,101	-	-	-	1,582	88	0	-	88	1,099	0.37%	2.50%
Slovakia	1,357	800	-	-	-	2,157	125	-	-	125	1,567	0.52%	1.50%
Sweden	772	1,792	-	-	-	2,564	108	5	-	113	1,411	0.47%	2.00%
Ireland	156	6,316	-	-	1,484	7,956	171	1	1	174	2,170	0.72%	1.50%
Iceland	0	1	-	-	-	1	0	-	-	0	0	0.00%	2.50%
Lithuania	50	37	-	-	-	86	3	-	-	3	39	0.01%	1.00%
Luxembourg	1,369	15,706	-	-	2,358	19,433	469	1	2	472	5,899	1.97%	0.50%
Great Britain	8,300	16,338	-	-	2,120	26,758	1,012	3	2	1,017	12,712	4.24%	2.00%
Germany	10,952	16,895	-	-	3,809	31,656	1,209	1	1	1,212	15,153	5.05%	0.75%
Cyprus	33	533	-	-	-	566	15	-	-	15	185	0.06%	1.00%
Croatia	169	34	-	-	-	203	10	-	-	10	127	0.04%	1.50%
Netherlands	4,253	8,539	-	-	154	12,946	635	0	0	635	7,940	2.65%	2.00%
Romania	10,971	200	277	0	472	11,921	553	2	0	555	6,937	2.31%	1.00%
Slovenia	54	34	-	-	-	87	5	-	-	5	60	0.02%	0.50%
Belgium	2,929	4,495	12	-	205	7,640	342	0	0	342	4,279	1.43%	1.00%
Latvia	41	100	-	-	-	141	3	-	-	3	39	0.01%	0.50%
Estonia	33	27	-	-	-	60	3	-	-	3	39	0.01%	1.50%
Hungary	420	551	-	-	-	971	46	-	-	46	569	0.19%	0.50%
Armenia	0	0	-	-	-	0	0	-	-	0	0	0.00%	1.50%
North America	**3,005**	**73,699**	**1,235**	**-**	**17,573**	**95,513**	**1,816**	**55**	**18**	**1,890**	**23,622**	**7.87%**	
Asia-Pacific	**2,145**	**21,988**	**42**	**-**	**3,895**	**28,070**	**595**	**0**	**4**	**600**	**7,500**	**2.50%**	
Australia	31	4,994	42	-	1,245	6,313	102	0	1	104	1,301	0.43%	1.00%
Hong Kong	646	2,603	-	-	2,519	5,769	58	0	3	61	759	0.25%	1.00%
South Korea	134	1,223	-	-	-	1,357	44	-	-	44	549	0.18%	0.50%
Rest of the World	**13,225**	**14,335**	**76**	**0**	**-**	**27,637**	**1,179**	**1**	**-**	**1,180**	**14,745**	**4.92%**	
TOTAL	**130,022**	**515,147**	**1,700**	**0**	**54,790**	**701,659**	**23,874**	**76**	**47**	**23,998**	**299,970**	**100.00%**	**0.82%**

(1) *Tool change.*

	31.12.2023												
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures – Exposure value for non-trading book	Total exposure value	Own fund requirements						
(In EURm)	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	RWA	Own fund requirements weights *(%)*	Countercyclical buffer rate *(%)*
Europe	**113,896**	**407,560**	**252**	**372,004**	**33,256**	**926,969**	**19,638**	**20**	**24**	**19,682**	**246,031**	**82.21%**	
Germany	12,139	15,591	-	-	69,802	3,947	101,478	1,190	2	1	1,193	4.98%	0.75%
Bulgaria	66	35	-	-	21	-	123	5	-	-	5	0.02%	2.00%
Cyprus	2	547	-	-	10	-	558	17	-	-	17	0.07%	0.50%
Croatia	172	97	-	-	0	-	269	11	-	-	11	0.05%	1.00%
Denmark	982	737	-	-	7,645	-	9,364	93	-	-	94	0.39%	2.50%
Estonia	30	24	-	-	-	-	54	3	-	-	3	0.01%	1.50%
France	40,525	261,753	6	-	21,240	323,523	10,788	3	15	10,806	135,080	45.14%	0.50%
United Kingdom	8,635	15,115	-	86,142	2,205	112,096	871	4	2	877	10,961	3.66%	2.00%
Ireland	195	7,164	-	34,632	1,292	43,284	184	-	1	185	2,318	0.77%	1.00%
Iceland	-	1	-	-	-	1	0	-	-	-	-	0.00%	2.00%
Lituania	51	33	-	202	-	287	3	-	-	3	41	0.01%	1.00%
Luxembourg	2,307	15,607	-	43,888	1,974	63,776	459	1	2	462	5,772	1.93%	0.50%
Norway	448	1,089	-	8,978	0	10,515	82	-	-	82	1,031	0.34%	2.50%
Nederland	6,800	7,611	-	0	51	14,462	887	2	-	888	11,101	3.71%	1.00%
Czech republic	4,116	34,110	-	1,043	-	39,269	1,246	-	-	1,246	15,577	5.20%	2.00%
Roumania	10,412	131	219	705	-	11,467	501	2	-	503	6,283	2.10%	1.00%
Slovakia	1,316	929	-	14	-	2,258	117	-	-	117	1,463	0.49%	1.50%
Slovénia	53	40	-	1	-	94	5	-	-	5	61	0.02%	0.50%
Sweden	816	1,947	-	17,425	-	20,188	114	1	-	114	1,426	0.48%	2.00%
North America	**3,254**	**71,372**	**1,797**	**85,346**	**18,497**	**180,266**	**1,649**	**103**	**19**	**1,772**	**22,154**	**7.40%**	
Asia-Pacific	**1,454**	**22,717**	**0**	**88,182**	**4,154**	**116,508**	**552**	**7**	**4**	**563**	**7,038**	**2.35%**	
Australia	30	4,521	-	23,941	1,724	30,216	99	-	2	100	1,256	0.42%	1.00%
Hong Kong	158	1,082	-	4,448	-	5,689	23	-	-	23	286	0.10%	1.00%
Rest of the World	**23,513**	**16,545**	**334**	**34,378**	**-**	**74,770**	**1,920**	**4**	**-**	**1,924**	**24,049**	**8.04%**	
TOTAL	**142,118**	**518,194**	**2,383**	**579,910**	**55,908**	**1,298,513**	**23,759**	**135**	**48**	**23,942**	**299,272**	**100.00%**	**0.56%**

TABLE 28: AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER (CCYB2)

(In EURm)	**31.12.2024**	**31.12.2023**
Total RWA	389,503	388,825
Institution-specific countercyclical capital buffer (rate)	0.82%	0.56%
Institution-specific countercyclical capital buffer requirement (amount)	3,197	2,170

LINK BETWEEN PRUDENTIAL BALANCE SHEET AND TYPES OF RISK

TABLE 29: DIFFERENCES BETWEEN STATUTORY AND PRUDENTIAL CONSOLIDATED BALANCE SHEETS AND ALLOCATION TO REGULATORY RISK CATEGORIES (LI1)

Assets as of 31.12.2024 *(In EURm)*	**Consolidated balance sheet (statutory scope)**	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the securitisation framework**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Cash, due from banks	201,680	201,680	201,680	-			
Financial assets at fair value through profit or loss	526,049	418,318	14,112	254,360	586	403,620	
Hedging derivatives	9,233	9,097	0	9,097		4,407	
Financial assets at fair value through other comprehensive income	96,024	41,675	38,231	-		3,444	
Securities at amortised cost	32,655	27,814	27,180	-	73	561	
Due from banks at amortised cost	84,051	82,922	64,146	18,544		6,488	232
of which subordinated and participating loans	*230*	*230*	*230*				
Customer loans at amortised cost	454,622	454,582	423,755	11,515	19,313	8,169	
Revaluation differences on portfolios hedged against interest rate risk	(292)	(292)	181	-		(279)	(473)
Insurance and reinsurance contracts assets	615	-	-	-			
Tax assets	4,686	4,505	3,279	-			1,226
of which deferred tax assets that rely on future profitability excluding those on temporary differences	*1,847*	*1,226*	*1*	-			*1,226*
of which deferred tax assets on temporary differences	*1,544*	*2,155*	*2,155*	-			
Other assets	70,903	70,834	7,684	-		41,820	21,330
of which defined-benefit pension fund assets	*79*	*83*	-				*83*
Non-current assets held for sale	26,426	26,418	26,418	-			
Investments accounted for using the equity method	398	4,413	4,413	-			
Tangible and intangible assets	61,409	60,670	57,426	-		742	2,502
of which intangible assets exclusive of leasing rights	*3,393*	*3,371*	*869*	-			*2,502*
Goodwill	5,086	4,730	-	-			4,908
TOTAL ASSETS	**1,573,545**	**1,407,367**	**868,505**	**293,515**	**19,972**	**468,973**	**29,725**

Liabilities as of 31.12.2024 *(In EURm)*	**Consolidated balance sheet (statutory scope)**	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the securitisation framework**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Due to central banks	11,364	11,364	-	-	-		11,364
Financial liabilities at fair value through profit or loss	396,615	393,671	-	254,545	-	401,692	(8,021)
Hedging derivatives	15,750	15,736	-	15,736	-	5,896	0
Debt securities issued	162,200	164,304	-		-	37,427	126,877
Due to banks	99,744	96,143	-	6,270	-	6,158	89,872
Customer deposits	531,675	533,258	-	6,693	-	3,607	526,565
Revaluation differences on portfolios hedged against interest rate risk	(5,277)	(5,277)	-	-	-	(3,685)	(5,277)
Tax liabilities	2,236	1,996	-	-	-		1,996
Other Liabilities	90,786	81,116	-	-	-	21,904	59,212
Non-current liabilities held for sale	17,079	17,093	-	-	-		17,093
Insurance contracts related liabilities	150,691	-	-	-	-		-
Provisions	4,085	4,051	-	-	-	2,359	1,691
Subordinated debts	17,009	15,572	-	-	-		15,572
of which redeemable subordinated notes including revaluation differences on hedging items	*15,303*	*15,303*	-	-	-		*15,303*
TOTAL DEBTS	**1,493,958**	**1,329,026**	**-**	**283,243**	**-**	**475,358**	**836,945**
Sub-Total Equity, Group share	70,255	70,068	-	-	-		70,068
Issued common stocks, equity instruments and capital reserves	*31,154*	*31,155*	-	-	-		*31,155*
Retained earnings	*33,862*	*33,674*	-	-	-		*33,674*
Net income	*4,200*	*4,200*	-	-	-		*4,200*
Unrealised or deferred capital gains and losses	*1,039*	*1,039*	-	-	-		*1,039*
Non-controlling interests	9,332	8,274	-	-	-		8,274
TOTAL EQUITY	**79,588**	**78,341**	**-**	**-**	**-**		**78,341**
TOTAL LIABILITIES	**1,573,545**	**1,407,367**	**-**	**283,243**	**-**	**475,358**	**915,286**

Assets ats of 31.12.2023 *(In EURm)*	**Consolidated balance sheet (statutory scope)**	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the securitisation framework**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Cash, due from banks	223,048	223,048	223,048	-			
Financial assets at fair value through profit or loss	495,882	395,095	25,498	252,797	133	369,464	
Hedging derivatives	10,585	10,427	-	10,427	-	153	-
Financial assets at fair value through other comprehensive income	90,894	37,993	33,609		-	4,384	-
Securities at amortised cost	28,147	23,203	22,710		-	493	-
Due from banks at amortised cost	77,879	76,275	51,452	24,622	-	9,314	201
of which subordinated and participating loans	*199*	*199*	*199*	-	-	-	-
Customer loans at amortised cost	485,449	486,187	447,047	9,413	17,982	21,159	-
Revaluation differences on portfolios hedged against interest rate risk	(432)	(432)	244	-	-	-	(676)
Insurance and reinsurance contracts assets	459		-	-	-	-	
Tax assets	4,718	4,507	3,345	-	-	-	1,162
of which deferred tax assets that rely on future profitability excluding those on temporary differences	*1,873*	*1,163*	*1*	-	-	-	*1,162*
of which deferred tax assets on temporary differences	*1,818*	*2,241*	*2,241*	-	-	-	
Other assets	69,765	69,738	40,612	-	-	8,589	20,536
of which defined-benefit pension fund assets	*49*	*49*	-	-	-	-	*49*
Non-current assets held for sale	1,763	1,763	1,763	-	-	-	-
Investments accounted for using the equity method	227	4,364	4,364	-	-	-	-
Tangible and intangible assets	60,714	59,934	57,116	-	-	5	2,814
of which intangible assets exclusive of leasing rights	*3,561*	*3,535*	*722*	-	-	-	*2,814*
Goodwill	4,949	4,594	-	-	-	-	4,631
TOTAL ASSETS	**1,554,045**	**1,396,696**	**910,807**	**297,260**	**18,115**	**413,560**	**28,668**

Liabilities as of 31.12.2023 *(In EURm)*	**Consolidated balance sheet (statutory scope)**	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the securitisation framework**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Due to central banks	9,718	9,718	-	-	-		9,718
Financial liabilities at fair value through profit or loss	375,584	372,899	-	229,191	-	366,241	6,658
Hedging derivatives	18,708	18,705	-	18,705	-	163	0
Debt securities issued	160,506	160,844	-		-	37,020	123,823
Due to banks	117,847	115,219	-	2,680	-	2,488	112 539
Customer deposits	541,677	542,864	-	7,835	-	5,387	535,029
Revaluation differences on portfolios hedged against interest rate risk	(5,857)	(5,857)	-	-	-		(5,857)
Tax liabilities	2,402	2,208	-	-	-		2,208
Other Liabilities	93,658	84,111	-	-	-	4,336	79,775
Non-current liabilities held for sale	1,703	1,703	-	-	-		1,703
Insurance contracts related liabilities	141,723	(0)	-	-	-		(0)
Provisions	4,235	4,209	-	-	-	43	4,166
Subordinated debts	15,894	15,085	-	-	-		15,085
of which redeemable subordinated notes including revaluation differences on hedging items	*14,682*	*14,683*	-	-	-		*14,683*
TOTAL DEBTS	**1,477,798**	**1,321,706**	**-**	**258,410**	**-**	**415,677**	**884,849**
Sub-Total Equity, Group share	65,975	65,783	-	-	-		65,783
Issued common stocks, equity instruments and capital reserves	*30,110*	*30,110*	-	-	-		*30,110*
Retained earnings	*32,892*	*32,699*	-	-	-		*32,699*
Net income	*2,493*	*2,493*	-	-	-		*2,493*
Unrealised or deferred capital gains and losses	*481*	*481*	-	-	-		*481*
Non-controlling interests	10,272	9,206	-	-	-		9,206
TOTAL EQUITY	**76,247**	**74,990**	**-**	**-**	**-**		**74,990**
TOTAL LIABILITIES	**1,554,045**	**1,396,696**	**-**	**258,410**	**-**	**415,677**	**959,839**

Some balance sheet items have been allocated to both “counterparty” and “market” risk categories: this is mostly the case for some derivative items at fair value through profit or loss as well as for reverse repos.

TABLE 30: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING AMOUNTS IN FINANCIAL STATEMENTS (LI2)

	31.12.2024				
(In EURm)	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the securitisation framework**	**Subject to market risk**
Asset carrying value amount under the scope of regulatory consolidation	1,377,642	868,505	293,515	19,972	468,973
Liabilities carrying value amount under the scope of regulatory consolidation	(283,243)	-	(283,243)	-	(475,358)
TOTAL NET AMOUNT UNDER REGULATORY SCOPE OF CONSOLIDATION	**1,094,398**	**868,505**	**10,272**	**19,972**	**(6,385)**
Off-balance sheet amounts	**307,282**	**276,527**	**-**	**30,755**	
Differences in valuations	*(830)*	-	-	-	
Differences due to different netting rules	*108,282*	-	*108,282*	-	
Differences due to considerations for provisions	*6,405*	*6,405*	-	-	
Differences due to the use of Credit Risk Mitigation (CRM) techniques	*(13,836)*	*(13,836)*	-	-	
Differences due to Credit Conversion Factors (CCF)	*(156,948)*	*(156,948)*	-	-	
Differences due to securitisation with risk transfer	-	-	-	-	
Other differences	*(206,385)*	*(12,958)*	-	*1,393*	
EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES (EAD)	**1,138,368**	**967,696**	**118,553**	**52,119**	

	31.12.2023				
(In EURm)	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the securitisation framework**	**Subject to market risk**
Asset carrying value amount under the scope of regulatory consolidation	1,368,028	910,807	297,260	18,115	413,560
Liabilities carrying value amount under the scope of regulatory consolidation	(258,410)	-	(258,410)	-	(415,677)
TOTAL NET AMOUNT UNDER REGULATORY SCOPE OF CONSOLIDATION	**1,109,618**	**910,807**	**38,850**	**18,115**	**(2,117)**
Off-balance sheet amounts	**289,269**	**258,448**	**-**	**30,821**	
Differences in valuations	*(782)*	-	-	-	
Differences due to different netting rules	*90,473*	-	*90,473*	-	
Differences due to considerations for provisions	*6,406*	*6,406*	-	-	
Differences due to the use of Credit Risk Mitigation (CRM) techniques	*(13,244)*	*(13,244)*	-	-	
Differences due to Credit Conversion Factors (CCF)	*(146,778)*	*(146,778)*	-	-	
Differences due to securitisation with risk transfer	-		-	-	
Other differences	*(179,299)*	*(42,624)*	-	*4,390*	
EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES (EAD)	**1,155,664**	**973,015**	**129,322**	**53,326**	

The table above includes a breakdown of the various effects inducing the difference between accounting carrying values within the prudential scope and regulatory exposures (EAD), split by type of risk.

In accordance with the BCBS guidelines and EBA instructions, total accounting carrying values correspond to the total displayed in table LI1 without elements not subject to capital requirements or subject to deduction from capital.

The main factors included in this table are:

- inclusion of gross off-balance sheet amounts: financing and guarantee commitments relating to credit risk as well as securitisation exposures;
- impact of the application of CCF on credit risk off-balance sheet amounts;
- reintegration of provisions associated with exposures stated following the advanced approach, insofar as initial accounting carrying values are net of provisions while credit risk EAD in advanced approach is gross;
- impact on EAD stated following the standardised approach of certain Credit Risk Mitigation elements (cash collateral);
- prudential netting of counterparty credit risk;
- other differences: this category mainly include the deduction of items subject to market risk that do not generate EAD.

TABLE 31: PRUDENT VALUATION ADJUSTMENTS (PVA) (PV1)

	31.12.2024									
(In EURm)	Risk category					Category level AVA – Valuation uncertainty		Total category level post-diversification		
Category level AVA	**Equity**	**Interest Rates**	**Foreign exchange**	**Credit**	**Commodities**	**Unearned credit spreads AVA**	**Investment and funding costs AVA**		**of which Total core approach in the trading book**	**of which Total core approach in the banking book**
Market price uncertainty	127	179	6	15	-	12	8	173	164	9
Close-out cost	91	213	4	16	-	5	6	168	161	7
Concentrated positions	24	63	7	4	-			99	78	22
Early termination	-	-	-	-	-				-	-
Model risk	108	29	5	2	-	84	1	114	73	41
Operational risk	-	-	-	-	-			-	-	-
Future administrative costs	276	-	-	-	-			276	276	0
TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)								**830**	**751**	**79**

	31.12.2023									
(In EURm)	Risk category					Category level AVA – Valuation uncertainty		Total category level post-diversification		
Category level AVA	**Equity**	**Interest Rates**	**Foreign exchange**	**Credit**	**Commodities**	**Unearned credit spreads AVA**	**Investment and funding costs AVA**		**of which Total core approach in the trading book**	**of which Total core approach in the banking book**
Market price uncertainty	136	115	5	37	-	13	11	159	150	9
Close-out cost	68	117	5	20	-	3	8	110	100	10
Concentrated positions	119	87	2	9	-			216	172	44
Early termination	-	-	-	-	-				-	-
Model risk	118	12	-	2	-	91	1	112	67	46
Operational risk	-	-	-	-	-			-	-	-
Future administrative costs	185	-	-	-	-			185	185	-
TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)								**782**	**673**	**109**

6

CREDIT RISK

IN BRIEF

Credit risk corresponds to the risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. This risk includes the risk linked to securitisation activities and may be further amplified by individual, country and sector concentration risk.

Credit risk RWA at end 2024

€305.3bn

(Credit risk RWA at end 2023: €304.3bn)

EAD calculated in IRB

(% of total credit risk):

84%

Audited I Credit risks denote potential financial losses arising from the inability of the Group's clients, issuers or other counterparties to meet their financial commitments.

Credit risks may be exaccerbated by individual, country or sector concentration risks. These risks include:

- debtor risks;
- underwriting risks. ▲

6.1 GENERAL PRINCIPLES AND GOVERNANCE

6.1.1 General principles

Audited I 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. ▲

6.1.2 System of governance

The main aim of the Risk Department is to draw up the document formalising and defining with the Finance Department the Group's risk appetite, a mechanism aimed at defining the acceptable level of risk given the Group's strategic objectives.

The Risk Department is responsible for implementing the system to manage and monitor risks, including cross-Group risks. The Risk Department exercises hierarchical and functional oversight of the Risk management function in charge of Group credit risk giving it a comprehensive view of all the Group's credit risks.

The Risk Department helps define risk policies in light of each core business targets and the associated risk issues. It defines or approves the methods and procedures used to analyse, measure, approve and monitor risks and the risk IT system and makes sure these are appropriate to the core businesses' needs. As second line of defence, various Risk Departments (for Retail Banking, Corporate and Investment Banking and Market activities) are also in charge of credit risk and as such responsible for the independent control as second line of defence. These consist in independently reviewing and comparing any credit application that exceeds the authority delegated to core businesses or local Risk Department teams. The Risk Department also assesses the quality of first-level credit reviews and takes any remedial action necessary.

Finally, as part of its responsibilities as a second line of defence, the Risk Department carries out permanent controls of credit risks. As such, the Risk Department provides independent control as a second line of defence on the detection and monitoring of the overshoot resolution.

The monthly Risk Monitoring Report presented to CORISQ by the Risk Department comments among others on the evolution of the Group's credit portfolio and ensures compliance with the guidelines. Changes in the credit portfolio, changes in credit policy validated by CORISQ and respect for the Group's risk appetite are presented at least quarterly to the Risk Committee of the Board of Directors.

Audited I 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. ▲: personal real estate loans, consumer credit, non-retail credit risk, sector limits, country risks, major regulatory risks (*Grands Risques Réglementaires*), etc.

6.1.3 Features of individual and professional portfolios (Retail)

Audited I Individual and professional portfolios (retail portfolios) 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.

A) 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.

B) 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. ▲

6.1.4 Monitoring of individual concentration risks

Societe Generale complies with regulations governing large exposures (large regulatory risk exposure limit at 25% of eligible own funds). In addition, the Group has set a more restrictive internal limit of 10% of consolidated equity for exposures on a client group. Since 1st of August 2023, the French High Council for Financial Stability (HCSF) has imposed a supplementary capital requirement (buffer for the systemic sectorial risk) if the Group's exposure toward highly indebted non-financial French companies exceeds a limit of 5% of its Tier 1 funds.

Internal systems are implemented to identify and manage the risks of individual concentrations, notably at credit origination. For example, concentration thresholds, based upon the internal rating of counterparties, rating of counterparties, are validated by a dedicated Credit Risk Committee. The governance for validating limits on Clients Groups falling under individual concentration monitoring is defined by reference to these thresholds. Exposures to groups of clients which are considered material are reviewed by the Large Exposure Committee ("CGR"), chaired by the General Management or by the Head of the Risk department, depending on the rating category (Investment Grade or not). As part of the identification of its risks, the Group also carries out loss simulations by type of customer on significant individual exposures.

The Group uses credit derivatives and insurances to reduce some exposures considered to be overly significant. Furthermore, the Group systematically seeks to share the risk with other banking partners, at origination or through secondary sales, to avoid keeping a too large share in the banking pool, notably for large transactions.

6.1.5 Monitoring country risks

Global country risk limits and/or exposure monitoring are established on the basis of internal ratings and country governance indices (the highest rated countries are not monitored by limits).

The country limits are validated annually by the General Management. They can be revised downwards by the Risk Management Division at any time depending on the deterioration or anticipation of the deterioration of a country's situation.

The procedure for placing a country under alert can be triggered by the Risk Management Division at any time in the event of a deterioration in the country risk or in anticipation of such a deterioration. In this case, any proposed operation generating risk in this country is systematically subject to prior approval from the Risk Management Division, and any risk delegation is suspended.

6.1.6 Sector monitoring

The Group regularly reviews its global credit portfolio through periodic or *ad hoc* studies by economic sectors. Whenever appropriate, the Group frames this exposure through portfolio limits and/or specific credit-granting criteria. The limits are monitored either at General Management level in a dedicated CORISQ, at Risk Division level (Credit Risk Committees, or CRC) or at Business Unit management level, depending on the materiality and risk profile of each portfolio.

In particular, the following credit portfolios are monitored by some Group CORISQ:

- the Individual and Professional clients in metropolitan France;
- the oil and gas sectors;
- the commercial Real Estate sector;
- the leveraged finance;
- the automotive value chain;
- Commodity traders;
- financial sponsors;
- securitization.

Some sectors/segments (such as aircraft, shipping, banks, private insurers…) not reviewed by a CORISQ are periodically reviewed in a CRC.

Finally, syndication risks are supervised by a CORISQ and subsequently by a dedicated monthly committee.

6.1.7 Credit stress tests

To capture, monitor and manage the credit risks, the Risk Department performs, with the collaboration of the business lines, some specific stress tests which may relate to a country, a subsidiary or a business. These exercises are based on, on the one hand, some recurring stress tests, related to some portfolios related to some risks, and, on the other hand, some *ad hoc* stress tests, designed to capture and quantify some specific or emerging risks. With regards to the sectors followed by a CORISQ, these stress tests results are presented to the CORISQ and are used to frame these businesses/activities.

6.1.8 ESG risk factors impacting credit risks

For the Group, ESG risk factors do not constitute a new risk category but represent a aggravating factor of credit risk. Their integration is based on the governance and existing framework and follows a classical approach: Identification, Quantification, Definition of the risk appetite, monitoring, reporting, Control and Mitigation of the risk.

ESG risk management is presented in Chapter 5 "Sustainability statements" of the 2025 Universal Registration Document which brings together the information relating to the application of the European directive CSRD (Corporate Sustainable Reporting Directive).

In particular, elements relating to credit risks are presented in the sections 5.1.3. "Impacts, risks and opportunities (IROs)", 5.3.5. "Climate risk management", 5.4.2. "Consumers and end-users" and 5.5.2. "Management of material risks related to business conduct" of the 2025 Universal Registration Document.

6.2 METHODOLOGY AND METRICS

6.2.1 General framework of the internal approach

Audited I 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.▲

Societe Generale has revised its overall IRB framework and established a coherent group wide strategy, based on objective and well-defined criteria to determinate the most appropriate approach (IRB or standardised approach) for calculating own funds requirements, thereby ensuring better overall coherence of the framework. This strategy considers the availability of sufficient representative data for developing models fulfilling all regulatory requirements. The requests for changes in approach resulting from this strategy, have been submitted to the ECB for authorization. In parallel, the application of CRR3 will also require some changes in approach from 2025, such as the use of the IRB-Foundation approach on exposures to very large corporate and financial institutions.

Moreover, in accordance with the documents published by the EBA as part of the "IRB Repair" program and following the review missions carried out by the ECB (TRIM – Targeted Review of Internal Models), the Group is pursuing its remediation on internal models, in particular by:

- the simplification of the models architecture;
- improving the quality of data and its traceability throughout the chain;
- the correct application of the roles and responsibilities of the LOD1 (first line of defense) and LOD2 (second line of defense) teams, particularly with regard to design, approval and monitoring of the models performance;
- the rationalization and improvement of certain IT application, particularly the models referential;
- the establishment of a more complete normative base, and a closest relationship with the supervisor.

As part of compliance with IRB Repair, evolutions to the rating systems and models have been and will be submitted to the ECB for approval.

Audited I 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. Where the credit quality of a counterparty is not accurately reflected in the score calculated by the model, the user of the model may modify the proposed credit quality in accordance with a framed scheme and subject to validation of the LOD2.

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 (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. ▲

If capital requirement is calculated using the standard method when an external rating is available, the corresponding exposure is converted into risk weighted exposures according to the mapping tables provided in the CRR (Articles 120-121-122) more specifically in the tables published by the French supervisor ACPR (link: *https://acpr.banque-france.fr/sites/default/files/media/2021/07/08/20210707_notice_crdiv_college_clean.pdf*).

TABLE 32: CREDIT RATING AGENCIES USED IN STANDARDISED APPROACH

	MOODY'S	FITCH	S&P
Sovereigns	✓	✓	✓
Institutions	✓	✓	✓
Corporates	✓	✓	✓

TABLE 33: SCOPE OF THE USE OF IRB AND SA APPROACHES (CR6-A)

	31.12.2024					
(In EURm)	Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to a roll-out plan (%)	Percentage of total exposure value subject to IRB approach (%)	of which percentage subject to A-IRB approach (%)
Central governments or central banks	297,679	315,902	4.59%	1.49%	93.91%	93.90%
of which regional governments or local authorities		*1,047*	*16.21%*	*9.58%*	*74.21%*	*74.21%*
of which public sector entities		*39*	*96.98%*	*0.00%*	*3.02%*	*3.02%*
Institutions	41,584	42,739	6.13%	2.66%	91.22%	91.21%
Corporates	303,822	325,881	7.28%	2.91%	89.81%	88.26%
of which Corporates – Specialised lending, excluding slotting approach		*77,987*	*2.37%*	*0.05%*	*97.57%*	*97.57%*
of which Corporates – Specialised lending under slotting approach		*937*	*0.00%*	*0.00%*	*100.00%*	*100.00%*
Retail	171,398	220,650	16.20%	5.41%	78.39%	15.60%
of which Retail – Secured by real estate SMEs		*5,564*	*19.20%*	*0.89%*	*79.91%*	*79.91%*
of which Retail – Secured by real estate non-SMEs		*127,474*	*7.84%*	*0.39%*	*91.77%*	*91.77%*
of which Retail – Qualifying revolving		*7,162*	*14.48%*	*27.59%*	*57.93%*	*57.93%*
of which Retail – Other SMEs		*32,807*	*25.98%*	*16.66%*	*57.36%*	*57.36%*
of which Retail – Other non-SMEs		*47,643*	*31.74%*	*8.29%*	*59.97%*	*59.97%*
Equity	5,671	7,069	19.78%	0.00%	80.22%	80.22%
Other non-credit obligation assets	10,923	55,454	80.30%	0.00%	19.70%	19.70%
TOTAL	**831,077**	**967,696**	**12.66%**	**2.82%**	**84.52%**	**69.68%**

TABLE 34: SCOPE OF APPLICATION OF IRB AND STANDARD APPROACHES ADOPTED BY THE GROUP

	IRB approach	Standard approach
Retail Private Banking and Insurance (RPBI)	Majority of French Retail Banking (including Boursorama) and Private Banking portfolios	Some specific clients or product types for which the modelling is currently not adapted
Mobility, International Retail Banking and Financial Services (MIBS)	Subsidiaries KB (Czech Republic), CGI, Fiditalia, GEFA, SG Leasing SPA and Fraer Leasing SPA, SGEF Italy	Other international subsidiaries (in particular BRD, Hanseatic Bank, etc.), Car Leasing (Ayvens[1])
Global Banking and Investor Solutions (GBIS)	Majority of Corporate and Investment Banking portfolios	SGIL subsidiary, as well as specific client or product types for which the modelling is currently not adapted

(1) Apart from the ex-LeasePlan scope, which is treated as an IRB approach, for which an application for a Permanent Partial Use of Standard Approach (PPU) has been lodged with the ECB.

6.2.2 Credit risk measurement for wholesale clients

The Group has implemented the following system for Corporate (including specialised financing), Financial Institutions and Sovereign portfolios.

A) RATING SYSTEM AND ASSOCIATED PROBABILITY OF DEFAULTS

The framework allocates each counterparty in a rating system (set of counterparties treated homogeneously whether in terms of granting, rating tool or recovery process).

If a counterparty is in an IRB scope, then it is rated by the internal model that applies to that scope, optionally adjusted by the business lines, and then submitted to the Risks function. The rating models depend on the nature of the counterparty (companies, financial institutions, public entities, etc.), the geographical area and the size of the company (most often measured by its annual turnover). These models are typically based on statistical regressions applied to histories of determinants of customer default risk.

The PD level is then obtained *via* a scale that assigns a PD to each score. The Group is in the process of deploying a multi-scale approach differentiated by rating system. Thus, beyond the master scale used until now, a scale dedicated to the SME France portfolio is now used (see indicative correspondence with the rating scales of the main external agencies and the corresponding average default probabilities for these two scales).

TABLE 35: SOCIETE GENERALE'S HISTORICAL INTERNAL RATING SCALE AND INDICATIVE CORRESPONDING RATING SCALES OF EXTERNAL AGENCIES

Investment grade/ Non-investment grade	Probability of default range	Counterparty internal rating	Indicative equivalent Standard & Poor's	Indicative equivalent Fitch	Indicative equivalent Moody's	1 year internal probability of default (average)
Investment grade	0.00 to < 0.10	1	AAA	AAA	Aaa	0.009%
		2+	AA+	AA+	Aa1	0.014%
		2	AA	AA	Aa2	0.020%
		2-	AA-	AA-	Aa3	0.026%
		3+	A+	A+	A1	0.032%
		3	A	A	A2	0.036%
		3-	A-	A-	A3	0.061%
	0.10 to < 0.15	4+	BBB+	BBB+	Baa1	0.130%
	0.15 to < 0.25					
	0.25 to < 0.50	4	BBB	BBB	Baa2	0.257%
	0.50 to < 0.75	4-	BBB-	BBB-	Baa3	0.501%
Non-investment grade	0.75 to < 1.75	5+	BB+	BB+	Ba1	1.100%
	1.75 to < 2.5	5	BB	BB	Ba2	2.125%
	2.5 to < 5	5-	BB-	BB-	Ba3	3.260%
		6+	B+	B+	B1	4.612%
	5 to < 10	6	B	B	B2	7.761%
	10 to < 20	6-	B-	B-	B3	11.420%
		7+	CCC+	CCC+	Caa1	14.328%
	20 to < 30	7	CCC	CCC	Caa2	20.441%
		7-	C/CC/CCC-	CCC-	Caa3	27.247%
	30 to < 100					

TABLE 36: SOCIETE GENERALE'S INTERNAL RATING SCALE SPECIFIC TO SME PORTFOLIO AND INDICATIVE CORRESPONDING RATING SCALES OF EXTERNAL AGENCIES

Investment grade/ Non-investment grade	Counterparty internal rating	Indicative equivalent Standard & Poor's	Indicative equivalent Fitch	Indicative equivalent Moody's	1 year internal probability of default (average)
Investment grade	4+	BBB+	BBB+	Baa1	0.276%
	4	BBB	BBB	Baa2	0.541%
	4-	BBB-	BBB-	Baa3	0.966%
Non-investment grade	5+	BB+	BB+	Ba1	1.829%
	5	BB	BB	Ba2	3.220%
	5-	BB-	BB-	Ba3	4.830%
	6+	B+	B+	B1	7.671%
	6	B	B	B2	10.603%
	6-	B-	B-	B3	14.939%
	7+	CCC+	CCC+	Caa1	21.701%
	7	CCC	CCC	Caa2	27.232%
	7-	C/CC/CCC-	CCC-	Caa3	36.214%

B) LGD MODELS

The Loss Given Default (LGD) is an economic loss that is measured by taking into account all parameters pertaining to the transaction, as well as the fees incurred for recovering the receivable in the event of a counterparty default.

Loss Given Default (LGD) models are applied by regulatory sub-portfolios, type of asset, size and location of the transaction or of the counterparty, depending on whether or not collateral has been posted, and the nature thereof if applicable. It allows to define homogeneous risk clusters, particularly in terms of recovery, procedures and legal environment.

These estimates are based on statistical approaches when the number of loans in default is sufficient. In such circumstances, they are based on recovery data observed over a long history.

When the number of defaults is insufficient, the estimate is revised or determined by an expert.

When IRBF approach is mandatory according to regulation or requested by the Group and authorised by the supervisor, regulatory values are used for LGD in RWA computation.

C) CREDIT CONVERSION FACTOR (CCF) MODELS

For its off-balance sheet exposures, the Group is authorised to use the internal approach for revolving credit lines and "Term loan with drawing period" products[1] when allowed by regulation.

(1) The use of own estimates for "Term loan with drawing period" products will no longer be authorized from CRR3 implementation.

TABLE 37: MAIN FEATURES OF MODELS AND METHODS – WHOLESALE CLIENTS

Parameter modelled	Portfolio/Category of Basel assets	Number of methods, models	Methodology Number of years default/loss
Wholesale clients			
Probability of Default (PD)	Sovereigns	1 method.	Econometric method. Low default portfolio.
	Public sector entities	4 models according to geographic region.	Statistical (regression)/expert methods for the rating process, based on the combination of financial ratios and a qualitative questionnaire. Low default portfolio.
	Financial institutions	11 models according to type of counterparty: banks, insurance, funds, financial intermediaries, funds of funds.	Expert say models based on a qualitative questionnaire. Low default portfolio.
	Specialised financing	3 models according to type of transaction.	Expert say models based on a qualitative questionnaire. Low default portfolio.
	Large corporates	9 models according to geographic region.	Mainly statistical models (regression) for the rating process, based on the combination of financial ratios and a qualitative questionnaire. Defaults observed over a period of 8 to 10 years.
	Small- and medium-sized companies	17 models according to the size of the Company and the geographic region.	Mainly statistical models (regression) for the rating process, based on the combination of financial ratios and a qualitative questionnaire, behavioural score. Defaults observed over a period of 8 to 10 years.
Loss Given Default (LGD)	Public sector entities – Sovereigns	6 models according to type of counterparty.	Calibration based on historical data and expert judgments. Losses observed over a period of more than 10 years.
	Large corporates – Flat-rate Approach	24 models(1) Flat-rate approach according to type of collateral.	Calibration based on historical data adjusted by expert judgments. Losses observed over a period of more than 10 years.
	Large corporates – Discount Approach	16 models Discount approach according to type of recoverable collateral.	Statistical calibration based on historical market data adjusted by expert judgments. Losses observed over a period of more than 10 years.
	Small- and medium-sized companies	15 models Flat-rate approach according to type of collateral or unsecured.	Statistical calibration based on historical data adjusted by expert judgments. Losses observed over a period of more than 10 years.
	Project financing	8 models Flat-rate approach according to project type.	Statistical calibration based on historical data adjusted by expert judgments. Losses observed over a period of more than 10 years.
	Financial institutions	5 models(2) Flat-rate approach according to type of counterparty: banks, insurance, funds, etc. and the nature of the collateral.	Statistical calibration based on historical data adjusted by expert judgments. Losses observed over a period of more than 10 years.
	Other specific portfolios	12 models: factoring, leasing with option to purchase and other specific cases.	Statistical calibration based on historical data adjusted by expert judgments. Losses observed over a period of more than 10 years.
Credit Conversion Factor (CCF)	Large corporates	5 models(3): term loans with drawing period, revolving credits, Czech Corporates.	Models calibrated by segment. Defaults observed over a period of more than 10 years.
Expected Loss (EL)	Real estate transactions	2 slotting models.	Statistical model based on expert judgments and a qualitative questionnaire. Low default portfolio.

(1) Out of which 1 model to be decommissioned following CRR3 implementation.
(2) Out of which 3 models to be decommissioned following CRR3 implementation.
(3) Out of which 3 models to be decommissioned following CRR3 implementation.

6.2.3 Credit risk measurements of retail clients

A) RATING SYSTEM AND ASSOCIATED PROBABILITY OF DEFAULT

The rating models incorporate data on the account behaviour of counterparties. They are segmented by type of customer and distinguish between retail customers, business clients, very small businesses and real estate investment companies.

The counterparties of each segment are classified automatically, using statistical models, into homogeneous risk pools, each of which is assigned a probability of default. These estimates are adjusted by a safety margin to estimate as best as possible a complete default cycle, using a through-the-cycle (TTC) approach.

B) LGD MODELS

The models for estimating the Loss Given Default (LGD) of retail customers are specifically applied by business line portfolio and by product, according to the existence or not of collateral.

The expected losses are estimated using internal long-term historical recovery data for exposures that have defaulted.

C) CCF MODELS

For its off-balance sheet exposures, Societe Generale applies its estimates for revolving loans and overdrafts on current accounts held by retail and business clients, when allowed by regulation.

TABLE 38: MAIN FEATURES OF MODELS AND METHODS USED – RETAIL CLIENTS

Parameter modelled	Portfolio/Category of Basel assets	Number of models	Methodology Number of years of default/loss
Retail clients			
Probability of Default (PD)	Residential real estate	4 models according to entity, type of guarantee (security, mortgage), type of counterparty: individuals or professionals/ VSB, real estate investment company (SCI).	Statistical model (regression), behavioural score. Defaults observed over a period of more than five years.
	Other loans to individual customers	12 models according to entity and to the nature and object of the loan: personal loan, consumer loan, car loan, etc.	Statistical model (regression), behavioural score. Defaults observed over a period of more than five years.
	Renewable exposures	3 models according to entity and nature of the loan: overdraft on current account, revolving credit or consumer loan.	Statistical model (regression), behavioural score. Defaults observed over a period of more than five years.
	Professionals and very small businesses (VSB)	8 models according to entity, nature of the loan (medium- and long-term investment credits, short-term credit, car loans), and type of counterparty (individual or real estate investment company (SCI)).	Statistical model (regression or segmentation), behavioural score. Defaults observed over a period of more than five years.
Loss Given Default (LGD)	Residential real estate	8 models according to entity, type of guarantee (security, mortgage), and type of counterparty: individuals or professionals/ VSB, real estate investment company (SCI).	Statistical model of expected recoverable flows based on the current flows. Losses and recoverable flows observed over a period of more than 10 years.
	Other loans to individual customers	16 models according to entity and to the nature and object of the loan: personal loan, consumer loan, car loan, etc.	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary. Losses and recoverable flows observed over a period of more than 10 years.
	Renewable exposures	5 models according to entity and nature of the loan: overdraft on current account, revolving credit or consumer loan.	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary. Losses and recoverable flows observed over a period of more than 10 years.
	Professionals and very small businesses	11 models according to entity, nature of the loan (medium- and long-term investment credits, short-term credit, car loans), and type of counterparty (individual or real estate investment company (SCI)).	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary. Losses and recoverable flows observed over a period of more than 10 years.
Credit Conversion Factor (CCF)	Renewable exposures	8 calibrations(1) by entity for revolving products and personal overdrafts.	Models calibrated by segment over a period of observation of defaults of more than five years.
	Residential real estate	4 calibrations(2) by entity for real estate.	CCF flat rate of 100%. Relevance of this flat rate CCF is confirmed through the draw-down rate observed over a period of more than five years.

(1) Out of which 2 models to be decommissioned following CRR3 implementation.
(2) Out of which 1 model to be decommissioned following CRR3 implementation.

6.2.4 Monitoring of model performance

The monitoring of internal models performance is achieved *via* Review Of Estimates exercises (ROE) carried out by LOD1 (OGM – On Going Monitoring) or by LOD2 (AR – Annual Review).

During these reviews, the PD, LGD and CCF estimates are compared to actual results by portfolio, thus making it possible to measure the performance and prudence of the risk parameters used in the IRB approach. Depending on the outcome of these reviews and the weaknesses identified in terms of prudence/efficiency, remediation actions may be implemented if needed

OGM results and associated actions or/and remediation plans are presented to the Rating System Committee for discussion and approval by the LOD1 stakeholders on a given Rating System. They are also shared to the LOD2 approval function, which for its part independently carries out Annual Review exercises (AR), whose results and conclusions are presented to the Experts Committee. Any resulting model changes are notified to the competent supervisor according to the Model Change Policy.

Quantitative information on internal rating models

TABLE 39: INTERNAL APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) (CR9) – AIRB

		31.12.2024					
		Number of obligors at the end of the year					
Exposure class	PD scale		of which number of obligors which defaulted during the year	Observed average default rate *(%)*	31.12.2024 Exposures weighted average PD *(%)*	31.12.2023 Average PD *(%)*	Average historical annual default rate *(%)*
Central governments and central banks	0.00 to < 0.15	336	-	-	0.02%	0.02%	0.05%
	0.00 to < 0.10	*333*	-	-	*0.02%*	*0.02%*	*0.04%*
	0.10 to < 0.15	*3*	-	-	*0.13%*	*0.13%*	*0.47%*
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	10	-	-	0.26%	0.26%	0.00%
	0.50 to < 0.75	6	-	-	0.50%	0.50%	0.00%
	0.75 to < 2.50	11	-	-	1.36%	1.75%	0.27%
	0.75 to < 1.75	*4*	-	-	*1.10%*	*1.10%*	*0.55%*
	1.75 to < 2.50	*7*	-	-	*2.12%*	*2.12%*	*0.00%*
	2.50 to < 10.00	60	-	-	6.69%	4.20%	0.52%
	2.50 to < 5.00	*49*	-	-	*4.08%*	*3.40%*	*0.33%*
	5.00 to < 10.00	*11*	-	-	*7.76%*	*7.76%*	*1.21%*
	10.00 to < 100.00	20	-	-	12.54%	14.44%	2.61%
	10.00 to < 20.00	*16*	-	-	*11.42%*	*12.51%*	*0.84%*
	20.00 to < 30.00	*4*	-	-	*20.44%*	*22.14%*	*10.97%*
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	9	9	-	100.00%	100.00%	0.00%
Institutions	0.00 to < 0.15	2,476	-	-	0.03%	0.05%	0.17%
	0.00 to < 0.10	*2,082*	-	-	*0.03%*	*0.04%*	*0.17%*
	0.10 to < 0.15	*394*	-	-	*0.13%*	*0.13%*	*0.22%*
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	302	-	-	0.26%	0.26%	0.09%
	0.50 to < 0.75	127	-	-	0.50%	0.50%	0.25%
	0.75 to < 2.50	106	-	-	1.76%	1.51%	0.25%
	0.75 to < 1.75	*63*	-	-	*1.10%*	*1.10%*	*0.22%*
	1.75 to < 2.50	*43*	-	-	*2.12%*	*2.12%*	*0.31%*
	2.50 to < 10.00	445	4	0.90%	3.41%	3.59%	0.73%
	2.50 to < 5.00	*421*	*3*	*0.71%*	*3.30%*	*3.35%*	*0.61%*
	5.00 to < 10.00	*24*	*1*	*4.17%*	*7.76%*	*7.76%*	*1.03%*
	10.00 to < 100.00	67	-	-	13.97%	17.87%	4.02%
	10.00 to < 20.00	*37*	-	-	*12.29%*	*12.83%*	*1.77%*
	20.00 to < 30.00	*30*	-	-	*25.31%*	*24.07%*	*9.38%*
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	17	17	-	100.00%	100.00%	0.00%

		31.12.2024					
		Number of obligors at the end of the year					
Exposure class	PD scale		of which number of obligors which defaulted during the year	Observed average default rate (%)	31.12.2024 Exposures weighted average PD (%)	31.12.2023 Average PD (%)	Average historical annual default rate (%)
Corporate – SME	0.00 to < 0.15	2,307	2	0.09%	0.10%	0.10%	0.33%
	0.00 to < 0.10	*940*	-	-	*0.05%*	*0.06%*	*0.18%*
	0.10 to < 0.15	*1,367*	*2*	*0.15%*	*0.13%*	*0.13%*	*0.29%*
	0.15 to < 0.25	234	-	-	0.16%	0.16%	0.43%
	0.25 to < 0.50	8,014	39	0.49%	0.31%	0.38%	0.50%
	0.50 to < 0.75	5,540	20	0.36%	0.53%	0.63%	0.65%
	0.75 to < 2.50	19,384	117	0.60%	1.42%	1.55%	1.44%
	0.75 to < 1.75	*11,044*	*49*	*0.44%*	*0.98%*	*1.19%*	*0.56%*
	1.75 to < 2.50	*8,340*	*68*	*0.82%*	*2.09%*	*2.02%*	*0.90%*
	2.50 to < 10.00	20,049	504	2.51%	5.03%	4.87%	4.05%
	2.50 to < 5.00	*14,947*	*288*	*1.93%*	*3.97%*	*3.93%*	*1.68%*
	5.00 to < 10.00	*5,102*	*216*	*4.23%*	*7.70%*	*7.57%*	*3.12%*
	10.00 to < 100.00	7,862	981	12.48%	17.43%	17.68%	14.58%
	10.00 to < 20.00	*4,813*	*457*	*9.50%*	*12.42%*	*12.14%*	*5.83%*
	20.00 to < 30.00	*1,870*	*306*	*16.36%*	*24.20%*	*21.81%*	*9.59%*
	30.00 to < 100.00	*1,179*	*218*	*18.49%*	*36.01%*	*33.22%*	*15.13%*
	100.00 (default)	5,449	5,449	-	99.64%	97.84%	0.00%
Corporate – Specialised lending	0.00 to < 0.15	172	-	-	0.06%	0.09%	0.25%
	0.00 to < 0.10	*92*	-	-	*0.04%*	*0.05%*	*0.22%*
	0.10 to < 0.15	*80*	-	-	*0.13%*	*0.14%*	*0.35%*
	0.15 to < 0.25	-	-	-	0.16%	0.00%	0.00%
	0.25 to < 0.50	192	-	-	0.27%	0.27%	0.19%
	0.50 to < 0.75	453	-	-	0.53%	0.53%	0.43%
	0.75 to < 2.50	1,033	1	0.10%	1.57%	1.64%	0.97%
	0.75 to < 1.75	*520*	-	-	*1.14%*	*1.13%*	*0.49%*
	1.75 to < 2.50	*513*	*1*	*0.19%*	*2.19%*	*2.15%*	*1.48%*
	2.50 to < 10.00	732	16	2.19%	4.05%	4.29%	2.72%
	2.50 to < 5.00	*611*	*13*	*2.13%*	*3.51%*	*3.65%*	*1.93%*
	5.00 to < 10.00	*121*	*3*	*2.48%*	*6.80%*	*7.54%*	*6.05%*
	10.00 to < 100.00	135	13	9.63%	18.75%	16.61%	11.64%
	10.00 to < 20.00	*87*	*2*	*2.30%*	*12.91%*	*12.55%*	*9.75%*
	20.00 to < 30.00	*47*	*11*	*23.4%*	*25.20%*	*23.71%*	*17.81%*
	30.00 to < 100.00	*1*	-	-	*36.21%*	*36.21%*	*3.12%*
	100.00 (default)	129	129	-	100.00%	100.00%	0.00%
Corporate – Other	0.00 to < 0.15	3,428	5	0.15%	0.06%	0.13%	0.16%
	0.00 to < 0.10	*1,812*	*2*	*0.11%*	*0.04%*	*0.12%*	*0.16%*
	0.10 to < 0.15	*1,616*	*3*	*0.19%*	*0.13%*	*0.14%*	*0.17%*
	0.15 to < 0.25	161	-	-	0.17%	0.16%	0.00%
	0.25 to < 0.50	4,579	7	0.15%	0.26%	0.47%	0.23%
	0.50 to < 0.75	3,244	4	0.12%	0.50%	0.62%	0.43%
	0.75 to < 2.50	6,300	43	0.68%	1.54%	1.75%	1.08%
	0.75 to < 1.75	*3,695*	*14*	*0.38%*	*1.11%*	*1.35%*	*0.83%*
	1.75 to < 2.50	*2,605*	*29*	*1.11%*	*2.12%*	*2.31%*	*1.38%*
	2.50 to < 10.00	10,764	181	1.68%	4.50%	4.19%	2.85%
	2.50 to < 5.00	*9,055*	*141*	*1.56%*	*3.80%*	*3.57%*	*2.51%*
	5.00 to < 10.00	*1,709*	*40*	*2.34%*	*7.63%*	*7.37%*	*4.32%*
	10.00 to < 100.00	2,921	149	5.10%	16.68%	17.01%	9.88%
	10.00 to < 20.00	*1,484*	*80*	*5.39%*	*12.62%*	*12.07%*	*7.94%*
	20.00 to < 30.00	*1,338*	*59*	*4.41%*	*24.50%*	*21.47%*	*13.70%*
	30.00 to < 100.00	*99*	*10*	*10.10%*	*33.70%*	*25.43%*	*3.24%*
	100.00 (default)	1,203	1,203	-	99.08%	96.31%	0.00%

Exposure class	PD scale	31.12.2024 Number of obligors at the end of the year	of which number of obligors which defaulted during the year	Observed average default rate (%)	31.12.2024 Exposures weighted average PD (%)	31.12.2023 Average PD (%)	Average historical annual default rate (%)
Retail – Secured by real estate SME	0.00 to < 0.15	51	1	1.96%	0.03%	0.08%	0.46%
	0.00 to < 0.10	*25*	*-*	*-*	*0.03%*	*0.05%*	*0.32%*
	0.10 to < 0.15	*26*	*1*	*3.85%*	*0.10%*	*0.10%*	*0.13%*
	0.15 to < 0.25	30	-	-	0.19%	0.19%	0.30%
	0.25 to < 0.50	16	-	-	0.39%	0.39%	0.38%
	0.50 to < 0.75	15	-	-	0.64%	0.64%	0.48%
	0.75 to < 2.50	21,976	153	0.70%	1.29%	1.19%	1.02%
	0.75 to < 1.75	*21,603*	*150*	*0.69%*	*1.19%*	*1.17%*	*0.85%*
	1.75 to < 2.50	*373*	*3*	*0.80%*	*2.17%*	*2.17%*	*1.60%*
	2.50 to < 10.00	5,300	112	2.11%	3.40%	3.40%	2.52%
	2.50 to < 5.00	*5,296*	*112*	*2.11%*	*3.40%*	*3.39%*	*2.03%*
	5.00 to < 10.00	*4*	*-*	*-*	*8.72%*	*8.59%*	*3.97%*
	10.00 to < 100.00	2,040	271	13.28%	18.67%	18.42%	15.44%
	10.00 to < 20.00	*2,038*	*271*	*13.30%*	*18.44%*	*18.41%*	*13.23%*
	20.00 to < 30.00	*2*	*-*	*-*	*27.12%*	*27.12%*	*13.83%*
	30.00 to < 100.00	*-*	*-*	*-*	*50.00%*	*0.00%*	*0.00%*
	100.00 (default)	829	829	-	100.00%	100.00%	0.00%
Retail – Secured by real estate non-SME	0.00 to < 0.15	246,279	200	0.08%	0.07%	0.07%	0.07%
	0.00 to < 0.10	*128,264*	*85*	*0.07%*	*0.05%*	*0.05%*	*0.35%*
	0.10 to < 0.15	*118,015*	*115*	*0.10%*	*0.10%*	*0.10%*	*0.04%*
	0.15 to < 0.25	188,016	991	0.53%	0.19%	0.18%	0.16%
	0.25 to < 0.50	128,535	1,246	0.97%	0.39%	0.40%	0.28%
	0.50 to < 0.75	18,201	358	1.97%	0.56%	0.57%	0.45%
	0.75 to < 2.50	188,092	2,377	1.26%	1.21%	1.17%	0.67%
	0.75 to < 1.75	*154,178*	*1,732*	*1.12%*	*0.93%*	*0.93%*	*0.56%*
	1.75 to < 2.50	*33,914*	*645*	*1.90%*	*2.25%*	*2.24%*	*1.21%*
	2.50 to < 10.00	33,138	1,486	4.48%	5.35%	5.21%	2.72%
	2.50 to < 5.00	*24,426*	*910*	*3.73%*	*4.17%*	*4.07%*	*1.92%*
	5.00 to < 10.00	*8,712*	*576*	*6.61%*	*8.52%*	*8.41%*	*4.60%*
	10.00 to < 100.00	4,376	774	17.69%	26.15%	26.18%	14.27%
	10.00 to < 20.00	*947*	*84*	*8.87%*	*12.98%*	*13.33%*	*12.03%*
	20.00 to < 30.00	*3,075*	*564*	*18.34%*	*26.59%*	*26.51%*	*16.60%*
	30.00 to < 100.00	*354*	*126*	*35.59%*	*58.40%*	*57.60%*	*36.91%*
	100.00 (default)	11,662	11,662	-	100.00%	100.00%	0.00%
Retail – Qualifying revolving	0.00 to < 0.15	1,840,207	4,870	0.26%	0.07%	0.07%	0.10%
	0.00 to < 0.10	*1,058,828*	*1,596*	*0.15%*	*0.05%*	*0.05%*	*0.02%*
	0.10 to < 0.15	*781,379*	*3,274*	*0.42%*	*0.11%*	*0.11%*	*0.10%*
	0.15 to < 0.25	1,059,104	2,199	0.21%	0.19%	0.19%	0.15%
	0.25 to < 0.50	478,150	3,669	0.77%	0.38%	0.38%	0.42%
	0.50 to < 0.75	36,374	1,024	2.82%	0.65%	0.68%	0.59%
	0.75 to < 2.50	1,600,899	25,454	1.59%	1.42%	1.33%	0.95%
	0.75 to < 1.75	*1,178,099*	*13,206*	*1.12%*	*0.99%*	*0.97%*	*0.47%*
	1.75 to < 2.50	*422,800*	*12,248*	*2.90%*	*2.34%*	*2.34%*	*0.53%*
	2.50 to < 10.00	530,452	37,779	7.12%	5.93%	6.11%	3.44%
	2.50 to < 5.00	*307,066*	*16,599*	*5.41%*	*4.27%*	*4.34%*	*1.24%*
	5.00 to < 10.00	*223,386*	*21,180*	*9.48%*	*8.16%*	*8.56%*	*2.39%*
	10.00 to < 100.00	180,956	37,411	20.67%	24.25%	26.34%	16.21%
	10.00 to < 20.00	*21,290*	*1,699*	*7.98%*	*12.56%*	*12.55%*	*4.80%*
	20.00 to < 30.00	*148,964*	*33,057*	*22.19%*	*27.09%*	*27.11%*	*7.90%*
	30.00 to < 100.00	*10,702*	*2,655*	*24.81%*	*43.35%*	*44.17%*	*33.67%*
	100.00 (default)	202,452	202,452	-	100.00%	100.00%	0.00%

		31.12.2024					
		Number of obligors at the end of the year					
Exposure class	PD scale		of which number of obligors which defaulted during the year	Observed average default rate *(%)*	31.12.2024 Exposures weighted average PD *(%)*	31.12.2023 Average PD *(%)*	Average historical annual default rate *(%)*
Retail – Other SME	0.00 to < 0.15	245	1	0.41%	0.08%	0.07%	0.11%
	0.00 to < 0.10	*127*	*-*	*-*	*0.05%*	*0.05%*	*0.06%*
	0.10 to < 0.15	*118*	*1*	*0.85%*	*0.11%*	*0.10%*	*0.03%*
	0.15 to < 0.25	156	1	0.64%	0.18%	0.19%	0.53%
	0.25 to < 0.50	107,177	1,025	0.96%	0.37%	0.38%	0.31%
	0.50 to < 0.75	46,961	872	1.86%	0.63%	0.62%	0.79%
	0.75 to < 2.50	188,624	4,377	2.32%	1.49%	1.53%	1.30%
	0.75 to < 1.75	*112,311*	*1,958*	*1.74%*	*1.20%*	*1.10%*	*0.55%*
	1.75 to < 2.50	*76,313*	*2,419*	*3.17%*	*2.10%*	*2.13%*	*0.00%*
	2.50 to < 10.00	89,280	5,845	6.55%	5.18%	5.37%	4.25%
	2.50 to < 5.00	*46,666*	*1,927*	*4.13%*	*3.96%*	*4.01%*	*1.82%*
	5.00 to < 10.00	*42,614*	*3,918*	*9.19%*	*7.84%*	*6.83%*	*2.59%*
	10.00 to < 100.00	39,519	8,561	21.66%	22.42%	19.84%	14.37%
	10.00 to < 20.00	*23,661*	*3,639*	*15.38%*	*14.57%*	*13.08%*	*4.80%*
	20.00 to < 30.00	*10,584*	*2,629*	*24.84%*	*25.76%*	*24.50%*	*7.95%*
	30.00 to < 100.00	*5,274*	*2,293*	*43.48%*	*40.28%*	*39.88%*	*17.86%*
	100.00 (default)	36,732	36,732	-	99.95%	100.00%	0.00%
Retail – Other non-SME	0.00 to < 0.15	78,301	153	0.20%	0.08%	0.08%	0.22%
	0.00 to < 0.10	*26,426*	*42*	*0.16%*	*0.05%*	*0.05%*	*2.89%*
	0.10 to < 0.15	*51,875*	*111*	*0.21%*	*0.10%*	*0.10%*	*0.07%*
	0.15 to < 0.25	154,632	473	0.31%	0.19%	0.18%	0.17%
	0.25 to < 0.50	332,578	2,012	0.60%	0.39%	0.36%	0.34%
	0.50 to < 0.75	265,429	2,179	0.82%	0.58%	0.60%	0.49%
	0.75 to < 2.50	788,480	12,253	1.55%	1.11%	1.33%	0.98%
	0.75 to < 1.75	*634,973*	*7,731*	*1.22%*	*0.99%*	*1.13%*	*0.41%*
	1.75 to < 2.50	*153,507*	*4,522*	*2.95%*	*2.14%*	*2.15%*	*0.77%*
	2.50 to < 10.00	396,769	20,623	5.20%	4.62%	4.72%	3.31%
	2.50 to < 5.00	*255,013*	*9,048*	*3.55%*	*3.48%*	*3.50%*	*1.13%*
	5.00 to < 10.00	*141,756*	*11,575*	*8.17%*	*6.78%*	*6.90%*	*2.54%*
	10.00 to < 100.00	134,991	23,856	17.67%	24.18%	23.83%	19.87%
	10.00 to < 20.00	*49,285*	*6,062*	*12.30%*	*12.68%*	*12.68%*	*5.01%*
	20.00 to < 30.00	*67,134*	*11,832*	*17.62%*	*26.81%*	*26.79%*	*8.25%*
	30.00 to < 100.00	*18,572*	*5,962*	*32.10%*	*43.53%*	*42.78%*	*16.54%*
	100.00 (default)	179,322	179,322	-	100.00%	100.00%	-

TABLE 40: INTERNAL APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) (CR9) – FIRB

		31.12.2024					
		Number of obligors at the end of the year					
Exposure class	PD scale		of which number of obligors which defaulted during the year	Observed average default rate *(%)*	31.12.2024 Exposures weighted average PD *(%)*	31.12.2023 Average PD *(%)*	Average historical annual default rate *(%)*
Central governments and central banks	0.00 to < 0.15	331	-	-	0.02%	0.02%	-
	0.00 to < 0.10	*331*	-	-	*0.02%*	*0.02%*	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	9	-	-	-	3.26%	-
	2.50 to < 5.00	*9*	-	-	-	*3.26%*	-
	5.00 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10.00 to < 20.00	-	-	-	-	-	-
	20.00 to < 30.00	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
Institutions	0.00 to < 0.15	21	-	-	0.03%	0.04%	0.05%
	0.00 to < 0.10	*20*	-	-	*0.03%*	*0.03%*	*0.05%*
	0.10 to < 0.15	*1*	-	-	*0.13%*	*0.13%*	-
	0.15 to < 0.25	-	-	-	0.00%	0.00%	-
	0.25 to < 0.50	2	-	-	0.26%	0.26%	-
	0.50 to < 0.75	1	-	-	0.50%	0.50%	0.29%
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	3	-	-	3.26%	4.76%	0.69%
	2.50 to < 5.00	*2*	-	-	*3.26%*	*3.26%*	*0.85%*
	5.00 to < 10.00	*1*	-	-	*0.00%*	*7.76%*	-
	10.00 to < 100.00	-	-	-	-	-	5.16%
	10.00 to < 20.00	-	-	-	-	-	*2.01%*
	20.00 to < 30.00	-	-	-	-	-	*5.73%*
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-

		31.12.2024					
		Number of obligors at the end of the year					
Exposure class	PD scale		of which number of obligors which defaulted during the year	Observed average default rate *(%)*	31.12.2024 Exposures weighted average PD *(%)*	31.12.2023 Average PD *(%)*	Average historical annual default rate *(%)*
Corporate – SME	0.00 to < 0.15	31	-	-	0.10%	0.12%	0.23%
	0.00 to < 0.10	*3*	*-*	*-*	*0.04%*	*0.03%*	*0.11%*
	0.10 to < 0.15	*28*	*-*	*-*	*0.13%*	*0.13%*	*0.30%*
	0.15 to < 0.25	65	-	-	0.16%	0.16%	0.01%
	0.25 to < 0.50	885	3	0.34%	0.28%	0.28%	0.40%
	0.50 to < 0.75	922	2	0.22%	0.55%	0.54%	0.52%
	0.75 to < 2.50	2,890	16	0.55%	1.44%	1.45%	1.45%
	0.75 to < 1.75	*1,411*	*4*	*0.28%*	*1.00%*	*1.02%*	*1.03%*
	1.75 to < 2.50	*1,479*	*12*	*0.81%*	*1.86%*	*1.85%*	*1.98%*
	2.50 to < 10.00	5,056	154	3.05%	4.86%	4.74%	4.54%
	2.50 to < 5.00	*3,847*	*95*	*2.47%*	*4.02%*	*3.84%*	*3.81%*
	5.00 to < 10.00	*1,209*	*59*	*4.88%*	*7.58%*	*7.58%*	*7.14%*
	10.00 to < 100.00	2,218	261	11.77%	17.75%	20.05%	15.06%
	10.00 to < 20.00	*1,245*	*104*	*8.35%*	*12.56%*	*12.60%*	*11.58%*
	20.00 to < 30.00	*479*	*90*	*18.79%*	*23.71%*	*23.81%*	*20.86%*
	30.00 to < 100.00	*494*	*67*	*13.56%*	*35.50%*	*35.96%*	*3.74%*
	100.00 (default)	1,082	1,082	-	100.00%	100.00%	-
Corporate – Other	0.00 to < 0.15	484	1	0.21%	0.07%	0.08%	0.10%
	0.00 to < 0.10	*280*	*-*	*-*	*0.05%*	*0.04%*	*0.06%*
	0.10 to < 0.15	*204*	*1*	*0.49%*	*0.13%*	*0.13%*	*0.15%*
	0.15 to < 0.25	43	-	-	0.17%	0.16%	-
	0.25 to < 0.50	355	1	0.28%	0.28%	0.27%	0.24%
	0.50 to < 0.75	598	-	-	0.52%	0.54%	0.29%
	0.75 to < 2.50	1,124	6	0.53%	1.60%	1.53%	0.93%
	0.75 to < 1.75	*728*	*3*	*0.41%*	*1.18%*	*1.21%*	*0.67%*
	1.75 to < 2.50	*396*	*3*	*0.76%*	*2.12%*	*2.12%*	*1.25%*
	2.50 to < 10.00	2,780	76	2.73%	4.22%	4.07%	3.22%
	2.50 to < 5.00	*2,360*	*61*	*2.58%*	*3.53%*	*3.49%*	*2.77%*
	5.00 to < 10.00	*420*	*15*	*3.57%*	*7.36%*	*7.28%*	*5.12%*
	10.00 to < 100.00	563	39	6.93%	15.44%	16.87%	10.59%
	10.00 to < 20.00	*384*	*19*	*4.95%*	*12.43%*	*12.74%*	*8.30%*
	20.00 to < 30.00	*160*	*13*	*8.12%*	*25.63%*	*24.69%*	*14.21%*
	30.00 to < 100.00	*19*	*7*	*36.84%*	*34.31%*	*34.55%*	*3.63%*
	100.00 (default)	252	252	-	100.00%	100.00%	-

TABLE 41: INTERNAL APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS (ONLY FOR PD ESTIMATES ACCORDING TO POINT (F) OF ARTICLE 180(1) CRR) (CR9.1) – AIRB

		31.12.2024					
			Number of obligors at the end of the year				
Exposure class	PD range	External rating equivalent (S&P)		of which number of obligors which defaulted during the year	Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
Central governments and central banks	0.000 to < 0.011	AAA	33	-	-	0.01%	0.04%
	0.011 to < 0.017	AA+	8	-	-	0.01%	-
	0.017 to < 0.023	AA	233	-	-	0.02%	-
	0.023 to < 0.029	AA-	40	-	-	0.03%	-
	0.029 to < 0.034	A+	12	-	-	0.03%	-
	0.034 to < 0.047	A	5	-	-	0.04%	-
	0.047 to < 0.089	A-	5	-	-	0.06%	-
	0.089 to < 0.183	BBB+	3	-	-	0.13%	0.47%
	0.183 to < 0.359	BBB	10	-	-	0.26%	-
	0.359 to < 0.743	BBB-	6	-	-	0.50%	-
	0.743 to < 1.529	BB+	4	-	-	1.10%	0.55%
	1.529 to < 2.632	BB	7	-	-	2.12%	0.00%
	2.632 to < 3.877	BB-	44	-	-	3.26%	0.65%
	3.877 to < 5.983	B+	5	-	-	4.61%	0.00%
	5.983 to < 9.414	B	11	-	-	7.76%	1.21%
	9.414 to < 12.792	B-	10	-	-	11.42%	0.64%
	12.792 to < 17.113	CCC+	6	-	-	14.33%	1.60%
	17.113 to < 23.6	CCC	3	-	-	20.44%	9.37%
	23.60 to < 100.00	C / CC / CCC-	1	-	-	27.25%	9.44%
	100.00 (default)	D / SD	9	9	-	100.00%	-
Institutions	0.000 to < 0.011	AAA	-	-	-	0.00%	0.13%
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	1,375	-	-	0.03%	0.14%
	0.034 to < 0.047	A	316	-	-	0.04%	0.37%
	0.047 to < 0.089	A-	397	-	-	0.06%	0.17%
	0.089 to < 0.183	BBB+	394	-	-	0.13%	0.22%
	0.183 to < 0.359	BBB	302	-	-	0.26%	0.09%
	0.359 to < 0.743	BBB-	127	-	-	0.50%	0.25%
	0.743 to < 1.529	BB+	63	-	-	1.10%	0.22%
	1.529 to < 2.632	BB	43	-	-	2.12%	0.10%
	2.632 to < 3.877	BB-	393	3	0.76%	3.26%	0.57%
	3.877 to < 5.983	B+	28	-	-	4.59%	0.85%
	5.983 to < 9.414	B	24	1	4.17%	7.76%	1.03%
	9.414 to < 12.792	B-	19	-	-	11.42%	2.03%
	12.792 to < 17.113	CCC+	18	-	-	14.33%	1.31%
	17.113 to < 23.6	CCC	14	-	-	20.44%	5.67%
	23.60 to < 100.00	C / CC / CCC-	16	-	-	27.25%	13.50%
	100.00 (default)	D / SD	17	17	-	100.00%	0.00%

			31.12.2024				
			Number of obligors at the end of the year				
Exposure class	PD range	External rating equivalent (S&P)		of which number of obligors which defaulted during the year	Observed average default rate *(%)*	31.12.2024 Average PD *(%)*	Average historical annual default rate *(%)*
Corporate – SME	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	0.00%	1.04%
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	21	-	-	0.03%	0.76%
	0.034 to < 0.047	A	23	-	-	0.04%	1.30%
	0.047 to < 0.089	A-	892	-	-	0.06%	0.18%
	0.089 to < 0.183	BBB+	1,591	2	0.13%	0.13%	0.29%
	0.183 to < 0.359	BBB	5,260	9	0.17%	0.36%	0.40%
	0.359 to < 0.743	BBB-	5,373	20	0.37%	0.63%	0.65%
	0.743 to < 1.529	BB+	8,610	36	0.42%	1.25%	1.11%
	1.529 to < 2.632	BB	7,915	50	0.63%	2.06%	0.58%
	2.632 to < 3.877	BB-	8,092	147	1.82%	3.38%	2.80%
	3.877 to < 5.983	B+	6,654	160	2.40%	4.80%	4.49%
	5.983 to < 9.414	B	4,620	191	4.13%	7.74%	6.13%
	9.414 to < 12.792	B-	2,634	201	7.63%	10.41%	11.07%
	12.792 to < 17.113	CCC+	1,992	230	11.55%	14.08%	12.96%
	17.113 to < 23.6	CCC	1,041	188	18.06%	18.78%	16.74%
	23.60 to < 100.00	C / CC / CCC-	2,104	351	16.68%	29.18%	22.10%
	100.00 (default)	D / SD	5,366	5,366	-	97.82%	-
Corporate – Specialised lending	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	33	-	-	0.03%	0.49%
	0.034 to < 0.047	A	19	-	-	0.04%	0.14%
	0.047 to < 0.089	A-	40	-	-	0.06%	0.00%
	0.089 to < 0.183	BBB+	80	-	-	0.14%	0.35%
	0.183 to < 0.359	BBB	192	-	-	0.27%	0.19%
	0.359 to < 0.743	BBB-	453	-	-	0.53%	0.43%
	0.743 to < 1.529	BB+	520	-	-	1.13%	0.49%
	1.529 to < 2.632	BB	513	1	0.19%	2.15%	0.50%
	2.632 to < 3.877	BB-	446	9	2.02%	3.28%	1.52%
	3.877 to < 5.983	B+	177	4	2.26%	4.68%	2.78%
	5.983 to < 9.414	B	110	3	2.73%	7.78%	6.15%
	9.414 to < 12.792	B-	58	2	3.45%	11.52%	7.85%
	12.792 to < 17.113	CCC+	29	-	-	14.62%	17.57%
	17.113 to < 23.6	CCC	26	2	7.69%	20.65%	16.38%
	23.60 to < 100.00	C / CC / CCC-	22	9	40.91%	27.90%	21.06%
	100.00 (default)	D / SD	129	129	-	100.00%	0.00%

		31.12.2024					
			Number of obligors at the end of the year				
Exposure class	**PD range**	**External rating equivalent (S&P)**		**of which number of obligors which defaulted during the year**	**Observed average default rate** *(%)*	**31.12.2024 Average PD** *(%)*	**Average historical annual default rate** *(%)*
Corporate – Other	0.000 to < 0.011	AAA	-	-	-	0.00%	2.04%
	0.011 to < 0.017	AA+	-	-	-	0.00%	0.62%
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	770	-	-	0.14%	0.12%
	0.034 to < 0.047	A	330	-	-	0.10%	0.14%
	0.047 to < 0.089	A-	712	2	0.28%	0.11%	0.17%
	0.089 to < 0.183	BBB+	1,777	3	0.17%	0.15%	0.16%
	0.183 to < 0.359	BBB	4,579	7	0.15%	0.47%	0.23%
	0.359 to < 0.743	BBB-	3,244	4	0.12%	0.62%	0.43%
	0.743 to < 1.529	BB+	3,695	14	0.38%	1.35%	0.83%
	1.529 to < 2.632	BB	2,990	37	1.24%	2.37%	0.41%
	2.632 to < 3.877	BB-	6,291	86	1.37%	3.29%	2.13%
	3.877 to < 5.983	B+	2,564	50	1.95%	4.52%	3.24%
	5.983 to < 9.414	B	1,525	37	2.43%	7.58%	4.33%
	9.414 to < 12.792	B-	845	40	4.73%	10.71%	8.02%
	12.792 to < 17.113	CCC+	550	30	5.45%	13.38%	8.59%
	17.113 to < 23.6	CCC	352	24	6.82%	17.33%	14.45%
	23.60 to < 100.00	C / CC / CCC-	1,175	55	4.68%	22.87%	13.72%
	100.00 (default)	D / SD	1,203	1,203	-	96.31%	-

TABLE 42: INTERNAL APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS (ONLY FOR PD ESTIMATES ACCORDING TO POINT (F) OF ARTICLE 180(1) CRR) (CR9.1) – FIRB

		31.12.2024					
			Number of obligors at the end of the year				
Exposure class	PD range	External rating equivalent (S&P)		of which number of obligors which defaulted during the year	Observed average default rate *(%)*	31.12.2024 Average PD *(%)*	Average historical annual default rate *(%)*
Central governments and central banks	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	1	-	-	0.01%	-
	0.017 to < 0.023	AA	314	-	-	0.02%	-
	0.023 to < 0.029	AA-	14	-	-	0.03%	-
	0.029 to < 0.034	A+	2	-	-	0.03%	-
	0.034 to < 0.047	A	-	-	-	-	-
	0.047 to < 0.089	A-	-	-	-	-	-
	0.089 to < 0.183	BBB+	-	-	-	-	-
	0.183 to < 0.359	BBB	-	-	-	-	-
	0.359 to < 0.743	BBB-	-	-	-	-	-
	0.743 to < 1.529	BB+	-	-	-	-	-
	1.529 to < 2.632	BB	-	-	-	-	-
	2.632 to < 3.877	BB-	9	-	-	3.26%	-
	3.877 to < 5.983	B+	-	-	-	-	-
	5.983 to < 9.414	B	-	-	-	-	-
	9.414 to < 12.792	B-	-	-	-	-	-
	12.792 to < 17.113	CCC+	-	-	-	-	-
	17.113 to < 23.6	CCC	-	-	-	-	-
	23.60 to < 100.00	C / CC / CCC-	-	-	-	-	-
	100.00 (default)	D / SD	-	-	-	-	-
Institutions	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	17	-	-	0.03%	0.02%
	0.034 to < 0.047	A	2	-	-	0.04%	0.30%
	0.047 to < 0.089	A-	1	-	-	0.06%	0.00%
	0.089 to < 0.183	BBB+	1	-	-	0.13%	0.00%
	0.183 to < 0.359	BBB	2	-	-	0.26%	0.00%
	0.359 to < 0.743	BBB-	1	-	-	0.50%	0.29%
	0.743 to < 1.529	BB+	-	-	-	-	-
	1.529 to < 2.632	BB	-	-	-	-	-
	2.632 to < 3.877	BB-	2	-	-	3.26%	0.87%
	3.877 to < 5.983	B+	-	-	-	-	0.78%
	5.983 to < 9.414	B	1	-	-	7.76%	0.00%
	9.414 to < 12.792	B-	-	-	-	0.00%	4.30%
	12.792 to < 17.113	CCC+	-	-	-	-	-
	17.113 to < 23.6	CCC	-	-	-	-	-
	23.60 to < 100.00	C / CC / CCC-	-	-	-	-	5.47%
	100.00 (default)	D / SD	-	-	-	-	-

Exposure class	PD range	External rating equivalent (S&P)	31.12.2024 Number of obligors at the end of the year	of which number of obligors which defaulted during the year	Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
Corporate – SME	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	2	-	-	0.03%	0.08%
	0.034 to < 0.047	A	1	-	-	0.04%	0.21%
	0.047 to < 0.089	A-	-	-	-	0.00%	0.07%
	0.089 to < 0.183	BBB+	93	-	-	0.15%	0.29%
	0.183 to < 0.359	BBB	885	3	0.34%	0.28%	0.40%
	0.359 to < 0.743	BBB-	922	2	0.22%	0.54%	0.52%
	0.743 to < 1.529	BB+	1,411	4	0.28%	1.02%	1.03%
	1.529 to < 2.632	BB	1,657	13	0.78%	1.93%	0.68%
	2.632 to < 3.877	BB-	2,045	44	2.15%	3.23%	3.24%
	3.877 to < 5.983	B+	1,755	55	3.13%	4.79%	4.89%
	5.983 to < 9.414	B	1,078	54	5.01%	7.81%	7.15%
	9.414 to < 12.792	B-	670	41	6.12%	10.67%	10.47%
	12.792 to < 17.113	CCC+	524	59	11.26%	14.69%	13.59%
	17.113 to < 23.6	CCC	319	58	18.18%	20.90%	16.78%
	23.60 to < 100.00	C / CC / CCC-	705	103	14.61%	33.15%	24.82%
	100.00 (default)	D / SD	1,082	1,082	-	100.00%	0.00%
Corporate – Other	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	95	-	-	0.03%	0.01%
	0.034 to < 0.047	A	76	-	-	0.04%	0.04%
	0.047 to < 0.089	A-	109	-	-	0.06%	0.13%
	0.089 to < 0.183	BBB+	247	1	0.40%	0.14%	0.14%
	0.183 to < 0.359	BBB	355	1	0.28%	0.27%	0.24%
	0.359 to < 0.743	BBB-	598	-	-	0.54%	0.29%
	0.743 to < 1.529	BB+	728	3	0.41%	1.21%	0.67%
	1.529 to < 2.632	BB	489	7	1.43%	2.21%	0.38%
	2.632 to < 3.877	BB-	1671	48	2.87%	3.21%	2.42%
	3.877 to < 5.983	B+	644	9	1.40%	4.49%	3.50%
	5.983 to < 9.414	B	372	15	4.03%	7.52%	5.13%
	9.414 to < 12.792	B-	211	15	7.11%	11.00%	7.75%
	12.792 to < 17.113	CCC+	147	4	2.72%	14.32%	9.74%
	17.113 to < 23.6	CCC	84	4	4.76%	19.68%	15.09%
	23.60 to < 100.00	C / CC / CCC-	121	16	13.22%	28.35%	15.29%
	100.00 (default)	D / SD	252	252	-	100.00%	0.00%

6.2.5 Risk modelling governance

Credit own funds estimation models are subject to the global model risk management framework (see Chapter 4.12 "Model risk").

The first line of defence is responsible for designing, putting into production, using and monitoring models, in compliance with model risk management governance rules throughout the model lifecycle, which include for credit risk internal models traceability of development and implementation stages and annual backtesting. Depending on the specificities of each model family, in particular depending on the regulatory environment, the second line of defence (LOD2) may directly perform the backtesting of the model family. In such case the LOD2 is responsible for defining a dedicated standard for the model family and informing the first line of defence (starting with the model owner) of the outcome of the backtesting.

The Model Risk Department, reporting directly to the Risk Department, acts as a second line of defence for all credit risk models. Independent model review teams rely, for the conduct of their missions, on principles of control of the theoretical robustness (assessment of the quality of the design and development) of the models, the conformity of the implementation and the use, the continuous follow-up of model relevance over time. The independent review process concludes with (i) a report summarising the scope of the review, the tests performed, the results of the review, the conclusions or recommendations and with (ii) Reviewing and Approval Committees (respectively *Comité Modèles* and *Comité Experts* in the case of credit risk models). The model control system gives rise to recurring reports to the Risk Department within the framework of various bodies and processes (Group Model Risk Management Committee, Risk Appetite Statement/ Risk Appetite Framework, monitoring of recommendations, etc.) and annually to the General Management (CORISQ). The Model Risk Department reviews, amongst others, new models, backtesting results and any change to the credit own funds estimation models. In accordance with the Delegated Regulation (EU) No. 529/2014 of 20 May 2014 relating to the follow-up of internal models used for own funds computation, any model change to the Group's credit risk measurement system is then subjected to two main types of notification to the competent supervisor, depending on the significant nature of the change laid down by this regulation itself:

- significant changes which are subject to a request for approval prior to their implementation;
- other changes which should be notified to the competent authorities: (i) prior to their implementation: changes, according to the criteria defined by the regulation, are notified to the Supervisor (*ex-ante* notification); barring a negative response, these may be implemented within a two months period; (ii) after their implementation: these changes are notified to the competent authorities after their implementation at least once a year, through a specific report (*ex-post* notification).

The Internal Audit Department, as a third line of defence, is responsible for periodically assessing the overall effectiveness of the model risk management framework (relevance of the model risk governance and efficiency of second line of defence activities) and performing the independent model audit.

6.2.6 Climate risk – Measuring sensitivity to transition risk

Audited Transition risk's impact on Societe Generale 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. ▲

(See also section 5.3.5 "Climate risk management" of the 2025 Universal Registration Document).

6.3 CREDIT RISK HEDGING

Guarantees and collateral

Audited 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 of 31 December 2024 (compared with EUR 374.2 billion as of 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 of 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 of 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 of 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 of 31 December 2024 amounted to EUR 5.6 billion (compared with EUR 5.6 billion as of 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 of 31 December 2023). These amounts are capped at the amount of outstanding.

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 within 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 of 31 December 2024 versus EUR 2 billion as of 31 December 2023) and liabilities (EUR 0.9 billion as of 31 December 2024 versus EUR 1 billion as of 31 December 2023) correspond to the fair value of credit derivatives mainly held under a trading activity. ▲

As part of LCR stress tests, Article 30(2) of Delegated Act 2015/61 provides for a specific additional flow associated with a three-notch downgrade of the bank's rating. To this end, the impact in terms of additional cash collateral in case of a three-notch downgrade of the Group's rating is estimated at EUR 1,5 billion as of 31 December 2024 (pm: 1,8 billion as of 31 December 2023).

Credit insurance

AuditedThe 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. ▲

TABLE 43: CREDIT RISK MITIGATION TECHNIQUES – OVERVIEW

	31.12.2024				
(In EURm)	**Exposures unsecured – Carrying amount**	**Exposures secured – Carrying amount**	**of which secured by collateral**	**of which secured by financial guarantees**	**of which secured by credit derivatives**
Total loans	478,237	274,431	110,943	163,489	-
Total debt securities	61,115	9,232	9,078	154	
TOTAL EXPOSURES	**539,352**	**283,664**	**120,021**	**163,642**	**-**
of which non-performing exposures	*2,793*	*5,409*	*2,508*	*2,901*	-
of which defaulted	*2,793*	*5,409*	*2,508*	*2,901*	-

	31.12.2023				
(In EURm)	**Exposures unsecured – Carrying amount**	**Exposures secured – Carrying amount**	**of which secured by collateral**	**of which secured by financial guarantees**	**of which secured by credit derivatives**
Total loans	510,238	290,597	123,170	167,427	-
Total debt securities	52,228	9,278	9,155	124	
TOTAL EXPOSURES	**562,466**	**299,876**	**132,325**	**167,551**	**-**
of which non-performing exposures	*3,362*	*5,422*	*2,546*	*2,876*	-
of which defaulted	*3,362*	*5,422*	*2,546*	*2,876*	-

6.4 IMPAIRMENT

Information on impairment can be found in Note 3.8 to the consolidated financial statements, which is part of Chapter 6 of the present Universal Registration Document.

6.5 QUANTITATIVE DATA

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

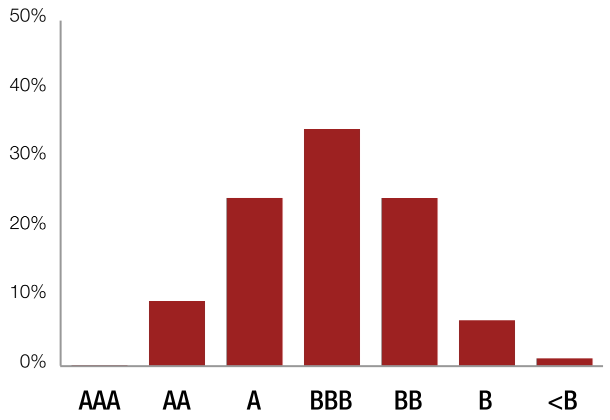
The grouping used is based on the main economic activity of counterparties. The EAD is broken down according to the guarantor's features, after taking into account the substitution effect (unless otherwise indicated).

TABLE 44: EXPOSURE CLASSES

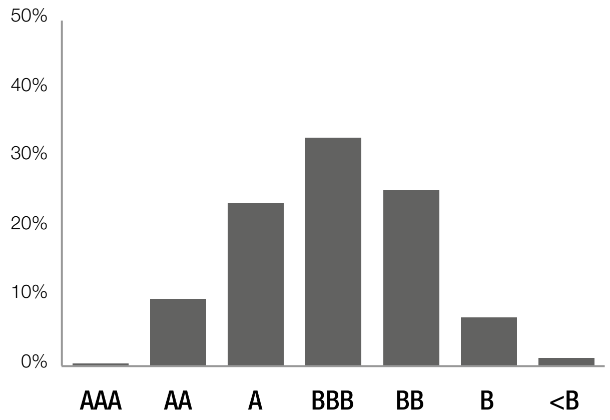
Sovereigns	Claims or contingent claims on sovereign governments, regional authorities, local authorities or public sector entities as well as on multilateral development banks enjoying a preferential weighting and international organisations.
Institutions	Claims or contingent claims on regulated credit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

Corporate and banking clients' exposure

BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31 DECEMBER 2024 (AS % OF EAD)



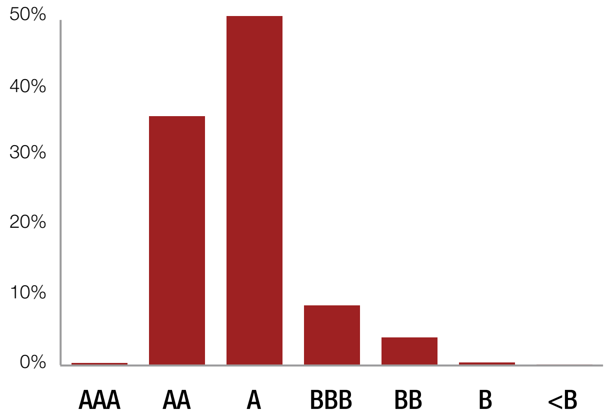
BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31 DECEMBER 2023 (AS % OF EAD)



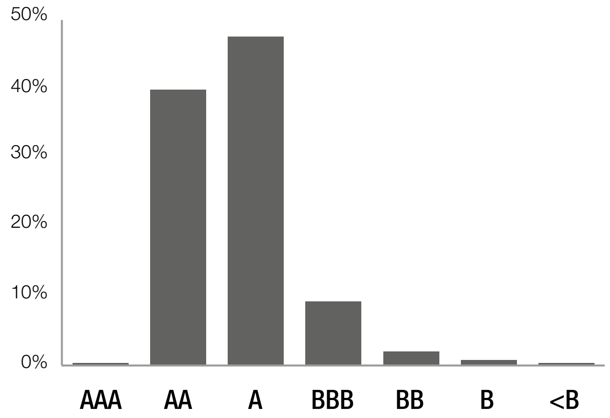
The scope includes performing loans recorded under the IRB method (excluding prudential classification criteria, by weight, of specialised financing) for the entire Corporate client portfolio, all divisions combined, and represents EAD of EUR 314 billion (out of total EAD for the Basel Corporate client portfolio of EUR 347 billion, standard method included). The breakdown by rating of the Group's Corporate exposure demonstrates the sound quality of the portfolio. It is based on an internal counterparty rating system, presented above as its Standard & Poor's equivalent.

At 31 December 2024, the majority of the portfolio (68,1% of Corporate clients) had an investment grade rating, *i.e.* counterparties with an S&P-equivalent internal rating higher than BBB-. Transactions with non-investment grade counterparties were very often backed by guarantees and collateral in order to mitigate the risk incurred.

BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 31 DECEMBER 2024 (AS % OF EAD)



BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 31 DECEMBER 2023 (AS % OF EAD)



The scope includes performing loans recorded under the IRB method for the entire Bank client portfolio, all divisions combined, and represents EAD of EUR 64 billion (out of total EAD for the Basel Bank client portfolio of EUR 98 billion, standard method included). The breakdown by rating of the Societe Generale Group's bank counterparty exposure demonstrates the sound quality of the portfolio.

It is based on an internal counterparty rating system, presented above as its Standard & Poor's equivalent.

At 31 Decembrer 2024, exposure on banking clients was concentrated in investment grade counterparties (95.5% of exposure).

Change in risk-weighted assets (RWA) and capital requirements for credit and counterparty credit risks

TABLE 45: CHANGE IN RISK-WEIGHTED ASSETS (RWA) BY APPROACH (CREDIT AND COUNTERPARTY CREDIT RISKS)

(In EURm)	RWA - IRB	RWA - Standard	RWA - Total	Capital requirements - IRB	Capital requirements - Standard	Capital requirements - total
RWA as of end of previous reporting period (31.12.2023)	**210,570**	**112,591**	**323,161**	**16,846**	**9,007**	**25,853**
Asset size	(3,227)	(596)	(3,823)	(258)	(48)	(306)
Asset quality	551	270	821	44	22	66
Model updates	11,358	458	11,816	909	37	945
Methodology and policy	(118)	(1,200)	(1,318)	(9)	(96)	(105)
Acquisitions and disposals	(697)	(8,244)	(8,941)	(56)	(660)	(715)
Foreign exchange movements	2,068	709	2,777	165	57	222
Other	-	-	-	-	-	-
RWA as of end of reporting period (31.12.2024)	**220,505**	**103,987**	**324,493**	**17,640**	**8,319**	**25,959**

The table above presents the data without CVA (Credit Valuation Adjustment).

The main effects explaining the EUR 1.3 billion increase in RWA (excluding CVA) over the year 2024 are the following:

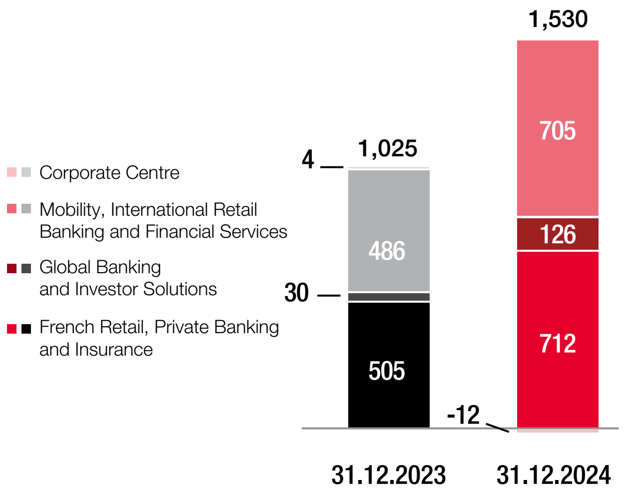
- an acquisitions and disposals effect of EUR -9 billion mainly related to the disposal of the Moroccan subsidiaries;
- a volume effect of EUR -3.8 billion related to the business;
- a methodological effect of EUR -1 billion mainly related to the homogenization of the residual value consideration for the exposure at default computation on Ayvens scope;
- a model effect of EUR +12 billion euros mainly linked to new models complying with IRB Repair standards;
- a foreign exchange effect of EUR +2.8 billion euros mainly linked to the appreciation of the US dollar against the euro.

The effects are defined as follows:

- asset size: organic changes in book size and composition (including the creation of new business lines and maturing loans) but excluding changes due to acquisitions and disposals of entities;
- asset quality: changes in the quality of the Bank's assets due to changes in borrower risk, such as rating grade migration or similar effects;
- model updates: changes due to model implementation, changes in model scope or any changes intended to address model weaknesses;
- methodology and policy: changes due to methodological changes in calculations driven by regulatory changes, including both revisions to existing regulations and new regulations;
- acquisitions and disposals: changes in book size due to acquisitions and disposals of entities;
- foreign exchange movements: changes arising from market fluctuations, such as foreign currency translation movements;
- other: this category is used to capture changes that cannot be attributed to any other categories.

Net cost of risk

CHANGE IN GROUP NET COST OF RISK (IN EURM)



The Group's net cost of risk in 2024 is EUR 1,530 million, up by 49% compared to 2023. This increase is broken down into a rise of cost of risk on defaulted outstandings (stage 3) at 30 bp compared to 20 bp in 2023 in a more difficult economic context and moderate reversals on performing exposure (stage 1/stage 2) of -4 bp as a result of the decrease of Russian counterparty exposure and new defaulted exposure, *vs.* -3 bp in 2023.

The cost of risk (expressed in basis points on the average of outstandings at the beginning of the period for the four quarters preceding the closing, including operating leases) thus stands at 26 basis points for the year 2024 compared to 17 basis points in 2023.

- In **French Retail Banking**, the cost of risk increases up to 30 basis points, compared to 20 in 2023. This NCR includes a reversal of -5 bps on performing exposure (*vs.* a reversal of -2 bp in 2023).
- At 42 basis points in 2024 (compared to 32 basis points in 2023), the cost of risk of **Mobility, International Retail Banking and Financial Services** increases, which can be attributed to a level of NCR on defaulted outstandings (stage 3, 42 bp in 2024 *vs.* 31 bp in 2023) whereas NCR on performing exposure is stable (stage 1/stage 2, 0 bp *vs.* +1 bp en 2023).
- The cost of risk for **Global Banking and Investor Solutions** presents a very moderate increase of +8 bp (compared to +2 bp during 2023), the increase is split between NCR on defaulted exposure (13 bp compared to 11 bp in 2023) and NCR on performing exposure (-5 bp *vs.* -9 bp in 2023).

NON-PERFORMING LOANS (NPL)

Non-performing loans (NPL) analysis

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

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

For information purposes, and in accordance with the ECB's guidelines, the concepts of Basel default, impaired assets and non-performing exposures have been aligned with Societe Generale group.

The non-performing loans ratio at the end of December 2024 was 2.8%.

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

Restructured debt/Forborne debt

Audited I 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 honour 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. ▲

TABLE 46: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (CR1)

	31.12.2024														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
(In EURm)	Total	of which stage 1[1]	of which stage 2[2]	Total	of which stage 2[2]	of which stage 3[3]	Total	of which stage 1[1]	of which stage 2[2]	Total	of which stage 2[2]	of which stage 3[3]	Accumulated write-off	On performing exposures	On non performing exposures
Cash balances at central banks and other demand deposits	**249,988**	**245,529**	**4,459**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
Loans and advances	**497,092**	**443,679**	**39,596**	**14,392**	**-**	**14,392**	**(2,599)**	**(826)**	**(1,773)**	**(6,203)**	**-**	**(6,203)**	**(105)**	**269,023**	**5,409**
Central banks	13,022	13,022	-	0	-	0	(0)	(0)	-	-	-	-	-	46	-
General governments	29,629	21,921	1,044	58	-	58	(9)	(5)	(4)	(37)	-	(37)	-	8,182	13
Credit institutions	19,483	19,385	50	15	-	15	(2)	(2)	(0)	(8)	-	(8)	-	1,566	4
Other financial corporations	40,309	38,809	69	8	-	8	(12)	(12)	(1)	(1)	-	(1)	-	9,392	4
Non-financial corporations	217,702	191,146	20,938	9,011	-	9,011	(1,731)	(494)	(1,237)	(3,782)	-	(3,782)	(105)	112,828	3,988
of which SMEs	*46,318*	*38,541*	*6,844*	*4,510*	*-*	*4,510*	*(641)*	*(192)*	*(449)*	*(2,142)*	*-*	*(2,142)*	*-*	*31,713*	*1,892*
Households	176,945	159,395	17,496	5,300	-	5,300	(845)	(313)	(532)	(2,375)	-	(2,375)	-	137,009	1,400
Debt securities	**70,371**	**69,035**	**205**	**14**	**-**	**14**	**(38)**	**(6)**	**(31)**	**(0)**	**-**	**(0)**	**-**	**9,232**	**-**
Central banks	4,295	4,295	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	51,732	50,707	130	14	-	14	(5)	(5)	(0)	(0)	-	(0)	-	-	-
Credit institutions	4,471	4,471	-	-	-	-	(0)	(0)	-	-	-	-	-	1,264	-
Other financial corporations	2,231	2,161	2	-	-	-	(2)	(0)	(2)	-	-	-	-	981	-
Non-financial corporations	7,642	7,401	73	-	-	-	(31)	(1)	(30)	-	-	-	-	6,988	-
Off-balance-sheet exposures	**428,311**	**418,829**	**9,482**	**959**	**-**	**959**	**(473)**	**(205)**	**(268)**	**(269)**	**-**	**(269)**		**74,929**	**177**
Central banks	357	357	-	-	-	-	(0)	(0)	-	-	-	-		47	-
General governments	8,189	7,580	609	1	-	1	(6)	(1)	(5)	-	-	-		3,499	-
Credit institutions	101,022	100,684	338	58	-	58	(2)	(1)	(1)	(2)	-	(2)		1,064	-
Other financial corporations	85,750	85,693	57	1	-	1	(16)	(7)	(10)	(1)	-	(1)		13,573	-
Non-financial corporations	220,775	212,726	8,049	843	-	843	(401)	(174)	(227)	(243)	-	(243)		53,444	168
Households	12,218	11,788	429	56	-	56	(48)	(22)	(26)	(23)	-	(23)		3,303	9
TOTAL	**1,245,762**	**1,177,072**	**53,742**	**15,364**	**-**	**15,364**	**(3,110)**	**(1,037)**	**(2,073)**	**(6,473)**	**-**	**(6,473)**	**(105)**	**353,184**	**5,586**

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

(In EURm)	31.12.2023														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
	Total	of which stage 1[1]	of which stage 2[2]	Total	of which stage 2[2]	of which stage 3[3]	Total	of which stage 1[1]	of which stage 2[2]	Total	of which stage 2[2]	of which stage 3[3]	Accumulated write-off	On performing exposures	On non performing exposures
Cash balances at central banks and other demand deposits	**259,654**	**255,991**	**3,663**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**535,465**	**480,497**	**39,392**	**16,059**	**-**	**16,059**	**(2,984)**	**(1,041)**	**(1,942)**	**(7,359)**	**-**	**(7,359)**	**(62)**	**285,175**	**5,422**
Central banks	13,828	13,828	-	-	-	-	(0)	(0)	-	-	-	-	-	21	-
General governments	29,725	21,468	917	111	-	111	(11)	(8)	(3)	(68)	-	(68)	-	8,099	20
Credit institutions	18,421	17,978	385	22	-	22	(3)	(3)	(0)	(8)	-	(8)	-	1,952	7
Other financial corporations	37,498	34,983	50	100	-	100	(15)	(14)	(1)	(100)	-	(100)	(62)	8,256	-
Non-financial corporations	241,514	215,444	20,716	10,000	-	10,000	(1,948)	(628)	(1,320)	(4,448)	-	(4,448)	-	118,879	3,946
of which SMEs	*57,480*	*50,009*	*6,564*	*5,259*	*-*	*5,259*	*(689)*	*(263)*	*(426)*	*(2,780)*	*-*	*(2,780)*	*-*	*36,889*	*1,902*
Households	194,479	176,796	17,324	5,826	-	5,826	(1,006)	(389)	(618)	(2,735)	-	(2,735)	-	147,970	1,449
Debt securities	**61,461**	**60,791**	**95**	**132**	**-**	**132**	**(38)**	**(6)**	**(32)**	**(48)**	**-**	**(48)**		**9,278**	**-**
Central banks	4,105	4,105	-	-	-	-	-	-	-	-	-	-		-	-
General governments	42,040	41,661	17	-	-	-	(5)	(5)	(0)	-	-	-		-	-
Credit institutions	5,668	5,668	-	-	-	-	(0)	(0)	-	-	-	-		892	-
Other financial corporations	1,868	1,804	1	-	-	-	(2)	(1)	(1)	-	-	-		1,266	-
Non-financial corporations	7,779	7,552	76	132	-	132	(31)	(0)	(30)	(48)	-	(48)		7,120	-
Off-balance-sheet exposures	**446,915**	**438,525**	**8,390**	**953**	**-**	**953**	**(535)**	**(215)**	**(321)**	**(285)**	**-**	**(285)**		**74,203**	**181**
Central banks	208	208	-	-	-	-	(0)	(0)	-	-	-	-		51	-
General governments	9,002	8,641	361	1	-	1	(3)	(2)	(1)	-	-	-		4,998	-
Credit institutions	138,184	137,934	250	75	-	75	(14)	(1)	(13)	(1)	-	(1)		400	-
Other financial corporations	83,114	82,907	207	-	-	-	(26)	(6)	(21)	-	-	-		12,556	-
Non-financial corporations	204,610	197,408	7,201	797	-	797	(440)	(184)	(256)	(256)	-	(256)		52,817	175
Households	11,797	11,426	371	81	-	81	(53)	(22)	(30)	(28)	-	(28)		3,380	6
TOTAL	**1,303,494**	**1,235,803**	**51,540**	**17,144**	**-**	**17,144**	**(3,557)**	**(1,262)**	**(2,295)**	**(7,692)**	**-**	**(7,692)**	**(62)**	**368,656**	**5,603**

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

TABLE 47: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (CR2)

	31.12.2024
(In EURm)	**Gross carrying value defaulted exposures**
Initial stock of non-performing loans and advances	**16,059**
Inflows to non-performing portfolios	5,222
Outflows from non-performing portfolios	(6,889)
Outflows due to write-offs	*(4,869)*
Outflow due to other situations	*(2,020)*
Final stock of non-performing loans and advances	**14,392**

TABLE 48: CREDIT QUALITY OF FORBORNE EXPOSURES (CQ1)

	31.12.2024							
	Gross carrying amount/nominal amount of exposures with forbearance measures				**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		**Collateral received and financial guarantees received on forborne exposures**	
		Non-performing forborne						
(In EURm)	**Performing forborne**	**Total**	**of which defaulted**	**of which impaired**	**On performing forborne exposures**	**On non-performing forborne exposures**	**Total**	**of which collateral and financial guarantees received on non-performing exposures with forbearance measures**
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	**3,368**	**3,821**	**3,821**	**3,821**	**(146)**	**(1,382)**	**3,788**	**1,599**
Central banks	-	-	-	-	-	-	-	-
General governments	0	11	11	11	(0)	(4)	3	3
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	11	0	0	0	-	(0)	11	0
Non-financial corporations	2,948	2,558	2,558	2,558	(133)	(851)	3,187	1,267
Households	408	1,252	1,252	1,252	(12)	(527)	587	329
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	**877**	**79**	**79**	**79**	**(28)**	**(11)**	**675**	**21**
TOTAL	**4,245**	**3,900**	**3,900**	**3,900**	**(174)**	**(1,392)**	**4,464**	**1,620**

	31.12.2023							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
(In EURm)	Performing forborne	Total	of which defaulted	of which impaired	On performing forborne exposures	On non-performing forborne exposures	Total	of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Cash balances at central banks and other demand deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**2,543**	**3,306**	**3,306**	**3,306**	**(121)**	**(1,270)**	**2,835**	**1,062**
Central banks	-	-	-	-	-	-	-	-
General governments	0	2	2	2	(0)	(1)	1	1
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	17	-	-	-	(0)	-	17	-
Non-financial corporations	2,247	2,090	2,090	2,090	(107)	(734)	2,438	810
Households	278	1,214	1,214	1,214	(13)	(535)	379	251
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**675**	**62**	**62**	**62**	**(11)**	**(7)**	**549**	**11**
TOTAL	**3,218**	**3,368**	**3,368**	**3,368**	**(131)**	**(1,277)**	**3,383**	**1,073**

TABLE 49: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS (CQ3)

	31.12.2024											
	Performing exposures			Non-performing exposures								
(In EURm)	Total performing	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total non performing	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	of which defaulted
Cash balances at central banks and other demand deposits	**249,988**	**249,988**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**497,092**	**493,452**	**3,639**	**14,392**	**10,233**	**593**	**797**	**998**	**950**	**407**	**415**	**14,392**
Central banks	13,022	13,022	-	0	0	-	-	-	-	-	-	0
General governments	29,629	29,295	334	58	27	0	0	3	0	8	20	58
Credit institutions	19,483	19,477	7	15	12	-	0	-	1	-	3	15
Other financial corporations	40,309	40,301	7	8	6	-	0	-	0	1	0	8
Non-financial corporations	217,702	215,645	2,057	9,011	6,938	260	405	534	395	228	250	9,011
of which SMEs	*46,318*	*45,827*	*491*	*4,510*	*3,060*	*165*	*273*	*353*	*289*	*154*	*217*	*4,510*
Households	176,945	175,711	1,235	5,300	3,250	332	391	461	553	171	141	5,300
Debt securities	**70,371**	**70,371**	**-**	**14**	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**14**
Central banks	4,295	4,295	-	-	-	-	-	-	-	-	-	-
General governments	51,732	51,732	-	14	14	-	-	-	-	-	-	14
Credit institutions	4,471	4,471	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2,231	2,231	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	7,642	7,642	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**428,311**			**959**								**959**
Central banks	357			-								-
General governments	8,189			1								1
Credit institutions	101,022			58								58
Other financial corporations	85,750			1								1
Non-financial corporations	220,775			843								843
Households	12,218			56								56
TOTAL	**1,245,762**	**813,811**	**3,639**	**15,364**	**10,246**	**593**	**797**	**998**	**950**	**407**	**415**	**15,364**

(In EURm)	31.12.2023											
	Performing exposures			Non-performing exposures								
	Total perfor-ming	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total non perfor-ming	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	of which defaulted
Cash balances at central banks and other demand deposits	**259,654**	**259,654**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**535,465**	**531,126**	**4,338**	**16,059**	**11,160**	**635**	**943**	**881**	**1,300**	**587**	**553**	**16,059**
Central banks	13,828	13,828	0	-	-	-	-	-	-	-	-	-
General governments	29,725	29,624	101	111	43	1	6	0	10	6	46	111
Credit institutions	18,421	18,414	7	22	19	0	-	0	0	-	3	22
Other financial corporations	37,498	36,922	576	100	0	-	0	0	0	100	-	100
Non-financial corporations	241,514	239,444	2,070	10,000	7,770	253	516	381	585	217	278	10,000
of which SMEs	*57,480*	*57,011*	*469*	*5,259*	*3,720*	*195*	*351*	*259*	*319*	*197*	*220*	*5,259*
Households	194,479	192,894	1,585	5,826	3,328	381	421	500	705	264	226	5,826
Debt securities	**61,461**	**61,461**	**-**	**132**	**132**	**-**	**-**	**-**	**-**	**-**	**-**	**132**
Central banks	4,105	4,105	-	-	-	-	-	-	-	-	-	-
General governments	42,040	42,040	-	-	-	-	-	-	-	-	-	-
Credit institutions	5,668	5,668	-	-	-	-	-	-	-	-	-	-
Other financial corporations	1,868	1,868	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	7,779	7,779	-	132	132	-	-	-	-	-	-	132
Off-balance-sheet exposures	**446,915**	**-**	**-**	**953**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**953**
Central banks	208	-	-	-	-	-	-	-	-	-	-	-
General governments	9,002	-	-	1	-	-	-	-	-	-	-	1
Credit institutions	138,184	-	-	75	-	-	-	-	-	-	-	75
Other financial corporations	83,114	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	204,610	-	-	797	-	-	-	-	-	-	-	797
Households	11,797	-	-	81	-	-	-	-	-	-	-	81
TOTAL	**1,303,494**	**852,241**	**4,338**	**17,144**	**11,292**	**635**	**943**	**881**	**1,300**	**587**	**553**	**17,144**

TABLE 50: CREDIT QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY (CQ4)

(In EURm)	31.12.2024						
	Gross carrying/nominal amount						
		of which non-performing					
	Total nominal	Total non performing	of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On-balance sheet exposures	**581,869**	**14,405**	**14,405**	**566,920**	**(8,841)**		**-**
Europe	446,021	11,781	11,781	432,469	(6,948)		-
France	*275,600*	*9,189*	*9,189*	*264,033*	*(4,944)*		-
Czech Republic	*48,530*	*625*	*625*	*48,530*	*(503)*		-
Germany	*16,481*	*421*	*421*	*16,481*	*(202)*		-
Luxembourg	*17,466*	*53*	*53*	*17,422*	*(54)*		-
United Kingdom	*13,738*	*43*	*43*	*13,623*	*(51)*		-
Italy	*14,739*	*567*	*567*	*14,348*	*(463)*		-
Switzerland	*5,878*	*6*	*6*	*5,686*	*(10)*		-
Russian Federation	*309*	*150*	*150*	*309*	*(74)*		-
Romania	*13,298*	*279*	*279*	*13,298*	*(383)*		-
Spain	*4,890*	*45*	*45*	*4,007*	*(53)*		-
Other European countries: EU and EFTA	*27,759*	*312*	*312*	*27,403*	*(185)*		-
Other European countries	*7,333*	*92*	*92*	*7,330*	*(27)*		-
North America	76,320	614	614	75,594	(373)		-
United States	*71,747*	*603*	*603*	*71,020*	*(366)*		-
Other North American countries	*4,573*	*11*	*11*	*4,573*	*(6)*		-
Asia-Pacific	25,380	244	244	24,990	(74)		-
Japan	*1,886*	*0*	*0*	*1,886*	*(2)*		-
China	*6,458*	*12*	*12*	*6,458*	*(13)*		-
Other Asia-Pacific countries	*17,036*	*232*	*232*	*16,646*	*(59)*		-
Africa and Middle East	27,895	1,480	1,480	27,836	(1,338)		-
Morocco	*314*	*1*	*1*	*314*	*(1)*		-
Other Africa and Middle East countries	*27,581*	*1,479*	*1,479*	*27,522*	*(1,336)*		-
Latin America and Caribbean	6,252	286	286	6,032	(108)		-
Off-balance sheet exposures	**429,270**	**959**	**959**			**(743)**	
Europe	291,002	806	806			(577)	
France	*177,451*	*641*	*641*			*(391)*	
Czech Republic	*8,140*	*22*	*22*			*(22)*	
Germany	*19,714*	*11*	*11*			*(22)*	
Luxembourg	*13,301*	*2*	*2*			*(10)*	
United Kingdom	*21,012*	*2*	*2*			*(21)*	
Italy	*7,903*	*32*	*32*			*(14)*	

	31.12.2024						
	Gross carrying/nominal amount						
		of which non-performing					
(In EURm)	Total nominal	Total non performing	of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Switzerland	*7,937*	*0*	*0*			*(1)*	
Russian Federation	*214*	*58*	*58*			*(1)*	
Romania	*2,605*	*26*	*26*			*(56)*	
Spain	*5,991*	*1*	*1*			*(13)*	
Other European countries: EU and EFTA	*24,554*	*10*	*10*			*(25)*	
Other European countries	*2,180*	*0*	*0*			*(2)*	
North America	91,764	40	40			(91)	
United States	*87,719*	*40*	*40*			*(89)*	
Other North American countries	*4,045*	*0*	*0*			*(2)*	
Asia-Pacific	33,645	24	24			(7)	
Japan	*18,380*	*0*	*0*			*(1)*	
China	*3,291*	*0*	*0*			*(1)*	
Other Asia-Pacific countries	*11,974*	*24*	*24*			*(6)*	
Africa and Middle East	9,846	88	88			(67)	
Morocco	*73*	*0*	*0*			*(0)*	
Other Africa and Middle East countries	*9,773*	*88*	*88*			*(66)*	
Latin America and the Caribbean	3,013	0	0			(0)	
TOTAL	**1,011,139**	**15,364**	**15,364**	**566,920**	**(8,841)**	**(743)**	**-**

(In EURm)	31.12.2023						
	Gross carrying/nominal amount						
		of which non-performing					
	Total nominal	Total non performing	of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On-balance sheet exposures	**613,117**	**16,191**	**16,191**	**596,966**	**(10,429)**		**-**
Europe	471,538	11,757	11,757	457,510	(7,251)		-
France	*283,245*	*8,939*	*8,939*	*270,363*	*(5,023)*		-
Czech Republic	*52,686*	*582*	*582*	*52,686*	*(504)*		-
Germany	*23,241*	*488*	*488*	*23,240*	*(271)*		-
Luxembourg	*18,380*	*20*	*20*	*18,295*	*(72)*		-
United Kingdom	*20,027*	*209*	*209*	*19,997*	*(104)*		-
Italy	*18,891*	*612*	*612*	*18,891*	*(521)*		-
Switzerland	*5,336*	*72*	*72*	*5,179*	*(15)*		-
Russian Federation	*531*	*134*	*134*	*531*	*(42)*		-
Romania	*11,764*	*236*	*236*	*11,764*	*(367)*		-
Spain	*5,856*	*97*	*97*	*5,489*	*(85)*		-
Other European countries: EU and EFTA	*24,271*	*333*	*333*	*23,765*	*(210)*		-
Other European countries	*7,311*	*34*	*34*	*7,311*	*(37)*		-
North America	67,252	541	541	66,538	(250)		-
United States	*63,102*	*538*	*538*	*62,388*	*(246)*		-
Other North American countries	*4,151*	*3*	*3*	*4,151*	*(4)*		-
Asia-Pacific	25,003	290	290	24,291	(143)		-
Japan	*1,617*	*0*	*0*	*1,617*	*(2)*		-
China	*5,292*	*36*	*36*	*5,292*	*(42)*		-
Other Asia-Pacific countries	*18,094*	*254*	*254*	*17,382*	*(100)*		-
Africa and Middle East	42,234	3,236	3,236	42,185	(2,668)		-
Morocco	*10,804*	*1,479*	*1,479*	*10,801*	*(1,100)*		-
Other Africa and Middle East countries	*31,430*	*1,757*	*1,757*	*31,384*	*(1,568)*		-
Latin America and Caribbean	7,090	369	369	6,442	(117)		-
Off-balance sheet exposures	**447,868**	**953**	**953**			**(820)**	
Europe	299,972	646	646			(576)	
France	*193,530*	*458*	*458*			*(371)*	
Czech Republic	*7,942*	*36*	*36*			*(26)*	
Germany	*20,548*	*13*	*13*			*(30)*	
Luxembourg	*11,806*	*4*	*4*			*(9)*	
United Kingdom	*18,004*	*0*	*0*			*(15)*	
Italy	*8,697*	*11*	*11*			*(24)*	

	31.12.2023						
	Gross carrying/nominal amount						
		of which non-performing					
(In EURm)	Total nominal	Total non performing	of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Switzerland	*6,870*	*0*	*0*			*(1)*	
Russian Federation	*230*	*75*	*75*			*(3)*	
Romania	*2,548*	*30*	*30*			*(60)*	
Spain	*5,533*	*3*	*3*			*(9)*	
Other European countries: EU and EFTA	*22,641*	*15*	*15*			*(27)*	
Other European countries	*1,624*	*0*	*0*			*(1)*	
North America	94,897	7	7			(97)	
United States	*90,869*	*7*	*7*			*(96)*	
Other North American countries	*4,029*	*0*	*0*			*(1)*	
Asia-Pacific	37,687	38	38			(8)	
Japan	*21,243*	*-*	*-*			*(1)*	
China	*3,351*	*-*	*-*			*(0)*	
Other Asia-Pacific countries	*13,092*	*38*	*38*			*(6)*	
Africa and Middle East	11,893	228	228			(134)	
Morocco	*2,381*	*102*	*102*			*(42)*	
Other Africa and Middle East countries	*9,512*	*127*	*127*			*(92)*	
Latin America and the Caribbean	3,419	34	34			(6)	
TOTAL	**1,060,985**	**17,144**	**17,144**	**596,966**	**(10,429)**	**(820)**	**-**

TABLE 51: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (CQ5)

	31.12.2024					
	Gross carrying amount					
		of which non-performing				
(In EURm)	Total nominal	Total non performing	of which defaulted	of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	2,095	162	162	2,063	(107)	-
Mining and quarrying	6,388	78	78	5,586	(61)	-
Manufacturing	33,108	1,721	1,721	32,757	(949)	-
Electricity, gas, steam and air conditioning supply	18,789	404	404	18,766	(180)	-
Water supply	1,812	37	37	1,737	(30)	-
Construction	6,333	667	667	6,248	(450)	-
Wholesale and retail trade	29,939	1,460	1,460	29,548	(997)	-
Transport and storage	18,345	548	548	18,198	(355)	-
Accommodation and food service activities	4,650	532	532	4,508	(320)	-
Information and communication	13,030	335	335	11,644	(240)	-
Financial and insurance actvities	14,846	192	192	14,808	(133)	-
Real estate activities	30,705	1,275	1,275	30,130	(611)	-
Professional, scientific and technical activities	6,049	424	424	5,967	(226)	-
Administrative and support service activities	8,247	286	286	8,175	(141)	-
Public administration and defence, compulsory social security	132	0	0	109	(0)	-
Education	954	64	64	928	(40)	-
Human health services and social work activities	3,220	421	421	3,183	(131)	-
Arts, entertainment and recreation	1,375	69	69	1,336	(42)	-
Other services	26,697	335	335	25,404	(500)	-
TOTAL	**226,713**	**9,011**	**9,011**	**221,096**	**(5,513)**	**-**

	31.12.2023					
	Gross carrying amount					
		of which non-performing				
(In EURm)	Total nominal	Total non performing	of which defaulted	of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	2,332	132	132	2,293	(118)	-
Mining and quarrying	7,193	130	130	6,895	(90)	-
Manufacturing	36,059	1,699	1,699	35,814	(1,093)	-
Electricity, gas, steam and air conditioning supply	18,900	365	365	18,872	(182)	-
Water supply	1,927	42	42	1,851	(37)	-
Construction	7,822	781	781	7,744	(510)	-
Wholesale and retail trade	32,409	1,750	1,750	31,788	(1,241)	-
Transport and storage	20,130	608	608	19,973	(377)	-
Accommodation and food service activities	5,571	844	844	5,330	(467)	-
Information and communication	12,084	254	254	11,635	(174)	-
Financial and insurance actvities	18,332	226	226	17,934	(146)	-
Real estate activities	35,904	1,205	1,205	35,030	(622)	-
Professional, scientific and technical activities	7,729	378	378	7,637	(220)	-
Administrative and support service activities	10,409	187	187	10,351	(143)	-
Public administration and defence, compulsory social security	113	0	0	95	(0)	-
Education	786	69	69	758	(31)	-
Human health services and social work activities	3,233	540	540	3,193	(117)	-
Arts, entertainment and recreation	1,492	68	68	1,452	(51)	-
Other services	29,091	721	721	27,514	(778)	-
TOTAL	**251,514**	**10,000**	**10,000**	**246,159**	**(6,396)**	**-**

TABLE 52: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES (CQ7)

	31.12.2024	
	Collateral obtained by taking possession accumulated	
(In EURm)	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	23	(14)
Other than PP&E	44	(14)
Residential immovable property	*0*	*(0)*
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other	*44*	*(14)*
TOTAL	**67**	**(28)**

	31.12.2023	
	Collateral obtained by taking possession accumulated	
(In EURm)	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	31	(14)
Other than PP&E	67	(24)
Residential immovable property	*0*	*(0)*
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	*1*	-
Equity and debt instruments	-	-
Other	*66*	*(24)*
TOTAL	**98**	**(38)**

TABLE 53: MATURITY OF EXPOSURES (CR1-A)

	31.12.2024					
	Net exposure value					
(In EURm)	On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
Loans and advances	12,987	220,832	130,690	146,975	(0)	511,484
Debt securities	0	19,744	23,845	26,796	-	70,385
TOTAL	**12,987**	**240,576**	**154,534**	**173,771**	**(0)**	**581,869**

	30.06.2024					
	Net exposure value					
(In EURm)	On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
Loans and advances	12,805	224,857	126,351	151,710	(0)	515,723
Debt securities	7	21,710	23,418	22,716	-	67,851
TOTAL	**12,812**	**246,567**	**149,768**	**174,426**	**(0)**	**583,574**

TABLE 54: CREDIT RISK MITIGATION TECHNIQUES – OVERVIEW (CR3)

	31.12.2024				
(In EURm)	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	of which secured by collateral	of which secured by financial guarantees	of which secured by credit derivatives
Total loans	478,237	274,431	110,943	163,489	-
Total debt securities	61,115	9,232	9,078	154	
TOTAL EXPOSURES	**539,352**	**283,664**	**120,021**	**163,642**	**-**
of which non-performing exposures	*2,793*	*5,409*	*2,508*	*2,901*	-
of which defaulted	*2,793*	*5,409*	*2,508*	*2,901*	-

	31.12.2023				
(In EURm)	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	of which secured by collateral	of which secured by financial guarantees	of which secured by credit derivatives
Total loans	510,238	290,597	123,170	167,427	-
Total debt securities	52,228	9,278	9,155	124	
TOTAL EXPOSURES	**562,466**	**299,876**	**132,325**	**167,551**	**-**
of which non-performing exposures	*3,362*	*5,422*	*2,546*	*2,876*	-
of which defaulted	*3,362*	*5,422*	*2,546*	*2,876*	-

6.6 ADDITIONAL QUANTITATIVE INFORMATION ON CREDIT RISK

Definition of regulatory metrics

The main metrics used in the following tables are:

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

Breakdown of credit risk – Overview

TABLE 55: CREDIT RISK EXPOSURE, EAD AND RWA BY EXPOSURE CLASS AND APPROACH

	31.12.2024								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	298,465	310,968	6,815	19,032	21,123	1,335	317,496	332,092	8,150
Institutions	49,481	40,635	4,575	6,318	6,386	1,810	55,800	47,021	6,385
Corporates	422,807	276,871	118,570	52,762	30,688	27,856	475,569	307,559	146,426
Retail	172,793	172,820	35,936	42,301	33,925	21,914	215,094	206,745	57,850
Others	67,748	60,453	40,263	74,528	66,004	46,257	142,276	126,457	86,520
TOTAL	**1,011,294**	**861,748**	**206,159**	**194,941**	**158,126**	**99,172**	**1,206,236**	**1,019,874**	**305,331**

	31.12.2023								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	299,619	313,647	6,175	13,502	15,905	1,581	313,121	329,552	7,756
Institutions	48,284	37,141	4,380	5,418	6,169	1,958	53,702	43,310	6,338
Corporates	405,031	270,878	117,895	61,218	36,594	34,163	466,248	307,472	152,058
Retail	178,754	178,237	36,535	41,252	32,612	20,846	220,006	210,850	57,380
Others	72,483	62,317	31,672	83,365	72,876	49,150	155,848	135,192	80,822
TOTAL	**1,004,170**	**862,221**	**196,657**	**204,755**	**164,156**	**107,698**	**1,208,926**	**1,026,377**	**304,355**

Breakdown of credit risk – details

TABLE 56: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS (CR4)

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

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

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

	31.12.2024					
(In EURm)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes	**On-balance sheet exposures**	**Off-balance sheet exposures**	**On-balance sheet exposures**	**Off-balance sheet exposures**	**RWA**	**RWA density** *(%)*
Central governments or central banks	17,861	304	19,778	298	1,314	7%
Regional government or local authorities	759	109	1,033	44	221	20%
Public sector entities	267	12	257	3	167	64%
Multilateral development banks	798	17	954	45	21	2%
International organisations	47	-	47	-	-	0%
Institutions	3,777	1,388	4,355	693	1,422	28%
Corporates	40,296	11,991	27,083	3,605	27,856	91%
Retail	33,330	8,544	32,289	1,636	21,914	65%
Secured by mortgages on immovable property	11,076	452	9,348	107	3,928	42%
Exposures in default	2,287	168	2,011	50	2,466	120%
Higher-risk categories	80	5	76	1	116	150%
Covered bonds	136	-	136	-	14	10%
Institutions and corporates with a short term credit assessment	-	-	-	-	-	-
Collective investment undertakings	72	-	72	-	244	340%
Equity	1,326	-	1,326	-	820	62%
Other items	44,179	1,607	44,179	378	37,457	84%
TOTAL	**156,291**	**24,598**	**142,945**	**6,862**	**97,959**	**65%**

	31.12.2023					
(In EURm)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes	**On-balance sheet exposures**	**Off-balance sheet exposures**	**On-balance sheet exposures**	**Off-balance sheet exposures**	**RWA**	**RWA density** *(%)*
Central governments or central banks	12,564	131	14,678	245	1,581	11%
Regional government or local authorities	665	149	947	63	202	20%
Public sector entities	272	22	243	7	156	62%
Multilateral development banks	796	-	945	27	-	-
International organisations	10	-	10	-	-	-
Institutions	2,850	1,452	3,798	1,111	1,600	33%
Corporates	45,196	15,413	32,238	4,356	34,163	93%
Retail	32,319	8,454	30,906	1,707	20,846	64%
Secured by mortgages on immovable property	15,950	372	14,265	152	6,293	44%
Exposures in default	2,460	269	2,163	84	2,539	113%
Higher-risk categories	217	105	193	50	366	150%
Covered bonds	159	-	159	-	16	10%
Institutions and corporates with a short term credit assessment	-	-	-	-	-	
Collective investment undertakings	57	-	57	-	226	394%
Equity	1,367	-	1,367	-	1,318	96%
Other items	45,737	2,435	45,737	689	37,149	80%
TOTAL	**160,620**	**28,802**	**147,706**	**8,491**	**106,455**	**68%**

TABLE 57: STANDARDISED APPROACH – CREDIT RISK EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (CR5)

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

	31.12.2024																
(In EURm)	Risk Weight																
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Other Risk Weight**	**Total**	**of which unrated**
Central governments or central banks	18,764	-	-	3	121	-	61	-	-	856	266	-	-	-	6	20,076	5,454
Regional governments or local authorities	147	-	-	-	864	-	22	-	-	46	-	-	-	-	0	1,078	689
Public sector entities	-	-	-	-	117	-	0	-	-	141	2	-	-	-	0	260	234
Multilateral Development Banks	976	-	-	-	0	-	4	-	-	19	-	-	-	-	-	1,000	125
International Organisations	47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	0
Institutions	147	190	-	-	3,747	-	563	-	-	400	-	-	-	-	-	5,048	1,193
Corporates	-	-	-	-	1,644	-	954	-	-	26,737	1,354	-	-	-	-	30,688	21,814
Retail	-	-	-	-	-	1,371	-	-	32,554	-	-	-	-	-	-	33,925	32,068
Secured by mortgages on immovable property	-	-	-	-	-	6,488	1,581	-	1,147	238	1	-	-	-	-	9,455	8,632
Exposures in default	-	-	-	-	-	-	-	-	-	1,252	810	-	-	-	-	2,061	1,884
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	77	-	-	-	-	77	18
Covered bonds	-	-	-	136	-	-	-	-	-	-	-	-	-	-	-	136	18.17
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	1	-	-	1	9	61	72	72
Equity exposures	613	-	-	-	-	-	-	-	-	643	-	71	-	-	-	1,326	1,326
Other exposures	1,672	-	0	1	640	-	6,041	-	8	26,210	2	2,153	-	-	7,831	44,557	40,246
TOTAL	**22,366**	**190**	**0**	**139**	**7,134**	**7,858**	**9,226**	**-**	**33,709**	**56,543**	**2,511**	**2,224**	**1**	**9**	**7,899**	**149,807**	**113,774**

(In EURm)	31.12.2023																
	Risk Weight																
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Other Risk Weight**	**Total**	**of which unrated**
Central governments or central banks	13,187	-	-	195	175	-	113	-	-	818	435	-	-	-	-	14,923	3,243
Regional governments or local authorities	157	-	-	-	793	-	18	-	-	43	-	-	-	-	0	1,010	627
Public sector entities	0	-	-	-	117	-	0	-	-	132	-	-	-	-	0	250	213
Multilateral Development Banks	972	-	-	-	-	-	-	-	-	0	-	-	-	-	-	972	18
International Organisations	10	-	-	-	-	-	-	-	-	0	-	-	-	-	-	10	0
Institutions	79	327	0	-	3,333	-	651	-	-	511	-	-	-	8	-	4,909	1,415
Corporates	14	-	0	-	1,586	-	1,082	-	-	31,720	2,189	-	-	2	-	36,594	28,996
Retail	-	-	-	-	-	1,471	-	-	31,141	-	-	-	-	-	-	32,612	31,596
Secured by mortgages on immovable property	-	-	-	-	-	8,810	2,700	-	2,827	67	12	-	-	-	1	14,417	12,621
Exposures in default	-	-	-	-	-	-	-	-	-	1,662	585	-	-	-	-	2,247	2,088
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	244	-	-	-	-	244	179
Covered bonds	-	-	-	159	-	-	-	-	-	-	-	-	-	-	-	159	-
Claims on institutions and corporates with a short-term credit assessment	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	1	-	-	1	8	47	57	57
Equity exposures	243	-	-	-	-	-	-	-	-	995	-	129	-	-	-	1,367	1,367
Other exposures	4,141	-	-	13	866	0	4,905	-	1	26,216	2	2,239	-	-	8,044	46,426	43,530
TOTAL	**18,802**	**327**	**0**	**367**	**6,871**	**10,281**	**9,468**	**-**	**33,968**	**62,166**	**3,466**	**2,369**	**1**	**19**	**8,093**	**156,198**	**125,951**

TABLE 58: INTERNAL APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (CR6) – AIRB

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

	31.12.2024												
(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and Provisions
Central governments and central banks	0.00 to < 0.15	285,471	4,764	68%	301,232	0.02%	400	0.74%	1	1,893	0.63%	1	(1)
	0.00 to < 0.10	*282,434*	*4,763*	*68%*	*298,195*	*0.02%*	*398*	*0.58%*	*1*	*1,313*	*0.44%*	*1*	*(1)*
	0.10 to < 0.15	*3,036*	*1*	*49%*	*3,037*	*0.13%*	*2*	*16.54%*	*3*	*580*	*19.09%*	*1*	*(0)*
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	1,268	157	75%	2,989	0.26%	24	35.62%	3	817	27.33%	2	(16)
	0.50 to < 0.75	1,836	53	53%	1,952	0.50%	9	14.71%	1	479	24.52%	1	(0)
	0.75 to < 2.50	3,376	144	45%	3,445	1.36%	14	24.29%	3	2,076	60.27%	11	(1)
	0.75 to < 1.75	*2,516*	*46*	*75%*	*2,555*	*1.10%*	*8*	*24.76%*	*3*	*1,430*	*55.98%*	*7*	*(1)*
	1.75 to < 2.50	*860*	*98*	*31%*	*891*	*2.12%*	*6*	*22.95%*	*3*	*647*	*72.59%*	*4*	*(0)*
	2.50 to < 10.00	622	53	55%	653	6.69%	35	26.84%	2	690	105.69%	12	(0)
	2.50 to < 5.00	*159*	*53*	*55%*	*190*	*4.08%*	*27*	*35.73%*	*3*	*240*	*126.43%*	*4*	*(0)*
	5.00 to < 10.00	*463*	*0*	*75%*	*463*	*7.76%*	*8*	*23.19%*	*2*	*450*	*97.19%*	*8*	*(0)*
	10.00 to < 100.00	581	63	46%	617	12.54%	21	26.78%	2	842	136.41%	23	(3)
	10.00 to < 20.00	*506*	*61*	*45%*	*541*	*11.42%*	*13*	*24.21%*	*2*	*647*	*119.74%*	*16*	*(3)*
	20.00 to < 30.00	*75*	*1*	*74%*	*76*	*20.44%*	*8*	*44.96%*	*1*	*194*	*254.39%*	*7*	*(0)*
	30.00 to < 100.00	*0*	*0*	*0%*	*0*	*0.00%*	*0*	*0.00%*	*0*	*0*	*0.00%*	*0*	-
	100.00 (default)	27	0	75%	27	100.00%	4	69.18%	1	12	44.12%	36	(36)
	Subtotal	**293,181**	**5,234**	**67%**	**310,916**	**0.09%**	**507**	**1.54%**	**1**	**6,809**	**2.19%**	**87**	**(58)**
Institutions	0.00 to < 0.15	30,005	15,031	68%	37,098	0.03%	2,635	21.66%	2	2,151	5.80%	3	(8)
	0.00 to < 0.10	*29,312*	*12,333*	*63%*	*35,750*	*0.03%*	*2,230*	*21.61%*	*2*	*1,850*	*5.17%*	*3*	*(7)*
	0.10 to < 0.15	*693*	*2,698*	*90%*	*1,348*	*0.13%*	*405*	*23.12%*	*3*	*301*	*22.36%*	*0*	*(0)*
	0.15 to < 0.25	0	0	0%	0	0.00%	0	0.00%	0	0	0.00%	0	-
	0.25 to < 0.50	791	832	60%	1,303	0.26%	569	24.82%	2	340	26.07%	1	(0)
	0.50 to < 0.75	560	449	51%	805	0.50%	123	38.93%	1	267	33.22%	1	(13)
	0.75 to < 2.50	163	127	33%	206	1.76%	138	28.33%	1	136	66.01%	1	(0)
	0.75 to < 1.75	*47*	*82*	*32%*	*73*	*1.10%*	*75*	*24.38%*	*2*	*38*	*52.33%*	*0*	*(0)*
	1.75 to < 2.50	*116*	*45*	*34%*	*133*	*2.12%*	*63*	*30.50%*	*1*	*98*	*73.54%*	*1*	*(0)*
	2.50 to < 10.00	432	818	71%	1,018	3.41%	257	44.19%	1	1,461	143.47%	15	(1)
	2.50 to < 5.00	*408*	*815*	*71%*	*994*	*3.30%*	*242*	*44.11%*	*1*	*1,412*	*142.12%*	*15*	*(1)*
	5.00 to < 10.00	*24*	*3*	*25%*	*24*	*7.76%*	*15*	*47.25%*	*1*	*49*	*198.53%*	*1*	*(0)*
	10.00 to < 100.00	117	83	22%	130	13.97%	67	18.53%	0	126	96.82%	4	(0)
	10.00 to < 20.00	*96*	*80*	*22%*	*113*	*12.29%*	*39*	*14.81%*	*0*	*80*	*70.83%*	*2*	*(0)*
	20.00 to < 30.00	*16*	*3*	*30%*	*17*	*25.31%*	*28*	*43.73%*	*1*	*46*	*272.58%*	*2*	*(0)*
	30.00 to < 100.00	*5*	*0*	*0%*	*0*	*0.00%*	*0*	*0.00%*	*0*	*0*	*0.00%*	*0*	-
	100.00 (default)	9	61	100%	73	100.00%	17	14.85%	4	94	129.72%	7	(7)
	Subtotal	**32,077**	**17,402**	**67%**	**40,633**	**0.36%**	**3,806**	**22.68%**	**2**	**4,575**	**11.26%**	**33**	**(29)**
Corporate – SME	0.00 to < 0.15	1,854	391	50%	713	0.10%	7,321	30.29%	3	136	19.02%	0	(1)
	0.00 to < 0.10	*1,449*	*148*	*52%*	*228*	*0.05%*	*1,171*	*32.07%*	*3*	*37*	*16.34%*	*0*	*(0)*
	0.10 to < 0.15	*405*	*243*	*49%*	*485*	*0.13%*	*6,150*	*29.45%*	*3*	*98*	*20.28%*	*0*	*(1)*
	0.15 to < 0.25	38	5	47%	40	0.16%	238	38.65%	3	9	23.29%	0	(0)
	0.25 to < 0.50	2,762	1,615	44%	3,436	0.31%	10,611	39.59%	2	1,264	36.77%	4	(3)
	0.50 to < 0.75	2,049	1,050	44%	2,630	0.53%	5,582	33.52%	3	1,143	43.45%	5	(4)
	0.75 to < 2.50	12,099	2,868	53%	13,806	1.42%	18,448	21.16%	3	5,540	40.13%	24	(22)
	0.75 to < 1.75	*6,909*	*2,225*	*54%*	*8,271*	*0.98%*	*11,216*	*20.01%*	*2*	*2,693*	*32.56%*	*18*	*(8)*
	1.75 to < 2.50	*5,190*	*644*	*51%*	*5,534*	*2.09%*	*7,232*	*22.89%*	*4*	*2,847*	*51.45%*	*6*	*(14)*
	2.50 to < 10.00	7,748	1,233	50%	8,366	5.03%	18,850	32.85%	3	6,992	83.58%	137	(122)
	2.50 to < 5.00	*5,499*	*968*	*53%*	*5,999*	*3.97%*	*14,152*	*33.10%*	*3*	*4,768*	*79.48%*	*79*	*(67)*
	5.00 to < 10.00	*2,249*	*265*	*42%*	*2,366*	*7.70%*	*4,698*	*32.22%*	*3*	*2,224*	*93.97%*	*58*	*(55)*
	10.00 to < 100.00	2,414	279	47%	2,488	17.43%	7,440	33.86%	3	3,079	123.76%	149	(191)
	10.00 to < 20.00	*1,612*	*190*	*48%*	*1,681*	*12.42%*	*3,664*	*34.71%*	*3*	*2,005*	*119.24%*	*73*	*(108)*
	20.00 to < 30.00	*564*	*68*	*40%*	*556*	*24.20%*	*2,202*	*31.11%*	*2*	*712*	*127.86%*	*44*	*(49)*
	30.00 to < 100.00	*238*	*21*	*54%*	*250*	*36.01%*	*1,574*	*34.26%*	*3*	*363*	*144.98%*	*31*	*(35)*
	100.00 (default)	1,382	232	42%	1,478	99.64%	5,663	51.87%	2	2,401	162.41%	785	(714)
	Subtotal	**30,346**	**7,672**	**49%**	**32,957**	**7.73%**	**74,153**	**29.59%**	**3**	**20,564**	**62.40%**	**1,104**	**(1,058)**

(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provisions
	31.12.2024												
Corporate – Specialised lending	0.00 to < 0.15	19,293	8,950	41%	15,677	0.06%	212	22.31%	3	1,709	10.90%	2	(9)
	0.00 to < 0.10	*16,366*	*6,331*	*42%*	*11,742*	*0.04%*	*94*	*23.24%*	*3*	*1,172*	*9.98%*	*1*	*(8)*
	0.10 to < 0.15	*2,927*	*2,619*	*38%*	*3,935*	*0.13%*	*118*	*19.52%*	*2*	*537*	*13.64%*	*1*	*(1)*
	0.15 to < 0.25	27	0	0%	27	0.16%	1	30.00%	5	9	31.63%	0	(0)
	0.25 to < 0.50	7,329	4,618	39%	8,274	0.27%	243	18.24%	3	1,610	19.46%	4	(1)
	0.50 to < 0.75	12,811	5,381	44%	15,184	0.53%	519	19.14%	3	4,704	30.98%	15	(7)
	0.75 to < 2.50	16,346	7,142	41%	19,288	1.57%	1,124	15.16%	2	7,872	40.81%	54	(52)
	0.75 to < 1.75	*9,730*	*4,131*	*40%*	*11,377*	*1.14%*	*601*	*14.22%*	*2*	*4,319*	*37.97%*	*23*	*(18)*
	1.75 to < 2.50	*6,616*	*3,011*	*43%*	*7,911*	*2.19%*	*523*	*16.50%*	*2*	*3,553*	*44.91%*	*31*	*(34)*
	2.50 to < 10.00	5,592	2,949	37%	6,676	4.05%	632	19.71%	3	4,284	64.17%	58	(113)
	2.50 to < 5.00	*4,702*	*2,429*	*36%*	*5,586*	*3.51%*	*534*	*18.57%*	*3*	*3,288*	*58.86%*	*39*	*(80)*
	5.00 to < 10.00	*890*	*520*	*39%*	*1,091*	*6.80%*	*98*	*25.56%*	*4*	*997*	*91.39%*	*19*	*(33)*
	10.00 to < 100.00	1,230	270	45%	1,352	18.75%	141	24.39%	3	1,722	127.33%	64	(189)
	10.00 to < 20.00	*631*	*197*	*43%*	*716*	*12.91%*	*99*	*23.91%*	*3*	*862*	*120.41%*	*23*	*(49)*
	20.00 to < 30.00	*592*	*73*	*52%*	*630*	*25.20%*	*38*	*24.73%*	*3*	*848*	*134.52%*	*40*	*(133)*
	30.00 to < 100.00	*6*	*0*	*20%*	*7*	*36.21%*	*4*	*45.00%*	*1*	*13*	*192.45%*	*1*	*(7)*
	100.00 (default)	1,469	52	39%	1,489	100.00%	135	31.01%	3	950	63.83%	439	(439)
	Subtotal	**64,096**	**29,362**	**41%**	**67,967**	**3.57%**	**3,007**	**19.06%**	**3**	**22,860**	**33.63%**	**636**	**(810)**
Corporate – Other	0.00 to < 0.15	43,734	121,474	46%	89,684	0.06%	3,874	30.53%	2	13,132	14.64%	231	(19)
	0.00 to < 0.10	*30,272*	*91,285*	*46%*	*64,972*	*0.04%*	*1,933*	*31.50%*	*2*	*7,983*	*12.29%*	*16*	*(12)*
	0.10 to < 0.15	*13,462*	*30,189*	*45%*	*24,712*	*0.13%*	*1,941*	*27.98%*	*2*	*5,149*	*20.84%*	*216*	*(8)*
	0.15 to < 0.25	172	21	39%	180	0.17%	203	35.22%	3	65	35.86%	0	(0)
	0.25 to < 0.50	11,649	17,441	45%	17,877	0.26%	6,042	37.03%	2	5,631	31.50%	15	(9)
	0.50 to < 0.75	10,562	19,745	37%	17,703	0.50%	4,016	32.32%	2	10,297	58.17%	28	(19)
	0.75 to < 2.50	13,886	14,399	44%	19,464	1.54%	7,674	37.14%	2	14,693	75.49%	88	(145)
	0.75 to < 1.75	*7,555*	*8,886*	*46%*	*11,093*	*1.11%*	*4,307*	*28.10%*	*2*	*7,065*	*63.69%*	*35*	*(26)*
	1.75 to < 2.50	*6,331*	*5,514*	*41%*	*8,372*	*2.12%*	*3,367*	*49.12%*	*2*	*7,628*	*91.12%*	*52*	*(119)*
	2.50 to < 10.00	17,141	8,273	45%	20,185	4.50%	16,684	30.25%	2	20,085	99.51%	257	(309)
	2.50 to < 5.00	*13,956*	*6,922*	*45%*	*16,505*	*3.80%*	*14,312*	*30.21%*	*2*	*15,749*	*95.42%*	*179*	*(187)*
	5.00 to < 10.00	*3,185*	*1,351*	*47%*	*3,679*	*7.63%*	*2,372*	*30.41%*	*2*	*4,336*	*117.84%*	*78*	*(121)*
	10.00 to < 100.00	2,103	1,211	42%	2,664	16.68%	4,077	29.39%	1	3,994	149.92%	132	(311)
	10.00 to < 20.00	*1,379*	*961*	*42%*	*1,809*	*12.62%*	*1,800*	*30.18%*	*1*	*2,660*	*147.02%*	*68*	*(175)*
	20.00 to < 30.00	*653*	*242*	*40%*	*784*	*24.50%*	*2,046*	*27.16%*	*2*	*1,197*	*152.62%*	*56*	*(120)*
	30.00 to < 100.00	*71*	*7*	*28%*	*71*	*33.70%*	*231*	*33.76%*	*2*	*138*	*194.18%*	*7*	*(15)*
	100.00 (default)	2,056	446	40%	2,234	99.08%	1,457	45.27%	3	2,296	102.76%	1,648	(950)
	Subtotal	**101,302**	**183,011**	**45%**	**169,993**	**2.39%**	**44,027**	**32.30%**	**2**	**70,193**	**41.29%**	**2,400**	**(1,762)**
Retail – Secured by real estate SME	0.00 to < 0.15	87	1	100%	88	0.03%	14,442	11.14%	0	15	17.12%	0	(0)
	0.00 to < 0.10	*84*	*1*	*100%*	*85*	*0.03%*	*14,421*	*10.87%*	*0*	*15*	*17.59%*	*0*	*(0)*
	0.10 to < 0.15	*3*	*0*	*0%*	*3*	*0.10%*	*21*	*18.81%*	*0*	*0*	*3.84%*	*0*	*(0)*
	0.15 to < 0.25	5	0	100%	5	0.19%	27	18.51%	0	0	6.27%	0	(0)
	0.25 to < 0.50	3	0	100%	3	0.39%	10	19.39%	0	0	10.46%	0	(0)
	0.50 to < 0.75	3	0	0%	3	0.64%	16	34.58%	0	1	32.25%	0	(0)
	0.75 to < 2.50	3,159	22	100%	3,181	1.29%	10,772	11.54%	0	519	16.31%	5	(1)
	0.75 to < 1.75	*2,832*	*20*	*100%*	*2,852*	*1.19%*	*10,373*	*11.38%*	*0*	*444*	*15.57%*	*4*	*(0)*
	1.75 to < 2.50	*327*	*2*	*100%*	*329*	*2.17%*	*399*	*12.91%*	*0*	*75*	*22.79%*	*1*	*(0)*
	2.50 to < 10.00	824	7	100%	831	3.40%	2,504	10.69%	0	224	27.02%	3	(1)
	2.50 to < 5.00	*823*	*7*	*100%*	*830*	*3.40%*	*2,499*	*10.68%*	*0*	*224*	*26.99%*	*3*	*(1)*
	5.00 to < 10.00	*1*	*0*	*0%*	*1*	*8.72%*	*5*	*19.62%*	*0*	*0*	*68.48%*	*0*	*(0)*
	10.00 to < 100.00	281	6	100%	287	18.67%	916	10.33%	0	161	56.26%	6	(4)
	10.00 to < 20.00	*278*	*6*	*100%*	*284*	*18.44%*	*912*	*10.04%*	*0*	*149*	*52.62%*	*5*	*(3)*
	20.00 to < 30.00	*1*	*0*	*100%*	*1*	*27.12%*	*4*	*18.78%*	*0*	*1*	*94.32%*	*0*	*(0)*
	30.00 to < 100.00	*2*	*0*	*0%*	*2*	*50.00%*	*0*	*50.06%*	*0*	*11*	*600.05%*	*0*	*(0)*
	100.00 (default)	52	0	100%	49	100.00%	499	43.83%	0	82	167.86%	17	(17)
	Subtotal	**4,414**	**36**	**100%**	**4,446**	**3.87%**	**29,186**	**11.68%**	**0**	**1,004**	**22.57%**	**30**	**(22)**

(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provisions
						31.12.2024							
Retail – Secured by real estate non-SME	0.00 to < 0.15	46,948	807	100%	47,752	0.07%	262,038	15.81%	0	1,715	3.59%	5	(11)
	0.00 to < 0.10	29,672	657	100%	30,326	0.05%	143,522	15.88%	0	1,050	3.46%	3	(10)
	0.10 to < 0.15	17,276	150	100%	17,426	0.10%	118,516	15.70%	0	665	3.82%	3	(1)
	0.15 to < 0.25	24,209	277	86%	24,456	0.19%	184,706	16.37%	0	1,587	6.49%	8	(3)
	0.25 to < 0.50	13,677	266	86%	13,855	0.39%	125,288	16.54%	0	1,585	11.44%	9	(7)
	0.50 to < 0.75	1,500	119	57%	1,561	0.56%	20,026	18.56%	0	264	16.89%	2	(2)
	0.75 to < 2.50	24,349	319	89%	24,621	1.21%	175,213	16.54%	0	5,842	23.73%	49	(23)
	0.75 to < 1.75	19,161	253	86%	19,374	0.93%	144,073	16.77%	0	4,004	20.67%	30	(13)
	1.75 to < 2.50	5,188	66	99%	5,247	2.25%	31,140	15.70%	0	1,838	35.02%	19	(9)
	2.50 to < 10.00	3,618	41	91%	3,652	5.35%	30,396	17.04%	0	2,169	59.39%	33	(21)
	2.50 to < 5.00	2,636	31	89%	2,661	4.17%	22,453	17.19%	0	1,435	53.91%	19	(13)
	5.00 to < 10.00	982	10	97%	991	8.52%	7,943	16.64%	0	734	74.11%	14	(8)
	10.00 to < 100.00	460	4	98%	462	26.15%	4,234	17.09%	0	466	100.95%	21	(13)
	10.00 to < 20.00	80	1	93%	80	12.98%	944	16.96%	0	74	92.36%	2	(2)
	20.00 to < 30.00	352	3	100%	354	26.59%	2,896	16.93%	0	365	103.27%	16	(8)
	30.00 to < 100.00	28	0	100%	28	58.40%	394	19.51%	0	27	96.13%	3	(3)
	100.00 (default)	643	1	91%	624	100.00%	7,724	38.08%	0	1,317	211.29%	184	(184)
	Subtotal	**115,404**	**1,835**	**91%**	**116,982**	**1.18%**	**809,625**	**16.37%**	**0**	**14,944**	**12.78%**	**310**	**(264)**
Retail – Qualifying revolving	0.00 to < 0.15	93	875	48%	1,245	0.07%	3,633,146	52.10%	0	35	2.83%	0	(1)
	0.00 to < 0.10	13	405	40%	735	0.05%	2,182,906	53.23%	0	16	2.16%	0	(0)
	0.10 to < 0.15	80	471	54%	510	0.11%	1,450,240	50.47%	0	19	3.80%	0	(1)
	0.15 to < 0.25	79	353	40%	508	0.19%	1,744,339	48.75%	0	31	6.01%	0	(1)
	0.25 to < 0.50	90	230	47%	322	0.38%	832,084	48.92%	0	33	10.12%	1	(1)
	0.50 to < 0.75	13	51	54%	41	0.65%	68,476	51.82%	0	7	18.45%	0	(0)
	0.75 to < 2.50	480	492	43%	988	1.42%	2,543,218	43.98%	0	249	25.20%	6	(11)
	0.75 to < 1.75	297	374	42%	677	0.99%	1,835,545	44.60%	0	135	19.98%	3	(6)
	1.75 to < 2.50	183	118	43%	312	2.34%	707,673	42.63%	0	114	36.53%	3	(5)
	2.50 to < 10.00	468	151	41%	613	5.93%	902,818	43.18%	0	417	68.01%	16	(19)
	2.50 to < 5.00	253	104	42%	352	4.27%	538,072	42.51%	0	193	54.85%	6	(8)
	5.00 to < 10.00	215	47	40%	262	8.16%	364,746	44.07%	0	224	85.73%	9	(10)
	10.00 to < 100.00	174	21	53%	208	24.25%	277,346	45.19%	0	286	137.44%	23	(18)
	10.00 to < 20.00	72	6	35%	74	12.56%	35,622	46.95%	0	85	114.00%	4	(4)
	20.00 to < 30.00	72	15	61%	104	27.09%	230,499	44.50%	0	160	153.82%	13	(6)
	30.00 to < 100.00	30	1	37%	30	43.35%	11,225	43.23%	0	42	138.82%	6	(7)
	100.00 (default)	224	7	6%	223	100.00%	200,706	63.93%	0	299	133.98%	127	(127)
	Subtotal	**1,621**	**2,179**	**45%**	**4,149**	**7.89%**	**10,202,133**	**48.48%**	**0**	**1,357**	**32.71%**	**173**	**(178)**
Retail – Other SME	0.00 to < 0.15	212	1	93%	66	0.08%	459	16.35%	0	3	5.30%	0	(0)
	0.00 to < 0.10	181	0	71%	35	0.05%	289	16.24%	0	2	5.34%	0	(0)
	0.10 to < 0.15	30	0	98%	31	0.11%	170	16.48%	0	2	5.26%	0	(0)
	0.15 to < 0.25	60	1	99%	61	0.18%	2,775	22.89%	0	5	7.67%	0	(0)
	0.25 to < 0.50	59	268	82%	292	0.37%	207,545	46.76%	0	84	28.62%	1	(0)
	0.50 to < 0.75	2,885	25	89%	2,906	0.63%	68,598	29.28%	0	930	32.00%	2	(5)
	0.75 to < 2.50	8,669	345	63%	8,948	1.49%	276,803	29.58%	0	2,851	31.86%	40	(22)
	0.75 to < 1.75	5,907	222	74%	6,068	1.20%	172,138	27.73%	0	1,688	27.82%	20	(8)
	1.75 to < 2.50	2,761	123	42%	2,880	2.10%	104,665	33.47%	0	1,163	40.38%	20	(14)
	2.50 to < 10.00	3,840	142	41%	3,973	5.18%	138,851	30.73%	0	1,695	42.66%	65	(57)
	2.50 to < 5.00	2,699	55	54%	2,726	3.96%	56,389	29.35%	0	1,060	38.88%	32	(24)
	5.00 to < 10.00	1,140	87	33%	1,247	7.84%	82,462	33.76%	0	635	50.94%	32	(32)
	10.00 to < 100.00	965	87	36%	1,099	22.42%	74,370	36.14%	0	846	76.99%	91	(72)
	10.00 to < 20.00	474	60	35%	566	14.57%	45,770	36.50%	0	392	69.20%	29	(24)
	20.00 to < 30.00	316	21	41%	349	25.76%	21,383	34.10%	0	269	77.16%	33	(24)
	30.00 to < 100.00	174	6	33%	184	40.28%	7,217	38.91%	0	185	100.66%	29	(24)
	100.00 (default)	1,360	5	12%	1,325	99.95%	40,802	46.59%	0	1,552	117.16%	701	(701)
	Subtotal	**18,048**	**873**	**63%**	**18,671**	**10.33%**	**810,203**	**31.57%**	**0**	**7,967**	**42.67%**	**899**	**(857)**

		31.12.2024												
(In EURm)	**PD scale**	**Original on-balance sheet gross exposure**	**Off-balance sheet exposures pre CCF**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD**	**Number of obligors**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**	**EL**	**Value adjust-ments and Provisions**
Retail – Other non-SME	0.00 to < 0.15	1,906	36	72%	1,942	0.08%	74,352	21.54%	0	96	4.92%	0	(4)
	0.00 to < 0.10	*917*	*25*	*63%*	*942*	*0.05%*	*24,400*	*20.02%*	*0*	*31*	*3.27%*	*0*	*(1)*
	0.10 to < 0.15	*989*	*12*	*91%*	*1,001*	*0.10%*	*49,952*	*22.98%*	*0*	*65*	*6.48%*	*0*	*(3)*
	0.15 to < 0.25	2,071	23	98%	2,091	0.19%	146,514	25.94%	0	240	11.49%	1	(8)
	0.25 to < 0.50	2,352	455	76%	2,675	0.39%	306,421	41.04%	0	746	27.90%	4	(7)
	0.50 to < 0.75	1,252	368	100%	1,622	0.58%	231,649	43.42%	0	612	37.74%	4	(3)
	0.75 to < 2.50	11,812	1,342	83%	13,488	1.11%	706,357	25.70%	0	4,225	31.32%	43	(52)
	0.75 to < 1.75	*10,484*	*1,294*	*82%*	*12,113*	*0.99%*	*569,617*	*24.74%*	*0*	*3,535*	*29.19%*	*33*	*(33)*
	1.75 to < 2.50	*1,327*	*48*	*100%*	*1,376*	*2.14%*	*136,740*	*34.15%*	*0*	*690*	*50.13%*	*10*	*(19)*
	2.50 to < 10.00	3,804	81	100%	3,884	4.62%	360,281	40.14%	0	2,551	65.69%	71	(73)
	2.50 to < 5.00	*2,467*	*77*	*100%*	*2,542*	*3.48%*	*239,615*	*37.09%*	*0*	*1,512*	*59.49%*	*32*	*(30)*
	5.00 to < 10.00	*1,337*	*4*	*100%*	*1,342*	*6.78%*	*120,666*	*45.93%*	*0*	*1,039*	*77.42%*	*39*	*(42)*
	10.00 to < 100.00	1,117	98	100%	1,214	24.18%	116,947	37.37%	0	1,147	94.43%	102	(100)
	10.00 to < 20.00	*425*	*1*	*100%*	*425*	*12.68%*	*37,143*	*48.79%*	*0*	*420*	*98.82%*	*26*	*(35)*
	20.00 to < 30.00	*524*	*97*	*100%*	*621*	*26.81%*	*64,131*	*29.80%*	*0*	*539*	*86.87%*	*49*	*(33)*
	30.00 to < 100.00	*168*	*0*	*100%*	*168*	*43.53%*	*15,673*	*36.44%*	*0*	*187*	*111.23%*	*28*	*(31)*
	100.00 (default)	1,655	12	82%	1,655	100.00%	163,999	52.52%	0	1,046	63.21%	903	(903)
	Subtotal	**25,969**	**2,415**	**86%**	**28,572**	**8.06%**	**2,106,520**	**31.89%**	**0**	**10,664**	**37.32%**	**1,128**	**(1,149)**
TOTAL		**686,458**	**250,018**	**47%**	**795,287**	**1.96%**	**14,083,167**	**16.13%**		**160,936**	**20.24%**	**6,800**	**(6,187)**

(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provisions
	31.12.2023												
Central governments and central banks	0.00 to < 0.15	285,918	5,301	67%	303,654	0.02%	362	0.75%	1	1,599	0.53%	1	(3)
	0.00 to < 0.10	*282,054*	*5,300*	*67%*	*299,790*	*0.02%*	*359*	*0.61%*	*1*	*1,071*	*0.36%*	*1*	*(3)*
	0.10 to < 0.15	*3,864*	*1*	*48%*	*3,864*	*0.13%*	*3*	*11.63%*	*3*	*527*	*13.64%*	*1*	*()*
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	0	0
	0.25 to < 0.50	2,272	162	75%	4,101	0.26%	12	19.83%	3	1,049	25.58%	2	(13)
	0.50 to < 0.75	1,626	7	75%	1,628	0.50%	8	19.37%	1	540	33.19%	2	()
	0.75 to < 2.50	2,604	180	58%	2,751	1.41%	12	22.58%	3	1,300	47.26%	9	(1)
	0.75 to < 1.75	*1,862*	*104*	*57%*	*1,926*	*1.10%*	*5*	*23.08%*	*3*	*828*	*43.00%*	*5*	*(1)*
	1.75 to < 2.50	*741*	*76*	*60%*	*824*	*2.12%*	*7*	*21.41%*	*2*	*472*	*57.21%*	*4*	*()*
	2.50 to < 10.00	637	70	54%	692	6.54%	62	26.88%	2	764	110.45%	12	(1)
	2.50 to < 5.00	*156*	*70*	*54%*	*210*	*3.73%*	*50*	*29.65%*	*3*	*228*	*108.72%*	*2*	*()*
	5.00 to < 10.00	*481*	*0*	*75%*	*481*	*7.76%*	*12*	*25.67%*	*2*	*535*	*111.20%*	*10*	*(1)*
	10.00 to < 100.00	636	103	46%	692	12.32%	25	24.95%	3	911	131.67%	22	(4)
	10.00 to < 20.00	*568*	*103*	*46%*	*623*	*11.43%*	*17*	*22.81%*	*3*	*739*	*118.47%*	*16*	*(4)*
	20.00 to < 30.00	*68*	*0*	*75%*	*68*	*20.44%*	*8*	*44.58%*	*1*	*172*	*252.53%*	*6*	*()*
	30.00 to < 100.00	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*0*
	100.00 (default)	57	0.00	75%	57	100.00%	8	77.08%	1	5	8.54%	67	(67)
	Subtotal	**293,749**	**5,823**	**66%**	**313,574**	**0.10%**	**489**	**1.41%**	**1**	**6,167**	**1.97%**	**115**	**(90)**
Institutions	0.00 to < 0.15	29,447	12,015	64%	34,069	0.03%	2,518	23.14%	3	2,309	6.78%	3	(12)
	0.00 to < 0.10	*28,705*	*11,643*	*64%*	*33,037*	*0.03%*	*2,120*	*23.13%*	*3*	*2,128*	*6.44%*	*2*	*(12)*
	0.10 to < 0.15	*742*	*372*	*60%*	*1,032*	*0.13%*	*398*	*23.34%*	*2*	*181*	*17.54%*	*0*	*()*
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	0	0
	0.25 to < 0.50	573	821	65%	1,074	0.26%	301	22.93%	2	296	27.59%	1	()
	0.50 to < 0.75	410	622	38%	649	0.50%	129	32.04%	2	331	50.98%	1	()
	0.75 to < 2.50	298	368	41%	413	1.62%	113	29.86%	1	275	66.44%	2	(20)
	0.75 to < 1.75	*58*	*334*	*43%*	*201*	*1.10%*	*63*	*33.92%*	*1*	*128*	*63.57%*	*1*	*(20)*
	1.75 to < 2.50	*240*	*35*	*27%*	*212*	*2.12%*	*50*	*26.01%*	*1*	*147*	*69.16%*	*1*	*()*
	2.50 to < 10.00	3,119	200	32%	513	4.96%	447	34.95%	2	667	129.97%	9	(5)
	2.50 to < 5.00	*2,989*	*162*	*32%*	*370*	*3.88%*	*423*	*35.15%*	*2*	*482*	*130.48%*	*5*	*(1)*
	5.00 to < 10.00	*130*	*38*	*35%*	*143*	*7.76%*	*24*	*34.44%*	*1*	*184*	*128.65%*	*4*	*(4)*
	10.00 to < 100.00	162	124	41%	307	19.78%	67	16.59%	2	302	98.45%	10	(1)
	10.00 to < 20.00	*128*	*61*	*23%*	*142*	*13.46%*	*37*	*12.70%*	*1*	*97*	*67.93%*	*2*	*()*
	20.00 to < 30.00	*34*	*63*	*57%*	*164*	*25.25%*	*30*	*19.96%*	*2*	*205*	*124.82%*	*7*	*(1)*
	30.00 to < 100.00	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*0*
	100.00 (default)	44	78	87%	112	100.00%	19	24.69%	3	199	176.98%	17	(17)
	Subtotal	**34,053**	**14,228**	**62%**	**37,138**	**0.60%**	**3,594**	**23.48%**	**3**	**4,379**	**11.79%**	**42**	**(55)**
Corporate – SME	0.00 to < 0.15	2,021	830	66%	995	0.11%	5,652	33.11%	2	188	18.94%	1	(1)
	0.00 to < 0.10	*1,516*	*286*	*71%*	*240*	*0.05%*	*1,229*	*22.30%*	*3*	*32*	*13.36%*	*0*	*()*
	0.10 to < 0.15	*505*	*543*	*64%*	*755*	*0.13%*	*4,423*	*36.54%*	*2*	*156*	*20.71%*	*0*	*(1)*
	0.15 to < 0.25	53	18	42%	60	0.17%	235	37.77%	3	14	22.51%	0	()
	0.25 to < 0.50	2,379	1,043	54%	2,872	0.30%	8,975	38.43%	2	1,020	35.51%	4	(2)
	0.50 to < 0.75	2,289	1,214	51%	2,899	0.53%	7,330	33.23%	3	1,219	42.06%	5	(4)
	0.75 to < 2.50	13,953	2,956	55%	15,361	1.44%	20,641	23.64%	3	6,614	43.06%	54	(35)
	0.75 to < 1.75	*8,010*	*2,211*	*56%*	*9,035*	*1.02%*	*12,482*	*22.89%*	*2*	*3,276*	*36.25%*	*22*	*(13)*
	1.75 to < 2.50	*5,943*	*745*	*54%*	*6,326*	*2.05%*	*8,159*	*24.71%*	*4*	*3,339*	*52.78%*	*32*	*(22)*
	2.50 to < 10.00	9,421	1,354	52%	10,090	4.81%	19,146	32.93%	3	8,082	80.11%	160	(131)
	2.50 to < 5.00	*7,020*	*1,090*	*52%*	*7,550*	*3.88%*	*14,903*	*33.54%*	*3*	*5,786*	*76.63%*	*100*	*(76)*
	5.00 to < 10.00	*2,401*	*264*	*50%*	*2,539*	*7.57%*	*4,243*	*31.11%*	*3*	*2,296*	*90.43%*	*60*	*(54)*
	10.00 to < 100.00	2,427	316	47%	2,604	17.66%	6,653	29.68%	2	2,758	105.89%	138	(185)
	10.00 to < 20.00	*1,630*	*213*	*44%*	*1,741*	*12.49%*	*3,632*	*30.13%*	*2*	*1,763*	*101.26%*	*66*	*(96)*
	20.00 to < 30.00	*534*	*65*	*47%*	*574*	*24.11%*	*1,826*	*27.62%*	*2*	*634*	*110.36%*	*38*	*(53)*
	30.00 to < 100.00	*262*	*39*	*58%*	*290*	*35.99%*	*1,195*	*31.09%*	*2*	*361*	*124.83%*	*33*	*(36)*
	100.00 (default)	1,342	208	44%	1,432	99.42%	5,467	49.35%	2	2,356	164.46%	808	(691)
	Subtotal	**33,885**	**7,938**	**54%**	**36,314**	**7.20%**	**74,099**	**29.89%**	**3**	**22,251**	**61.27%**	**1,169**	**(1,050)**

(In EURm)	PD scale	31.12.2023 Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provisions
Corporate – Specialised lending	0.00 to < 0.15	19,070	8,484	40%	15,666	0.06%	217	22.11%	3	1,864	11.90%	2	(13)
	0.00 to < 0.10	*15,822*	*6,329*	*40%*	*11,578*	*0.04%*	*117*	*22.50%*	*3*	*1,189*	*10.27%*	*1*	*(12)*
	0.10 to < 0.15	*3,247*	*2,155*	*39%*	*4,088*	*0.13%*	*100*	*21.01%*	*3*	*675*	*16.51%*	*1*	*(1)*
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	0
	0.25 to < 0.50	6,404	4,005	41%	7,228	0.27%	202	17.52%	3	1,331	18.42%	3	(2)
	0.50 to < 0.75	10,694	5,295	42%	12,915	0.53%	486	14.78%	3	3,407	26.38%	11	(7)
	0.75 to < 2.50	15,506	6,841	42%	18,385	1.57%	1,106	15.45%	3	7,493	40.76%	50	(37)
	0.75 to < 1.75	*9,064*	*3,300*	*44%*	*10532*	*1.13%*	*565*	*15.07%*	*3*	*3,926*	*37.28%*	*20*	*(13)*
	1.75 to < 2.50	*6,442*	*3,541*	*40%*	*7,852*	*2.17%*	*541*	*15.97%*	*3*	*3 ,567*	*45.42%*	*30*	*(23)*
	2.50 to < 10.00	5,202	3,474	37%	6,476	3.93%	783	24.27%	3	3,823	59.03%	50	(115)
	2.50 to < 5.00	*4,681*	*3,284*	*37%*	*5,895*	*3.60%*	*692*	*24.55%*	*3*	*3,368*	*57.13%*	*41*	*(97)*
	5.00 to < 10.00	*520*	*189*	*32%*	*581*	*7.31%*	*91*	*21.48%*	*2*	*455*	*78.33%*	*9*	*(18)*
	10.00 to < 100.00	1,080	200	42%	1,166	15.96%	132	22.58%	3	1,288	110.51%	43	(103)
	10.00 to < 20.00	*797*	*169*	*43%*	*870*	*13.23%*	*85*	*22.55%*	*3*	*952*	*109.44%*	*27*	*(38)*
	20.00 to < 30.00	*280*	*31*	*36%*	*292*	*23.86%*	*46*	*22.42%*	*3*	*329*	*112.59%*	*16*	*(58)*
	30.00 to < 100.00	*3*	*-*	*-*	*3*	*36.21%*	*1*	*45.00%*	*2*	*7*	*211.21%*	*1*	*(6)*
	100.00 (default)	1,203	54	38%	1,223	100.00%	131	37.05%	3	820	67.06%	433	(433)
	Subtotal	**59,159**	**28,353**	**40%**	**63,059**	**3.50%**	**3,057**	**18.66%**	**3**	**20,027**	**31.76%**	**593**	**(708)**
Corporate – Other	0.00 to < 0.15	42,991	103,341	45%	81,054	0.06%	4,584	30.45%	2	12,127	14.96%	20	(51)
	0.00 to < 0.10	*30 ,426*	*78,608*	*45%*	*58,769*	*0.04%*	*2,889*	*30.97%*	*2*	*7,366*	*12.53%*	*11*	*(44)*
	0.10 to < 0.15	*12,564*	*24,733*	*44%*	*22,284*	*0.13%*	*1,695*	*29.09%*	*2*	*4,761*	*21.36%*	*9*	*(8)*
	0.15 to < 0.25	111	47	61%	140	0.16%	162	37.40%	2	48	34.25%	0	(0)
	0.25 to < 0.50	12,103	18,732	50%	19,584	0.26%	5,450	28.20%	2	5,947	30.37%	14	(9)
	0.50 to < 0.75	11,639	18,225	41%	18,152	0.50%	3,722	31.78%	2	10,082	55.54%	30	(21)
	0.75 to < 2.50	13,962	12,888	42%	18,480	1.52%	7,184	29.75%	1	13,750	74.40%	87	(55)
	0.75 to < 1.75	*8,245*	*7,850*	*40%*	*10 ,922*	*1.11%*	*4,034*	*28.38%*	*1*	*7,045*	*64.50%*	*36*	*(22)*
	1.75 to < 2.50	*5,718*	*5,038*	*45%*	*7,558*	*2.12%*	*3,150*	*31.73%*	*2*	*6,705*	*88.72%*	*51*	*(33)*
	2.50 to < 10.00	19,196	8,667	46%	22,592	4.30%	11,162	28.38%	2	20,826	92.18%	274	(580)
	2.50 to < 5.00	*15,997*	*7,342*	*45%*	*18,843*	*3.70%*	*9,478*	*28.17%*	*2*	*16,419*	*87.13%*	*193*	*(419)*
	5.00 to < 10.00	*3 ,199*	*1,325*	*49%*	*3,749*	*7.34%*	*1,684*	*29.43%*	*0*	*4,408*	*117.57%*	*80*	*(161)*
	10.00 to < 100.00	3,307	1,513	42%	3,849	15.34%	3,276	31.11%	2	6,052	157.25%	184	(291)
	10.00 to < 20.00	*2,677*	*1,136*	*39%*	*3,137*	*12.20%*	*1,491*	*30.71%*	*2*	*4 ,01*	*149.86%*	*117*	*(204)*
	20.00 to < 30.00	*538*	*367*	*51%*	*621*	*25.75%*	*1,671*	*33.33%*	*3*	*1 224*	*196.92%*	*53*	*(81)*
	30.00 to < 100.00	*92*	*10*	*43%*	*91*	*51,00%*	*114*	*29.54%*	*3*	*128*	*140.94%*	*13*	*(7)*
	100.00 (default)	1,920	292	46%	2,055	99.43%	1 202	45.79%	2	2 223	108.18%	1,340	(862)
	Subtotal	**105,228**	**163,705**	**45%**	**165,906**	**2.46%**	**36,742**	**30.18%**	**2**	**71,055**	**42.83%**	**1,948**	**(1,870)**
Retail – Secured by real estate SME	0.00 to < 0.15	101	1	100%	102	0.03%	14,736	11.61%	0	18	17.20%	0	(1)
	0.00 to < 0.10	*96*	*1*	*100%*	*97*	*0.03%*	*14,710*	*11.24%*	*0*	*17*	*17.92%*	*0*	*(1)*
	0.10 to < 0.15	*5*	*-*	*0%*	*5*	*0.10%*	*26*	*18.56%*	*0*	*0*	*3.72%*	*0*	*(0)*
	0.15 to < 0.25	4	-	0%	4	0.19%	30	18.69%	0	0	6.07%	0	(0)
	0.25 to < 0.50	3	0	100%	3	0.39%	17	19.05%	0	0	10.32%	0	(0)
	0.50 to < 0.75	3	-	0%	3	0.64%	15	34.63%	0	1	27.74%	0	(0)
	0.75 to < 2.50	3,283	31	100%	3,314	1.29%	11,006	11.62%	0	525	15.83%	5	(1)
	0.75 to < 1.75	*2,956*	*28*	*100%*	*2,984*	*1.19%*	*10,630*	*11.47%*	*0*	*453*	*15.19%*	*4*	*(0)*
	1.75 to < 2.50	*327*	*3*	*100%*	*330*	*2.17%*	*376*	*12.94%*	*0*	*71*	*21.66%*	*1*	*(1)*
	2.50 to < 10.00	976	9	100%	985	3.42%	3,071	10.98%	0	265	26.94%	4	(1)
	2.50 to < 5.00	*975*	*9*	*100%*	*984*	*3.41%*	*3,067*	*10.97%*	*0*	*265*	*26.90%*	*4*	*(1)*
	5.00 to < 10.00	*1*	*-*	*0%*	*1*	*8.68%*	*4*	*17.59%*	*0*	*1*	*63.35%*	*0*	*(0)*
	10.00 to < 100.00	341	4	100%	345	18.54%	1,142	10.63%	0	190	55.20%	7	(4)
	10.00 to < 20.00	*338*	*4*	*100%*	*342*	*18.48%*	*1,139*	*10.39%*	*0*	*179*	*52.36%*	*7*	*(4)*
	20.00 to < 30.00	*2*	*0*	*100%*	*3*	*27.21%*	*3*	*43.71%*	*0*	*11*	*440.52%*	*0*	*(0)*
	30.00 to < 100.00	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*0*
	100.00 (default)	68	0	100%	65	100.00%	589	47.22%	0	124	190.55%	23	(23)
	Subtotal	**4,778**	**46**	**100%**	**4,820**	**4.26%**	**30,606**	**11.92%**	**0**	**1,123**	**23.30%**	**39**	**(29)**

	31.12.2023												
(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provisions
Retail – Secured by real estate non-SME	0.00 to < 0.15	44,650	719	100%	45,365	0.07%	249,815	15.64%	0	1,587	3.50%	5	(11)
	0.00 to < 0.10	*27,720*	*513*	*100%*	*28,229*	*0.05%*	*131,958*	*15.73%*	*0*	*948*	*3.36%*	*2*	*(11)*
	0.10 to < 0.15	*16,930*	*206*	*100%*	*17,136*	*0.10%*	*117,857*	*15.50%*	*0*	*640*	*3.73%*	*3*	*()*
	0.15 to < 0.25	24,981	377	85%	25,307	0.19%	189,696	16.26%	0	1,614	6.38%	8	(5)
	0.25 to < 0.50	14,111	318	84%	14,319	0.39%	130,470	16.53%	0	1,626	11.36%	9	(7)
	0.50 to < 0.75	1,404	116	59%	1,465	0.56%	19,571	18.71%	0	245	16.73%	2	(2)
	0.75 to < 2.50	26,775	396	87%	27,104	1.22%	190,331	16.38%	0	6,311	23.29%	54	(32)
	0.75 to < 1.75	*20,929*	*328*	*85%*	*21,198*	*0.93%*	*156,056*	*16.59%*	*0*	*4,296*	*20.27%*	*33*	*(17)*
	1.75 to < 2.50	*5,846*	*69*	*98%*	*5,906*	*2.25%*	*34,275*	*15.62%*	*0*	*2,015*	*34.13%*	*21*	*(15)*
	2.50 to < 10.00	4,039	46	88%	4,075	5.35%	33,523	17.10%	0	2,399	58.88%	37	(29)
	2.50 to < 5.00	*2,942*	*36*	*85%*	*2,970*	*4.17%*	*24,763*	*17.13%*	*0*	*1,575*	*53.02%*	*21*	*(17)*
	5.00 to < 10.00	*1,097*	*10*	*97%*	*1,105*	*8.53%*	*8,760*	*17.01%*	*0*	*824*	*74.61%*	*16*	*(12)*
	10.00 to < 100.00	497	6	98%	500	26.04%	4,450	17.17%	0	497	99.40%	22	(15)
	10.00 to < 20.00	*84*	*2*	*94%*	*85*	*13.12%*	*975*	*18.09%*	*0*	*83*	*98.30%*	*2*	*(2)*
	20.00 to < 30.00	*386*	*4*	*100%*	*390*	*26.69%*	*3,116*	*16.86%*	*0*	*391*	*100.33%*	*18*	*(10)*
	30.00 to < 100.00	*26*	*0*	*100%*	*26*	*58.86%*	*359*	*18.93%*	*0*	*23*	*88.91%*	*3*	*(3)*
	100.00 (default)	643	2	87%	623	100.00%	7,834	40.60%	0	1,174	188.39%	196	(196)
	Subtotal	**117,099**	**1,981**	**89%**	**118,757**	**1.22%**	**825,690**	**16.27%**	**0**	**15,454**	**13.01%**	**333**	**(297)**
Retail – Qualifying revolving	0.00 to < 0.15	90	883	47%	1,225	0.07%	3,368,133	51.95%	0	33	2.72%	0	(1)
	0.00 to < 0.10	*16*	*415*	*40%*	*720*	*0.05%*	*1,983,449*	*53.08%*	*0*	*15*	*2.06%*	*0*	*()*
	0.10 to < 0.15	*75*	*468*	*52%*	*506*	*0.11%*	*1,384,684*	*50.35%*	*0*	*19*	*3.66%*	*0*	*(1)*
	0.15 to < 0.25	81	368	39%	524	0.19%	1,739,699	48.72%	0	30	5.71%	0	(1)
	0.25 to < 0.50	87	241	47%	327	0.38%	826,966	49.09%	0	32	9.82%	1	(1)
	0.50 to < 0.75	12	56	53%	43	0.64%	58,272	51.33%	0	7	15.86%	0	()
	0.75 to < 2.50	467	514	42%	998	1.41%	2,503,179	44.17%	0	242	24.31%	6	(10)
	0.75 to < 1.75	*292*	*390*	*41%*	*688*	*0.99%*	*1,824,230*	*44.78%*	*0*	*133*	*19.30%*	*3*	*(6)*
	1.75 to < 2.50	*174*	*123*	*42%*	*309*	*2.34%*	*678,949*	*42.82%*	*0*	*110*	*35.46%*	*3*	*(4)*
	2.50 to < 10.00	472	163	40%	635	6.01%	917,715	43.41%	0	427	67.17%	17	(20)
	2.50 to < 5.00	*245*	*110*	*40%*	*352*	*4.26%*	*536,747*	*42.88%*	*0*	*189*	*53.73%*	*6*	*(8)*
	5.00 to < 10.00	*227*	*54*	*39%*	*284*	*8.17%*	*380,968*	*44.06%*	*0*	*238*	*83.82%*	*10*	*(11)*
	10.00 to < 100.00	182	25	52%	219	24.30%	275,052	44.72%	0	292	133.24%	23	(19)
	10.00 to < 20.00	*74*	*7*	*33%*	*76*	*12.58%*	*36,334*	*46.93%*	*0*	*87*	*113.92%*	*4*	*(5)*
	20.00 to < 30.00	*77*	*17*	*60%*	*112*	*27.10%*	*226,642*	*43.97%*	*0*	*163*	*145.61%*	*13*	*(7)*
	30.00 to < 100.00	*31*	*1*	*37%*	*31*	*42.88%*	*12,076*	*42.02%*	*0*	*42*	*136.01%*	*6*	*(8)*
	100.00 (default)	230	6	7%	227	100.00%	207,502	64.32%	0	347	152.90%	127	(127)
	Subtotal	**1,621**	**2,256**	**44%**	**4,198**	**8.01%**	**9,896,518**	**48.47%**	**0**	**1,411**	**33.61%**	**174**	**(179)**
Retail – Other SME	0.00 to < 0.15	86	1	97%	75	0.07%	387	16.82%	0	6	8.03%	0	()
	0.00 to < 0.10	*55*	*1*	*97%*	*44*	*0.05%*	*253*	*16.85%*	*0*	*5*	*10.43%*	*0*	*()*
	0.10 to < 0.15	*31*	*0*	*97%*	*31*	*0.10%*	*134*	*16.78%*	*0*	*1*	*4.66%*	*0*	*()*
	0.15 to < 0.25	56	1	99%	57	0.18%	2,790	24.17%	0	5	7.88%	0	()
	0.25 to < 0.50	88	270	82%	324	0.37%	192,527	43.08%	0	75	22.99%	1	()
	0.50 to < 0.75	3,353	29	81%	3,376	0.63%	66,941	25.81%	0	844	25.01%	6	(6)
	0.75 to < 2.50	9,025	361	61%	9,318	1.51%	275,560	28.70%	0	2,785	29.88%	41	(21)
	0.75 to < 1.75	*6,031*	*234*	*72%*	*6,197*	*1.21%*	*172,760*	*27.26%*	*0*	*1,647*	*26.58%*	*20*	*(8)*
	1.75 to < 2.50	*2,994*	*127*	*41%*	*3,122*	*2.12%*	*102,800*	*31.56%*	*0*	*1,138*	*36.44%*	*21*	*(13)*
	2.50 to < 10.00	4,159	177	37%	4,326	5.10%	140,317	29.30%	0	1,686	38.96%	66	(52)
	2.50 to < 5.00	*2,973*	*72*	*46%*	*3,004*	*3.94%*	*58,671*	*27.91%*	*0*	*1,094*	*36.41%*	*33*	*(22)*
	5.00 to < 10.00	*1,186*	*105*	*31%*	*1,322*	*7.73%*	*81,646*	*32.47%*	*0*	*592*	*44.76%*	*32*	*(29)*
	10.00 to < 100.00	1,088	92	36%	1,234	22.84%	75,665	33.83%	0	811	65.71%	96	(74)
	10.00 to < 20.00	*557*	*61*	*35%*	*655*	*14.72%*	*46,422*	*32.89%*	*0*	*361*	*55.18%*	*31*	*(28)*
	20.00 to < 30.00	*295*	*24*	*40%*	*332*	*25.75%*	*21,711*	*34.51%*	*0*	*251*	*75.63%*	*30*	*(21)*
	30.00 to < 100.00	*236*	*7*	*31%*	*248*	*40.42%*	*7,532*	*35.42%*	*0*	*199*	*80.30%*	*35*	*(24)*
	100.00 (default)	1,348	5	25%	1,310	99.67%	37,398	48.65%	0	1,158	88.37%	738	(738)
	Subtotal	**19,204**	**936**	**61%**	**20,021**	**9.85%**	**791,585**	**30.14%**	**0**	**7,368**	**36.80%**	**947**	**(891)**

		31.12.2023												
(In EURm)	**PD scale**	**Original on-balance sheet gross exposure**	**Off-balance sheet exposures pre CCF**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD**	**Number of obligors**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**	**EL**	**Value adjust-ments and Provisions**
Retail – Other non-SME	0.00 to < 0.15	2,282	129	37%	2,342	0.08%	78,814	20.99%	0	109	4.65%	0	(4)
	0.00 to < 0.10	*1,104*	*103*	*22%*	*1,137*	*0.05%*	*26,661*	*19.72%*	*0*	*36*	*3.14%*	*0*	*(1)*
	0.10 to < 0.15	*1,179*	*26*	*96%*	*1,204*	*0.10%*	*52,153*	*22.19%*	*0*	*73*	*6.08%*	*0*	*(3)*
	0.15 to < 0.25	2,358	33	98%	2,386	0.19%	152,741	25.18%	0	264	11.07%	1	(10)
	0.25 to < 0.50	2,404	354	94%	2,709	0.38%	313,235	41.06%	0	740	27.33%	4	(7)
	0.50 to < 0.75	1,479	30	100%	1,509	0.58%	247,027	42.92%	0	585	38.76%	4	(3)
	0.75 to < 2.50	13,442	1,462	91%	14,652	1.17%	742,720	26.04%	0	4,606	31.44%	48	(59)
	0.75 to < 1.75	*11,761*	*1,400*	*91%*	*12,909*	*1.03%*	*603,418*	*25.46%*	*0*	*3,828*	*29.66%*	*36*	*(38)*
	1.75 to < 2.50	*1,681*	*63*	*100%*	*1,744*	*2.20%*	*139,302*	*30.33%*	*0*	*778*	*44.63%*	*11*	*(21)*
	2.50 to < 10.00	3,945	58	100%	4,001	4.60%	375,993	39.52%	0	2,588	64.67%	71	(79)
	2.50 to < 5.00	*2,711*	*52*	*100%*	*2,762*	*3.54%*	*249,305*	*37.72%*	*0*	*1,670*	*60.46%*	*36*	*(38)*
	5.00 to < 10.00	*1,233*	*6*	*100%*	*1,240*	*6.97%*	*126,688*	*43.54%*	*0*	*918*	*74.06%*	*35*	*(41)*
	10.00 to < 100.00	1,167	138	100%	1,304	23.78%	122,132	37.32%	0	1,223	93.79%	109	(106)
	10.00 to < 20.00	*441*	*3*	*100%*	*443*	*12.48%*	*40,066*	*49.18%*	*0*	*436*	*98.41%*	*27*	*(37)*
	20.00 to < 30.00	*568*	*134*	*100%*	*702*	*26.53%*	*64,904*	*30.15%*	*0*	*620*	*88.25%*	*56*	*(41)*
	30.00 to < 100.00	*158*	*0*	*100%*	*159*	*43.09%*	*17,162*	*35.92%*	*0*	*168*	*105.46%*	*25*	*(28)*
	100.00 (default)	1,543	7	99%	1,537	100.00%	172,374	53.72%	0	1,063	69.16%	856	(856)
	Subtotal	**28,621**	**2,212**	**89%**	**30,441**	**7.32%**	**2,205,036**	**31.41%**	**0**	**11,178**	**36.72%**	**1,093**	**(1,124)**
TOTAL		**697,397**	**227,477**	**47%**	**794,227**	**1.95%**	**13,867,416**	**15.53%**		**160,413**	**20.20%**	**6,454**	**(6,292)**

TABLE 59: INTERNAL APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (CR6) – FIRB

		31.12.2024											
(In EURm)	PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity *(years)*	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB Central governments and central banks	0.00 to <0.15	49	1	75%	52	0.02%	404	44.15%	3	6	12.34%	0	(0)
	0.00 to <0.10	*49*	*1*	*75%*	*52*	*0.02%*	*404*	*44.15%*	*3*	*6*	*12.34%*	*0*	*(0)*
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**49**	**1**	**75%**	**52**	**0.02%**	**404**	**44.15%**	**3**	**6**	**12.34%**	**0**	**(0)**
F-IRB Institution	0.00 to <0.15	2	-	-	2	0.03%	20	44.85%	3	0	22.40%	0	(0)
	0.00 to <0.10	*2*	-	-	*2*	*0.03%*	*19*	*44.86%*	*3*	*0*	*21.88%*	*0*	*(0)*
	0.10 to <0.15	*0*	-	-	*0*	*0.13%*	*1*	*44.38%*	*3*	*0*	*40.08%*	*0*	*(0)*
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	0	-	-	0	0.26%	2	44.37%	3	0	70.04%	0	(0)
	0.50 to <0.75	0	-	-	0	0.50%	1	45.00%	3	0	74.78%	0	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	0	-	-	0	3.26%	2	44.46%	3	0	169.44%	0	(0)
	2.5 to <5	*0*	-	-	*0*	*3.26%*	*2*	*44.46%*	*3*	*0*	*169.44%*	*0*	*(0)*
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**2**	**0**	**0**	**2**	**0.06%**	**25**	**44.83%**	**3**	**0**	**25.41%**	**0**	**(0)**
F-IRB Corporate - SME	0.00 to <0.15	8	1	75%	6	0.10%	1,715	42.99%	3	2	24.48%	0	(0)
	0.00 to <0.10	*4*	*1*	*75%*	*2*	*0.04%*	*5*	*43.63%*	*3*	*0*	*10.25%*	*0*	*(0)*
	0.10 to <0.15	*4*	*0*	*0%*	*4*	*0.13%*	*1,710*	*42.72%*	*3*	*1*	*30.45%*	*0*	*(0)*
	0.15 to <0.25	13	1	75%	14	0.16%	74	43.34%	3	3	23.92%	0	(0)
	0.25 to <0.50	398	31	75%	421	0.28%	1,239	42.93%	3	146	34.62%	0	(0)
	0.50 to <0.75	224	25	75%	243	0.55%	1,073	42.97%	3	129	53.04%	1	(0)
	0.75 to <2.50	482	44	75%	515	1.44%	2,582	43.22%	3	337	65.52%	3	(1)
	0.75 to <1.75	*235*	*24*	*75%*	*253*	*1.00%*	*1,403*	*43.23%*	*3*	*151*	*59.56%*	*1*	*(0)*
	1.75 to <2.5	*247*	*19*	*75%*	*262*	*1.86%*	*1,179*	*43.22%*	*3*	*187*	*71.28%*	*2*	*(1)*
	2.50 to <10.00	644	27	75%	663	4.86%	4,157	43.41%	3	614	92.67%	13	(10)
	2.5 to <5	*495*	*18*	*75%*	*507*	*4.02%*	*3,269*	*43.38%*	*3*	*441*	*86.89%*	*8*	*(7)*
	5 to <10	*149*	*9*	*75%*	*155*	*7.58%*	*888*	*43.49%*	*3*	*173*	*111.52%*	*5*	*(3)*
	10.00 to <100.00	254	5	75%	258	17.75%	1,832	43.48%	3	344	133.62%	18	(12)
	10 to <20	*173*	*4*	*75%*	*176*	*12.56%*	*863*	*43.54%*	*3*	*215*	*122.19%*	*8*	*(6)*
	20 to <30	*45*	*0*	*75%*	*45*	*23.71%*	*248*	*43.56%*	*3*	*69*	*151.11%*	*4*	*(3)*
	30.00 to <100.00	*36*	*0*	*75%*	*36*	*35.50%*	*721*	*43.11%*	*3*	*61*	*167.21%*	*6*	*(3)*
	100.00 (Default)	111	2	75%	113	100.00%	1,128	43.79%	3	5	4.17%	45	(49)
	Subtotal	**2,135**	**135**	**75%**	**2,232**	**8.98%**	**13,800**	**43.25%**	**3**	**1,580**	**70.80%**	**80**	**(73)**

(In EURm)	PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity *(years)*	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	31.12.2024												
F-IRB Corporate - Other than SME or specialised lending	0.00 to <0.15	469	11	75%	477	0.07%	509	43.77%	3	114	23.79%	0	(0)
	0.00 to <0.10	*354*	*9*	*75%*	*361*	*0.05%*	*261*	*43.69%*	*3*	*71*	*19.55%*	*0*	*(0)*
	0.10 to <0.15	*115*	*1*	*75%*	*116*	*0.13%*	*248*	*44.01%*	*3*	*43*	*36.94%*	*0*	*(0)*
	0.15 to <0.25	29	1	75%	29	0.17%	72	42.24%	3	12	40.27%	0	(0)
	0.25 to <0.50	171	5	75%	175	0.28%	384	43.63%	3	97	55.31%	0	(0)
	0.50 to <0.75	472	24	75%	490	0.52%	623	44.32%	3	385	78.47%	1	(0)
	0.75 to <2.50	678	27	75%	698	1.60%	1,343	43.97%	3	776	111.15%	5	(2)
	0.75 to <1.75	*377*	*13*	*75%*	*387*	*1.18%*	*700*	*44.07%*	*3*	*402*	*103.89%*	*2*	*(1)*
	1.75 to <2.5	*300*	*15*	*75%*	*311*	*2.12%*	*643*	*43.84%*	*3*	*374*	*120.17%*	*3*	*(1)*
	2.50 to <10.00	651	31	75%	675	4.22%	2,966	43.64%	3	963	142.64%	12	(9)
	2.5 to <5	*538*	*19*	*75%*	*553*	*3.53%*	*2,497*	*43.59%*	*3*	*751*	*135.72%*	*8*	*(6)*
	5 to <10	*112*	*13*	*75%*	*122*	*7.36%*	*469*	*43.89%*	*3*	*212*	*174.07%*	*4*	*(3)*
	10.00 to <100.00	137	5	75%	141	15.44%	600	44.08%	3	315	223.65%	9	(6)
	10 to <20	*107*	*4*	*75%*	*111*	*12.43%*	*385*	*44.13%*	*3*	*236*	*213.22%*	*6*	*(4)*
	20 to <30	*27*	*0*	*75%*	*27*	*25.63%*	*180*	*43.93%*	*3*	*72*	*262.22%*	*3*	*(2)*
	30.00 to <100.00	*3*	*0*	*0%*	*3*	*34.31%*	*35*	*43.42%*	*3*	*7*	*258.63%*	*0*	*(0)*
	100.00 (Default)	99	0	75%	99	100.00%	322	44.61%	3	5	5.48%	39	(22)
	Subtotal	**2,706**	**104**	**75%**	**2,785**	**5.87%**	**6,819**	**43.91%**	**3**	**2,666**	**95.75%**	**67**	**(40)**
TOTAL		**4,891**	**240**	**75%**	**5,071**	**7.18%**	**21,048**	**43.62%**	**3**	**4,254**	**83.89%**	**147**	**(114)**

		31.12.2023											
(In EURm)	PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity *(years)*	Risk weighted exposure amount after SME supporting factor	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
F-IRB Central governments and central banks	0.00 to <0.15	47	-	-	74	0.02%	334	44.89%	3	8	10.87%	0.01	(2)
	0.00 to <0.10	*47*	-	-	*74*	*0.02%*	*334*	*44.89%*	*3*	*8*	*10.87%*	*0.01*	*(2)*
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	3.26%	10	45.00%	3	0.21	149.19%	0.00	-
	2.5 to <5	-	-	-	-	*3.26%*	*10*	*45.00%*	*3*	*0.21*	*149.19%*	*0.00*	*-)*
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**47**	**-**	**-**	**74**	**0.03%**	**344**	**44.89%**	**3**	**8**	**11.13%**	**0**	**(2)**
F-IRB Institution	0.00 to <0.15	2	-	75%	2	0.03%	25	44.94%	3	-	21.56%	-	(0)
	0.00 to <0.10	*2*	-	*75%*	*2*	*0.03%*	*23*	*44.96%*	*3*	-	*20.86%*	-	*(0)*
	0.10 to <0.15	-	-	-	-	*0.13%*	*2*	*44.54%*	*3*	-	*40.22%*	-	*(0)*
	0.15 to <0.25	-	-	-	-	-	0	-	0	-	-	-	0
	0.25 to <0.50	-	-	-	-	0.26%	3	45.00%	3	-	57.38%	-	(0)
	0.50 to <0.75	-	-	-	1	0.50%	2	45.00%	3	1	107.37%	-	(0)
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	3.44%	4	45.00%	3	0	173.54%	-	(0)
	2.5 to <5	-	-	-	-	*3.26%*	*3*	*45.00%*	*3*	*0*	*171.50%*	-	*(0)*
	5 to <10	-	-	-	-	*7.76%*	*1*	*45.00%*	*3*	*0*	*221.64%*	-	*0*
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**3**	**0**	**75%**	**3**	**0.21%**	**34**	**44.96%**	**3**	**2**	**50.54%**	**0**	**(0)**
F-IRB Corporate - SME	0.00 to <0.15	29	0	75%	8	0.13%	829	44.78%	3	9	115.43%	0	(0)
	0.00 to <0.10	*21*	*0*	*0%*	*0*	*0.03%*	*5*	*45.00%*	*3*	*7*	*240.92%*	*0*	*(0)*
	0.10 to <0.15	*8*	*0*	*75%*	*8*	*0.13%*	*824*	*44.78%*	*3*	*3*	*31.82%*	*0*	*(0)*
	0.15 to <0.25	12	2	75%	14	0.16%	65	44.60%	3	3	24.56%	0	(0)
	0.25 to <0.50	183	29	75%	201	0.28%	799	44.39%	3	51	25.17%	0	(0)
	0.50 to <0.75	157	26	75%	176	0.54%	1,325	44.97%	3	156	88.59%	0	(0)
	0.75 to <2.50	532	59	75%	577	1.43%	2,989	44.73%	3	383	66.35%	4	(1)
	0.75 to <1.75	*260*	*36*	*75%*	*287*	*1.00%*	*1,642*	*44.93%*	*3*	*165*	*57.65%*	*1*	*(1)*
	1.75 to <2.5	*272*	*24*	*75%*	*290*	*1.86%*	*1,347*	*44.53%*	*3*	*217*	*74.97%*	*2*	*(1)*
	2.50 to <10.00	702	61	75%	743	4.87%	4,469	45.14%	3	649	87.32%	15	(11)
	2.5 to <5	*529*	*45*	*75%*	*558*	*3.96%*	*3,561*	*45.20%*	*3*	*457*	*81.92%*	*9*	*(7)*
	5 to <10	*173*	*15*	*75%*	*185*	*7.60%*	*908*	*44.94%*	*3*	*192*	*103.61%*	*6*	*(4)*
	10.00 to <100.00	226	6	75%	230	18.23%	1,617	44.72%	3	311	135.07%	17	(14)
	10 to <20	*142*	*5*	*75%*	*146*	*12.51%*	*876*	*44.81%*	*3*	*178*	*121.66%*	*7*	*(6)*
	20 to <30	*51*	*0*	*75%*	*51*	*23.61%*	*247*	*44.28%*	*3*	*76*	*148.79%*	*5*	*(4)*
	30.00 to <100.00	*32*	*0*	*75%*	*33*	*35.52%*	*494*	*45.03%*	*3*	*57*	*173.89%*	*5*	*(4)*
	100.00 (Default)	104	1	75%	105	100.00%	1,084	44.86%	3	4	3.97%	43	(43)
	Subtotal	**1,945**	**184**	**75%**	**2,054**	**9.38%**	**13,177**	**44.87%**	**3**	**1,565**	**76.23%**	**79**	**(70)**

(In EURm)	PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after SME support-ing factor	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	31.12.2023												
F-IRB Corporate - Other than SME or specialised lending	0.00 to <0.15	447	4	75%	445	0.07%	492	44.95%	3	67	15.16%	0	(0)
	0.00 to <0.10	*361*	*4*	*75%*	*359*	*0.05%*	*286*	*44.97%*	*3*	*52*	*14.39%*	*0*	*(0)*
	0.10 to <0.15	*86*	*0*	*75%*	*86*	*0.13%*	*206*	*44.89%*	*3*	*16*	*18.37%*	*0*	*(0)*
	0.15 to <0.25	10	1	75%	11	0.16%	43	44.79%	3	5	41.92%	0	(0)
	0.25 to <0.50	163	15	75%	178	0.27%	356	45.01%	3	57	32.29%	0	(0)
	0.50 to <0.75	489	29	75%	511	0.52%	600	45.57%	3	392	76.69%	1	(1)
	0.75 to <2.50	491	29	75%	512	1.60%	1,271	45.70%	3	569	111.17%	4	(3)
	0.75 to <1.75	*277*	*13*	*75%*	*287*	*1.19%*	*730*	*46.11%*	*3*	*282*	*98.44%*	*2*	*(1)*
	1.75 to <2.5	*214*	*16*	*75%*	*226*	*2.12%*	*541*	*45.18%*	*3*	*287*	*127.33%*	*2*	*(2)*
	2.50 to <10.00	589	36	75%	620	4.40%	2,707	45.17%	3	870	140.34%	11	(12)
	2.5 to <5	*465*	*35*	*75%*	*496*	*3.67%*	*2,315*	*45.22%*	*3*	*661*	*133.22%*	*8*	*(8)*
	5 to <10	*124*	*1*	*75%*	*124*	*7.31%*	*392*	*44.99%*	*3*	*210*	*168.79%*	*4*	*(3)*
	10.00 to <100.00	133	2	75%	134	17.78%	507	45.38%	3	317	236.13%	10	(11)
	10 to <20	*83*	*1*	*75%*	*83*	*12.44%*	*324*	*45.45%*	*3*	*188*	*226.33%*	*5*	*(5)*
	20 to <30	*46*	*1*	*75%*	*47*	*25.91%*	*164*	*45.30%*	*3*	*119*	*250.77%*	*5*	*(5)*
	30.00 to <100.00	*4*	*0*	*0%*	*4*	*33.68%*	*19*	*44.99%*	*3*	*10*	*269.07%*	*1*	*(0)*
	100.00 (Default)	95	1	75%	95	100.00%	254	45.12%	3	3	2.82%	41	(24)
	Subtotal	**2,417**	**116**	**75%**	**2,507**	**6.31%**	**6,230**	**45.32%**	**3**	**2,281**	**90.99%**	**68**	**(50)**
TOTAL		**4,413**	**300**	**75%**	**4,638**	**7.57%**	**19,785**	**45.11%**	**3**	**3,856**	**83.15%**	**147**	**(121)**

TABLE 60: IRB APPROACH – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES (CR7)

	31.12.2024	
(In EURm)	**Pre-credit derivatives RWA**	**Actual RWA**
EXPOSURES UNDER FIRB	**4,254**	**4,254**
Central governments and central banks	6	6
Institutions	0	0
Corporates	4,247	4,247
of which Corporates – SMEs	*1,582*	*1,580*
of which Corporates – Specialised lending	0	0
EXPOSURES UNDER AIRB	**161,713**	**161,643**
Central governments and central banks	6,809	6,809
Institutions	4,575	4,575
Corporates	114,394	114,323
of which Corporates – SMEs	*20,564*	*20,564*
of which Corporates – Specialised lending	*23,637*	*23,566*
Retail	35,936	35,936
of which Retail – SMEs – Secured by immovable property collateral	*1,004*	*1,004*
of which Retail – Non-SMEs – Secured by immovable property collateral	*14,944*	*14,944*
of which Retail – Qualifying revolving	*1,357*	*1,357*
of which Retail – SMEs – Other	*7,967*	*7,967*
of which Retail – Non-SMEs – Other	*10,664*	*10,664*
TOTAL	**165,967**	**165,896**

	31.12.2023	
(In EURm)	**Pre-credit derivatives RWA**	**Actual RWA**
EXPOSURES UNDER FIRB	**3,856**	**3,856**
Central governments and central banks	6	8
Institutions	2	2
Corporates	3,848	3,846
of which Corporates – SMEs	*1,571*	*1,565*
of which Corporates – Specialised lending	-	-
EXPOSURES UNDER AIRB	**161,164**	**161,129**
Central governments and central banks	6,167	6,167
Institutions	4,379	4,379
Corporates	114,084	114,049
of which Corporates – SMEs	*22,251*	*22,251*
of which Corporates – Specialised lending	*20,777*	*20,742*
Retail	36,535	36,535
of which Retail – SMEs – Secured by immovable property collateral	*1,123*	*1,123*
of which Retail – Non-SMEs – Secured by immovable property collateral	*15,454*	*15,454*
of which Retail – Qualifying revolving	*1,411*	*1,411*
of which Retail – SMEs – Other	*7,368*	*7,368*
of which Retail – Non-SMEs – Other	*11,178*	*11,178*
TOTAL	**165,020**	**164,985**

TABLE 61: INTERNAL APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES (CR7-A) – AIRB

	31.12.2024									
		Credit risk mitigation techniques								
				Funded credit Protection (FCP)						
(In EURm)	Total exposures	Part of exposures covered by Financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by receivables (%)	Part of exposures covered by other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)
Central governments and central banks	296,625	0.10%	0.27%	0.01%	0.00%	0.26%	-	-	-	-
Institutions	38,985	0.62%	1.23%	0.44%	0.11%	0.69%	-	-	-	-
Corporates	287,647	1.65%	16.69%	6.98%	4.55%	5.15%	0.01%	-	0.01%	-
of which Corporates – SMEs	*34,418*	*1.19%*	*16.28%*	*14.80%*	*0.59%*	*0.89%*	*0.04%*	-	*0.04%*	-
of which Corporates – Specialised lending	*77,031*	*2.04%*	*28.66%*	*15.70%*	*1.23%*	*11.73%*	-	-	*0.00%*	-
of which Corporates – Other	*176,197*	*1.57%*	*11.53%*	*1.64%*	*6.78%*	*3.11%*	*0.01%*	-	*0.01%*	-
Retail	172,966	-	75.27%	72.61%	-	2.66%	-	-	-	-
of which Retail – Immovable property SMEs	*4,446*	-	*95.08%*	*95.08%*	-	-	-	-	-	-
of which Retail – Immovable property Non-SMEs	*116,982*	-	*99.36%*	*99.36%*	-	-	-	-	-	-
of which Retail – Qualifying revolving	*4,149*	-	-	-	-	-	-	-	-	-
of which Retail – Other SMEs	*18,817*	-	*20.90%*	*6.89%*	-	*14.01%*	-	-	-	-
of which Retail – Other Non-SMEs	*28,572*	-	*20.30%*	*13.45%*	-	*6.85%*	-	-	-	-
TOTAL	**796,224**	**0.66%**	**22.54%**	**18.32%**	**1.65%**	**2.57%**	**-**	**-**	**0.00%**	**-**

(In EURm)	31.12.2024			
	Credit risk mitigation techniques		Credit risk mitigation methods in the calculation of RWA	
	Unfunded credit Protection (UFCP)			
	Part of exposures covered by Guarantees *(%)*	Part of exposures covered by Credit Derivatives *(%)*	RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and substitution effects)
Central governments and central banks	3.01%	-	5,882	6,809
Institutions	5.71%	-	4,368	4,575
Corporates	21.18%	0.20%	115,451	114,323
of which Corporates – SMEs	*5.85%*	*0.01%*	*20,920*	*20,564*
of which Corporates – Specialised lending	*29.27%*	-	*24,148*	*23,566*
of which Corporates – Other	*20.64%*	*0.33%*	*70,384*	*70,193*
Retail	0.90%	-	35,941	35,936
of which Retail – Immovable property SMEs	*3.38%*	-	*1,004*	*1,004*
of which Retail – Immovable property Non-SMEs	*0.49%*	-	*14,945*	*14,945*
of which Retail – Qualifying revolving	*0.00%*	-	*1,357*	*1,357*
of which Retail – Other SMEs	*1.16%*	-	*7,972*	*7,967*
of which Retail – Other Non-SMEs	*2.15%*	-	*10,664*	*10,664*
TOTAL	**9.25%**	**0.07%**	**161,643**	**161,643**

	30.06.2024									
		Credit risk mitigation techniques								
				Funded credit Protection (FCP)						
(In EURm)	Total exposures	Part of exposures covered by Financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by receivables (%)	Part of exposures covered by other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)
Central governments and central banks	305,755	0.10%	0.20%	0.00%	0.00%	0.20%	-	-	-	-
Institutions	36,520	0.70%	1.37%	0.47%	0.02%	0.89%	-	-	-	-
Corporates	285,338	1.55%	16.93%	7.36%	4.61%	4.96%	0.01%	-	0.01%	-
of which Corporates – SMEs	*38,027*	*1.00%*	*16.73%*	*15.20%*	*0.60%*	*0.93%*	*0.05%*	-	*0.05%*	-
of which Corporates – Specialised lending	*73,689*	*2.09%*	*28.76%*	*16.22%*	*0.99%*	*11.55%*	-	-	-	-
of which Corporates – Other	*173,622*	*1.45%*	*11.95%*	*1.88%*	*7.03%*	*3.04%*	*0.01%*	-	*0.01%*	-
Retail	174,482	-	75.44%	72.70%	-	2.74%	-	-	-	-
of which Retail – Immovable property SMEs	*4,605*	-	*95.01%*	*95.01%*	-	-	-	-	-	-
of which Retail – Immovable property Non-SMEs	*117,984*	-	*99.34%*	*99.34%*	-	-	-	-	-	-
of which Retail – Qualifying revolving	*4,100*	-	-	-	-	-	-	-	-	-
of which Retail – Other SMEs	*19,415*	-	*21.27%*	*7.05%*	-	*14.22%*	-	-	-	-
of which Retail – Other Non-SMEs	*28,379*	-	*20.86%*	*13.76%*	-	*7.10%*	-	-	-	-
TOTAL	**802,094**	**0.62%**	**22.57%**	**18.45%**	**1.64%**	**2.48%**	**-**	**-**	**0.00%**	**-**

	30.06.2024			
	Credit risk mitigation techniques		**Credit risk mitigation methods in the calculation of RWA**	
	Unfunded credit Protection (UFCP)			
(In EURm)	**Part of exposures covered by Guarantees** *(%)*	**Part of exposures covered by Credit Derivatives** *(%)*	**RWA without substitution effects (reduction effects only)**	**RWA with substitution effects (both reduction and substitution effects)**
Central governments and central banks	3.09%	-	5,860	6,669
Institutions	5.17%	-	3,774	4,049
Corporates	20.32%	0.26%	115,799	114,716
of which Corporates – SMEs	*6.20%*	*0.01%*	*23,215*	*22,758*
of which Corporates – Specialised lending	*28.08%*	-	*22,650*	*22,174*
of which Corporates – Other	*20.12%*	*0.43%*	*69,935*	*69,783*
Retail	0.76%	-	36,395	36,394
of which Retail – Immovable property SMEs	*3.29%*	-	*1,028*	*1,028*
of which Retail – Immovable property Non-SMEs	*0.39%*	-	*15,348*	*15,348*
of which Retail – Qualifying revolving	*0.01%*	-	*1,423*	*1,423*
of which Retail – Other SMEs	*0.48%*	-	*7,664*	*7,663*
of which Retail – Other Non-SMEs	*2.20%*	-	*10,931*	*0,931*
TOTAL	**8.81%**	**0.09%**	**161,828**	**161,828**

TABLE 62: INTERNAL APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES (CR7-A) – FIRB

	31.12.2024					
		Credit risk mitigation techniques				
				Funded credit Protection (FCP)		
(In EURm)	Total exposures	Part of exposures covered by Financial collaterals *(%)*	Part of exposures covered by other eligible collaterals *(%)*	Part of exposures covered by Immovable property collaterals *(%)*	Part of exposures covered by receivables *(%)*	Part of exposures covered by other physical collateral *(%)*
Central governments and central banks	49	0.00%	18.00%	0.00%	0.00%	18.00%
Institutions	2	0.00%	3.44%	0.00%	0.00%	3.44%
Corporates	5,020	0.00%	34.41%	0.00%	0.00%	34.41%
of which Corporates – SMEs	*2,236*	*0.00%*	*39.56%*	*0.00%*	*0.00%*	*39.56%*
of which Corporates – Specialised lending	*0*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
of which Corporates – Other	*2,784*	*0.00%*	*30.28%*	*0.00%*	*0.00%*	*30.28%*
TOTAL	**5,071**	**0.00%**	**34.24%**	**0.00%**	**0.00%**	**34.24%**

	31.12.2024			
	Credit risk mitigation techniques		Credit risk mitigation methods in the calculation of RWA	
	Unfunded credit Protection (UFCP)			
(In EURm)	Part of exposures covered by Guarantees *(%)*	Part of exposures covered by Credit Derivatives *(%)*	RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and substitution effects)
Central governments and central banks	0.00%		6	6
Institutions	0.00%		0	0
Corporates	0.25%		4,247	4,247
of which Corporates – SMEs	*0.34%*		*1,582*	*1,580*
of which Corporates – Specialised lending	*0.00%*		*0*	*0*
of which Corporates – Other	*0.17%*		*2,665*	*2,666*
TOTAL	**0.24%**		**4,254**	**4,254**

(In EURm)	30.06.2024					
		Credit risk mitigation techniques				
				Funded credit Protection (FCP)		
	Total exposures	Part of exposures covered by Financial collaterals *(%)*	Part of exposures covered by other eligible collaterals *(%)*	Part of exposures covered by Immovable property collaterals *(%)*	Part of exposures covered by receivables *(%)*	Part of exposures covered by other physical collateral *(%)*
Central governments and central banks	49	-	16.96%	-	-	16.96%
Institutions	2	-	4.71%	-	-	4.71%
Corporates	4,794	0.05%	34.25%	0.14%	0.03%	34.09%
of which Corporates – SMEs	*2,168*	*0.11%*	*38.89%*	*0.21%*	*0.03%*	*38.64%*
of which Corporates – Specialised lending	-	-	-	-	-	-
of which Corporates – Other	*2,627*	*0.00%*	*30.43%*	*0.07%*	*0.02%*	*30.34%*
TOTAL	**4,845**	**0.05%**	**34.07%**	**0.13%**	**0.03%**	**33.91%**

(In EURm)	30.06.2024			
	Credit risk mitigation techniques		Credit risk mitigation methods in the calculation of RWA	
	Unfunded credit Protection (UFCP)			
	Part of exposures covered by Guarantees *(%)*	Part of exposures covered by Credit Derivatives *(%)*	RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and substitution effects)
Central governments and central banks	-	-	6	7
Institutions	-	-	-	-
Corporates	0.27%	-	4,110	4,110
of which Corporates – SMEs	*0.37%*	-	*1,584*	*1,582*
of which Corporates – Specialised lending	-	-	-	-
of which Corporates – Other	*0.18%*	-	*2,526*	*2,528*
TOTAL	**0.26%**	**-**	**4,117**	**4,117**

TABLE 63: RWA FLOW STATEMENT OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (CR8)

(In EURm)	Risk-weighted assets
RWA as of the end of the previous reporting period (31.09.2024)	**202,996**
Asset size (+/-)	(843)
Asset quality (+/-)	546
Model updates (+/-)	2,190
Methodology and policy (+/-)	-
Acquisitions and disposals (+/-)	(806)
Foreign exchange movements (+/-)	2,077
Other (+/-)	-
RWA as of the end of the reporting period (30.06.2024)	**206,159**

TABLE 64: SPECIALISED LENDING EXPOSURES – INTERNAL APPROACH (CR10.1-10.4)

	31.12.2024							
(In EURm)	Specialised lending: income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Category 1	Less than 2.5 years	180	853	50%	470	260	0
	Equal to or more than 2.5 years	0	97	70%	28	21	0
Category 2	Less than 2.5 years	175	354	70%	276	201	1
	Equal to or more than 2.5 years	0	1	90%	1	1	0
Category 3	Less than 2.5 years	75	106	115%	115	145	3
	Equal to or more than 2.5 years	0	0	115%	0	0	0
Category 4	Less than 2.5 years	10	67	250%	28	77	2
	Equal to or more than 2.5 years	0	1	250%	0	1	0
Category 5	Less than 2.5 years	18	5	0%	20	0	10
	Equal to or more than 2.5 years	-	-	-	-	-	-
TOTAL	**Less than 2.5 years**	**457**	**1,384**		**908**	**684**	**16**
	Equal to or more than 2.5 years	**0**	**98**		**29**	**23**	**0**

	31.12.2023							
(In EURm)	Specialised lending: income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Category 1	Less than 2.5 years	142	913	50%	422	229	-
	Equal to or more than 2.5 years	18	146	70%	47	37	-
Category 2	Less than 2.5 years	278	419	70%	468	326	2
	Equal to or more than 2.5 years	1	3	90%	1	1	-
Category 3	Less than 2.5 years	45	106	115%	83	101	2
	Equal to or more than 2.5 years	-	-	115%	-	-	-
Category 4	Less than 2.5 years	1	19	250%	8	21	1
	Equal to or more than 2.5 years	-	-	250%	-	-	-
Category 5	Less than 2.5 years	9	2	-	9	-	5
	Equal to or more than 2.5 years	-	-	-	-	-	-
TOTAL	**Less than 2.5 years**	**475**	**1,458**		**990**	**678**	**10**
	Equal to or more than 2.5 years	**19**	**149**		**49**	**38**	**0**

TABLE 65: EQUITY EXPOSURES UNDER THE SIMPLE RISK-WEIGHTED APPROACH (CR10.5)

(In EURm)	31.12.2024					
	Equity exposures under the simple risk-weighted approach					
Categories	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Private equity exposures	1,067	-	190%	1,067	2,027	9
Exchange-traded equity exposures	8	-	290%	8	23	0
Other equity exposures	35	-	370%	35	128	1
TOTAL	**1,109**	**-**		**1,109**	**2,178**	**9**

(In EURm)	31.12.2023					
	Equity exposures under the simple risk-weighted approach					
Categories	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Private equity exposures	1,055	-	190%	1,055	2,005	8
Exchange-traded equity exposures	17	-	290%	17	49	0
Other equity exposures	25	-	370%	25	91	1
TOTAL	**1,097**	**-**		**1,097**	**2,146**	**9**

7

COUNTERPARTY CREDIT RISK

IN BRIEF

Counterparty credit risk is the risk of losses stemming from market operations, should a counterparty fail to meet its payment obligations. The future market value of the exposure and the counterparty's credit quality are uncertain and may vary over time as underlying market parameters change.

Counterparty credit risk covers the replacement risk resulting from the default of a counterparty, the CVA (Credit Valuation Adjustment) risk related to the adjustment to the value of the Group portfolio, and the risk over central counterparties (CCP) following the clearing of market transactions. It is also affected by the wrong-way risk.

Counterparty credit risk RWA at end 2024:

€19.2bn

(Counterparty credit risk RWA at end 2023: €18.8bn)

7.1 GENERAL PRINCIPLES AND GOVERNANCE

Audited I 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[1] 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[2] 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[3] exchange between payments and deliveries. ▲

7.1.1 Main principles

Audited I 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 counterparty risk appetite approved by the Board of Directors.

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 manoeuvrability, 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) 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).

(2) Only settlement-delivery risk from market transactions.

(3) This simultaneity is achieved through the intervention of a Central Securities Depository (CSD) and, where applicable, a settlement agent.

7.1.2 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[(1)] (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.

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 CRCC also identifies key CCR topics that need to be escalated to the management. ▲

7.1.3 Replacement risk

The Group frames the replacement risk by limits that are defined by credit analysts and validated by LoD2 based on the Group's risk appetite.

The limits are defined at the level of each counterparty and then aggregated at the level of each client group, each category of counterparties and finally consolidated at the entire Societe Generale Group portfolio level.

The limits used for managing counterparty credit risk are:

- consolidated across all products types authorised with the counterparty;
- established by maturity buckets to control future exposure using the Potential Future Exposure (PFE) measure also known as CVaR within Societe Generale;
- calibrated according to the credit quality and the nature of the counterparty, the nature/maturity of the financial instruments contemplated (FX transactions, repos transactions, security lending transactions, derivatives, etc.), and the economic understanding, the contractual legal framework agreed and any other risk mitigants.

The Group also considers other measures to monitor replacement risk, notably:

- a multifactor stress test on all counterparties, which allows to holistically quantify the potential loss on market activities following market movements which could trigger a wave of defaults on these counterparties;
- a set of single-factor stress tests to monitor the general wrong-way risk (see section 4.6.3.3 on Wrong Way Risk).

7.1.4 CVA (Credit Valuation Adjustment) risk

Audited I 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.

(1) For Hedge Funds and PTG (Proprietary Trading Group) counterparties, the rating proposal is delegated to LoD2.

The different indicators and the stress tests are monitored on the net amount (the sum of the CVA exposure and of their hedges). ▲

7.1.5 Risk on central counterparties

Audited I 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. ▲

See table "EAD and RWA on central counterparties" of section 4.6.3.4 "Quantitative Information" for more information.

7.1.6 Settlement-delivery risk

Audited I Governance and principles for RDL management are the same as for those governing CCR. ▲

7.2 METHODOLOGY AND METRICS

7.2.1 Replacement risk

Audited I 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. ▲

PRINCIPLES OF THE MODEL

The future fair value of market transactions with each counterparty is estimated from Monte Carlo models based on a historical analysis of market risk factors.

The principle of the model is to represent the possible future financial markets conditions by simulating the evolutions of the main risk factors to which the institution's portfolio is sensitive. For these simulations, the model uses different diffusion models to account for the features inherent in the risk factors considered and uses a four-year history for calibration.

The transactions with the various counterparties are then revalued according to these different scenarios at the different future dates until the maturity of the transactions, taking into account the terms and conditions defined in the contractual legal framework agreed and the credit mitigants, notably in terms of netting and collateralisation only to the extent we believe that the credit mitigants provisions are legally valid and enforceable.

The distribution of the counterparty exposures thus obtained allows the calculation of regulatory capital for counterparty credit risk and the economic monitoring of positions.

The Risk Department responsible for Model Risk Management at Group level, assesses the theoretical robustness (review of the design and development quality), the compliance of the implementation, the suitability of the use of the model and continuous monitoring of the relevance of the model over time. This independent review process ends with (i) a report that describes the scope of the review, the tests carried out, the results of the review, the conclusions or recommendations and (ii) review and approval Committees. This model review process gives rise to (i) recurring reports to the Risk Management Department within the framework of various Committees and processes (Group Model Risk Management Committee, Risk Appetite Statement/Risk Appetite Framework, monitoring of recommendations, etc.) and (ii) a yearly report to the Board of Directors (CORISQ).

REGULATORY INDICATOR

Audited I 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 [1] 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.

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. ▲

The RWA breakdown for each approach is available in the “Analysis of Counterparty Credit Risk Exposure by Approach” table in Section 4.6.3.4 “Quantitative Information”.

Other Internal / Economic indicator

Audited I 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. ▲

(1) *In this method, the EAD (Exposure at Default) relating to the bank's counterparty credit risk is determined by aggregating the positive market values of all transactions (replacement cost) supplemented by an add-on factor.*

7.2.2 Credit Valuation Adjustment

MAIN PRINCIPLES

Audited I 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. ▲

CAPITAL REQUIREMENT FOR CVA RISK

The financial institutions are subject to the calculation of a capital requirement under the CVA, to cover its variation over ten days. The scope of counterparties is reduced to financial counterparties as defined in EMIR (European Market Infrastructure Regulation) or to certain Corporates that may use derivatives beyond certain thresholds and for purposes other than hedging.

The CVA charge is determined by the Group primarily using the advanced method:

- the positive expected exposure to the counterparty is mainly determined using the internal model described in section 4.6.3.1, which estimates the future exposure profiles to a counterparty, taking into account counterparty credit risk mitigants;
- the VaR and the Stressed VaR on CVA are determined using a similar methodology to the one developed for the calculation of the market VaR (see market risk chapter). This method consists of an “historical” simulation of the change in the CVA due to fluctuations in the credit spreads observed on the counterparties in portfolio, with a confidence interval of 99%. The calculation is made on the credit spreads variation observed, on the one hand, over a one-year rolling period (VaR on CVA), and, on the other hand, over a fixed one-year historical window corresponding to the period of greatest tension in terms of credit spreads (stressed VaR on CVA);
- the capital charge is the sum of two elements: VaR on CVA and Stressed VaR on CVA multiplied by a coefficient set by the regulator, specific to each bank.

The positions not taken into account in the advanced method are subject to a capital charge determined through the standard method by applying a normative weighting factor to the product of the EAD (Exposure At Default) by a maturity calculated according to the rules defined by the CRR (Capital Requirement Regulation); see the “Transactions subject to own funds requirements for CVA risk” table in Section 4.6.3.4 “Quantitative Information” for the breakdown of CVA-related RWA between advanced and standard methods.

CVA RISK MANAGEMENT

The management of this exposure and of this regulatory capital charge led the Bank to purchase hedging instruments such as Credit Default Swap (CDS) from large credit institutions on certain identified counterparties or on indices composed of identifiable counterparties. In addition to reducing credit risk, it decreases the variability of the CVA and the associated capital amounts resulting from fluctuations in counterparty credit spreads.

The CVA desk (or the Societe Generale Group) also handles instruments for hedging interest rate or foreign exchange risks, which helps to limit the variability of the CVA’s share from positive exposure.

7.2.3 Unfavourable correlation risk (wrong-way risk)

Wrong-way risk is the risk of the Group’s exposure to a counterparty increasing significantly, combined with a simultaneous increase in the probability of the counterparty defaulting.

There are two different cases:

- general wrong-way risk arises when the likelihood of default by counterparties is positively correlated with general market risk factors;
- specific wrong-way risk arises when future exposure to a specific counterparty is positively correlated with the counterparty’s probability of default due to the nature of the transaction with the counterparty.

Specific wrong-way risk, in the case of a legal link between the counterparty and the underlying of a transaction concluded with the counterparty, is subject to dedicated regulatory capital requirements, calculated on the perimeter of transactions carrying such risk. Furthermore, for counterparties subject to such a specific risk, the Potential Future Exposure (PFE) is also increased, so that the transactions allowed by the limits in place will be more constrained than in the absence of specific risk.

The general wrong-way risk is controlled *via* a set of stress tests applied to transactions made with a given counterparty, based on scenarios common with the market stress tests. This set-up is based on:

- a quarterly analysis of stress tests on all counterparties (financial institutions, corporates, sovereigns, hedge funds and proprietary trading groups) for principal and agency (client clearing) businesses, allowing to understand the most adverse scenarios related to a joint deterioration in the quality of counterparties and the associated positions;
- a weekly monitoring of dedicated single-factor stress tests for hedge fund counterparties and Proprietary Trading Groups, subject to limits at the counterparty level.

7.2.4 Settlement-delivery risk

Audited I 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 features 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). ▲

7.3 MITIGATION OF COUNTERPARTY CREDIT RISK ON MARKET TRANSACTIONS

Audited I 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).

7.3.1 Close-out netting agreements

The Group's standard policy is to conclude master agreements including provisions for close-out netting with its counterparties.

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.

7.3.2 Collateralisation

Most of over-the-counter transactions are collateralised. There are two types of collateral exchanges:

- initial margin (IM) or Independent Amount (IA[(1)]): 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.

All aspects of the margining regime are defined in collateral arrangements, such as credit support annexes (CSA[(2)]).

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).

(1) IA (Independent Amount) is the same concept as initial margin, but applies to different perimeters (OTC swaps not cleared for IA).
(2) The Credit Support Annex (CSA) is a legal document under ISDA contract that regulates the management of collateral between two counterparties.

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.

7.3.3 Bilateral collateral exchange

The initial margin, historically very rare except with hedge funds, was generalised by EMIR (European Market Insfrastructure 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.

7.3.4 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.

7.3.5 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. ▲

7.3.6 Other Measures

In addition to margin requirements for some counterparties or mandatory clearing for the most standardised derivatives transactions, DFA and EMIR provide for an extensive framework for the regulation and transparency of OTC derivatives markets, such as reporting of OTC derivatives, timely confirmation or trade acknowledgement.

7.4 IMPACT OF ESG FACTORS ON COUNTERPARTY CREDIT RISKS

The elements relating to ESG risk factors are presented in Chapter 5 of the 2025 Universal Registration Document, in the Sustainability Statement relating to the application of the European CSRD (Corporate Sustainable Reporting Directive).

In particular, the elements relating to counterparty credit risks are presented in sections 5.1.3 "Impacts, risks and opportunities (IROs)" and 5.3.1.2 "Description of climate change-related material IROs" in the 2025 Universal Registration Document.

7.5 QUANTITATIVE INFORMATION

TABLE 66: COUNTERPARTY CREDIT RISK EXPOSURE, EAD AND RWA BY EXPOSURE CLASS AND APPROACH

Counterparty credit risk is broken down as follows:

	31.12.2024								
(In EURm)	IRB			Standard			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	16,594	16,594	138	25	25	-	16,619	16,619	138
Institutions	23,419	23,432	3,798	27,686	27,760	661	51,106	51,192	4,459
Corporates	43,783	43,770	10,381	2,975	2,902	2,900	46,758	46,672	13,281
Retail	82	82	27	19	19	13	101	101	40
Other	13	13	1	3,966	3,969	1,241	3,979	3,982	1,243
TOTAL	**83,892**	**83,892**	**14,346**	**34,671**	**34,675**	**4,815**	**118,563**	**118,566**	**19,161**

	31.12.2023								
(In EURm)	IRB			Standard			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	19,885	19,885	137	21	21	22	19,906	19,906	159
Institutions	21,571	21,591	3,930	33,556	33,562	850	55,128	55,152	4,780
Corporates	47,762	47,743	9,837	2,890	2,885	2,849	50,652	50,627	12,686
Retail	47	47	6	9	9	6	56	56	12
Other	13	13	7	3,581	3,580	1,165	3,594	3,594	1,172
TOTAL	**89,279**	**89,279**	**13,916**	**40,058**	**40,057**	**4,893**	**129,337**	**129,336**	**18,809**

The tables present data excluding the CVA (Credit Valuation Adjustment) which amounts to EUR 2,7 billion of risk-weighted assets (RWA) as of 31 December 2024 (*vs.* EUR 3 billion as of 31 December 2023).

TABLE 67: ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH (CCR1)

	31.12.2024							
(In EURm)	**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWA**
Original Exposure Method (for derivatives)	-	-		1	-	-	-	-
Simplified SA-CCR (for derivatives)	-	-		1	-	-	-	-
SA-CCR (for derivatives)	2,101	12,506		1	49,418	20,450	20,442	6,375
IMM (for derivatives and SFTs)			32,902	2	290,705	52,644	52,541	10,546
of which securities financing transactions netting sets			*14,769*		*229,723*	*23,631*	*23,607*	*2,507*
of which derivatives and long settlement transactions netting sets			*18,108*		*60,942*	*28,972*	*28,894*	*8,039*
of which from contractual cross-product netting sets			*25*		*40*	*40*	*40*	*-*
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					31,492	16,207	16,207	768
VaR for SFTs					-	-	-	-
TOTAL					**371,615**	**89,301**	**89,191**	**17,690**

	31.12.2023							
(In EURm)	**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWA**
Original Exposure Method (for derivatives)	-	-		1	-	-	-	-
Simplified SA-CCR (for derivatives)	-	-		1	-	-	-	-
SA-CCR (for derivatives)	1,454	9,656		1	43,003	15,554	15,609	5,374
IMM (for derivatives and SFTs)			33,477	2	637,412	58,584	58,676	11,070
of which securities financing transactions netting sets			*14,995*		*568,062*	*26,242*	*26,289*	*2,247*
of which derivatives and long settlement transactions netting sets			*18,014*		*69,335*	*31,524*	*31,569*	*8,821*
of which from contractual cross-product netting sets			*467*		*15*	*818*	*818*	*3*
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					34,426	20,292	20,292	911
VaR for SFTs					-	-	-	-
TOTAL					**714,840**	**94,430**	**94,577**	**17,354**

TABLE 68: EXPOSURES TO CENTRAL COUNTERPARTIES (CCR8)

	31.12.2024		31.12.2023	
(In EURm)	**Exposure value**	**RWA**	**Exposure value**	**RWA**
Exposures to QCCPs (total)		**1,300**		**1,380**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which:	7,063	141	9,125	183
(i) OTC derivatives	*2,466*	*49*	*1,800*	*36*
(ii) Exchange-traded derivatives	*3,640*	*73*	*5,163*	*103*
(iii) SFTs	*909*	*18*	*1,960*	*39*
(iv) Netting sets where cross-product netting has been approved	*48*	*1*	*202*	*4*
Segregated initial margin	14,938		18,989	
Non-segregated initial margin	2,396	57	2,720	54
Pre-funded default fund contributions	3,559	1,101	3,410	1,143
Unfunded default fund contributions	0	0	-	-
Exposures to non-QCCPs		**170**		**193**
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), of which:	35	30	18	18
(i) OTC derivatives	*1*	*1*	*3*	*3*
(ii) Exchange-traded derivatives	*34*	*29*	*15*	*15*
(iii) SFTs	*0*	*0*	*1*	*1*
(iv) Netting sets where cross-product netting has been approved	*0*	*0*	*-*	*-*
Segregated initial margin	960		286	
Non-segregated initial margin	0	0	28	28
Pre-funded default fund contributions	1	17	2	22
Unfunded default fund contributions	10	123	10	125

TABLE 69: COMPOSITION OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURES (CCR5)

	31.12.2024							
	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
(In EURm)	Segragated	Un-segragated	Segragated	Un-segragated	Segragated	Un-segragated	Segragated	Un-segragated
Cash – domestic currency	14,963	5,269	12,411	10,986	-	6,105	-	11,319
Cash – other currencies	81,872	16,971	10,002	56,059	-	18,766	-	43,401
Domestic sovereign debt	-	-	-	-	-	544	-	520
Other sovereign debt	29	3	-	-	-	6,388	-	10,149
Government agency debt	13,958	1,726	14	380	-	347,278	-	318,874
Corporate bonds	-	86	-	-	-	2,814	-	8,300
Equity securities	1,823	-	-	-	-	37,926	-	60,967
Other collateral	161	8	0	-	-	40,115	-	40,108
TOTAL	**112,805**	**24,064**	**22,427**	**67,425**	**-**	**459,937**	**-**	**493,638**

	31.12.2023							
	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
(In EURm)	Segragated	Un-segragated	Segragated	Un-segragated	Segragated	Un-segragated	Segragated	Un-segragated
Cash – domestic currency	24,861	9,811	6,723	18,939	-	51,355	-	53,927
Cash – other currencies	63,283	22,161	11,934	48,884	-	7,724	-	19,813
Domestic sovereign debt	-	-	-	-	-	536	-	273
Other sovereign debt	33	-	-	-	-	9,013	-	10,787
Government agency debt	13,437	2,131	872	1,438	-	365,040	-	294,568
Corporate bonds	3	142	-	-	-	6,196	-	7,527
Equity securities	1,133	30	0	-	-	35,990	-	49,254
Other collateral	343	2	-	-	-	26,676	-	25,221
TOTAL	**103,092**	**34,276**	**19,530**	**69,260**	**-**	**502,529**	**-**	**461,370**

TABLE 70: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK (CCR2)

	31.12.2024		31.12.2023	
(In EURm)	Exposure value	RWA	Exposure value	RWA
Total transactions subject to the Advanced Method	26,117	1,616	32,137	2,233
(i) VaR component (including the 3×multiplier)		*161*		*291*
(ii) Stressed VaR component (including the 3×multiplier)		*1,455*		*1,942*
Transactions subject to the Standardised Method	9,871	1,107	8,626	780
Transactions subject to the Alternative approach (based on Original Exposure Method)	-	-	-	-
Total transactions subject to own funds requirements for CVA risk	**35,987**	**2,723**	**40,762**	**3,013**

TABLE 71: INTERNAL APPROACH – COUNTERPARTY CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD SCALE (CCR4)

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

	31.12.2024							
(In EURm)	**PD scale**	**Exposure value**	**Exposure weighted average PD** *(%)*	**Number of obligors**	**Exposure weighted average LGD** *(%)*	**Exposure weighted average maturity** *(years)*	**RWA**	**RWA density**
Central governments and central banks	0.00 to < 0.15	16,486	0.01%	103	1.79%	1	68	0.41%
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	0	0.26%	5	40.98%	-	0	29.29%
	0.50 to < 0.75	23	0.50%	6	45.00%	1	14	59.87%
	0.75 to < 2.50	68	2.26%	2	18.76%	1	32	47.49%
	2.50 to < 10.00	16	3.58%	9	44.27%	2	23	145.09%
	10.00 to < 100.00	0	11.42%	6	25.71%	1	0	120.84%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**16,594**	**0.02%**	**131**	**1.96%**	**1**	**138**	**0.83%**
Institutions	0.00 to < 0.15	20,654	0.04%	676	32.39%	2	2,618	12.68%
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	948	0.26%	87	42.30%	1	328	34.58%
	0.50 to < 0.75	475	0.50%	89	40.83%	2	337	70.88%
	0.75 to < 2.50	239	1.63%	130	42.47%	1	246	102.59%
	2.50 to < 10.00	1,113	3.29%	122	7.37%	1	262	23.52%
	10.00 to < 100.00	3	13.36%	42	43.63%	1	8	243.76%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**23,432**	**0.23%**	**1,146**	**31.88%**	**2**	**3,798**	**16.21%**
Corporate	0.00 to < 0.15	33,818	0.05%	5,762	35.04%	1	4,066	12.02%
	0.15 to < 0.25	0	0.17%	6	38.50%	1	0	23.99%
	0.25 to < 0.50	2,926	0.26%	843	32.81%	2	1,027	35.12%
	0.50 to < 0.75	2,777	0.51%	935	33.21%	1	1,255	45.21%
	0.75 to < 2.50	2,158	1.56%	1,551	35.38%	1	1,797	83.27%
	2.50 to < 10.00	1,782	4.11%	1,804	35.11%	1	1,996	112.02%
	10.00 to < 100.00	112	12.89%	286	33.91%	1	187	167.88%
	100.00 (default)	197	100.00%	72	17.58%	4	51	26.01%
	Subtotal	**43,770**	**0.82%**	**11,259**	**34.71%**	**1**	**10,381**	**23.72%**
Retail	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	5	0.26%	1,759	38.96%	0	1	27.47%
	0.50 to < 0.75	69	0.50%	29	1.35%	0	21	30.48%
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	8	27.25%	149	24.00%	0	5	61.90%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**82**	**2.95%**	**1,937**	**5.82%**	**0**	**27**	**33.19%**
TOTAL		**83,878**	**0.50%**	**14,473**	**27.41%**	**1**	**14,345**	**17.10%**

(In EURm)	PD scale	Exposure value	Exposure weighted average PD *(%)*	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity *(years)*	RWA	RWA density
	31.12.2023							
Central governments and central banks	0.00 to < 0.15	19,655	0.01%	100	1.54%	1	55	0.28%
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	131	0.26%	8	20.06%	1	23	17.81%
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	93	2.12%	3	20.01%	1	46	49.34%
	2.50 to < 10.00	1	3.45%	3	36.48%	1	1	106.97%
	10.00 to < 100.00	5	14.24%	5	45.00%	1	11	228.79%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**19,885**	**0.03%**	**119**	**1.76%**	**1**	**137**	**0.69%**
Institutions	0.00 to < 0.15	19,638	0.05%	696	33.59%	2	2,793	14.22%
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	658	0.26%	99	38.20%	1	235	35.63%
	0.50 to < 0.75	591	0.50%	85	41.04%	2	413	69.91%
	0.75 to < 2.50	233	1.54%	126	41.39%	2	217	93.38%
	2.50 to < 10.00	458	3.53%	122	26.99%	1	227	49.49%
	10.00 to < 100.00	12	17.84%	48	63.31%	1	45	365.50%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**21,591**	**0.17%**	**1,176**	**33.90%**	**2**	**3,930**	**18.20%**
Corporate	0.00 to < 0.15	38,617	0.05%	5,643	34.73%	1	4,256	11.02%
	0.15 to < 0.25	1	0.17%	5	38.50%	1	0	25.33%
	0.25 to < 0.50	3,033	0.26%	914	32.33%	2	1,013	33.41%
	0.50 to < 0.75	2,516	0.51%	1,079	29.65%	2	1,138	45.25%
	0.75 to < 2.50	1,844	1.66%	1,730	33.21%	2	1,436	77.86%
	2.50 to < 10.00	1,566	4.03%	2,060	35.96%	1	1,744	111.38%
	10.00 to < 100.00	118	13.47%	340	33.11%	1	184	155.94%
	100.00 (default)	49	100.00%	79	39.93%	2	64	132.80%
	Subtotal	**47,743**	**0.42%**	**11,850**	**34.29%**	**1**	**9,837**	**20.60%**
Retail	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	4	0.42%	1,222	49.00%	-	1	33.77%
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	41	0.85%	51	8.12%	-	3	8.16%
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	2	24.71%	187	24.00%	-	1	61.41%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**47**	**2.04%**	**1,460**	**12.26%**	**-**	**6**	**12.98%**
TOTAL		**89,265**	**0.27%**	**14,605**	**26.94%**	**1**	**13,910**	**15.58%**

TABLE 72: STANDARDISED APPROACH – COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (CCR3)

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

(In EURm)	31.12.2024											
	Risk weight											
Exposure Classes	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
Central governments or central banks	25	-	-	-	-	-	-	-	-	-	-	25
Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	192	-	-	-	-	-	-	192
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	15,898	10,821	-	-	449	168	-	-	232	-	-	27,568
Corporates	-	-	-	-	-	-	-	-	2,901	0	-	2,902
Retail	-	-	-	-	-	-	-	19	-	-	-	19
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	0
Other items	-	-	-	-	-	-	-	-	-	0	-	0
TOTAL	**15,923**	**10,821**	**-**	**-**	**641**	**168**	**0**	**19**	**3,134**	**0**	**0**	**30,706**

(In EURm)	31.12.2023											
	Risk weight											
Exposure Classes	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
Central governments or central banks	-	-	-	-	-	-	-	-	20	1	-	21
Regional government or local authorities	-	-	-	-	6	-	-	-	-	-	-	6
Public sector entities	-	-	-	-	78	-	-	-	28	-	-	106
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	19,295	12,952	6	-	595	351	-	-	251	-	-	33,450
Corporates	-	28	-	-	-	9	-	-	2,836	11	-	2,885
Retail	-	-	-	-	-	-	-	9	-	-	-	9
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	0	-	0
TOTAL	**19,295**	**12,980**	**6**	**-**	**679**	**360**	**-**	**9**	**3,136**	**12**	**0**	**36,477**

TABLE 73: CREDIT DERIVATIVES EXPOSURES (CCR6)

	31.12.2024	
	Credit derivative hedges	
(In EURm)	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	19,986	30,503
Index credit default swaps	16,736	8,648
Total return swaps	11,425	0
Credit options	3,681	123
Other credit derivatives	2,734	607
TOTAL NOTIONALS	**54,562**	**39,882**
Fair values		
Positive fair value (asset)	*444*	*792*
Negative fair value (liability)	*(999)*	*(117)*

	31.12.2023	
	Credit derivative hedges	
(In EURm)	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	21,554	32,751
Index credit default swaps	17,875	9,564
Total return swaps	9,276	-
Credit options	740	268
Other credit derivatives	4,832	1,646
TOTAL NOTIONALS	**54,277**	**44,229**
Fair values		
Positive fair value (asset)	*252*	*860*
Negative fair value (liability)	*(1,286)*	*(180)*

TABLE 74: RWA FLOW STATEMENT OF COUNTERPARTY CREDIT RISK EXPOSURES UNDER THE IMM (CCR7)

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

The application of these internal models impacts both the method used to calculate the EAD of market transactions and the Basel maturity calculation method.

(In EURm)	**RWA**
RWA as of end of previous reporting period (30.09.2024)	**10,260**
Asset size	169
Credit quality of counterparties	(87)
Model updates (IMM only)	0
Methodology and policy (IMM only)	0
Acquisitions and disposals	5
Foreign exchange movements	296
Other	0
RWA as of end of reporting period (31.12.2024)	**10,643**

The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 2.7 billion using the advanced method.

8

SECURITISATION

IN BRIEF

This section provides information on Societe Generale's securitisation positions, which have already been incorporated into the relevant sections (credit risk and market risk).

They are subject to specific capital requirements according to European regulations.

Regulatory capital requirements for securitisations in the Banking Book at end 2024

€592bn

(Amount at end 2023: €595bn)

Regulatory capital requirements for securitisations in the Trading Book at end 2024

€0m

(Amount at end 2023: €1m)

8.1 SECURITISATIONS AND REGULATORY FRAMEWORK

This section presents information on Société Générale's securitisation activities, acquired or carried out for proprietary purposes or for its customers. It describes the risks associated with these activities and the management of those risks. Finally, it contains quantitative information to describe these activities during 2023 as well as the capital requirements for the Group's regulatory banking book and trading book within the scope defined by prudential regulations.

As defined in prudential regulations, the term securitisation refers to a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is divided into tranches with the following characteristics :

- the transaction achieves significant risk transfer, in the case of origination;
- payments in the transaction or scheme are contingent on the performance of the exposure or pool of exposures;
- subordination of certain tranches determines the distribution of losses during the ongoing life of the transaction or risk transfer scheme.

Securitisation transactions are stated as laid down in the regulatorions in force:

- Regulation (EU) No 2017/2401 amending Regulation (EU) No 575/2013 relating to the capital requirements applicable to credit institutions and to credit and investment firms;
- Regulation (EU) No 2017/2402 creating a general framework for securitisation as well as a specific framework for simple, transparent, and standardised securitisations (STS).

Regulation 2017/2401 presents the hierarchy of methods for weighting securitisation positions (see section 8.6). The floor weighting rate is 15% (10% for STS securitisations).

Regulation 2017/2402 defines the criteria to be met when identifying "simple, transparent and standardised" (STS) securitisations to which specific and lower capital charges are applicable. The regulation also specifies the authorisation procedure for third-party organisations that will be involved in ensuring compliance with requirements relating to STS securitisations. The risk retention requirement for the transferor is set at a minimum level of 5%.

The securitisatin framework has been amended by 2 new regulations published on April 6th, 2021:

- Regulation (EU) 2021/557 amending regulation (EU) 2017/2402 and creating a specific STS framework for synthetic on-balance sheet securitisations;
- Regulation (EU) 2021/558 amending regulation (EU) No 575/2013, a specific prudential framework for non-performing exposures (NPE) securitisations.

The technical authorities, the ESMA and the EBA have issued guidelines or Regulatory Technical Standards (RTS) with the aim of clarifying certain aspects of the level 1 European regulations.

8.2 ACCOUNTING METHODS

The securitisation transactions that Societe Generale invests in (*i.e.* the Group invests directly in certain securitisation positions, is a liquidity provider or a counterparty of derivative exposures) are recognised in accordance with Group accounting principles, as set out in the notes to the consolidated financial statements included in the 2024 Universal Registration Document.

In the financial statements, securitisation positions are classified under accounting categories depending on their contractual cash flow features and on the way the entity manages those financial instruments.

When analysing the contractual cash flow of financial assets issued by a securitisation vehicle, 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 generate the cash flows.

Contractual flows that solely represent payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement (SPPI flows: Solely Payments of Principal and Interest).

In the financial statements, the basic securitisation positions (SPPI) are classified under two categories, depending on the business model used to manage them:

- when they are managed under a "Collect and Sell" business model, the positions are classified as "Financial assets at fair value through other comprehensive income". Accrued or earned income on these positions is recorded in the profit or loss account 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 under Unrealised or deferred gains and losses. Furthermore, as these financial assets are subject to impairment for credit risk, changes in expected credit losses are recorded in profit or losses under Cost of risk with a corresponding entry to Unrealised or deferred gains and losses;
- when they are managed under a "Hold to Collect" business model, the positions are measured at amortised cost. Subsequent to initial recognition, these positions are measured at amortised cost using the effective interest method, and their accrued or earned income is recorded in the income statement under Interest and similar income. Furthermore, as these financial assets are subject to impairment for credit risk, changes in expected credit losses are recorded in the profit or loss account under Cost of risk with a corresponding impairment of amortised cost under balance sheet assets.

Non basic securitisation positions (non–SPPI) are assessed at fair value through profit or loss, regardless of the business model whereby they are held.

At the balance sheet date, these assets are recorded 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 the income statement under Net gains or losses on financial instruments at fair value through profit or loss.

Interest income and expense are recorded in the income statement under Interest and similar income and Interest and similar expense.

Securitisation positions classified among financial assets at amortised cost or among financial assets at fair value through other comprehensive income, are systematically subject to impairment or a loss allowance for expected credit losses. These impairments and loss allowances are booked upon initial recognition of the assets, without waiting for objective evidence of impairment.

To determine the amount of impairment to be recorded at each reporting date, these assets are classified into one of three categories based on the increase in credit risk observed since initial recognition. Stage 1 exposures are impaired for the amount of credit losses that the Group expects to incur within 12 months; Stages 2 and 3 exposures are impaired for the amount of credit losses that the Group expects to incur during the life of the exposures.

For securitisation positions measured at fair value through profit or loss, their fair value includes already the expected credit loss, as assessed by the market participant, on the residual lifetime of the instrument.

Reclassification of securitisation positions is only required in the exceptional event that the Group changes the business model used to manage these assets.

Synthetic securitisations in the form of Credit Default Swaps comply with accounting recognition rules specific to trading derivatives.

The securitisation transactions are derecognised 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 the risks and rewards linked to the ownership of the asset. Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all 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 because of transferring 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 that asset.

Securitisation of securitised assets recognised in the Group balance sheet are stated in the same way for accounting purposes as described above.

When a financial asset is entirely derecognised, 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 under in equity.

8.3 STRUCTURED ENTITIES' SPECIFIC CASE

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

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

- the activities and objects of the entity;
- the structuring of the entity (especially, the power to manage the relevant activities of the entity);
- the risks to which the entity is exposed by way of its design and the Group's exposure to some or all of these risks;
- the potential benefits provided by the entity to the Group.

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

Within the scope of consolidation of structured entities controlled by the Group, the shares of those entities that are not held by the Group are recognised under "Debt" in the balance sheet.

When customer loans are securitised and partially sold to external investors, the entities carrying the loans are consolidated if the Group retains control and remains exposed to the majority of the risks and benefits associated with these loans.

Any financial support outside of any binding contractual arrangement provided to unconsolidated entities, over securitised assets, would be recognised as a liability on balance sheet if it met the relevant IFRS criteria, or gave rise to a provision under IAS 37, and must be disclosed.

8.4 MANAGEMENT OF SECURITISATION RISKS

The management of risks associated with securitisation operations follows the rules established by the Group depending on whether these assets are recorded in the banking book (credit and counterparty credit risks) or in the trading book (market risk and counterparty credit risk).

The securitisation risk is monitored by the Client Relations and Financing and Advisory Solutions department (Global Banking & Advisory - GLBA) and, in respect of own account transactions, by the Group Treasury Department of the Financial Department in LoD1 and supervised in the credit risk management system by the "Corporate and Investment Banking" division (CIB) of the Risks department in LoD2.

Role of Global Banking and Advisory (GLBA)

Only the Asset-Backed Products division of GLBA is mandated to deal with transactions generating securitisation risk.

These operations consist in:

- structuring and/or primary distribution of ABS (Asset-Backed Securities), which can take the form of RMBS (Residential Mortgage-Backed Securities), CMBS (Commercial Mortgage-Backed Securities) and CLOs (Collateralised Loan Obligations), structured or co-arranged by Societe Generale, for the benefit of issuers (companies and specialised financial companies) also called "public securitisation". These transactions do not generate any securitisation risk for the Group if no exposure is retained by Societe Generale;
- financing of customer needs, *via* commercial paper backed by assets issued by Societe Generale conduits or, marginally, on the balance sheet, also called "private securitisation". These activities generate credit risk for Societe Generale and are overseen by the "Corporate and Investment Banking" (CIB) division of the Risk Department;
- structuring of securitisation own account transactions (i.e., the underlying portfolio consisting of receivables booked on the Group's balance sheet). This activity does not generate additional credit risk for the Group; the role of the Corporate and Investment Banking (CIB) division of the Risk Department [RISQ/CIB] is to ensure that the structure is robust;
- securitised products are also used as underlying on the secondary market in collateralised financing and trading transactions. These transactions generate both credit risk and market risk for the Group and are overseen by the "Corporate and Investment Banking" (CIB) and the Risks on Market Activities divisions of the Risk Department.

Role of the Risk Department

The Risk Department, within the framework of various CORISQs chaired by General Management and in compliance with the risk appetite of Societe Generale group, formalises, jointly with the "Global Banking and Advisory" department, the Group's risk appetite with regard to securitisation activities.

These frameworks are established by type of product (primary securitisation, sale of securitisation products in secondary, collateralised financing, etc.) and aim to define the acceptable level of risk with regard to the Group's strategic objectives *via* limits and guidelines for granting credit.

The role and responsibilities of the Risk Department are divided according to the main risk (credit or market).

The Risk Department contributes to the definition of risk policies, taking into account the objectives of the business lines and the corresponding risk issues.

The Risk Department defines or validates the methods and procedures for analysing, measuring, approving and monitoring risks and, ultimately, ensures that they are in line with the needs of the businesses.

The Risk Department validates the operations transactions and certain limits, the others being presented in CORISQ proposed by Business Managers.

The Business Unit does not have signing power of authority for securitisation risk (with the exception of collateralized financing and trading transactions for which power of authority are granted under certain restrictive conditions). Only certain authorised persons within RISQ can approve a transaction generating securitisation risk.

Credit risk

Securitisation exposures subject to credit risk are approved through the Group's standard credit approval process. New transactions are presented by the business lines (LoD1) to the Risk Department, after approval by the business line manager. The Risk Department gives its opinion on these new transactions, which are approved according to the delegations in force. All exposures are subject to an annual review by the business line and the Risk Department.

The rating of the transaction and the borrower as well as the LGD are therefore subject to an initial approval and an annual review for each transaction. In particular, the data used within the framework of the IAA (Internal Assessment Approach) securitisation model and the result of the calculations of this model are subject to specific approval. Regular monitoring is carried out independently of the business line and portfolio reviews are produced quarterly specifically on the bank's securitisation exposures. This monitoring makes it possible to identify any changes in the behaviour of securitised assets.

Portfolio-level limits are granted by the Risk Committee for securitisation exposures. Stress tests are also carried out on these portfolios.

The analysis of the credit risk of securitisation transactions covers the standard elements of credit risk: the performance of the underlying assets as well as that of the seller/servicer. Risk factors are mitigated by structural elements of each transaction including default triggers, *e.g.* on excess spread, delinquencies, as well as segregated accounts and back-up servicer. Some other types of risk are also assessed during the review of a transaction, including the legal, operational, reputational and fraud risks. The monitoring of the credit risk on these transactions, of the performance of the underlying assets and of the covenants, is reviewed at portfolio level by the "Corporate and Investment Banking" division of the Risks department each quarter during the Quarterly Portfolio Review prepared by the "Global Business Service Unit" with a focus on major events and sent to the "Corporate and Investment Banking" division of the Risk Department with a dedicated meeting every quarter. A follow-up at the level of each transaction is carried out in detail each year during the Annual Review during which with the rating of the transaction is re-approved.

Market risk

Securitisation exposures subject to market risk are monitored and controlled through Societe Generale's market risk standard market approval process, with additional controls specific to securitisation.

The analysis of the market risk of securitisation transactions covers the standard elements of market risk: credit, spread, liquidity risk, interest rate risk (hedged with standard liquid interest rate instruments (US Treasuries, Eurodollar futures, interest rate swaps)).

Securitisation exposures are subject to strict supervision through the setting of limits on specific assets in the securitisation field (CMBS, CLO, RMBS, ABS), according to several types of indicators:

- Value at Risk (VaR) and Stressed Value at Risk (SVaR): synthetic indicators, allowing day-to-day monitoring of market risk;
- stress test measurements, based on ten-year risk type indicators. These metrics make it possible to limit the Group's exposure to systemic risks and cases of exceptional market shocks impacting securitisation activities;
- "sensitivity" and "nominal" indicators, which allow the size of positions to be controlled;
- other specific indicators: nominal limits on the sizes of ABS market-making inventories, cash at risk and stress test limits on financing activities collateralised by ABS, which makes it possible in particular to monitor the behaviour of the underlying assets under stress and supervise the Group's exposure in the event of market turbulences.

The Risk Department on Market Operations is tasked with examining limit requests made by the front office. These limits make it possible to ensure that the Group respects the appetite for the market validated by the Board of Directors, on a proposal from General Management.

The daily monitoring of compliance with the limits by the front office is carried out by the Risk Department on market transactions. This continuous monitoring of the risk profile is the subject of frequent exchanges between the risk and business teams, which may result in various positions hedging actions by the front office aimed at reducing the level of risk of complying with the framework defined. In the event of an overrun, the front office must detail the reasons for the management concerned, and take the necessary measures to return to the defined framework, or otherwise request a temporary or permanent increase in the limit if customer demand, market conditions or risk assessment justify it.

Structural risks

The management of structural interest rate and change risks in securitisation activities does not differ from that of other Group assets.

The management of the structural interest rate risk is described in Chapter 11 of this document.

The liquidity risk linked to securitisation activities is monitored both at the level of the responsible business lines but also, centrally, at the level of the Finance Department, with in particular the measurement of the impact of these activities on liquidity ratios, stress tests and the Group's liquidity gaps. The organisation and management of liquidity risk are covered in Chapter 12 of this document.

Non operational risk

The monitoring of operational risk on securitisation activities is covered in the Group's operational risk management systems. Thus, the operational risks on these activities are mainly managed within the limits of the appetite for operational risk, identified and evaluated by the Risk Control Self-Assessment exercise. Any incidents that occur are collected and analysed in keeping with the Group standards. The management of operational risk is described in Chapter 10 of this document.

8.5 SOCIETE GENERALE'S SECURITISATION ACTIVITIES

Securitisation activities allow the Group to raise liquidity or manage risk exposures, for own account purposes or on behalf of customers. Within the framework of these activities, the Group can act as an originator, a sponsor/arranger or an investor:

- as an originator, the Group directly or indirectly participates in the initial agreement on assets which subsequently serve as underlying in securitisation transactions, primarily for refinancing purposes;
- as a sponsor, the Group establishes and manages a securitisation programme used to refinance customers' assets, mainly *via* the Antalis and Barton conduits and *via* certain other special purpose vehicles;
- as an investor, the Group invests directly in certain securitisation positions, is a liquidity provider or a counterparty of derivative exposures.

This information must be considered within the context of the specific structure of each transaction and vehicle, which cannot be described in this report.

Recourse to securitisation is part of the portfolio management program. Securitisation is an efficient tool for optimizing capital management and for managing credit risk exposure while maintaining a strong commercial dynamic. Several transactions with significant risk transfer (SRT) have been executed since mid-2019, mostly in a synthetic format and on different portfolios, to manage underlying credit risks and the associated capital requirement. The SRT policy is documented in terms of internal governance, control framework as well as ongoing monitoring and reporting.

Taken separately, the level of payments past due or in default does not provide sufficient information on the types of exposures securitised by the Group, mainly because the default criteria may vary from one transaction to another. Furthermore, these data reflect the situation of the underlying assets.

In securitisation transactions, past due exposures are generally managed *via* structural mechanisms that protect the most senior positions.

Impaired exposures belong mainly to CDOs of US subprime residential mortgages, dating back to 2014.

As part of its securitisation activities, the Group does not provide any implicit support in accordance with Article 250 of revised CRR (regulation (UE) 2017/2401).

It should be noted that since the protection purchased is financed, there is no counterparty credit risk on the vendor of the insurance. The Group has no plans to purchase unfunded protection at this stage.

TABLEAU 75: QUALITY OF SECURITISATION POSITIONS RETAINED OR ACQUIRED

In the trading book, securitisation positions are exclusively high ranking and mezzanine tranches. As of 31 December 2024, 80.8% of these positions are high ranking positions.

In the banking book senior thanches are more than 97% of securitisation exposures retained or purchased as of 31 December 2024.

		31.12.2024					
		Exposure At Default (EAD)					
		Highest-ranking tranche		Mezzanine tranche		Initial Loss tranche	
(In EURm)		STS	Non STS	STS	Non STS	STS	Non STS
Banking book							
Securitisation		22,880	29,201	1,351	313	23	16
	Originator	14,137	2,125	1,351	313	23	16
	Investor	13	-	-	-	-	-
	Sponsor	8,729	27,075	-	-	-	-
Re-Securitisation		-	-	-	-	-	-
Trading book							
Securitisation		0	1,565	0	373	0	0
	Investor	-	1,565	-	373	-	-
Re-Securitisation		0	0	0	0	0	0
	Investor	-	-	-	-	-	-

		31.12.2023					
		Exposure At Default (EAD)					
		Highest-ranking tranche		Mezzanine tranche		Initial Loss tranche	
(In EURm)		STS	Non STS	STS	Non STS	STS	Non STS
Banking book							
Securitisation		20,740	30,973	1,127	381	10	71
	Originator	13,684	2,48	1,127	372	10	71
	Investor	-	13	-	-	-	-
	Sponsor	7,055	28,512	-	9	-	-
Re-Securitisation							
Trading book							
Securitisation		43	1,663	8	426	-	-
	Investor	43	1,663	8	426	-	-
Re-Securitisation		-	1	-	-	-	-
	Investor	-	1	-	-	-	-

Societe Generale as originator

As part of its refinancing activities, the Group undertakes securitisations of some of its portfolios of receivables originated with individuals or corporate clients. The securities created in these transactions can be either sold to external investors, therby providing funding to the Group, or retained by the Group to be used as collateral in repurchase transactions, in particular with the European Central Bank.

In 2024, the following securitisation transactions were carried out:

for liquidity purposes only:

- two securitisation operations of EUR 8.2 billions and EUR 0.6 billions of real estate loans in France, fully subscribed by Societe Generale or its subsidiaries and pledged as collateral at Eurosystem to enhance the group's contingent liquidity profile;
- EUR 3.8 billion securitisation of consumer loans in France, fully subscribed by Societe Generale or its subsidiaries and pledged as collateral at Eurosystem to enhance group's contingent liquidity profile;
- EUR 0.74 billion securitisation of auto loans in France, placed for EUR 0.65 billion;
- two securitisation operations totalling EUR 0.75 billion, and EUR 0.69 billion of auto leases in the Netherlands (including residual value risk) deriving from long-term contracts placed for EUR 0.6 billion, and EUR 0.5 billion respectively;
- EUR 1,2 billion securitisation of trade receivables in France, placed for EUR 1 billion;
- EUR 0.72 billion securitisation of auto leases in United Kingdom (including residual value risk) deriving from long-term contracts placed for EUR 0.5 billion.

For both liquidity and RWA relief purposes:

- EUR 0.6 billion securitisation of auto loans in Germany, placed on the market. This securitisation served both to refinance the Group and to reduce RWA consumption;
- EUR 0.66 billion securitisation of auto loans in Italy, placed on the market. This securitisation served both to refinance the Group and to reduce RWA consumption.

Securitised loans cannot be used as collateral or as a firm under another operation.

The total outstanding of the receivables securitised for financing the Group amounted to EUR 35.1 billion as of 31 December 2024, including EUR 21.8 billion of French home loans, EUR 8.6 billion of auto loans and leases, EUR 3.4 billion of French consumer loans and EUR 1.4 billion of trade receivables in France.

Besides, the Group also detains several synthetic securitisation programmes in which the risk transfer is made by using credit derivatives or financial guarantees and where the portfolio is kept in the balance sheet of the Group.

Securitised loans cannot be used as guarantee or collateral or sold within the framework of other operations.

The total outstanding of the receivables securitised for financing the Group amounted to EUR 35.1 billion as of 31 December 2024, including EUR 21.8 billion of French home loans, EUR 8.6 billion of auto loans and leases, EUR 3.4 billion of French consumer loans and EUR 1.4 billion of trade receivables in France.

Moreover, the Group also has several synthetic securitisation programmes in which the risk transfer is made by using credit derivatives or financial guarantees and where the portfolio remains in the Group's balance sheet.

The securitised stock of these transactions stood at EUR 11.0 billion as of 31 December 2024, mainly comprising of loans to corporates.

Societe Generale as sponsor

The Societe Generale group carries out transactions on behalf of its customers or investors. As of 31 December 2024, there were two consolidated multi-seller vehicles in operation (Barton and Antalis), structured by the Group on behalf of third parties. This ABCP (Asset-Backed Commercial Paper) activity funds the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets such as trade receivables or consumer loans. Total assets held by these vehicles and financed through the issuance of commercial paper amounted to EUR 22.3 billion on 31 December 2024 (EUR 20.7 billion on 31 December 2023).

As part of the implementation of the new IFRS 10 standards on 1 January 2014, Societe Generale has consolidated these two vehicles, Barton and Antalis, from this date onwards.

ABCP activity remained solid in 2024, with newly securitised outstanding amounts predominantly comprising trade receivables and leasing.

Societe Generale as investor

Societe Generale also acts as a market-maker for securitised assets, resulting in securitisation positions in the Group's trading book. Since 31 December 2011, CRD3 has required the same prudential treatment regardless of prudential classification. The following tables show the securitisation exposures retained or purchased by the Group, by type of underlying assets, by role and by type of securitisation separately for the banking book and for the trading book. These tables only feature the exposures which have an impact on the Group's regulatory capital.

TABLE 76: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK (SEC1)

	31.12.2024														
	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic			Traditional				Traditional			
	STS		Non-STS												
(In EURm)		of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
TOTAL EXPOSURES	**4**	**4**	**3**	**3**	**16,294**	**16,294**	**16,301**	**8,729**	**27,075**	**-**	**35,805**	**13**	**-**	**-**	**13**
Retail (total)	**4**	**4**	**-**	**-**	**-**	**-**	**4**	**2,296**	**12,645**	**-**	**14,941**	**6**	**-**	**-**	**6**
Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card	-	-	-	-	-	-	-	181	2,707	-	2,888	-	-	-	-
Other retail exposures	4	4	-	-	-	-	4	2,115	9,938	-	12,053	6	-	-	6
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	**-**	**-**	**3**	**3**	**16,294**	**16,294**	**16,297**	**6,433**	**14,431**	**-**	**20,864**	**7**	**-**	**-**	**7**
Loans to corporates	-	-	-	-	15,840	15,840	15,840	179	8,255	-	8,435	-	-	-	-
Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease and receivables	-	-	-	-	454	454	454	6,254	4,684	-	10,938	7	-	-	7
Other wholesale	-	-	3	3	-	-	3	-	1,492	-	1,492	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As of end of December 2024, securitisation exposures in the banking book amounted to EUR 52.1 billion. The main underlying assets are corporate loans, consumer loans and trade receivables. In 2024, banking book exposures decreased by 1.2 billion or -2.3% year-on-year.

44% of banking book securitization exposures were STS. Since 2022, several synthetic programmes have been qualified as STS.

	31.12.2023 (R)														
	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic			Traditional				Traditional			
	STS		Non-STS												
(In EURm)		of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
TOTAL EXPOSURES	**9**	**9**	**132**	**132**	**17 596**	**17 596**	**17 737**	**7 055**	**28 521**	**-**	**35 576**	**-**	**13**	**-**	**13**
Retail (total)	**9**	**9**	**-**	**-**	**870**	**870**	**879**	**1 949**	**15 032**	**-**	**16 981**	**-**	**6**	**-**	**6**
Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card	-	-	-	-	-	-	-	-	2 819	-	2 819	-	-	-	-
Other retail exposures	9	9	-	-	870	870	879	1 949	12 213	-	14 163	-	6	-	6
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	**-**	**-**	**132**	**132**	**16 726**	**16 726**	**16 858**	**5 106**	**13 489**	**-**	**18 594**	**-**	**7**	**-**	**7**
Loans to corporates	-	-	132	132	16 726	16 726	16 858	154	7 776	-	7 930	-	-	-	-
Commercial mortgage	-	-	-	-	-	-	-	-	297	-	297	-	-	-	-
Lease and receivables	-	-	-	-	-	-	-	4 860	3 654	-	8 514	-	7	-	7
Other wholesale	-	-	-	-	-	-	-	92	1 761	-	1 853	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(R) Restated

TABLE 77: SECURITISATION EXPOSURES IN THE TRADING BOOK (SEC2)

	31.12.2024											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional				Traditional				Traditional			
(In EURm)	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
TOTAL EXPOSURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,302**	**621**	**1,922**
Retail (total)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**456**	**13**	**468**
Residential mortgage	-	-	-	-	-	-	-	-	-	92	13	105
Credit card	-	-	-	-	-	-	-	-	-	7	-	7
Other retail exposures	-	-	-	-	-	-	-	-	-	356	-	356
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**846**	**608**	**1,454**
Loans to corporates	-	-	-	-	-	-	-	-	-	626	0	626
Commercial mortgage	-	-	-	-	-	-	-	-	-	185	608	793
Lease and receivables	-	-	-	-	-	-	-	-	-	35	-	35
Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

The securitisation positions on the trading book are exclusively investor positions totalling EUR 1.9 billion nominal as of 31 December 2024. Most of the positions relate to corporate financing, especially on commercial mortgage loans to business clients.

For the trading portfolio, 100% of the transactions were non-STS as of 31 December 2024.

	31.12.2023											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional				Traditional				Traditional			
(In EURm)	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
TOTAL EXPOSURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50**	**671**	**1,393**	**2,114**
Retail (total)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50**	**273**	**20**	**343**
Residential mortgage	-	-	-	-	-	-	-	-	8	80	20	108
Credit card	-	-	-	-	-	-	-	-	-	19	-	19
Other retail exposures	-	-	-	-	-	-	-	-	42	174	-	216
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**398**	**1,373**	**1,771**
Loans to corporates	-	-	-	-	-	-	-	-	-	242	-	242
Commercial mortgage	-	-	-	-	-	-	-	-	-	155	1,373	1,528
Lease and receivables	-	-	-	-	-	-	-	-	-	1	-	1
Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 78: EXPOSURES SECURITISED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS (SEC5)

	31.12.2024		
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
(In EURm)		of which exposures in default	
TOTAL EXPOSURES	**79,963**	***289***	**10**
Retail (total)	**39,303**	***50***	**10**
Residential mortgage	24,908	*23*	-
Credit card	2,479	-	-
Other retail exposures	11,915	*27*	10
Re-securitisation	-	-	-
Wholesale (total)	**40,660**	***239***	**-**
Loans to corporates	23,357	*178*	-
Commercial mortgage	-	-	-
Lease and receivables	15,936	*61*	-
Other wholesale	1,368	-	-
Re-securitisation	-	-	-

	31.12.2023		
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
(In EURm)		of which exposures in default	
TOTAL EXPOSURES	**81,416**	***240***	**6**
Retail (total)	**35,623**	***40***	**6**
Residential mortgage	19,481	*18*	-
Credit card	2,005	-	-
Other retail exposures	14,137	*22*	6
Re-securitisation	-	-	-
Wholesale (total)	**45,793**	***200***	**-**
Loans to corporates	33,050	*181*	-
Commercial mortgage	-	-	-
Lease and receivables	11,130	*10*	-
Other wholesale	1,613	-	-
Re-securitisation	-	-	-

8.6 PRUDENTIAL TREATMENT OF SECURITISATION POSITIONS

Approach for calculating risk-weighted exposures

Whenever traditional or synthetic securitisations, for which sponsorship, origination, structuring or management of Societe Generale is involved, achieve a substantial and documented risk transfer compliant with the regulatory framework, the underlying assets are excluded from the bank's calculation of risk-weighted exposures for traditional credit risk.

For the securitisation positions that Societe Generale decides to hold either on- or off-balance sheet, capital requirements are determined based on the bank's exposure, irrespective of its underlying strategy or role.

Institutions use one of the methods described in the hierarchy below to calculate the weighted exposure amounts:

- SEC-IRBA (approach based on internal ratings), when certain conditions are met;
- when the SEC-IRBA cannot be used, the institution uses the SEC-SA (standardised approach);
- when the SEC-SA cannot be used, the institution uses the SEC-ERBA (approach based on external ratings) for positions with an external credit rating or those for which it is possible to infer such a note.

The unrated liquidity lines granted to ABCP programmes can be determined using the Internal Assessment Approach (IAA). Regarding the liquidity lines that the bank grants to the securitisation conduits it sponsors, Societe Generale obtained approval in 2009 to use the internal assessment approach. As such, Societe Generale has developed a rating model (IAA approach), which estimates the expected loss (Expected Loss - EL) for each Group's exposure to securitization conduits, which automatically leads to a capital weighting by application of a correspondence table defined by the regulations. The IAA model mainly applies to underlying assets such as trade receivables, auto loans and auto lease. An annual review of the model makes it possible to verify that the performance and conservatism of the model. Also, in-depth analyses are carried out on inputs (transaction details such as default, dilution, or reserve rates), model parameters (transition matrices, PD, LGD) and an EL backtest. The backtest of the outputs themselves being not feasible due to the limited number of transactions, the backtest of the IAA model consists in the backtest of the inputs (including for example default rate and default rate standard deviation) and the parameters as well as a model behaviour analysis. Methodological benchmarks are also regularly carried out in order to validate our internal approach in comparison with the best practices of the market. The relevance of the IAA approach is regularly monitored and reviewed by the Risk Department responsible for Model Risk Management at Group level, as second line of defense. The independent review process ends with (i) review and approval Committees and (ii) an independent review report detailing the scope of the review, the tests performed and their outcomes, the recommendations, and the conclusion of the review.

In the other cases, the securitisation positions receive a risk weight of 1,250%.

External credit assessment institutions used by Societe Generale

Assets securitised by Societe Generale are usually rated by one or more ECAIs (External Credit Assessment Institutions), the list of which is established by the French prudential supervisory authority ACPR (*Autorité de Contrôle Prudentiel et de Résolution*). The agencies used are DBRS Morningstar, FitchRatings, Moody's Investors Service, Standard & Poor's and Scope ratings. All rating agencies have been registered with and supervised by the European Securities and Market Authority (ESMA). The capital requirements for securitisation positions valued using the standardised approach are calculated based on the lowest external rating of the securitisation exposure.

An equivalence (see table 35) between external ratings and Societe Generale's internal rating scale is provided, presenting Societe Generale's internal rating scale and the corresponding scales of the main ECAIs, as well as the corresponding average estimated probabilities of default.

TABLE 79: CREDIT RATING AGENCIES USED IN SECURITISATIONS BY TYPE OF UNDERLYING ASSETS

Underlying assets	MOODY'S	FITCH	S&P	DBRS	Scope
Residential mortgages	✓	✓	✓		
Commercial mortgages	✓	✓	✓		
Credit card receivables	✓		✓		
Leasing	✓	✓	✓	✓	
Loans to corporates and SMEs	✓	✓	✓		✓
Consumer loans	✓		✓	✓	✓
Trade receivables	✓				
Other assets	✓	✓	✓		
Covered bonds					
Other liabilites					

Regulatory capital requirements

The following tables present, by type of securitisation position, the approaches for calculating the weighted exposure amounts that Societe Generale applies to its securitisation activities.

The following tables show the bank's securitisation exposures and corresponding regulatory capital requirements for the Group's Banking Book as of 31 December 2024.

TABLE 80: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – INSTITUTION ACTING AS ORIGINATOR OR AS SPONSOR (SEC3)

	31.12.2024				
	Exposure values (by RW bands/deductions)				
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW/deductions
TOTAL EXPOSURES	**50,268**	**1,733**	**22**	**84**	**39**
Traditional transactions	**35,631**	**157**	**22**	**2**	**7**
Securitisation	35,631	157	22	2	7
Retail underlying	14,931	14	-	-	4
of which STS	*2,300*	*-*	*-*	*-*	*4*
Wholesale	20,700	143	22	2	3
of which STS	*6,433*	*-*	*-*	*-*	*-*
Re-securitisation	-	-	-	-	-
Synthetic transactions	**14,637**	**1,576**	**-**	**82**	**32**
Securitisation	14,637	1,576	-	82	32
Retail underlying	-	-	-	-	-
Wholesale	14,637	1,576	-	82	32
Re-securitisation	-	-	-	-	-

	31.12.2024											
	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
(In EURm)	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions
TOTAL EXPOSURES	**15,834**	**28,103**	**8,163**	**39**	**2,130**	**4,062**	**1,213**	**-**	**170**	**325**	**97**	**-**
Traditional transactions	**-**	**28,103**	**7,702**	**7**	**-**	**4,062**	**1,157**	**-**	**-**	**325**	**93**	**-**
Securitisation	-	28,103	7,702	7	-	4,062	1,157	-	-	325	93	-
Retail underlying	-	14,338	603	4	-	2,247	62	-	-	180	5	-
of which STS	*-*	*1,708*	*588*	*4*	*-*	*182*	*59*	*-*	*-*	*15*	*5*	*-*
Wholesale	-	13,765	7,099	3	-	1,815	1,095	-	-	145	88	-
of which STS	*-*	*6,433*	*-*	*-*	*-*	*643*	*-*	*-*	*-*	*51*	*-*	*-*
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic transactions	**15,834**	**-**	**461**	**32**	**2,130**	**-**	**56**	**-**	**170**	**-**	**4**	**-**
Securitisation	15,834	-	461	32	2,130	-	56	-	170	-	4	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	15,834	-	461	32	2,130	-	56	-	170	-	4	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

Most of the STS EAD transactions of the banking book (EUR 22.9 billion) are conducted using the IAA methodology (SG sponsor EUR 8.1 billion) and in SEC-IRBA method (SG originator EUR 13.7 billion).

	31.12.2023				
	Exposure values (by RW bands/deductions)				
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW/deductions
TOTAL EXPOSURES	**51,555**	**1,647**	**111**	**-**	**42**
Traditional transactions	**34,191**	**1,415**	**111**	**-**	**9**
Securitisation	34,191	1,415	111	-	9
Retail underlying	16,097	889	5	-	9
of which STS	*1,958*	-	-	-	*9*
Wholesale	18,094	526	106	-	-
of which STS	*5,106*	-	-	-	-
Re-securitisation	-	-	-	-	-
Synthetic transactions	**17,365**	**232**	**-**	**-**	**33**
Securitisation	17,365	232	-	-	33
Retail underlying	870	-	-	-	4
Wholesale	16,495	232	-	-	28
Re-securitisation	-	-	-	-	-

	31.12.2023											
	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
(In EURm)	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions
TOTAL EXPOSURES	**17,728**	**27,660**	**7,925**	**42**	**1,998**	**4,201**	**1,243**	**-**	**160**	**336**	**99**	**-**
Traditional transactions	**132**	**27,660**	**7,925**	**9**	**20**	**4,201**	**1,243**	**-**	**2**	**336**	**99**	**-**
Securitisation	132	27,660	7,925	9	20	4,201	1,243	-	2	336	99	-
Retail underlying	1	16,002	988	9	-	2,612	133	-	-	209	11	-
of which STS	*1*	*1,298*	*660*	*9*	-	*131*	*65*	-	-	*11*	*5*	-
Wholesale	132	11,658	6,937	-	20	1,589	1,110	-	2	127	89	-
of which STS	-	*5,106*	-	-	-	*511*	-	-	-	*41*	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic transactions	**17,596**	**-**	**-**	**33**	**1,978**	**-**	**-**	**-**	**158**	**-**	**-**	**-**
Securitisation	17,596	-	-	33	1,978	-	-	-	158	-	-	-
Retail underlying	870	-	-	4	97	-	-	-	8	-	-	-
Wholesale	16,726	-	-	28	1,881	-	-	-	150	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 81: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – INSTITUTION ACTING AS INVESTOR (SEC4)

	31.12.2024				
	Exposure values (by RW bands/deductions)				
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW/deductions
TOTAL EXPOSURES	**13**	**-**	**-**	**-**	**-**
Traditional securitisation	**13**	**-**	**-**	**-**	**-**
Securitisation	13	-	-	-	-
Retail underlying	6	-	-	-	-
of which STS	*6*	-	-	-	-
Wholesale	7	-	-	-	-
of which STS	*7*	-	-	-	-
Re-securitisation	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-
Retail underlying	-	-	-	-	-
Wholesale	-	-	-	-	-
Re-securitisation	-	-	-	-	-

	31.12.2024											
	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
(In EURm)	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions
TOTAL EXPOSURES	**-**	**13**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Traditional securitisation	**-**	**13**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Securitisation	-	13	-	-	-	1	-	-	-	-	-	-
Retail underlying	-	6	-	-	-	1	-	-	-	-	-	-
of which STS	-	*6*	-	-	-	*1*	-	-	-	-	-	-
Wholesale	-	7	-	-	-	1	-	-	-	-	-	-
of which STS	-	*7*	-	-	-	*1*	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

	31.12.2023				
	Exposure values (by RW bands/deductions)				
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW/deductions
TOTAL EXPOSURES	**-**	**13**	**-**	**-**	**-**
Traditional securitisation	**-**	**13**	**-**	**-**	**-**
Securitisation	-	13	-	-	-
Retail underlying	-	6	-	-	-
of which STS	-	-	-	-	-
Wholesale	-	7	-	-	-
of which STS	-	-	-	-	-
Re-securitisation	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-
Retail underlying	-	-	-	-	-
Wholesale	-	-	-	-	-
Re-securitisation	-	-	-	-	-

	31.12.2023											
	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
(In EURm)	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC -IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions
TOTAL EXPOSURES	**-**	**13**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**0**	**-**	**-**
Traditional securitisation	**-**	**13**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**0**	**-**	**-**
Securitisation	-	13	-	-	-	7	-	-	-	0	-	-
Retail underlying	-	6	-	-	-	3	-	-	-	0	-	-
of which STS	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	7	-	-	-	3	-	-	-	0	-	-
of which STS	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

8.7 PERIMETER OF SECURITISATION VEHICLES

List of SSPEs which acquire exposures originated by institutions[(1)]:

Business Line	Originator	SPPE	Description of types of institutions' exposures[(2)]
Retail Banking and International Financial Services	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH (BDK)	RED & BLACK AUTO GERMANY 8 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH (BDK)	RED & BLACK AUTO GERMANY 9 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH (BDK)	RED & BLACK AUTO GERMANY 10 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH (BDK)	RED & BLACK AUTO GERMANY 11 UG	Auto loans
	FIDITALIA SPA	RED & BLACK AUTO ITALY SRL	Auto loans
	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENT	FCT RED & BLACK AUTO LOANS FRANCE 2024	Auto loans
Retail banking	SOCIETE GENERALE	RED & BLACK HOME LOANS FRANCE 2	Residential loans
	SOCIETE GENERALE	RED & BLACK HOME LOANS FRANCE 3	Residential loans
	FRANFINANCE	RED & BLACK CONSUMER FRANCE 2013	Consumer loans
	BOURSORAMA	BOURSORAMA MASTER HOME LOANS FRANCE	Residential loans
Mobility services and leasing	LEASEPLAN FLEET MANAGEMENT N.V.	BUMPER BE	Auto leases
	LEASEPLAN FRANCE S.A.S.	BUMPER FR 2022-1	Auto leases
	LEASEPLAN DEUTSCHLAND GMBH	BUMPER 2023	Auto leases
	AXUS NEDERLAND N.V.	BUMPER NL 2023-1 B.V.	Auto leases
	AXUS NEDERLAND N.V.	BUMPER NL 2024-1 B.V.	Auto leases
	TEMSYS	RED & BLACK AUTO LEASE FRANCE 1	Auto leases
	TEMSYS	RED & BLACK AUTO LEASE FRANCE 2	Auto leases

(1) *Public securitisations.*
(2) *Societe Generale or an affiliate of the Group may provide cash reserves to the SSPE in certain circumstances and hold the junior tranches.*

List of SSPEs sponsored by the institutions:

Business Line	Country	SSPE
Global Banking & Investor Solutions	France	ANTALIS SA
	Luxembourg	BARTON CAPITAL SA
	United States of America	MOUNTCLIFF FUNDING LLC
	Jersey Island	INSTITUTIONAL SECURED FUNDING LTD

List of SSPEs and other legal entities for which institutions provide securitisation-related services, such as advisory, asset servicing or management services:

Business Line	Country	Management company
Global Banking & Investor Solutions	France	CLARESCO FINANCE
		RSM France
		EQUITIS GESTION
		EUROTITRISATION
		FINXKAP AM
		FRANCE TITRISATION
		GTI ASSET MANAGEMENT
		IQEQ
		PARIS TITRISATION
		SIENNA AM FRANCE
	Luxembourg	VAULT
		CARS ALLIANCE

Regarding SGSS, other asset managers provide different categories of funds other than securitisation.

List of legal entities affiliated with institutions and that invest in securitisations originated by institutions or in securitisation positions issued by SSPEs sponsored by institutions:

Country	Legal entities
Germany	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH (BDK)
	LEASEPLAN GMBH
Belgium	AXUS SA/NV
Luxembourg	LEASEPLAN FLEET MANAGEMENT N.V.
France	BOURSOBANK
	LEASEPLAN FRANCE S.A.S.
	SOCIETE GENERALE
	FRANFINANCE
	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENT
	SOCIETE GENERALE FACTORING
	TEMSYS
United Kingdom	ALD AUTOMATIVE LIMITED
	LEASEPLAN UK LIMITED
Ireland	SGBT FINANCE IRELAND DESIGNATED ACTIVITY COMPANY
Italie	FIDITALIA SPA
Luxembourg	SGBTCI
	SGBT ASSET BASED FUNDING SA
	SOCIETE GENERALE FINANCING AND DISTRIBUTION
Netherlands	AXUS NEDERLAND B.V
	LEASEPLAN NEDERLAND N.V.

List of SPPEs with the scope of regulatory consolidation

Country	SSPE
Germany	RED & BLACK AUTO GERMANY 8 UG
	RED & BLACK AUTO GERMANY 9 UG
	RED & BLACK AUTO GERMANY 10 UG
	RED & BLACK AUTO GERMANY 11 UG
Belgium	BUMPER BE
France	ANTALIS SA
	BOURSORAMA MASTER HOME LOANS FRANCE
	BUMPER FR 2022-1
	FCT LA ROCHE
	RED & BLACK CONSUMER FRANCE 1
	RED & BLACK AUTO LEASE FRANCE 1
	FCT RED & BLACK AUTO LOANS FRANCE 2024
	RED & BLACK CONSUMER FRANCE 2013
	RED & BLACK HOME LOANS FRANCE 2
	RED & BLACK HOME LOANS FRANCE 3
United Kingdom	RED & BLACK AUTO LEASE UK 1 PLC
	BUMPER UK 2021-1
Italy	RED & BLACK AUTO ITALY SRL
Luxembourg	BARTON CAPITAL SA
	BUMPER DE S.A.
	ZEUS FINANCE LEASING SA
Netherlands	AXUS FINANCE NL B.V.
	BUMPER NL 2023
	BUMPER NL 2024

9

MARKET RISK

IN BRIEF

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 them. These parameters include, but are not limited to, exchange rates, interest rates, the price of securities (equities or bonds), commodities, derivatives and other assets.

Market risk RWA at end 2024

€12.2bn

(Amount at end 2023: €12.5bn)

Annual average VaR
(1 day, 99%) - 2024

€19bn

(Annual average VaR 2023: €23bn)

Share of RWA calculated
via the internal model

77%

Audited I 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. ▲

9.1 GENERAL PRINCIPLES AND SYSTEM OF GOVERNANCE

Main functions

Audited I 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. ▲

This department contributes to the detection of possible rogue trading operations through a monitoring mechanism based on alert levels (on gross nominal value of positions for example) applied to all instruments and desks.

Governance

Audited I Market risks oversight is provided by various Committees at different levels of the Group:

- The Risk Committee of the Board of Directors[1] 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[2] (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.
- The market risks of the Group are reviewed during the Market Risk Committee[3] (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. ▲

(1) The Risk Committee met 10 times in 2024, covering topics related to market activities.
(2) 3 CORISQ meetings dedicated to market activities took place in 2024.
(3) The Market Risk Committee met 11 times in 2024.

Market risk appetite

Audited I 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. ▲

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.

Setting and monitoring limits

Audited I 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 manoeuvrability 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. ▲

The desk mandates and Group policies stipulate that the traders must have a sound and prudent management of positions and must respect the defined frameworks. The allowed transactions, as well as risk hedging strategies, are also described in the desk mandates. The limits set for each activity are monitored daily by the Market Risk Department. This continuous monitoring of the market risk profile is the object of regular discussions between the risk and business teams, further to which various risk hedging or mitigation initiatives may be taken by the front office in order to remain within the defined limits. In the event of a breach of the risk framework, and in compliance with the limits follow-up procedure, the front office must detail the reasons, and take the necessary measures to return within the defined framework, or otherwise request a temporary or permanent increase of limit if the client's request and if market conditions justify such a course of action.

The management and good understanding of the market risk to which the Group is exposed are thus ensured on the one hand (i) through the governance in place between the different sub-departments within the Risk Department and the business lines, but also on the other hand (ii) through the daily monitoring of consumption of the various limits in place, to which products/solutions distributed to customers contribute as well as various market-making activities.

9.2 METHODOLOGY AND METRICS

Regulatory indicators

99% VALUE-AT-RISK (VAR)

Methodology

Audited I 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 Société Générale'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 modelling 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.

Main 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[(1)] 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 [(2)]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.

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 defence, also assesses the theoretical robustness (from a design and

(1) 39% of the second-highest risk and 61% of the third-highest risk.
(2) Risk Not In Model Engine.

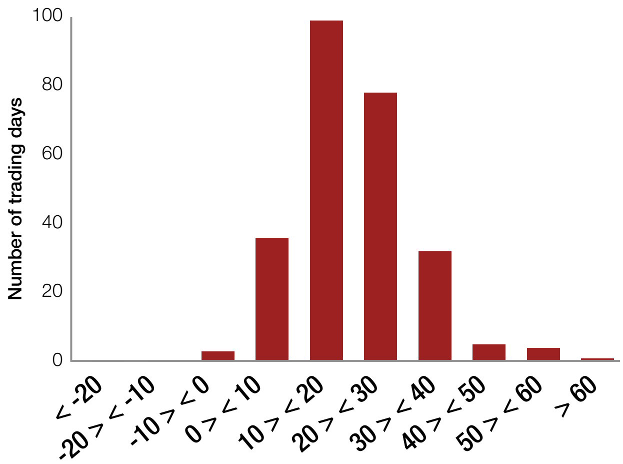
development standpoint), the correctness of the implementation and the adequacy of the model use. The independent review process ends with: (i) review and approval committees and (ii) an audit report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the 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:

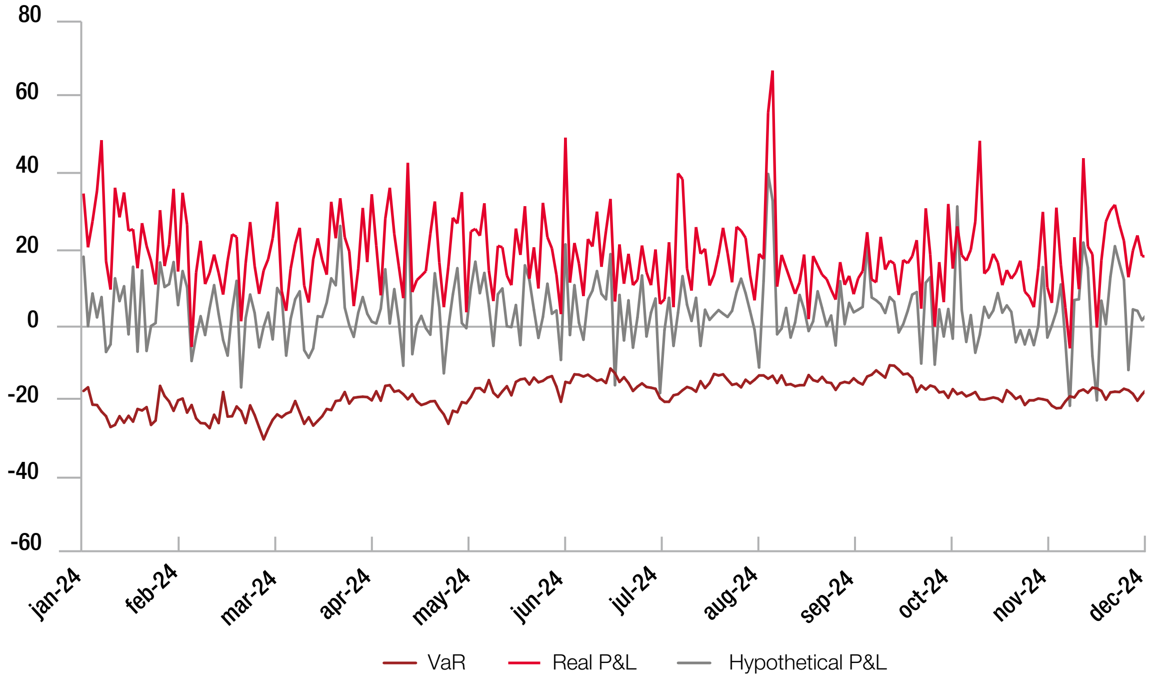
- in the first case (backtesting against "actual P&L"), the daily P&L[1] includes the change in book value, the impact of new transactions and of transactions modified during the day (including their sales margins) as well as provisions and values adjustments made for market risk;
- in the second case (backtesting against "hypothetical P&L"), the daily P&L[2] includes only the change in book value related to changes in market parameters and excludes all other factors. ▲

In 2024, we observed three backtesting breaches against hypothetical P&L, one occurred in Q1 and the other two in Q4.

BREAKDOWN OF THE DAILY P&L OF MARKET[3] ACTIVITIES (2024, IN EURM)



TRADING VAR (ONE-DAY, 99%), DAILY ACTUAL[4] P&L AND DAILY HYPOTHETICAL[5] P&L OF THE TRADING PORTFOLIO *(2024, IN EURM)*



(1) "Actual P&L" by agreement hereinafter.
(2) "Hypothetical P&L" by agreement hereinafter.
(3) Actual P&L.
(4) Daily result used for backtesting the VaR against the effective value of the portfolio as defined in the paragraph "Value-at-Risk 99% (VaR)".
(5) Daily result used for backtesting the VaR against the hypothetical value of the portfolio as defined in the paragraph "Value-at-Risk 99% (VaR)".

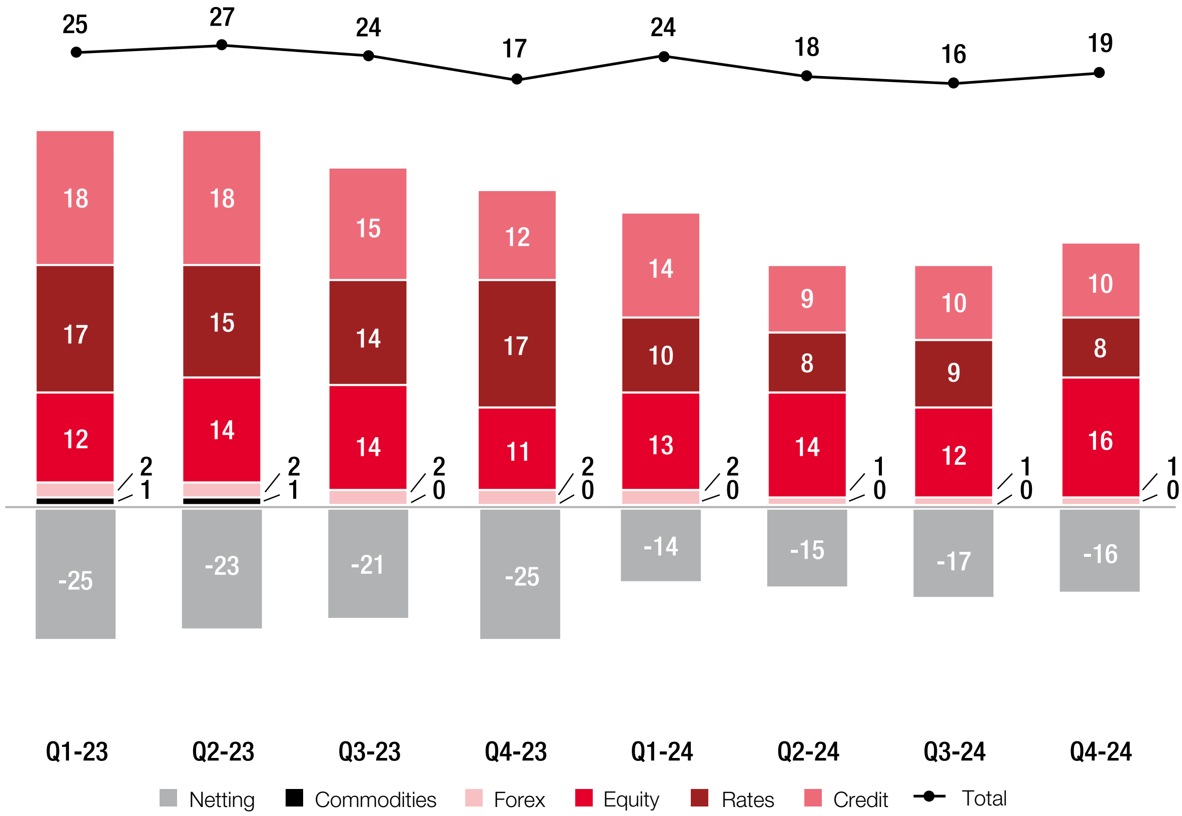
VaR Changes

TABLE 82: REGULATORY TEN-DAY 99% VAR AND ONE-DAY 99% VAR

	31.12.2024		31.12.2023	
(In EURm)	VaR (10 days, 99%)[1]	VaR (1 day, 99%)[1]	VaR (10 days, 99%)[1]	VaR (1 day, 99%)[1]
Period start	69	22	61	19
Maximum value	99	31	116	37
Average value	60	19	72	23
Minimum value	34	11	43	14
Period end	65	20	52	16

(1) Over the scope for which capital requirements are assessed by the internal model.

AUDITED I BREAKDOWN BY RISK FACTOR OF TRADING VAR (ONE-DAY, 99%) – CHANGES IN QUARTERLY AVERAGE OVER THE 2023-2024 PERIOD *(IN EURM)*



Audited I The VaR was less risky in 2024 (EUR 19 million versus EUR 23 million in 2023 on average), mainly due to to the exclusion from market scenarios related to the banking crisis in March 2023. The risk reduction is notably observed in rate and credit activities. ▲

STRESSED VAR (SVAR)

Audited I 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[1]. 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 Model Risk Department that is second line of defence regarding the validation of internal models. The independent review process ends with (i) an Audit Report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review and (ii) review and approval Committees. 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. The level and the variability of the SVaR are mainly explained by the indexing action and financing activities, as well as by the Interest Rate perimeters . ▲

TABLE 83: REGULATORY TEN-DAY 99% SVAR AND ONE-DAY 99% SVAR

	31.12.2024		31.12.2023	
(In EURm)	Stressed VaR (10 days, 99%)[1]	Stressed VaR (1 day, 99%)[1]	Stressed VaR (10 days, 99%)[1]	Stressed VaR (1 day, 99%)[1]
Period start	127	40	92	29
Maximum value	174	55	189	60
Average value	129	41	114	36
Minimum value	82	26	64	20
Period end	147	47	115	36

(1) Over the scope for which capital requirements are assessed by the internal model.

IRC AND CRM

At end-2011, Societe Generale received approval from the Regulator to expand its internal market risk modelling system by including IRC (Incremental Risk Charge) and CRM (Comprehensive Risk Measure), for the same scope as for VaR. As with the VaR model, the approval of the IRC[2] model was renewed in 2020 at the Target Review of Internal Models (TRIM).

They estimate the capital charge on debt instruments that is related to rating migration and issuer default risks. These capital charges are incremental, meaning they are added to the charges calculated based on VaR and SVaR.

In terms of scope, in compliance with regulatory requirements:

- IRC is applied to debt instruments, other than securitisations and the credit correlation portfolio. In particular, this includes bonds, CDS and related derivatives;
- CRM exclusively covers the correlation portfolio, *i.e.* CDO tranches and First-to-Default products (FtD), as well as their hedging using CDS and indices.

Societe Generale estimates these capital charges using internal models[3]. These models determine the loss that would be incurred following especially adverse scenarios in terms of rating changes or issuer defaults for the year that follows the calculation date, without ageing the positions. IRC and CRM are calculated with a confidence interval of 99.9%: they represent the highest risk of loss obtained after eliminating 0.1% of the most unfavourable scenarios simulated.

(1) At the request of the ECB, a posteriori check is carried out to verify the relevance of this historical window by making calculations for full revaluation.
(2) The CRM model was not included in the Target Review of Internal Models.
(3) The same internal model is used for all portfolios for which an IRC calculation is required. The same is true for the portfolios on which a CRM calculation is performed. Note that the scope covered with internal models (IRC and CRM) is included in the VaR scope: only entities authorised for a VaR calculation via an internal model can use an internal model for IRC and CRM calculation.

The internal IRC model simulates rating transitions (including default) for each issuer in the portfolio, over a one-year horizon(1). Issuers are classified into five categories: US-based companies, European companies, companies from other regions, financial institutions and sovereigns. The behaviours of the issuers in each category are correlated with one other through a systemic factor specific to each category. In addition, a correlation between these five systemic factors is integrated to the model. These correlations, along with the rating transition probabilities, are calibrated from historical data observed over the course of a full economic cycle. In case of change in an issuer's rating, the decline or improvement in its financial health is modelled by a shock in its credit spread: negative if the rating improves and positive in the opposite case. The price variation associated with each IRC scenario is determined after revaluation of positions *via* a sensitivity approach, using the delta, the gamma as well as the level of loss in the event of default (Jump to Default), calculated with the market recovery rate for each position.

The CRM model simulates issuer's rating transitions in the same way as the internal IRC model. In addition, the dissemination of the following risk factors is taken into account by the model:

- credit spreads;
- basis correlations;
- recovery rate excluding default (uncertainty about the value of this rate if the issuer has not defaulted);
- recovery rate in the event of default (uncertainty about the value of this rate in case of issuer default);
- First-to-Default valuation correlation (correlation of the times of default used for the valuation of the First-to-Default basket).

These dissemination models are calibrated from historical data, over a maximum period of ten years. The price variation associated with each CRM scenario is determined thanks to a full repricing of the positions. In addition, the capital charge computed with the CRM model cannot be less than a minimum of 8% of the capital charge determined with the standard method for securitisation positions.

The internal IRC and CRM models are subject to similar governance to that of other internal models meeting the Pillar 1 regulatory requirements. More specifically, an ongoing monitoring allows to follow the adequacy of IRC and CRM models and of their calibration. This monitoring is based on the review of the modelling hypotheses at least once a year. This review includes:

- a check of the adequacy of the structure of the rating transition matrices used for IRC and CRM models;
- a backtesting of the probabilities of default used for these two models;
- a specific backtesting of the amount of IRC in relation to any losses incurred as a result of the defaults or rating migrations noted;
- a check of the adequacy of the models for the dissemination of recovery rates, spread dissemination and dissemination of basic correlations used in the CRM calculation.

Regarding the checks on the accuracy of these metrics:

- the IRC calculation being based on the sensitivities of each instrument – delta, gamma – as well as on the level of loss in the event of default (Jump to Default) calculated with the market recovery rate, the accuracy of this approach is checked against a full repricing every six months;
- such a check on CRM is not necessary as its computation is performed following a full repricing;
- these metrics are compared to normative stress tests defined by the regulator. In particular, the EBA stress test and the risk appetite exercise are performed regularly on the IRC metric. These stress tests consist of applying unfavourable rating migrations to issuers, shocking credit spreads and shocking rating transition matrices. Other stress tests are also carried out on an *ad hoc* basis to justify the correlation hypotheses between issuers and those made on the rating transition matrix;
- a weekly analysis of these metrics is carried out by the production and certification team for market risk metrics;
- the methodology and its implementation have been initially validated by the French Prudential and Resolution Supervisory Authority (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR). Thereafter, a review of the IRC and the CRM is regularly carried out by the Risk Department in charge of the approval of internal models as second line of defence. This 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.

Moreover, regular operational checks are performed on the completeness of the scope's coverage as well as the quality of the data describing the positions.

(1) The use of a constant one-year liquidity horizon means that shocks that are applied to the positions to calculate IRC and CRM, are instantaneous one-year shocks. This hypothesis appears to be the most prudent choice in terms of models and capital, rather than shorter liquidity horizons.

TABLE 84: IRC (99.9%) AND CRM (99.9%)

(In EURm)	31.12.2024	31.12.2023
Incremental Risk Charge (99.9%)		
Period start	105	55
Maximum value	129	101
Average value	80	62
Minimum value	36	37
Period end	36	94
Comprehensive Risk Measure (99.9%)		
Period start	30	37
Maximum value	50	95
Average value	25	46
Minimum value	10	26
Period end	14	29

Other internal / economic indicators

STRESS TEST ASSESSMENT

Audited I 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 modelled 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 defence. 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 Société Générale'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.

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 favourable results arising from the five scenarios.

Market risk component

It corresponds to the results of the Market Stress Test[(1)] 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.

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.

Market/counterparty cross-risk component on weak counterparties

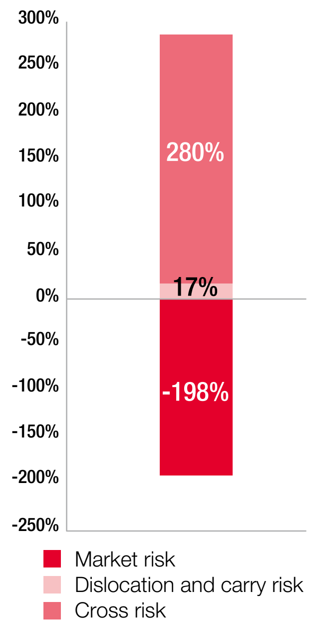
Some counterparties may be significantly affected by a major crisis on the financial markets and their probability of default may increase. The third component of the Global Stress Test therefore aims to take into account this increased risk on certain types of weak counterparties (low-recourse counterparties, 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. ▲

AVERAGE CONTRIBUTION OF THE COMPONENTS IN 2024 GLOBAL STRESS TEST ON MARKET ACTIVITIES



MARKET STRESS TEST

Audited I 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[(2)] (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.

(1) *Measurement of the impact in the Net Banking Product in case of shocks to all risk factors (refer to description below).*
(2) *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. ▲

9.3 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

Allocation of exposures in the trading book

The on- and off-balance sheet items must be allocated to one of the two portfolios defined by prudential regulations: the banking book or the trading book.

The banking book is defined by elimination: all on- and off-balance sheet items not included in the trading book are included by default in the banking book.

The trading book consists of all positions in financial instruments and commodities held by an institution either for trading purposes or in order to hedge other positions in the trading book. The trading interest is documented as part of the traders' mandates.

The prudential classification of instruments and positions is governed as follows:

- the Finance Department's prudential regulation experts are responsible for translating the regulations into procedures, together with the Risk Department for procedures related to holding period and liquidity. They also analyse specific cases and exceptions. They share these procedures to the business lines;
- the business lines comply with these procedures as 1st line of defence (LOD1). In particular, they document the trading interest of the positions taken by traders;
- the Risk Department is the 2nd line of defense (LOD2).

The following controls are implemented in order to ensure that activities are managed in accordance with their prudential classification:

- new product process: any new product or activity is subject to an approval process that covers its prudential classification and regulatory capital treatment for transactions subject to approval;
- holding period: the Market Risk Department has designed a control framework for the holding period of certain instruments;
- liquidity: on a case-by-case basis or on demand, the Market Risk Department performs liquidity controls based on certain criteria (negotiability/transferability, bid/ask size, market volumes, etc.);
- strict process for any change in prudential classification, involving the business line and the Finance and Risk Divisions;
- internal audit: through its various periodic assignments, Internal Audit verifies or questions the consistency of the prudential classification with policies/procedures as well as the suitability of the prudential treatment in light of existing regulations.

Quantitative data

At the end of September 2024, around 80% of Societe Generale capital requirements related to market risk are determined using an internal model approach. The standard approach is mainly used for positions with currency risk and not belonging to the prudential trading book, for positions of the Collective Investment Units (CIU) or securitisation positions as well as for the Group's subsidiaries that do not have access to the core IT tools developed internally. The main entities concerned are some International Retail Banking and Financial Services entities such as SG Maroc, SG Ghana, BRD, SG Algérie, SG Tunisie, etc.

The capital requirements for market risk decreased in 2024. This decrease is notably reflected in the risks calculated using the standard approach, and is only partly offset by the increase in risks assessed using the internal model approach:

- the risks calculated using the standard approach have decreased mainly due to the foreign exchange risk;
- the risks assessed using the internal model approach have increased, primarily due to VaR and SVaR that was partly offset by IRC and CRM:
  - the capital requirements for IRC and CRM have decreased mainly due to a tightening of credit spreads over the period in the United States and Europe (both for HY and IG issuers),
  - the capital requirements for VaR and SVaR have increased, mainly due to linear equity activities related to the cash and carry positions of the Group.

TABLE 85: MARKET RISK CAPITAL REQUIREMENTS AND RWA BY RISK FACTOR

	Risk-weighted assets			Capital requirement		
(In EURm)	31.12.2024	31.12.2023	*Change*	31.12.2024	31.12.2022	*Change*
VaR	2,291	1,992	299	183	159	24
Stressed VaR	6,110	5,604	506	489	448	40
Incremental Risk Charge (IRC)	726	1,173	(447)	58	94	(36)
Correlation portfolio (CRM)	243	445	(202)	19	36	(16)
Total market risk assessed by internal model	**9,370**	**9,214**	**156**	**750**	**737**	**13**
Specific risk related to securitisation positions in the trading portfolio	621	504	117	50	40	9
Risk assessed for currency positions	1,504	1,918	(414)	120	153	(33)
Risks assessed for interest rates (excl. securitisation)	331	550	(219)	27	44	(17)
Risk assessed for ownership positions	369	333	36	29	27	3
Risk assessed for commodities	-	0	(0)	-	0	(0)
Total market risk assessed by standard approach	**2,825**	**3,305**	**(480)**	**226**	**264**	**(38)**
TOTAL	**12,195**	**12,518**	**(324)**	**976**	**1,001**	**(26)**

TABLE 86: MARKET RISK CAPITAL REQUIREMENTS AND RWA BY CATEGORY OF RISK

	Risk-weighted assets		Capital requirement	
(In EURm)	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Risk assessed for currency positions	1,626	2,179	130	174
Risk assessed for credit (excl. deductions)	2,656	2,122	213	170
Risk assessed for commodities	46	18	4	1
Risk assessed for ownership positions	4,721	3,459	378	277
Risk assessed for interest rates	3,145	4,740	252	379
TOTAL	**12,195**	**12,518**	**976**	**1,001**

9.4 FINANCIAL INSTRUMENT VALUATION

Management risk related to the valuation of financial products relies jointly on the Markets Department and the team of valuation experts (Valuation Group) within the Finance Department that both embody the first line of defence and by the team of independent review of valuation methodologies within the Market Risk Department.

Governance

Governance on valuation topics is enforced through three valuation Committees, both attended by representatives of the Global Markets Division, the Market Risk Department and the Finance Division:

- the Valuation Risk Committee meets quarterly to monitor and approve changes in the valuation risk management framework; monitor indicators on this risk and propose or set a risk appetite; evaluate the control system and the progress of recommendations; and finally, prioritize the tasks. This Committee is chaired by the Risk Department and organised by its independent review team of valuation methodologies;
- the Valuation Methodology Committee gathers whenever necessary to approve financial products valuation methodologies. This Committee, chaired by the Risk Department and organised by its independent review team of valuation methodologies, has global accountability with respect to the approval of the valuation policies;
- the MARK P&L Explanation Committee monthly analyses the main sources of economic P&L as well as changes in reserves and other accounting valuation adjustments. The analytical review of adjustments is carried out by the Valuation Group, which also provides a quarterly analytical review of adjustments under regulatory requirements for prudent valuation.

Lastly, a corpus of documents describes the valuation governance and specify the breakdown of responsibilities between the stakeholders.

Valuation principles and associated controls

Market products at fair value are marked to market, when such market prices exist; otherwise, they are valued using parameter-based models, in compliance with the IFRS 13 principles defining fair value.

On the one hand, each model designed by the front office is subject to an independent review by the Market Risks Department as second line of defence that especially checks the conceptual relevance of the model, its performance (especially in case of stressed conditions) and its implementation. Following this review, the approval status of the model, its scope of use and the recommendations to be dealt with are formalised in a report.

On the other hand, the parameters used in the valuation models, whether they come from observable data on the markets or not, are described in marking policies[1] written by the front office and reviewed by the Market Risk Department. This system is complemented by specific controls carried out by the LOD1 (in particular the Independent Price Verification process performed by the Finance Department).

If necessary the resulting valuations are supplemented by reserves or adjustments (mainly covering liquidity, parameter or model uncertainties) the calculation methodologies of which are developed jointly by the Valuation Group and the front office and reviewed by the Market Risk Department. These adjustments are made under fair value accounting requirements or prudent valuation regulatory requirements. The latter aim to capture valuation uncertainty in accordance with the procedures prescribed by the regulations through additional valuation adjustments in relation to the fair value (Additional Valuation Adjustments or AVA) directly deducted from Common Equity Tier 1 capital.

(1) Document describing the parameter determination methodology.

9.5 ADDITIONAL QUANTITATIVE INFORMATION ON MARKET RISK

TABLE 87: MARKET RISK UNDER THE STANDARDISED APPROACH (MR1)

	Risk-weighted assets	
(In EURm)	31.12.2024	31.12.2023
Outright products		
Interest rate risk (general and specific)	314	531
Equity risk (general and specific)	234	220
Foreign exchange risk	1,521	1,937
Commodity risk	-	-
Options		
Simplified approach	-	-
Delta-plus method	135	113
Scenario approach	-	-
Securitisation (specific risk)	**621**	**504**
TOTAL	**2,825**	**3,305**

(1) Outright products refer to positions in products that are not optional.

TABLE 88: MARKET RISK UNDER THE INTERNAL MODEL APPROACH (MR2-A)

		Risk-weighted assets		Capital requirements	
	(In EURm)	31.12.2024	31.12.2023	31.12.2024	31.12.2023
1	**VaR (higher of values a and b)**	**2,291**	**1,992**	**183**	**159**
(a)	Previous day's VaR (Article 365(1) (VaRt-1))			66	52
(b)	Average of the daily VaR (Article 365(1)) on each of the preceding sixty business days (VaRavg) x multiplication factor ((mc) in accordance with Article 366)			183	159
2	**SVaR (higher of values a and b)**	**6,110**	**5,604**	**489**	**448**
(a)	Latest SVaR (Article 365(2) (SVaRt-1))			150	116
(b)	Average of the SVaR (Article 365(2) during the preceding sixty business days (SVaRavg) x multiplication factor (ms) (Article 366)			489	448
3	**Incremental risk charge – IRC (higher of values a and b)**	**726**	**1,173**	**58**	**94**
(a)	Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)			36	94
(b)	Average of the IRC number over the preceding 12 weeks			58	70
4	**Comprehensive Risk Measure – CRM (higher of values a, b and c)**	**243**	**445**	**19**	**36**
(a)	Most recent risk number for the correlation trading portfolio (article 377)			14	29
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12-weeks			19	36
(c)	8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338(4))			7	22
5	**Other**				
6	**TOTAL**	**9,370**	**9,214**	**750**	**737**

TABLE 89: INTERNAL MODEL APPROACH VALUES FOR TRADING PORTFOLIOS (MR3)

(In EURm)	31.12.2024	31.12.2023
VaR (10 days, 99%)[(1)]		
Maximum value	99	116
Average value	60	72
Minimum value	34	43
Period end	66	52
Stressed VaR (10 days, 99%)[(1)]		
Maximum value	174	189
Average value	129	114
Minimum value	82	64
Period end	150	116
Incremental Risk Charge (99.9%)		
Maximum value	129	101
Average value	80	62
Minimum value	36	37
Period end	36	94
Comprehensive Risk capital charge (99.9%)		
Maximum value	50	95
Average value	25	46
Minimum value	10	26
Period end	14	29

(1) (Within the scope for which the capital requirements are determined using the model.

TABLE 90: RWA FLOW STATEMENT OF MARKET RISK EXPOSURES UNDER THE INTERNAL MODEL APPROACH (MR2-B)

(In EURm)	VaR	SVaR	IRC	CRM	Other	Total RWA	Total own funds requirements
RWA at end of previous reporting period (30.09.2024)	**1,822**	**5,393**	**933**	**327**	**-**	**8,475**	**678**
Regulatory adjustment	*(1,072)*	*(3,407)*	*(214)*	*(56)*	-	*(4,749)*	*(380)*
RWA at the previous quarter-end (end of the day)	*750*	*1,987*	*719*	*271*	-	*3,726*	*298*
Movement in risk levels	113	1,404	(268)	(99)	-	1,150	92
Model updates/changes	(46)	(1,527)	-	-	-	(1,573)	(126)
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	2	6	-	-	-	7	1
Other	-	-	-	-	-	-	-
RWA at the end of the disclosure period (end of the day)	*819*	*1,869*	*451*	*172*	-	*3,311*	*265*
Regulatory adjustment	*1,472*	*4,241*	*275*	*71*	-	*6,059*	*485*
RWA at end of reporting period (31.12.2024)	**2,291**	**6,110**	**726**	**243**	**-**	**9,370**	**750**

Effects are defined as follows:

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

10

OPERATIONAL RISK

IN BRIEF

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk RWA at end 2024

€50.1bn

(Amount at end 2023: €46bn)

Share of RWA calculated *via* the advanced approach at end 2024

91%

In line with the Group's Risk taxonomy, operational risk is one of the non-financial risks monitored by the Group. Operational risk is the risk of losses resulting from inadequacies or failures in processes, personnel or information systems, or from external events.

Operational risk classification is divided into seven event categories:

- commercial dispute;
- compliance and other dispute with authorities;
- errors in pricing or risk evaluation including model error;
- execution errors;
- fraud and other criminal activities;
- loss of operating environment/capability;
- IT system interruptions.

This classification ensures consistency throughout the system and enabling cross-business analyses throughout the Group (see section 4.10.2), particularly on the following risks:

- risks related to information and communication technologies and security (cybercrime, IT systems failures, etc.);
- risks related to outsourcing of services and business continuity;
- risks related to the launch of new products/services/activities for customers;
- non-compliance risk (including legal and tax risks) represents the risk of legal, administrative or regulatory sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with national or European legislation, regulations, rules, related self-regulatory organisation standards, and Codes of Conduct applicable to its banking activities;
- reputational risk arises from a negative perception on the part of customers, counterparties, shareholders, investors or regulators that could negatively impact the Group's ability to maintain or engage in business relationships and to sustain access to sources of financing;
- misconduct risk resulting from actions (or inaction) or behaviour of the Bank or its employees inconsistent with the Group's Code of Conduct, which may lead to adverse consequences for our stakeholders, or place the Bank's Sustainability or reputation at risk.

The framework relating to the risks of non-compliance, reputation and inappropriate conduct is detailed in Chapter 4.11 "Compliance risk".

10.1 GENERAL PRINCIPLES AND GOVERNANCE

10.1.1 General principles

Controlling operational risks is a major challenge for the Group:

- regulatory issues: to comply with the requirements of regulators;
- reputation issues: to limit damage to the Group's reputation;
- financial challenge: to contain operational losses and prudential capital requirements.

The Group specifies its zero or very low tolerance to operational risk for: internal fraud, cyber security, data leakage, business continuity, outsourced service delivery, physical security, execution errors.

Furthermore, the Group has no tolerance for incidents whose severity is likely to seriously harm its image, threaten its results or the confidence of its customers and employees, prevent business continuity on its critical activities or challenge its strategic orientations.

The management of operational risk is an integral part of the tasks of all employees. It is based on:

- the existence of secure processing processes;
- the risk culture of employees;
- specific preventive measures, including rules on sound project management;
- the internal control system.

10.1.2 Governance

The Group operational risk management framework, other than non-compliance risks detailed in Chapter 4.11 "Compliance risk" is structured around a three-level system comprising:

- a first line of defence in each core Business Units/Service Units, responsible for applying the framework and putting in place controls that ensure risks are identified, analysed, measured, monitored, managed, reported and contained with the limits set by the Group-defined risk appetite;
- a second line of defence, namely the Non-Financial Risk and permanent control Department in the Group's Risk Division, in charge of the management of operational risks frameworks.

As such, the Non-Financial Risk and permanent control Department:

- conducts a critical examination of the BU/SUs management of operational risks (including fraud risk, risks related to information systems and information security, and risks related to business continuity and crisis management),
- sets regulations and procedures for operational risk systems and production of cross Group analyses,
- produces risk and oversight indicators for operational risk frameworks.

To cover the entire Group, the Non-Financial Risk and permanent control Department has a central team supported by regional hubs. The regional hubs report back to the department, providing all information necessary for a consolidated overview of the Bank's risk profile that is holistic, prospective and valid for both internal oversight purposes and regulatory reporting.

The regional hubs are responsible for implementing the Operational Risk Division's briefs in accordance with the demands of their local regulators.

The Non-Financial Risk and permanent control Department communicates with the first line of defence through a network of operational risk correspondents in each Business/Service Units.

Concerning risks specifically linked to business continuity, crisis management and information, of persons and property, the Non-Financial Risk and permanent control Department carries out the critical review of the management of these risks in connection with the Group Security Division. Specifically, regarding IT risks, the Non-Financial Risk and permanent control Department carries out the critical review of the management of these risks in connection with GCOO (Group Chief Operating Office);

- a third line of defence in charge of internal audits conducted by the General Inspection and Audit Division.

FIRST AND SECOND-LEVEL CONTROLS

The implementation and monitoring of the operational risk management framework is part of the Group's internal control framework:

- level 1 control is performed as part of operations within each SG Group BU/SU/entity, including managerial supervision and operational controls. This permanent control framework is supervised by the Normative Controls Library (NCL), which brings together, for the entire Group, the control objectives defined by the expertise functions, the business lines, in connection with the second lines of defence;
- level 2 control is carried out by dedicated teams in the Risk Division to carry out this mission on operational risks covering the risks specific to the various businesses (including operational risks related to credit and market risks), as well as the risks associated with purchases, communication, real estate, human resources and information system.

RISK RELATED TO SECURITY OF PERSONS AND PROPERTY

Protecting persons and property, and compliance with the laws and regulations governing security are major objectives for Societe Generale Group. It is the mission of the Group Security Division to manage human, organisational and technical frameworks that guarantee the smooth operational functioning of the Group in France and internationally, by reducing exposure to threats (in terms of security and safety) and reducing their impact in the event of crisis.

The security of persons and property encompasses two very specific areas:

- security, which comprises all the human, organisational and technical resources combined to deal with technical, physical, chemical and environmental accidents that can harm people and property;
- safety, which comprises all the human, organisational and technical resources combined to deal with spontaneous or premeditated acts aimed at harming or damaging the Bank with the intent of obtaining psychological and/or financial profit.

The management of all the above risks is based on an operational risk system. A second line of defence is provided by the Risk Department.

RISKS RELATED TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AND SECURITY RISKS

Given the importance for the Group of its information system and the data it conveys and the continuous increase in the cybercriminal threat, the risks related to information and communication technologies (ICT) and to security are major for Societe Generale. Their supervision, integrated into the general operational risk management system, is steered as the first line of defence by a dedicated area of expertise (Information and Information Systems Security – ISS) and the second line of defence is provided by the Risk Department. They are subject to specific monitoring by the management bodies through sessions dedicated to Group governance (Risk Committee, CORISQ, CCCIG, ISCO) and a quarterly dashboard which presents the risk situation and action plans on the main information and communication technologies risks.

The Group Security Department, housed within the General Secretariat, is responsible for protecting information. The information provided by customers, employees and also the collective knowledge and know-how of the bank constitute Société Générale's most valuable information resources. To this end, it is necessary to put in place the human, organisational and technical mechanisms which make it possible to protect the information and ensure that it is handled, communicated to and shared by only the people who are authorised to know.

The person in charge of risks related to information and communication technologies (ICT) and security of information systems is housed at GCOO (Group Chief Operating Office). Under the functional authority of the Head of Group Security, he recommends the strategy to protect digital information and heads up the IT Security Department. The IT security framework is aligned with the market standards (NIST, ISO 27002, ISO 27001, ISO 27035), and implemented in each Business/Service Unit. Societe Generale policies and process tend to be compliant with their requirements and conducts regular control on this compliance.

Risk management associated with cybercrime is carried out through the tri-annual Information Systems Security (ISS) master plan.

In order to take into account the development of the cyber threat, in a sustainable way on SG Group and in line with the Group strategy, with a budget of EUR 1 billion is allocated over the four coming years, the 2024-2026 cyber security strategy is structured around five pillars that guide actions out to 2026:

- decrease the SG Group's exposure to cyber risk by increasing protection levels and response capacity. In particular, by improving the deployment of key cyber risk controls through a commitment of Executive Committee members on results;
- empower SG staff with regard to cyber security, ensuring that core security rules are fully enforced, in particular by ensuring production of Group's assets are secured by design;
- improve the operational efficiency of cyber security teams by optimizing more automated and more preventive cyber controls, to reduce the run cost and deploy additional protection measures;
- support business transformation with the appropriate involvement of cyber security teams, to anticipate new trends (*e.g.* Artificial Intelligence or blockchain);
- improve the human resources management of the sector, in particular on developing the skills and attractiveness of the Group's security function.

At the operational level, the Group relies on a CERT (Computer Emergency Response Team) unit in charge of incident management, security watch and the fight against cybercrime. This team uses multiple sources of information and monitoring, both internal and external. Since 2018, this unit has also been strengthened by the establishment of an internal Red Team whose main tasks are to assess the effectiveness of the security systems deployed and to test the detection and reaction capabilities of the defence teams (Blue Teams) during an exercise simulating a real attack. The services of the Red Team enable the Group to gain a better understanding of the weaknesses in the security of the Societe Generale information system, to help in the implementation of global improvement strategies, and also to train cybersecurity defence teams. CERT works closely with the Security Operation Center (SOC), which is in charge of detecting security events and processing them.

A team at the Resources and Digital Transformation Department is in charge of ensuring the consistency of the implementation of operational risk management systems and their consolidation for IT processes. The main tasks of the team are as follows:

- identify and evaluate the major IT risks for the Group, including extreme risk scenarios (*e.g.* cyberattack, failure of a provider), to enable the Bank to improve its knowledge of its risks, be better prepared for extreme risk scenarios and better align their investments with their IT risks;
- produce the indicators that feed the IT risks monitoring dashboard, intended for management bodies and Information Systems Directors. They are reviewed regularly with the second line of defence in order to remain aligned with the IS and SSI strategy and their objectives;
- more generally, ensure the quality and reliability of all devices addressing IT operational risks. Particular attention is paid to the permanent control system for its IT risks, which is based on the definition of normative IT and security controls and the support of the Group in the deployment of managerial supervision on this topic. Since 2022, the SSI normative controls were reviewed, *i.e.* around 200 controls covering cyber topics in addition to the IT controls already in place. The IS/SSI Departments monitor the deployment of these controls across the Group, the progress of which is aligned with the objectives set by the Group.

In terms of awareness, a multilingual online training module on information security is mandatory for all internal Group staff and for all service providers who use or access our information system. It was updated in early 2023 in order to incorporate changes to the new Group Information Security Policy.

RISKS RELATED TO FRAUD (INCLUDING UNAUTHORISED MARKET ACTIVITIES)

The supervision of fraud risk, whether internal or external, is integrated into the general operational risk management framework which allows the identification, assessment, mitigation and monitoring of the risk, whether it is potential or actual.

It is steered in the first line of defence by dedicated expert teams working on fraud risk management, in addition to the teams in charge of operational risk management specific to each of the banking businesses. These teams are in charge of the definition and operational implementation of the means of raising awareness, preventing, detecting and dealing with frauds. The second line of defence is provided by the Non-Financial Risks and permanent control Department with a fraud risk manager. The second line defines and verifies compliance with the principles of fraud risk management in conjunction with the first line teams, and ensures that the appropriate governance is in place.

Finally, the teams, whether they are in the first or second line of defence, work jointly with teams of experts in charge of information security, the fight against cyber crime, know your client (KYC), anti-money laundering and combating corruption. Likewise, the teams work closely with the teams in charge of credit risk and market risk. The sharing of information contributes to the identification and increased responsiveness in the presence of a situation of proven fraud or weak signals. This active collaboration makes it possible to initiate investigative measures, blocking attempted fraud or initiating the recovery of funds or the activation of associated guarantees and insurance payments in the event of successful fraud.

10.2 METHODOLOGY AND METRICS

10.2.1 Operational risk monitoring

The Group's main frameworks for controlling operational risks are as follows:

- collection and analysis of internal operational losses and significant incidents that do not have a financial impact;
- risk and control self-assessment (RCSA);
- oversight of key risk indicators (KRI);
- development of scenario analyses;
- analysis of external losses;
- framework of new products and significant changes;
- management of outsourced services;
- crisis management and business continuity;
- management of risks related to information and communication technologies (ICT);
- the second line of defence on risk data aggregation and risk reporting.

COLLECTION OF INTERNAL OPERATIONAL LOSSES AND MAJOR INCIDENTS WITH NO FINANCIAL IMPACT

Internal losses and significant incidents without any financial impact are compiled throughout the Group. The process:

- monitors the cost of operational risks as they have materialised in the Group and establishes a historical data base for modelling the calculation of capital to be allocated to operational risk;
- learns from past events to minimise future losses.

ANALYSIS OF EXTERNAL LOSSES

External losses are operational losses data shared within the banking sector. These external data include information on the amount of actual losses, the importance of the activity at the origin of these losses, the causes and circumstances and any additional information that could be used by other establishments to assess the relevance of the event as far as they are concerned and enrich the identification and assessment of the Group's operational risk.

RISK AND CONTROL SELF-ASSESSMENT

Under the Risk and Control Self-Assessment (RCSA), each manager assesses the exposure to operational risks of its activities within its scope of responsibility, in order to improve their management.

The method defined by the Group consists of taking a homogeneous approach to identifying and evaluating operational risks and frameworks to control these risks, in order to guarantee consistency of results at Group level. It is based notably on Group repositories of activities and risks in order to facilitate a comprehensive assessment.

The objectives are as follows:

- identifying and assessing the major operational risks (in average amount and frequency of potential loss) to which each activity is exposed (the intrinsic risks, *i.e.* those inherent in the nature of an activity, while disregarding prevention and control systems). Where necessary, risk mapping established by the functions (*e.g.* Compliance, Information Systems Security, etc.) contributes to this assessment of intrinsic risks;
- assessing the quality of major risk prevention and mitigation measures;
- assessing the risk exposure of each activity that remains once the risk prevention and mitigation measures are taken into account (the "residual risk"), while disregarding insurance coverage;
- remedying any shortcomings in the prevention and control systems, by implementing corrective action plans and defining key risk indicators; if necessary, in the absence of an action plan, risk acceptance will be formally validated by the appropriate hierarchical level;
- adapting the risk insurance strategy, if necessary.

The exercise includes, in particular, risks of non-compliance, tax risks, accounting risks, risks related to information systems and their security, as well as those related to human resources.

KEY RISK INDICATORS

Key risk indicators (KRIs) supplement the overall operational risk management system by providing a dynamic view (warning system) of changes in business risk profiles.

Their follow-up provides managers of entities with a regular measure of improvements or deteriorations in the risk and the environment of prevention and control of activities within their scope of responsibility.

KRIs help BU/SU/Entities and the Senior Management proactively and prospectively manage their risks, taking into account their tolerance and risk appetite.

An analysis of Group-level KRIs and losses is presented to the Group's Executive Committee on a quarterly basis in a specific dashboard.

ANALYSES OF SCENARIOS

The analyses of scenarios serve two purposes: informing the Group of potential significant areas of risk and contributing to the calculation of the capital required to cover operational risks.

These analyses make it possible to build an expert opinion on a distribution of losses for each operational risk category and thus to measure the exposure to potential losses in scenarios of very severe severity, which can be included in the calculation of the prudential capital requirements.

In practice, various scenarios are reviewed by experts who gauge the severity and frequency of the potential impacts for the Group by factoring in internal and external loss data as well as the internal framework (controls and prevention systems) and the external environment (regulatory, business, etc.). Analyses are performed either at Group level (cross-business scenarios) or at business level.

Governance is established in particular to:

- enable approval of the annual scenarios update program by Senior Management through the Group Risk Committee (CORISQ);
- enable approval of the scenarios by the businesses (for example during the Internal Control Coordination Committees of the BUs and SUs concerned or during *ad hoc* meetings) and a challenge of scenario analyses by LoD2;
- conduct an overall review of the Group's risk hierarchy and of the suitability of the scenarios by CORISQ.

FRAMEWORK OF NEW PRODUCT OFFERINGS AND SIGNIFICANT CHANGES

Each division submits its plans for a new product and services to the New Product Committee. The Committee, jointly coordinated by a representative of the Group Risk Division and a representative of the relevant businesses division, is a decision-making body which decides the production and marketing conditions of new products and services to clients.

The Committee aims to ensure that, before the launch of any product or service, or before any relevant changes to an existing product or service, all types of induced risks (among them, credit, market, liquidity and refinancing, country, operational, legal, accounting, tax, financial, information systems risks as well as the risks of non-compliance, reputation, protection of personal data, corporate social and environmental responsibility risks, etc.) have been identified, assessed and, if necessary, subjected to mitigation measures allowing the acceptance of residual risks.

MANAGEMENT OF OUTSOURCED SERVICES

Some banking services are outsourced outside the Group or within the Group (*e.g.* in our shared service centres). These two subcontracting channels are supervised in a manner adapted to the risks they induce.

The management framework for outsourced services ensures that the operational risk linked to outsourcing is controlled, and that the terms imposed by the Group under the sub-contracting agreement are respected.

The objectives are to:

- decide on outsourcing with knowledge of the risks taken; the entity remains fully responsible for the risks of the outsourced activity;
- monitor outsourced services until they are completed, ensuring that operational risks are controlled;
- map the Group's outsourcing activities with an identification of the activities and BUs concerned in order to prevent excessive concentrations on certain service providers.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY

Crisis management and business continuity measures aim to minimise as much as possible the impact of potential disasters on clients, staff, activities or infrastructures, and thus to preserve the Group's reputation and image as well as its financial strength.

Business continuity is managed by developing in each Societe Generale Group entity, organisations, procedures and resources that can deal with natural or accidental damage, or acts of deliberate harm, with a view to protect their personnel, assets and activities and to allow the provision of essential services to continue, if necessary, temporarily in reduced form, then restoring service to normal.

Since 2004, Societe Generale has used the Advanced Measurement Approach (AMA) allowed by the Capital Requirements Directive to measure operational risk. This approach, implemented across the main Group entities, notably makes it possible to:

- identify the businesses that have the greatest risk exposures;
- identify the types of risk that have the greatest impact on the Group's risk profile and overall capital requirements;
- enhance the Group's management of operational risks.

MANAGEMENT OF RISKS RELATED TO INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT).

With specific regard to information and communication technology (ICT) risks, RISQ/NFR acts as a second line of defence and is responsible, in conjunction with GCOO/ISR and SEGL/DSG, for policies to manage these risks, while respecting the roles of SEGL/DSG and RISQ/NFR. As such, RISQ/NFR shall review, *inter alia*, the ICT risk management framework, at least annually and in the event of major ICT incidents, express instructions from supervisors or need revealed by digital operational resilience tests or audit results.

The second line of defence on risk data aggregation and risk reporting, in coordination with the GCOO/CDO 1LOD Transversal Expert function, ensures that data management policies, controls and monitoring of their deployment are ensured and validated; that data aggregation and risk reporting capabilities are regularly and independently assessed; that "fire drills" are conducted to assess *ad hoc* reporting capacity; that anomalies are monitored and closed and that management is regularly informed.

10.2.2 Operational risk modelling

The statistical method used by the Group for operational risk modelling is based on the Loss Distribution Approach (LDA) for AMA internal model.

Under this approach, operational risks are modelled using segments, each segment representing a type of risk and a Group core business. The frequency and severity of operational risks, based on past internal losses, external losses, the internal and external environment, and scenario analyses, are estimated and the distribution of annual losses is calculated for each segment. This approach is supplemented by cross-business scenario analyses that measure cross-business risks for core businesses, such as cybercriminality and the flooding of the river Seine.

Aside from the individual risks associated with each segment or cross-business scenario analysis, the model takes into account the diversification between the various types of risk and the core businesses, dependency effects between extreme risks as well as the effect of insurance policies taken out by the Group. The Group's regulatory capital requirements for operational risks within the scope covered by the (AMA) internal model are then defined as the 99.9% quantile of the Group's annual loss distribution.

For some Group entities, notably in retail banking activities abroad, the standard method is applied: the calculation of capital requirements is defined as the average over the last three years of a financial aggregate based on the Product Net Banking multiplied by factors defined by the regulator and corresponding to each category of activity. To make the calculation, all of the Group's business lines are broken down into the eight regulatory activities.

Société Générale's total capital requirements for operational risks were EUR 4.0 billion at the end of 2024, representing EUR 50 billion in risk-weighted assets. This assessment includes the capital requirement of AMA and Standard perimeters.

10.2.3 Insurance cover in risk modelling

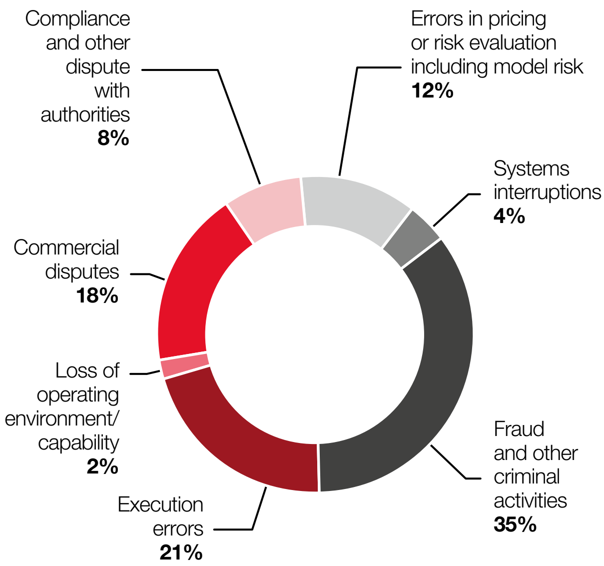
In accordance with regulations, Societe Generale incorporates risk cover provided by insurance policies when calculating regulatory capital requirements for operational risks, within the limit of 20% of said requirements. These insurance policies cover part of the Group's major risks, *i.e.* civil liability, fraud, fire and theft, as well as systems interruptions.

Risk reduction through insurance policies resulted in a 6.7% decrease in total capital requirements for operational risks.

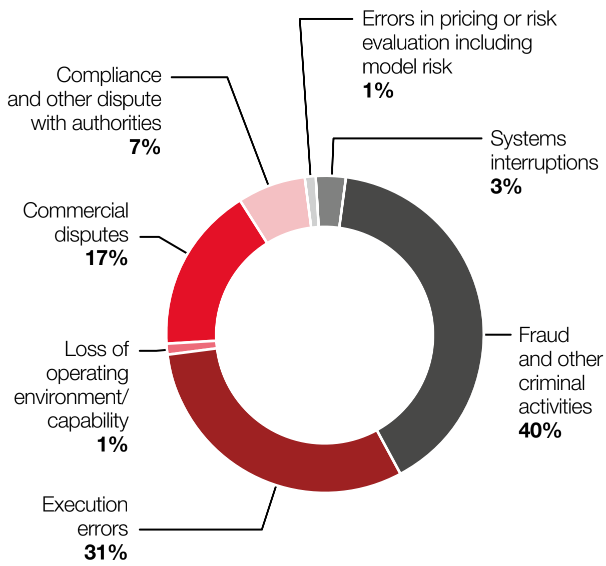
10.2.4 Quantitative data

The following charts break down operating losses by risk category for the 2020-2024 period.

OPERATIONAL RISK LOSSES: BREAKDOWN BY SOCIETE GENERALE RISK EVENT TYPE – AMOUNTS



OPERATIONAL RISK LOSSES: BREAKDOWN BY SOCIETE GENERALE RISK EVENT TYPE – NUMBER OF EVENTS



Société Générale's operational risks in the last five years fall into five types, accounting for 94% of the Group's total operating losses:

- fraud and other criminal activities represented 35% of the amount of operating losses over the period. They are mainly composed of external frauds on financing files (falsified financial statements by the client, theft or misappropriation of collateral/guarantees, etc.),fraud on car leasing and rental with or without purchase option, on fraud on manual means of payment (electronic payments, transfers and cheques) and supplier fraud on financed equipment. To be noted an increase of 30% in 2024 compared to 2023 due to the OSMP recommendation implementation;
- execution errors represented 21% of total operational losses, thereby constituting the second leading cause of loss for the Group; The decrease trend that began in 2021, continued in 2024 thanks to the proper execution of the remediation plans;
- commercial disputes, the third largest category, represented 18% of the Group's operational losses over the period; Increased in 2024 is due to the settlement of old cases;
- pricing or risk assessment errors, including model risk, represent 12% of the total amount of losses;
- litigation with authorities represented 8% of total Group operating losses.

The other categories of Group operational risk (activities not authorised on the markets, system interruptions, loss of operating environment/capability) were still relatively insignificant, representing on average 6% of the Group's losses over the 2020 to 2024 period.

10.3 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

Société Générale's capital requirements for operational risk are mainly calculated using the Advanced Measurement Approach (AMA) *via* its internal model (91% in 2024).

The total amount of RWA in 2024 is stable compared to 2023.

The following table breaks down the Group's risk-weighted assets and the corresponding capital requirements at 31 December 2024.

TABLE 91: WEIGHTED EXPOSURES AND CAPITAL REQUIREMENTS FOR OPERATIONAL RISK BY APPROACH

(In EURm)	31.12.2024				
	Relevant indicator			Own funds requirements	Risk-weighted assets
Banking activities	**31.12.2022**	**31.12.2023**	**31.12.2024**		
Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	2,814	2,530	2,587	378	4,730
Subject to TSA	*2,814*	*2,530*	*2,587*		
Subject to ASA	-	-	-		
Banking activities subject to advanced measurement approaches AMA	27,186	29,640	25,906	3,628	45,355

Historical data including the updates, reflecting some changes in the scope of entities, which occurred during the year.

(In EURm)	31.12.2023				
	Relevant indicator			Own funds requirements	Risk-weighted assets
Banking activities	**31.12.2021**	**31.12.2022**	**31.12.2023**		
Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	2,351	3,087	2,563	381	4,759
Subject to TSA	*2,351*	*3,087*	*2,563*		
Subject to ASA	-	-	-		
Banking activities subject to advanced measurement approaches AMA	23,980	27,186	29,640	3,629	45,365

Historical data including the updates, reflecting some changes in the scope of entities, which occurred during the year.

10.4 OPERATIONAL RISK INSURANCE

General policy

Since 1993, Societe Generale has implemented a global policy of hedging Group operational risks through insurance.

This consists of searching the market for the most extensive cover available for the risks incurred and enabling all entities to benefit from such cover wherever possible. Policies are taken out with leading insurers. Where required by local legislation, local policies are taken out, which are then reinsured by insurers that are part of the global program.

In addition, special insurance policies may be taken out by entities that perform specific activities.

A Group internal reinsurance company intervenes in several policies in order to pool high-frequency, low-level risks between entities. This approach contributes to the improvement of the Group's knowledge and management of its risks.

Description of main general risk coverage

Buildings and their contents, including IT equipment, are insured at their replacement value. The guarantee covering acts of terrorism abroad has been renewed.

Liability other than professional liability (*i.e.* relating to operations, Chief Executive Officers and Directors, etc.) is covered. The amounts insured vary from country to country, according to operating requirements.

Description of main risks arising from operations

Insurance is only one of the measures used to offset the consequences of the risks inherent in the Group's activity. It complements the Group's risk management policy.

THEFT/FRAUD

These risks are included in the "Banker's Blanket Bond" policy that insures all the Group's financial activities around the world.

Internal fraud (committed by an employee or by a third party acting with the aid of an employee) and external fraud (committed by a third party acting alone), with the intent to obtain illicit personal gain or to harm the Group, are covered.

PROFESSIONAL LIABILITY

The consequences of any legal action in respect of staff or managers in the Group's subsidiaries professional activities are insured under a global policy.

CYBERATTACKS

A cyber risk insurance policy has been taken out amid an environment not specific to the banking sector which is seeing a rapid development of new forms of crime mainly involving breach of data or the compromise, unavailability or destruction of computer systems.

11

STRUCTURAL RISKS – INTEREST RATE AND EXCHANGE RATE

IN BRIEF

Structural interest rate and exchange rate risks correspond to the risk of losses of interest margin or value of the fixed rate structural position arising from variations in interest or exchange rates. Structural interest rate and exchange rate risks arise from commercial activities and from transactions entered into by the Corporate Centre.

This section describes the monitoring of structural risks and provides information on structural interest rate and exchange rate risks.

Audited I Interest rate and foreign exchange risks 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. ▲

11.1 GENERAL PRINCIPLES AND GOVERNANCE

11.1.1 General principles

Audited I 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 defence while the Risk Department Management assumes the role of second line of defence 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.

11.1.2 Governance

THE GROUP ALM COMMITTEE, A GENERAL MANAGEMENT BODY

The purpose of the Group ALM 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 tasks the Global Rate Forex Committee chaired by the Finance Department and the Risk Division to approve 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. ▲

11.2 METHODOLOGY AND METRICS

11.2.1 Measuring and monitoring of interest rate risk

REGULARTORY INDICATORS

Audité I 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 transactions. 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. ▲

TABLE 92: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1)

		31.12.2024	
(In EURm)		Changes of the economic value of equity (*) (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
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	

* *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.*

		31.12.2023 (R)	
(In EURm)		Changes of the economic value of equity (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
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	

(R) Restatement following method change with SOT NII and SOT EVE values.

11.2.2 Structural exchange rate risk

Audited I Structural exchange rate risk, understood as resulting from all transactions that do not belong to the trading book, 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;
- net results of activities conducted 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 maintains a target exposure equivalent to the CET1 Target Group ratio level multiplied by the risk-weighted assets generated in that currency, in each currency of the risk-weighted assets and hedges the balance with borrowings or forward foreign exchange transactions denominated in the currency of the holdings and accounted for 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 ±10% per currency are framed. ▲

TABLE 93: SENSITIVITY OF THE GROUP'S COMMON EQUITY TIER 1 RATIO TO A 10% CHANGE IN THE CURRENCY (IN BASIS POINTS)

	Impact of a 10% currency depreciation on the Common Equity Tier 1 ratio		Impact of a 10% currency appreciation on the Common Equity Tier 1 ratio	
Currency	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
CHF	(1.7)	(2.3)	1.7	2.4
CZK	0.4	(0.7)	(0.4)	0.7
MAD	0.3	0.6	(0.3)	(0.6)
RON	(0.4)	(0.5)	0.4	0.5
RUB	0.4	(0.3)	(0.4)	0.3
TND	(0.6)	(0.3)	0.6	0.3
TRY	0.1	(0.2)	(0.1)	0.2
USD	0.5	(0.2)	(0.5)	0.2
XAF	0.1	0.2	(0.1)	(0.2)
Autres	1.6	(0.4)	(1.6)	0.4

12

STRUCTURAL RISK – LIQUIDITY RISK

IN BRIEF

Liquidity risk is defined as the Group's inability to meet its financial obligations at a reasonable cost. Funding risk is defined as the risk of the Group being unable to finance the development of its activities in line with its commercial objectives and at a competitive cost.

Liquidity reserve at end 2024

€315bn

(Amount at end 2023: €316bn)

Audited I 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. ▲

12.1 GENERAL PRINCIPLES AND GOVERNANCE

Audited I 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.

12.1.1 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 or 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.

12.1.2 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:
    - approval 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 Defence, 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 defence 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. ▲

12.2 METHODOLOGY AND METRICS

Audité I 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. ▲

12.3 ASSET ENCUMBRANCE

An asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn.

Analysis of the balance sheet structure

Total Group encumbrance amounts to 33.2% over 2024, measured according to the EBA[(1)] definition Securities encumbrance is 72.9%, while loan encumbrance is 11.3%.

The majority of the Group's encumbered assets (83.4%) is in the form of securities as a result of the relative size of capital market activities, mainly through repos, reverse repos and collateral swaps.

Securities encumbrance is concentrated in Societe Generale parent entity and its branches, where Group market activities are located.

The main sources of encumbrance are repo-like operations and debt securities issued. Encumbrance of assets in US dollars stems mainly from debt securities.

The level of encumbered loans varies among Group entities mainly due to their respective business models, funding strategies and the type of underlying loans, as well as to the law governing them. The main sources of loans encumbrance are in EUR and to a lesser extent in USD. The following key points are to be noted:

- within Société Générale's parent entity, the loan encumbrance rate amounts to 20%[(2)] at 2024 year-end, stemming mainly from housing rea estate. Encumbered loans are affected as collateral for the ECB’s TLTRO operations as well as long-term refinancing mechanisms which are broadly used by banks for covered bonds (SG Société de Financement de l’Habitat, SG Société de Crédit Foncier and Caisse de Refinancement de l’Habitat), securitisations or specific mechanisms;
- within the subsidiaries, the loan encumbrance rate stands at 16%[(2)] overall, with variance between entities due to different funding strategies. The highest levels of secured funding relate to entities which contribute to the pooling scheme (see below) or have implemented external funding programmes through securitisations such as BDK (Bank Deutsches Kraftfahrzeuggewerbe) and Ayvens, or other forms of secured funding.

As far as loan encumbrance is concerned, there is a pooling scheme in which subsidiaries (Boursorama, Sogefinancement, and to a lesser extent BFCOI, Genefim, and Sogefimur) bring a share of their loan portfolio to the Group in order to supply refinancing schemes (such as the SG Société de Financement de l’Habitat Covered Bond vehicle). Not all the assets brought to Covered Bond vehicles are effectively encumbered from a Group-consolidated perspective, because Covered Bonds issued are in part self-retained by Societe Generale as opposed to being distributed to investors. The portion of the subsidiary loan portfolio encumbered at subsidiary level but not encumbered from a Group-consolidated perspective amounts to EUR 7.5 billion.

In 2024 (median level over the year), Societe Generale held EUR 32.5 billion of self-issued Covered Bonds and EUR 16.3 billion of self-issued Asset Back Securities, with underlying collateral portfolios of respectively EUR 41 and 17.8 billion. These underlying collateral portfolios were indirectly encumbered in proportions of respectively 37.9% for Covered Bond assets and 44.5% for Asset Back Securities assets, through TLTRO drawings whose last redemption took place in September 2024 or market repurchase transactions.

With respect to the two main Covered Bond vehicles of the Societe Generale Group, namely SG Société de Crédit Foncier et and SG Société de Financement de l’Habitat, their level of over-collateralisation was respectively at 146% and 120% at the end of 2024.

Regarding SG Société de Financement de l’Habitat, collaterals are made of mortgage loans guaranteed by Crédit Logement.

Regarding SG Société de Crédit Foncier, collaterals related to counterparty exposures in the public sector.

The unencumbered “Other Assets” (excluding loans), in the EBA template, include derivatives and options positions (interest rate swaps, cross currency swaps, currency options, warrants, futures, forward contracts…) in an amount of EUR 105 billion as of the end of 2024, as well as some other assets that cannot be encumbered in the normal course of business, including goodwill, fixed assets, deferred tax, adjustment accounts, sundry debtors and other assets. Overall, assets that cannot be encumbered (derivatives products and other assets listed above) represent 20% of the total balance sheet as of end 2024.

(1) Median values on quarterly data.
(2) According to a methodology consisting of encumbering the least liquid eligible assets (encumbered loans/total loans) first.

TABLE 94: ENCUMBERED AND UNENCUMBERED ASSETS (AE1)

	31.12.2024[1]							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
(In EURm)		of which EHQLA & HQLA		of which EHQLA & HQLA		of which EHQLA & HQLA		of which EHQLA & HQLA
Assets of the reporting institution	**210,971**	**91,908**			**1,204,457**	**267,481**		
Equity instruments	61,086	52,945	61,086	52,945	41,824	20,941	41,824	20,941
Debt securities	43,447	36,470	43,447	36,470	71,969	36,226	71,969	36,226
of which covered bonds	*144*	*115*	*144*	*115*	*601*	*503*	*601*	*503*
of which asset-backed securities	*46*	*32*	*46*	*32*	*761*	*1*	*761*	*1*
of which issued by general governments	*37,320*	*35,815*	*37,320*	*35,815*	*47,664*	*32,008*	*47,664*	*32,008*
of which issued by financial corporations	*3,177*	*223*	*3,177*	*223*	*11,307*	*3,812*	*11,307*	*3,812*
of which issued by non-financial corporations	*3,065*	*579*	*3,065*	*579*	*8,944*	*383*	*8,944*	*383*
Other assets	109,888	873			1,090,665	208,615		
of which Loans on demand	*7,551*	-			*247,770*	*204,839*		
of which Loans and advances other than loans on demand	*96,560*	*873*			*572,332*	*1,654*		
of which other	*5,615*	-			*269,404*	*2,180*		

(1) Table's figures are calculated as medians of the four quarters across 2024.

	31.12.2023[1]							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
(In EURm)		of which EHQLA & HQLA		of which EHQLA & HQLA		of which EHQLA & HQLA		of which EHQLA & HQLA
Assets of the reporting institution	**218,466**	**70,940**			**1,193,953**	**264,976**		
Equity instruments	42,877	35,260	42,877	35,260	33,446	14,613	33,446	14,613
Debt securities	41,428	35,320	41,428	35,320	57,016	33,701	57,016	33,701
of which covered bonds	*381*	*309*	*381*	*309*	*480*	*427*	*480*	*427*
of which asset-backed securities	*173*	*42*	*173*	*42*	*2,141*	*28*	*2,141*	*28*
of which issued by general governments	*34,823*	*34,107*	*34,823*	*34,107*	*37,032*	*29,722*	*37,032*	*29,722*
of which issued by financial corporations	*3,970*	*580*	*3,970*	*580*	*8,612*	*3,101*	*8,612*	*3,101*
of which issued by non-financial corporations	*2,288*	*616*	*2,288*	*616*	*8,955*	*330*	*8,955*	*330*
Other assets	131,453	1,045			1,100,517	213,443		
of which Loans on demand	*7,152*	-			*252,037*	*209,618*		
of which Loans and advances other than loans on demand	*118,714*	*1,045*			*621,672*	*1,514*		
of which other	*4,874*	-			*240,277*	*2,378*		

(1) Table's figures are calculated as medians of the four quarters across 2023.

TABLE 95: COLLATERAL RECEIVED (AE2)

	31.12.2024[1]			
	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
(In EURm)		of which EHQLA & HQLA[1]		of which EHQLA & HQLA[1]
Collateral received by the reporting institution	**430,959**	**370,130**	**87,134**	**70,515**
Loans on demand	0	0	0	0
Equity instruments	66,159	45,390	10,681	6,981
Debt securities	364,799	323,781	74,167	62,534
of which covered bonds	*9,832*	*5,935*	*1,206*	*329*
of which asset-backed securities	*5,240*	*1,359*	*11,027*	*6,428*
of which issued by general governments	*322,128*	*310,955*	*57,932*	*54,815*
of which issued by financial corporations	*29,882*	*7,044*	*7,110*	*591*
of which issued by non-financial corporations	*12,351*	*5,364*	*8,872*	*6,978*
Loans and advances other than loans on demand	0	0	0	0
Other collateral received	0	0	0	0
Own debt securities issued other than own covered bonds or asset-backed securities	**2,293**	**0**	**136**	**0**
Own covered bonds and asset-backed securities issued and not yet pledged			**33,386**	**0**
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**650,101**	**457,433**		

(1) Table's figures are calculated as medians of the four quarters across 2024.

(In EURm)	31.12.2023[(1)] Fair value of encumbered collateral received or own debt securities issued	of which EHQLA & HQLA[(1)]	Fair value of collateral received or own debt securities issued available for encumbrance	of which EHQLA & HQLA[(1)]
Collateral received by the reporting institution	**449,567**	**389,020**	**64,900**	**52,401**
Loans on demand	-	-	-	-
Equity instruments	71,819	50,528	9,880	6,408
Debt securities	378,931	342,279	56,382	46,827
of which covered bonds	*9,691*	*3,916*	*1,279*	*367*
of which asset-backed securities	*6,971*	*2,393*	*9,165*	*4,919*
of which issued by general governments	*340,052*	*330,793*	*43,708*	*41,802*
of which issued by financial corporations	*28,603*	*5,214*	*6,954*	*600*
of which issued by non-financial corporations	*11,877*	*5,485*	*6,969*	*5,459*
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or asset-backed securities	**6,073**	**-**	**54**	**-**
Own covered bonds and asset-backed securities issued and not yet pledged			**22,473**	**-**
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**672,521**	**459,298**		

(1) *Table's figures are calculated as medians of the four quarters across 2023.*

TABLE 96: SOURCES OF ENCUMBRANCE (AE3)

(In EURm)	31.12.2024[(1)] Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	**330,082**	**361,695**

(1) *Table's figures are calculated as medians of the four quarters across 2024.*

(In EURm)	31.12.2023[(1)] Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	**391,555**	**435,116**

(1) *Table's figures are calculated as medians of the four quarters across 2023.*

12.4 LIQUIDITY RESERVE

The Group's liquidity reserve encompasses cash at central banks and assets that can be used to cover liquidity outflows under a stress scenario. The reserve assets are available, *i.e.* not used in guarantee or as collateral on any transaction. They are included in the reserve after applying a haircut to reflect their expected valuation under stress. The Group's liquidity reserve contains assets that can be freely transferred within the Group or used to cover subsidiaries' liquidity outflows in the event of a crisis: non-transferable excess cash (according to the regulatory ratio definition) in subsidiaries is therefore not included in the Group's liquidity reserve.

The liquidity reserve made up of:

- central bank deposits, excluding mandatory reserves;
- High-Quality Liquid Assets (HQLAs), which are securities that can be quickly monetised on the market *via* sale or repurchase transactions; these include government bonds, corporate bonds and equities listed on major indices (after haircuts). These HQLAs meet the eligibility criteria for the LCR, according to the most recent standards known and published by regulators. The haircuts applied to HQLA securities are in line with those indicated in the most recent known texts on determining the numerator of the LCR;
- non-HQLA Group assets that are central bank-eligible, including receivables as well as covered bonds and securitisations of Group receivables held by the Group.

TABLE 97: LIQUIDITY RESERVE

(In EURbn)	31.12.2024	31.12.2023
Central bank deposits (excluding mandatory reserves)	190	214
HQLA securities available and transferable on the market (after haircut)	82	74
Other available central bank-eligible assets (after haircut)	43	28
TOTAL	**315**	**316**

12.5 REGULATORY RATIOS

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 all times;
- 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%.

In order to meet these requirements, the Group ensures that its regulatory ratios are managed well beyond the minimum regulatory requirements set by Directive 2019/878 of the European Parliament and of the Council of 20 May 2019 (CRD5) and Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2)[1].

Société Générale's LCR ratio has always been above 100%: 162%[2] at the end of 2024 compared to 160% at the end of 2023.

Since it came into force, the NSFR ratio has always been above 100% and stands at 117% at the end of 2024 compared to 119% at the end of 2023.

(1) Several amendments to European regulatory standards were adopted in May 2019: the text on the CRL, published in October 2014, has since been supplemented by a Delegated Act corrigendum which entered into force on 30 April 2020. The minimum level of the required ratio has been 100% since 1 January 2018. The NSFR requirement included in CRR2 (EU) 2019/876 of 20 May 2019 has applied since June 2021. The required ratio is 100%.

(2) In the course of preparing regulatory filings in January, an error was discovered in the calculation of the Group's LCR. The cash position of an institutional counterparty was fed to the LCR model from both the accounting and the operational systems. This error doubled the projected cash outflows in the LCR model. Correcting the issue raised the LCR from 156% to 162% in Q4 2024.

TABLE 98: LIQUIDITY COVERAGE RATIO - LCR (LIQ1)

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

The table below takes into account changes in historical data aimed at closer alignment with the technical instructions issued by the European Banking Authority (EBA/ITS/2020/04).

Prudential Group *(In EURm)*	**Total unweighted value (in average)**				**Total weighted value (in average)**			
Quarter ending on	**31.12.2024**	**30.09.2024**	**30.06.2024**	**31.03.2024**	**31.12.2024**	**30.09.2024**	**30.06.2024**	**31.03.2024**
High-quality liquid assets								
Total high-quality liquid assets (HQLA)					**286,262**	**288,265**	**283,125**	**276,307**
Cash – Outflows								
Retail deposits and deposits from small business customers, of which:	236,545	236,731	237,347	236,816	17,875	17,901	18,111	18,135
Stable deposits	*140,056*	*140,292*	*139,319*	*139,610*	*7,003*	*7,015*	*6,966*	*6,980*
Less stable deposits	*85,440*	*86,194*	*88,675*	*88,690*	*10,868*	*10,884*	*11,138*	*11,143*
Unsecured wholesale funding	292,906	288,943	287,410	286,178	147,979	145,059	144,246	142,866
Operational deposits (all counterparties) and deposits in networks of cooperative banks	*67,445*	*66,298*	*65,710*	*65,755*	*16,306*	*16,028*	*15,943*	*15,947*
Non-operational deposits (all counterparties)	*214,479*	*212,844*	*212,034*	*211,509*	*120,691*	*119,230*	*118,637*	*118,006*
Unsecured debt	*10,983*	*9,801*	*9,666*	*8,914*	*10,983*	*9,801*	*9,666*	*8,914*
Secured wholesale funding					42,387	40,515	50,186	63,851
Additional requirements	215,661	215,131	217,354	217,569	70,916	71,799	74,028	75,195
Outflows related to derivative exposures and other collateral requirements	*27,468*	*27,859*	*29,970*	*31,929*	*23,993*	*24,662*	*26,670*	*28,754*
Outflows related to loss of funding on debt products	*14,696*	*15,619*	*16,697*	*17,034*	*14,696*	*15,619*	*16,697*	*17,034*
Credit and liquidity facilities	*173,497*	*171,653*	*170,687*	*168,605*	*32,228*	*31,519*	*30,661*	*29,407*
Other contractual funding obligations	100,393	96,509	90,354	86,253	100,391	96,509	90,354	86,253
Other contingent funding obligations	118,921	119,218	118,471	111,624	6,731	6,974	7,306	7,015
TOTAL CASH OUTFLOWS					**386,280**	**378,756**	**384,230**	**393,316**
CASH – INFLOWS								
Secured lending (eg reverse repos)	337,090	327,770	328,023	327,629	34,082	30,657	41,788	59,234
Inflows from fully performing exposures	41,746	41,692	42,063	42,315	31,975	32,020	32,718	33,150
Other cash inflows	140,695	136,988	132,350	130,775	136,646	132,807	128,161	126,402
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**519,531**	**506,450**	**502,436**	**500,720**	**202,702**	**195,483**	**202,667**	**218,786**
Fully exempt Inflows	*107*	*24*	*2*	*-*	*21*	*5*	*0*	*-*
Inflows subject to 90% cap	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Inflows subject to 75% cap	*400,852*	*396,528*	*395,623*	*399,015*	*202,681*	*195,478*	*202,666*	*218,786*
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**286,262**	**288,265**	**283,125**	**276,307**
TOTAL NET CASH OUTFLOWS					**183,577**	**183,273**	**181,564**	**174,530**
LIQUIDITY COVERAGE RATIO *(%)*					**156.40%**	**157.65%**	**156.38%**	**158.63%**

As of 31 December 2024, the average of Société Générale's LCR stood at 156% (arithmetic average of the 12 LCR monthly values from January 2024 to December 2024, in accordance with the prudential disclosure requirement emanating from Regulation (EU) No 2019/876).

Reported LCR was 162% as of 31 December 2024, or EUR 104 billion of liquidity surplus over the regulatory requirement of 100%.%. On 30 September 2024, the LCR was 155%, or EUR 100 billion of liquidity surplus.

The LCR numerator was EUR 272 billion as of 31 December 2024, down EUR 10 billion compared with 30 September 2024,with a decrease in liquidity surplus of cash flow activities. Net cash outflows decreased by 12bn euros over the same period.

As of 31 December 2024, the LCR numerator includes EUR 190 billion of withdrawable central bank reserves (70%) and EUR 69 billion of Level 1 high-quality securities (25%), as well as 13 billion (5%) of Level 2 liquid assets. The LCR numerator, which amounted to EUR 282 billion as of 30 September 2024, contained 96% available central bank reserves and level 1 liquid asset.

The euro accounted for 52% of Société Générale's total high-quality liquid assets as of 30 December 2024. The US dollar and the Japanese yen also accounted for more than 5% of liquid assets, with a weight of 28% as well as the Yen with a weight of 8%. The liquidity profile of the Group in US dollars is delimited by a set of thresholds and metrics, including indicators of liquidity excess under stress, in US dollars.

Societe Generale ensures it does not overly rely on any given individual counterparty or segment by setting and monitoring concentration risk metrics on secured and unsecured markets. For instance, unsecured short-term funding is subject to thresholds by counterparty type (*e.g.* Corporates, Central banks, Public sector and Asset managers, etc). Secured funding is framed to ensure that the drying up of liquidity in any segment of the repo market (counterparty segments, underlying collateral segments and currencies) would not materially impair the refinancing of inventories in capital markets. In addition to this, the Group's long-term funding is structurally diversified. The plain vanilla funding programme is split into various currencies, instruments and geographies and seeks to continuously expand the investor base. Structured issuances are highly granular (multiple distributing networks) and provide a diversification in terms of nature of investors.

Societe Generale impacts its LCR computation to factor in collateral needs for covered bonds issuance vehicles and other vehicles used in capital markets activities, in case of a 3-notch downgrade of Société Générale's credit rating. Societe Generale also impacts its LCR computation to factor in a potential adverse market shock based on a 24-month historical look-back approach.

Intraday funding requirements give rise to dedicated reserves which are taken into account when computing liquidity stress tests based on internal models, which ground the control of the Societe Generale Group survival horizon under stress.

TABLE 99: NET STABLE FUNDING RATIO (LIQ2)

	31.12.2024				
	Unweighted value by residual maturity				
(In EURm)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items					
Capital items and instruments	73,548	1,743	-	10,545	84,093
Own funds	*73,548*	*1,743*	*-*	*10,545*	*84,093*
Other capital instruments		*-*	*-*	*-*	*-*
Retail deposits		230,174	5,826	16,325	235,608
Stable deposits		*136,961*	*704*	*982*	*131,763*
Less stable deposits		*93,213*	*5,122*	*15,343*	*103,845*
Wholesale funding		563,051	46,436	180,716	334,143
Operational deposits		*70,485*	*3*	*3*	*35,247*
Other wholesale funding		*492,565*	*46,433*	*180,713*	*298,896*
Interdependent liabilities		54,876	0	6,103	-
Other liabilities		70,485	311	6,803	6,958
NSFR derivative liabilities					
All other liabilities and capital instruments not included in the above categories		*70,485*	*311*	*6,803*	*6,958*
TOTAL AVAILABLE STABLE FUNDING (ASF)					**660,801**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					36,955
Assets encumbered for more than 12m in cover pool		55	143	47,831	40,824
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities		273,550	54,931	339,998	355,125
Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut		*105,337*	*6,426*	*1,871*	*9,520*
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		*80,619*	*9,631*	*27,355*	*40,114*
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		*63,703*	*31,998*	*182,381*	*204,607*
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*12,538*	*4,013*	*-*	*8,503*
Performing residential mortgages, of which:		*4,624*	*4,990*	*97,142*	*69,568*
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*4,214*	*4,550*	*89,052*	*62,265*
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		*19,268*	*1,885*	*31,248*	*31,316*
Interdependent assets		54,717	0	6,261	-
Other assets		111,794	6,950	97,823	122,484
Physical traded commodities				*0*	*0*
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		*18,022*	*3,482*	*9,426*	*26,290*
NSFR derivative assets		*515*			*515*
NSFR derivative liabilities before deduction of variation margin posted		*65,455*			*3,273*
All other assets not included in the above categories		*27,802*	*3,467*	*88,398*	*92,406*
Off-balance sheet items		208,305	-	63,377	11,062
TOTAL RSF					**566,450**
NET STABLE FUNDING RATIO *(%)*					**116.66%**

	31.12.2023				
	Unweighted value by residual maturity				Weighted value
(In EURm)	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	
Available stable funding (ASF) Items					
Capital items and instruments	70,502	861	-	11,679	82,182
Own funds	*70,502*	*861*	*-*	*11,679*	*82,182*
Other capital instruments		*-*	*-*	*-*	*-*
Retail deposits		232,335	6,753	12,637	235,217
Stable deposits		*144,344*	*3,684*	*10,598*	*151,224*
Less stable deposits		*87,991*	*3,069*	*2,039*	*83,993*
Wholesale funding		553,089	68,181	170,508	342,053
Operational deposits		*65,931*	*3*	*6*	*32,973*
Other wholesale funding		*487,157*	*68,178*	*170,502*	*309,080*
Interdependent liabilities		45,558	-	5,117	-
Other liabilities	4,807	75,889	297	6,538	6,686
NSFR derivative liabilities	*4,807*				
All other liabilities and capital instruments not included in the above categories		*75,889*	*297*	*6,538*	*6,686*
TOTAL AVAILABLE STABLE FUNDING (ASF)					**666,138**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					26,716
Assets encumbered for more than 12m in cover pool		38	54	35,519	30,270
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities		283,761	54,070	363,802	373,163
Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut		*126,370*	*6,697*	*1,873*	*11,827*
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		*66,443*	*9,678*	*30,459*	*41,306*
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		*62,866*	*30,947*	*203,114*	*218,872*
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*11,575*	*4,491*	*10,722*	*15,832*
Performing residential mortgages, of which:		*4,718*	*5,117*	*104,964*	*75,285*
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*4,221*	*4,572*	*94,259*	*65,665*
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		*23,364*	*1,631*	*23,392*	*25,873*
Interdependent assets		45,396	-	5,279	-
Other assets		112,854	5,065	99,519	119,717
Physical traded commodities				*-*	*-*
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		*14,612*	*4,355*	*7,762*	*22,720*
NSFR derivative assets		*-*			*-*
NSFR derivative liabilities before deduction of variation margin posted		*65,609*			*3,280*
All other assets not included in the above categories		*32,633*	*710*	*91,757*	*93,717*
Off-balance sheet items		200,748	-	63,448	10,984
TOTAL RSF					**560,850**
NET STABLE FUNDING RATIO *(%)*					**118.77%**

12.6 BALANCE SHEET SCHEDULE

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

TABLE 100: BALANCE SHEET SCHEDULE

FINANCIAL LIABILITIES

	31.12.2024					
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Due to central banks		11,364	-	-	-	11,364
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	184,412	26,473	42,362	37,936	291,183
Due to banks	Note 3.6	63,507	19,596	15,241	1,400	99,744
Customer deposits	Note 3.6	479,388	24,260	24,951	3,077	531,676
Securitised debt payables	Note 3.6	34,557	30,881	70,630	26,131	162,199
Subordinated debt	Note 3.9	9	465	2,922	13,613	17,009

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

	31.12.2023					
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Due to central banks		9,718	-	-	-	9,718
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	182,235	26,940	42,721	33,885	285,781
Due to banks	Note 3.6	62,586	43,357	10,724	1,179	117,846
Customer deposits	Note 3.6	481,894	36,166	19,976	3,641	541,677
Securitised debt payables	Note 3.6	35,963	27,977	67,755	28,811	160,506
Subordinated debt	Note 3.9	213	76	6,594	9,011	15,894

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

FINANCIAL ASSETS

	31.12.2024					
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Cash, due from central banks		199,942	493	974	271	201,680
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	406,556	22,747	-	-	429,303
Financial assets at fair value through other comprehensive income	Note 3.4	94,559	1191	-	274	96,024
Securities at amortised cost	Note 3.5	28,231	761	3,002	661	32,655
Due from banks at amortised cost	Note 3.5	69,489	2,837	11,329	396	84,051
Customer loans at amortised cost	Note 3.5	116,064	55,202	160,123	102,419	433,808
Lease financing agreements(1)	Note 3.5	2,021	4,182	11,569	3,042	20,814

(1) Amounts are presented net of impairments.

	31.12.2023					
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Cash, due from central banks		222,324	205	340	178	223,047
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	390,461	21,886	-	-	412,347
Financial assets at fair value through other comprehensive income	Note 3.4	88,231	2,384	-	279	90,894
Securities at amortised cost	Note 3.5	17,369	2,642	4,348	3,789	28,147
Due from banks at amortised cost	Note 3.5	64,911	3,426	8,585	957	77,879
Customer loans at amortised cost	Note 3.5	125,087	53,996	167,013	109,071	455,168
Lease financing agreements(1)	Note 3.5	3,296	6,174	16,793	4,018	30,281

(1) Amounts are presented net of impairments.

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

It was agreed that , the following residual maturities will be used to classify financial assets:

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

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

OTHER LIABILITIES

	31.12.2024						
(In EURm)	Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Tax liabilities	Note 6.3	-	-	975	1,262	-	2,237
Revaluation difference on portfolios hedged against interest rate risk		(5,277)	-	-	-	-	(5,277)
Other liabilities	Note 4.4	-	81,117	2,974	3,702	2,993	90,786
Non-current liabilities held for sale	Note 2.5	-	-	17,079	-	-	17,079
Liabilities related to insurance activities	Note 4.3	-	4,314	10,619	42,427	93,331	150,691
Provisions	Note 8.3	4,085	-	-	-	-	4,085
Shareholders' equity		79,588	-	-	-	-	79,588

	31.12.2023						
(In EURm)	Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Tax liabilities	Note 6.3	-	-	974	1,428	-	2,402
Revaluation difference on portfolios hedged against interest rate risk		(5,857)	-	-	-	-	(5,857)
Other liabilities	Note 4.4	-	84,029	2,548	3,821	3,260	93,658
Non-current liabilities held for sale	Note 2.5	-	-	1,703	-	-	1,703
Liabilities related to insurance activities	Note 4.3	-	3,571	9,188	36,538	92,426	141,723
Provisions	Note 8.3	4,235	-	-	-	-	4,235
Shareholders' equity		76,247	-	-	-	-	76,247

OTHER ASSETS

	31.12.2024						
(In EURm)	Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Revaluation differences on portfolios hedged against interest rate risk		(292)	-	-	-	-	(292)
Other assets	Note 4.4	0	70,903	-	-	-	70,903
Tax assets	Note 6	4,687	-	-	-	-	4,687
Deferred profit-sharing		-	-	-	-	-	-
Investments accounted for using the equity method		-	-	-	-	398	398
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	61,409	61,409
Goodwill	Note 2.2	-	-	-	-	5,086	5,086
Non-current assets held for sale	Note 2.5	-	4	26,390	16	17	26,427
Investments of insurance companies	Note 4.3	-	12	39	166	398	615

	31.12.2023						
(In EURm)	Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Revaluation differences on portfolios hedged against interest rate risk		(433)	-	-	-	-	(433)
Other assets	Note 4.4	-	69,765	-	-	-	69,765
Tax assets	Note 6	4,717	-	-	-	-	4,717
Deferred profit-sharing		-	-	-	-	-	-
Investments accounted for using the equity method		-	-	-	-	227	227
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	60,714	60,714
Goodwill	Note 2.2	-	-	-	-	4,949	4,949
Non-current assets held for sale	Note 2.5	-	43	1,692	13	16	1,764
Insurance contract assets	Note 4.3	-	60	36	143	220	459

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the portfolios in question. Similarly, the schedule of tax assets whose schedule would result in the early disclosure of income flows is not made public.
2. Other assets and other liabilities (guarantee deposits and settlement accounts, miscellaneous receivables) are considered as current assets and liabilities.
3. The notional maturities of commitments in derivative instruments are presented in Note 3.2.2 to the consolidated financial statements.
4. Investments in subsidiaries and affiliates accounted for by the equity method and Tangible and intangible fixed assets have a maturity of more than five years.
5. Provisions and shareholders' equity are not scheduled.

13

COMPLIANCE RISK, LITIGATION

IN BRIEF

Compliance means acting in accordance with the obligations applicable to the Group's activities, ranging from laws and regulations to professional, ethical and internal standards and principles.

By ensuring that these provisions are observed, the Group works to protect its employees, customers and all stakeholders. Compliance with rules is the responsibility of all Group employees, who must demonstrate compliance and integrity in their daily tasks.

The Group relies on a recently restructured, clear organisation to ensure the compliance system is both respected and consistent.

13.1 COMPLIANCE

Compliance risk is considered a non-financial risk, in line with the Group's Risk taxonomy.

Acting in compliance means understanding and observing the external and internal rules that govern our banking and financial activities. These rules aim to ensure a transparent and balanced relationship between the Bank and all its stakeholders. Compliance is the cornerstone of trust between the Bank, its customers, its supervisors and its employees.

Compliance with rules is the responsibility of all Group employees, who must demonstrate compliance and integrity on a daily basis. The rules must be clearly expressed, and staff have been informed and/or trained to understand them properly.

The compliance risk prevention system is based on shared responsibility between the operational entities and the Group Compliance Department:

- the operational entities (BUs and SUs) must incorporate into their daily activities compliance with laws and regulations, the rules of professional best practice and the Group's internal rules;
- the Compliance Department manages the Group's compliance risk prevention and management system. It ensures the system's consistency and efficiency, while also developing appropriate relationships (liaising with the General Secretariat) with bank supervisors and regulators. This independent department reports directly to General Management.

To support the businesses and supervise the system, the Compliance Department is organised into:

- **Standards and Consolidation teams** responsible for defining the normative system and oversight guidelines, consolidating them at Group level, as well as defining the target operational model for each compliance risk;
- **Core Business/business line Compliance teams** which are aligned across the Group's major business lines (Corporate and Investment Bank, French Retail Banking, International Retail Banking, Private Banking and Corporate Divisions), responsible for the relationship with BU/SUs, including deal flow, advisory, and risk oversight of BU/SUs;
  - teams responsible for cross-business functions,
  - teams responsible for second-level controls.

The Compliance Department is organised into three main compliance risk categories, for which it plays a standard-setting role:

- financial security: know your customer; fight against corruption, compliance with the rules and regulations on international sanctions and embargoes; anti-money laundering and combating the financing of terrorism, including reporting suspicious transactions to the appropriate financial intelligence authority when necessary;
- regulatory risks, which cover in particular: customer protection, ethics and conduct, compliance with tax transparency regulations (based on knowledge of the customers' tax profile), compliance with corporate social responsibility regulations and Group commitments, financial market integrity, compliance with prudential regulations in collaboration with the Risk Department, joint coordination with HRCO of the Group's Culture and Conduct issues (Conduct in particular);
- protection of data, including personal data and in particular those of customers.

Compliance has set up an extensive compulsory training programme for each of these risk categories, designed to raise awareness of compliance risks among all or some employees. The completion rates for these training modules are monitored closely by the Group at the highest level.

In addition to its LOD2 function regarding the aforementioned risks, Compliance oversees the regulatory system for all regulations applicable to credit institutions, including those implemented by other departments, such as prudential regulations.

13.1.1 Financial security

KNOW YOUR CUSTOMER (KYC)

In terms of customer knowledge, Societe Generale's KYC system is now generally robust. 2024 saw its consolidation in parallel with the tightening reinforcement of the methods of continuous detection of customers or beneficial owners who have acquired the status of Politically Exposed Person (PEP) or Close to PEP, the generalisation to all banking entities of an automated solution for identifying *Negative News* on customers, as well as the deployment of a Group tool supporting the Quality Assurance process on relationships and periodic reviews.

In addition, following the publication of the European Union's 6th anti-money laundering package in June 2024, which introduces new KYC due diligence obligations applicable from 10 July 2027, the Group took the first steps in a multi-year compliance programme at the end of the year.

PREVENTION OF ANTI-MONEY LAUNDERING AND FINANCING OF TERRORISM (AML/CFT)

The Group implements all the measures related to the 5th Anti-Money Laundering Directive and the Order of 6 January 2021 on the AMF/CFT system and internal control.

It has also actively worked to comply with European Regulation 2023/1113 on information accompanying transfers of funds and certain crypto-assets, applicable since 30 December 2024.

Internal initiatives to strengthen the system also continued in 2024, particularly in terms of risk detection capabilities related to crypto-assets or the circumvention of international sanctions. In general, the development of more sophisticated tools for detecting suspicious or atypical transactions, based on technologies such as Big Data and Machine Learning, is a priority for the Group as part of a multi-year investment programme.

FINANCIAL EMBARGOES AND SANCTIONS

The strengthening of sanctions imposed on Russia by various jurisdictions (the European Union, the US, the UK, etc.) on account of the war against Ukraine continued in 2024. The implementation of these sanctions remains very complex and may generate high operational risk for financial institutions. In this context, Societe Generale Group maintains close control over any operation involving Russia.

Following the dismissal of the Deferred Prosecution Agreement in December 2021 by the US authorities, the Group took further measures to bolster its Embargoes/Sanctions system, which continues to be regularly reviewed by an independent consultant appointed by the FRB.

13.1.2 Regulatory Compliance risk

PROTECTION OF CUSTOMERS

Customer claims

Refer to section 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests"/"Complaint handling and mediation", page 341; 5.4.2.2.2.2. "Actions related to responsible business practices/Complaint handling and mediation", page 345.

Conflicts of interest

Refer to section 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests"/"Prevention of conflicts of Interest", page 341.

Product governance

Refer to section 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests", page 341.

Vulnerable customers

Refer to section 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests"/"Supporting customers in situations of financial fragility", page 341; 5.4.2.2.2.2. "Actions related to responsible business practices"/"Financial fragility", page 341.

MARKET INTEGRITY

The regulatory changes of recent years concerning market integrity are integrated into the implementation of a robust risk hedging framework within the Societe Generale Group. The rules of conduct, the organisational principles and the oversight and control measures are in place, regularly assessed and improved. Moreover, extensive training and awareness-raising programmes are provided to all Group employees.

This scheme has been further improved in 2024, including:

- by strengthening the regulatory framework and controls concerning the system for recording and storing electronic communications for persons subject to the orders issued by the US authorities (SEC and CFTC) against several banking institutions including Societe Generale;
- by strengthening the normative framework and controls concerning the system for preventing market abuse and its detection with the launch of a project to improve our supervision of transactions executed *via* trading venues;
- by integrating regulatory requirements into the normative framework and controls concerning the derivatives framework and regulatory reporting;
- by integrating the Group's strategic projects into our system.

TAX TRANSPARENCY AND TAX EVASION

Societe Generale Group's principles on combating tax evasion are governed by the Tax Code of Conduct. This Code is updated periodically and approved by the Board of Directors after review by the Executive Committee. It is public and accessible *via* the Bank's institutional portal *(https://www.societegenerale.com/sites/default/files/documents/Code-conduite/code_de_conduite_fiscale_groupe_societe_generale_fr.pdf)*. The current version was updated in December 2023.

The five main principles of the Code are as follows:

- Societe Generale has a responsible tax policy that forms part of its overall strategy;
- Societe Generale ensures compliance with the applicable tax rules in all countries where the Group operates, in accordance with international conventions and national laws;
- in its customer relationships, Societe Generale ensures that customers are informed of their tax obligations relating to transactions carried out with the Group (insofar as this information is authorised by the applicable laws and regulations). The Group complies with the reporting obligations that apply to it as bookkeeper and in any other way;
- in its relations with the tax authorities, Societe Generale is committed to strictly respecting tax procedures and ensures that it maintains responsible and transparent relations;
- Societe Generale prohibits tax evasion and the abuse of rights, whether in the Group or by its subsidiaries, and does not encourage or facilitate tax evasion for its customers. Societe Generale also prohibits any transaction not based on sound economic grounds and driven solely by tax considerations, whether for its own account or for its customers.

The tax strategy and its guiding principles are approved by the Board of Directors. Measures for monitoring compliance with the tax strategy and risks are presented to the Board of Directors (or a delegate Committee) at least once a year.

The Group is committed to a strict policy with regard to tax havens. No new Group entity may be established in a state or territory on the official French list of ETNCs (*États et territoires non coopératifs* in French)(1). Moreover, the Group undertakes to cease operating entities in said countries unless their activities are mainly regional in nature. Internal rules have also been in place since 2013 to monitor an expanded list of countries or territories.

The Group adheres to the Organisation for Economic Co-operation and Development's (OECD) Transfer Pricing recommendations and applies the principle of competitive neutrality in order to ensure that its intra-group transactions are made under arm's length conditions and do not result in the transfer of any indirect benefits. However, where local regulations differ from these recommendations, the former shall prevail in all relations with the relevant government and be properly documented.

(1) Including the European black list.

The Group publishes information on its entities and activities annually on a country-by-country basis (Section 2.12 – pages 58 - 60) and confirms that its presence in a number of countries is for commercial purposes only, and not to benefit from special tax provisions. The Group complies with the tax transparency rules for its own account (CbCR – Country-by-Country Reporting) and has included the principle of transparent tax communications in its Code of Conduct. Societe Generale complies with customer tax transparency standards. The Common Reporting Standard (CRS) enables tax authorities to be systematically informed of income received abroad by their tax residents, including where the accounts are held in asset management structures. Societe Generale also complies with the requirements of the United States FATCA (Foreign Account Tax Compliance Act), which aims to combat tax evasion involving foreign accounts or entities held by US taxpayers. The Group has implemented the European Directive DAC6, which requires the reporting of cross-border tax planning arrangements. Lastly, the Group is studying the new tax transparency standards on digital assets ahead of their upcoming implementation, in particular the CARF (Crypto-Asset Reporting Framework), changes to the CRS standard, and the new European Directive in this regard, known as DAC8 (Directive on Administrative Cooperation 8).

Importantly, the account-keeping entities of the Private Banking business line are established exclusively in countries with the strictest tax transparency rules imposed by G20 member countries and the OECD. Assets deposited in Private Banking books are subject to enhanced scrutiny using comprehensive due diligence procedures to ensure they are tax compliant.

In accordance with regulatory requirements, Societe Generale also includes tax fraud in its anti-money laundering procedures.

MEASURES AGAINST CORRUPTION

Refer to section 5.5.1.2. “Prevention and detection of corruption and bribery”, page 351.

SUSTAINABILITY RISK

European financial regulations have seen significant changes from a social and environmental perspective, in particular with:

- the entry into force in March 2021 of Regulation (EU) 2019/2088 – SFDR on Sustainability-related disclosures in the financial services sector;
- the Taxonomy Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment; and
- the entry into force in January 2022 of the Delegated Regulation of 4 June 2021 supplementing the Taxonomy Regulation and in August 2022 of Delegated Act 2021/1253 integrating Sustainability into MiFID.

The Compliance Department is developing the normative framework relative to the European Union regulations on sustainable investment and producing deliverables pertaining to normative documentation, training, controls and supervision to help the business lines to comply with regulations. An e-learning module on sustainable investment was made compulsory for more than 30,000 Group employees.

In addition to regulations, the Group makes voluntary public commitments in this area. To manage the implementation of the environmental and social risk management system and ensure the Group’s commitments are upheld, the Compliance Division introduced the following measures:

- development of prescriptive controls and key risk indicators;
- deployment of an e-learning module on environmental and social risk management. The training was made compulsory for all employees having a direct or indirect relationship with corporate customers and was distributed to more than 70,000 Group employees;
- definition of escalation procedures on the perimeter of corporate clients and on that of financial institutions and sovereigns, to describe the criteria that oblige business lines to request the Compliance Department and, where applicable, the Arbitration Committee chaired by the General Management, to enter into a relationship with an entity or to carry out transactions in situations that may present risks of non-compliance or environmental and social reputation issues.

13.1.3 Data protection

DATA PROTECTION

Refer to section 5.4.2.2.1.3. “Customer privacy policies”/“Protection of customer personal data”, page 343; 5.4.2.2.2.3. “Privacy protection”/“Data protection”, page 346.

DATA RECORDS MANAGEMENT

Refer to section 5.4.2.2.2.3. “Privacy actions”/“Archiving”, page 346.

13.1.4 Other Regulatory Risks

MANAGEMENT OF REPUTATIONAL RISK

Management of reputational risk is coordinated by the Compliance Department, which:

- supports the Compliance Control Officers of the businesses in their strategy for preventing, identifying, assessing and controlling reputation risk;
- develops a reputational risk dashboard that is communicated quarterly to the Risk Committee of the Board of Directors, based on information from the BU/SU (in particular the Human Resources, Communications, Legal, Corporate Social Responsibility, etc.);
- performs the Secretariat role for the Customer Acceptance Committee (CAC) whose role is to approve the onboarding or continuing relationship with certain customers which are subject to an arbitration request between the businesses and control functions and/or who present a high risk;
- performs the Secretariat role for the Complex Transactions and Reputation Risk Committee (CTRC), tasked with reviewing and approving the legal, regulatory, tax, compliance and/or high reputation risk that may arise from the involvement of a Group entity in a complex transaction or from a product, transaction, service or activity with a customer or counterparty.

Moreover, Chief Compliance Officers dedicated to Business Units take part in the various bodies (New Product and Significant Change Committees or NPSC, *ad hoc* committees, etc.) organised to approve new types of transactions, products, projects or customers, and formulate a written opinion as to their assessment of the level of risk of the planned initiative, and notably the reputation risk.

CORPORATE COMPLIANCE

In addition to its role as a second line of defence in the aforementioned areas, the Compliance Department has continued to strengthen the supervision of the Group's regulatory system in coordination with the Risk, Finance, Legal and Human Resources Departments. This oversight relies on the Corporate Compliance Framework approach, which aims to ensure the Group's compliance with all banking and financial regulations, including those implemented by other departments, namely control functions or independent expert functions. To this end, on each theme concerned, a document setting out the Compliance function's roles and responsibilities for the implementation of the missions is formalised and approved by the stakeholders. The Corporate Compliance system is now mature and robust.

COMPLIANCE INCIDENTS

In accordance with regulatory requirements, the Societe Generale Group has a system to centrally manage compliance incidents which is governed by a regularly updated body of standards.

The procedure for reporting incidents is governed by an *ad hoc* governance, together with Compliance Incident Committees (CIC). These are held monthly with an intermediate level for the business lines and a consolidated level for the Group, which addresses the most significant incidents. These bodies promote information sharing between members regarding any malfunctions that may occur, and the methods used to resolve them.

The presentation of these incidents in the CICs for the purposes of compliance risk supervision and steering is routinely accompanied by long-term remedial action plans to prevent future incidents from recurring. Once all the remedial action plans have been finalised, a compliance incident may be closed upon formal approval by the CIC.

Major compliance incidents within the Group are reported on a quarterly basis:

- to the executive arm of the Group Compliance Committee;
- to the supervisory arm of the Board of Directors' Risk Committee in a Group Compliance dashboard;
- to the *Autorité de Contrôle Prudentiel et de Résolution* (the French Prudential Supervisory Authority).

TO REITERATE: COMPLIANCE REMEDIATION PLAN FOLLOWING THE AGREEMENTS SIGNED WITH THE FRENCH AND US AUTHORITIES

In June 2018, Societe Generale entered into agreements with the US Department of Justice (DOJ) and the US Commodity Futures Trading Commission (CFTC) to resolve their investigations into IBOR submissions, and with the DOJ and the French Financial Prosecutions Department (*Parquet National Financier* – PNF) to resolve their investigations into certain transactions involving Libyan counterparties.

In November 2018, Societe Generale entered into agreements with the US authorities to resolve their investigations into certain US dollar transactions involving countries, persons or entities subject to US economic sanctions. As part of these agreements, the Bank committed to enhance its compliance system in order to prevent and detect any violation of anticorruption and bribery, market manipulation and US economic sanction regulations, and any violation of New York state laws. The Bank also committed to enhance corporate oversight of its economic sanction compliance programme. Against this background, the Bank defined and rolled out a programme to implement all these commitments and strengthen its compliance system in the relevant areas.

On 30 November and 2 December 2021, after three years of remediation, the US Federal Court terminated legal proceedings by the DOJ, which confirmed that Societe Generale had complied with obligations relating to the deferred prosecution agreements (DPA) of June and November 2018. In December 2020, the PNF resolved proceedings against Societe Generale and acknowledged that Societe Generale had fulfilled its obligations with respect to the public interest judicial convention.

In terms of OFAC sanctions, the closure of the judicial component did not put an end to the Order signed in 2018 with the Federal Reserve Bank, which continues to regularly monitor the Bank's full compliance with its obligations.

US COMPLIANCE REMEDIATION PLAN

On 14 December 2017, Societe Generale SA and its New York branch (SGNY) on the one hand, and the Board of Governors of the Federal Reserve System (Federal Reserve Board) on the other hand, agreed to a *Cease-and-Desist order* regarding the SGNY compliance programme to adhere to the Bank Secrecy Act (BSA) and its anti-money laundering (AML) obligations (the Anti-Money Laundering Compliance Program), and regarding some aspects of its Know Your Client (KYC) programme. On 26 February 2024, the Federal Reserve Board (FRB) terminated its 2017 BSA/AML *Cease and Desist Order*, acknowledging that Societe Generale SA and SGNY had fulfilled their obligations under this framework.

On 17 December 2019, Societe Generale SA and SG New York (SGNY) signed an agreement with the Federal Reserve Bank of New York (FRBNY) regarding SGNY's compliance risk management programme. Under this agreement, Societe Generale SA and SGNY have agreed, among other things, to submit (a) a written governance plan to strengthen the oversight of SGNY's non-compliance risk management programme; (b) a written plan to improve SGNY's non-compliance risk management programme; and (c) improvements to SGNY's audit programme with respect to the audit of the compliance risk management programme. Societe Generale SA and SGNY continue to comply with all the requirements of the written agreement.

13.2 LITIGATION

The information pertaining to risks and litigation is included in Note 9 to the consolidated financial statements, page 576-578 .

14

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

IN BRIEF

Environmental, social and governance (ESG) risks correspond to the risk of negative impacts stemming from current or prospective ESG factors relating to the Group's financing, investment or service activities.

14.1 GENERAL INFORMATION

14.1.1 DEFINITIONS AND ESG RISK FACTORS

This section details the main definitions applying to environmental, social and governance (ESG) risk factors as a whole.

Environmental, social and governance (ESG) risks denote negative materialisation of current or prospective ESG factors through the Group's counterparties, the assets that the Group invests in or its own operations. These ESG factors can materialise through various types of risk and impact the Group's activities, performance and financial position in the short, medium and long term.

The Group's risk management system has been and continues to be adapted to integrate these new sustainability issues.

For the Group, **risks related to ESG factors** do not constitute a new category of risks but represent a risk factor that potentially aggravates existing categories such as, for example, credit, counterparty or operational risks. This is in line with the standards in force defined by European supervisors and regulators. They are likely to impact the Group's activities, results and financial situation in the short, medium and long term. Furthermore, it should be noted that these different risks are highly interconnected and must be understood in their entirety.

The specificities of environmental, social and governance risk factors are respectively specified in section 14.5.2 "Environmental risk management", in section 14.6.2 "Social risk management" and in section 14.7.2 "Governance risk management".

The different categories and risk factors are defined in the corresponding sections of this Pillar 3 2025.

ESG factors correspond to environmental, social or governance issues that may have a positive or negative impact on the financial performance or solvency of a sovereign or individual entity.

Risk drivers are the means by which ESG factors can lead to negative financial impacts through transmission channels.

Transmission channels are the causal chains that explain the impact of ESG risk factors on financial institutions through their counterparties, the assets they invest in or their own operations. They fall into two categories:

- microeconomic transmission channels (direct channels), which include the causal chains by which climate risk factors affect (i) banks' individual counterparties (households, corporates and sovereigns) and their assets; and (ii) the banks themselves, through the impacts on their operations or their financing capacity, as well as through impacts on their financial assets (such as bonds, single-name CDS and equities).

  Examples of microeconomic transmission channels include lower real estate values, erosion of household wealth, lower return from assets, higher insurance premiums, increased compliance and legal costs, rise in other costs, material damage and disruption to activities, loss of market share, negative impact on the Company's image, and financial contagion (market losses and tighter credit conditions);
- macroeconomic transmission channels (indirect channels) are the mechanisms by which climate risk factors affect macroeconomic factors, such as labour productivity and economic growth, and how these, in turn, can impact banks through their effect on the economy in which banks operate. Macroeconomic transmission channels also capture the effects on macroeconomic market variables such as risk-free interest rates, inflation, commodities and foreign exchange rates.

  Examples of these macroeconomic transmission channels include lower profitability, weaker demand, lower output and effects linked to exchange rates and interest rates.

Specifically, **ESG risk factors** can be defined as follows:

- **environmental risk factors** correspond to the materialization of environmental factors that may have a detrimental impact on the financial performance or solvency of a sovereign or individual entity. Environmental factors are related to the quality and functioning of the natural environment and natural systems. They include factors such as climate change, biodiversity, energy consumption, waste management, etc. These environmental risk factors can have a detrimental financial impact through various risk factors that can be classified into the following categories:
  - physical risk, which refers to the current or potential financial impact of physical environmental factors on the Group, its counterparties or its invested assets, and on its own operations,
  - transition risk, which refers to the current or potential impact of the transition to a more environmentally sustainable economic model on the Group, its financial position, counterparties or invested assets, and on its own operations.
- **social risk factors** correspond to the materialization of social factors likely to have a detrimental impact on the financial performance or solvency of a sovereign or individual entity. Social risk factors are those related to the rights, well-being and interests of people and communities. They include factors such as (in)equality, health, inclusiveness, labour relations, workplace health & safety and well-being, human capital and communities;
- **governance risk factors** correspond to the materialization of governance factors likely to have a detrimental impact on the financial performance or solvency of a sovereign or individual entity. Governance risk factors are those related to governance practices (executive leadership, executive pay, audits, internal control, fiscal policy, Board of Director independence, shareholder rights, integrity, etc.) and to how companies and entities take environmental and social factors into account in their policies and procedures.

The Group analyses the potential detrimental impact of ESG factors on its counterparties or on the assets in which the Group invests and its own operations, taking into account the **double materiality**:

- **environmental and social materiality**, which may arise from the impact of the Group's economic and financial activities on the environment and on human rights; and
- **financial materiality**, which may result from the impact of ESG factors on the Group's economic and financial activities throughout its value chain (upstream and downstream), affecting the value (profitability) of these activities.

Based on the documents "EBA report on management and supervision of ESG risks for credit institutions and investment" firms (2021) and "ECB Guide on climate-related and environmental risks" (2020), ESG risks were integrated into the Group's risk taxonomy in 2021 as risk factors. In 2022, their description was improved to include physical and transition risks as environmental risk factors, as well as the concept of double materiality. In 2023, the definition of the concept of double materiality was revised in order to facilitate the exercise of financial materiality.

In 2024, additional adjustments were made to include a distinction within environmental factors, in particular to better reflect current practices (climate risk versus other environmental risks) and to integrate CSRD environmental requirements (with categories dedicated to the themes of Biodiversity and ecosystems, Water and marine resources, Pollution and use of resources and Circular economy) and to clarify the consideration of clean operations.

14.1.2 TIME HORIZONS

In terms of time horizons, the Group has adopted the following time intervals:

- short term: period of up to one year;
- medium term: period from one up to five years;
- long term: beyond five years.

ESG risks also have the particularity of materializing gradually and over different time horizons, up to (2040 and 2050 depending on the financial year).

14.2 SUSTAINABILITY STRATEGY

The elements relating to the Group's sustainability strategy are presented in section 5.3.2 "A Groupwide transition plan, compatible with the objectives of the Paris Agreement" of the 2025 Universal Registration Document.

The management of potential impacts of the Group's counterparties on climate change is based on the general framework for identifying and preventing majors environmental and social (E&S) impacts, the implementation of which is inseparable from the processes governing the conduct of the Group's activities.

In terms of risks, the environmental and social impacts of the Group's counterparties may entail financial risks for the Group.

The Group sets out its E&S guidelines in several public documents: (i) the General E&S Principles(1), (ii) the ten sector-specific policies on clients and dedicated transactions(2), six of which deal directly with climate change mitigation and (iii) the sector-specific policies developed by Sogecap within Societe Generale Assurances.

14.2.1 GENERAL E&S PRINCIPLES

The **General E&S Principles** set out the framework applicable to the Group's activities, through which clients can have actual,or potential, E&S impacts, including in terms of climate and to which the bank can be linked through the products and services offered:

- these General Principles set out the main reference standards on these issues and include an undertaking from Societe Generale to comply with those standards and encourage its clients to do likewise. They refer to Group initiatives associated with these standards and the full list of climate issue initiatives can be found on section 5.1.2.1 "Key elements of the strategy" of the 2025 Universal Registration Document. These standards are embodied, on the one hand, through alignment targets - in absolute value or intensity (shown in the Transition Plan) and, on the other hand, in the criteria set out in the sector-specific policies described below;
- the General Principles also recall the approach adopted for the assessment of E&S impacts and associated risks in its decision-making processes, which is broken down into several stages:
  - identification: The Group has developed tools and processes to help identify the banking and financial products and services, sector practices and countries where E&S risks are more likely to be encountered,
  - evaluation: When a risk has been identified, an evaluation is conducted, in accordance with the Group's E&S General Principles, E&S Transversal Statements and E&S Sector Policies as the framework for evaluation,

(1) https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf
(2) https://www.societegenerale.com/en/responsibility/ethics-and-governance

- action: The evaluation may result in the need for a specific action. Depending on the E&S potential impacts and the associated E&S risks identified, various prevention or mitigation actions may be implemented, for example: in-depth monitoring of certain E&S topics, insertion of explicit E&S conditions in the Group contractual documentation, restriction, or even exclusion, of certain Group relationships;

- the General Principles mention, in particular, the Equator Principles which provide a common framework for managing E&S impacts, allowing financial institutions to identify, assess and manage these impacts for transactions falling under this initiative (project financing with total project investment costs above US$10 million, and loans to companies related to these projects in excess of US$50 million). These principles are applied, regardless of the eligibility of a transaction for sector-specific policies, through a set of due diligence measures tailored to prevent, mitigate or halt the major impacts identified.

14.2.2 SECTOR-SPECIFIC POLICIES

GENERAL FRAMEWORK OF SECTOR-SPECIFIC POLICIES

Sector-specific policies define the standards that the Group intends to apply to sectors considered potentially sensitive from an E&S point of view. They include criteria for identifying and analysing the actual, or potential, climate impacts of clients or underlying activities of dedicated transactions. These policies are public and accessible on the institutional website. Policies covering potential climate impacts relate to the following sectors: industrial agriculture and forestry; mining; oil and gas; thermal power stations; thermal coal and shipping.

These policies are based on a common framework that identifies actual, or potential, E&S impacts related to a given sector of activity. These policies reiterate reference sector-specific or thematic standards, explain the scope of the activities concerned and define criteria by distinguishing between those that apply (i) to the Group's clients (ii) to dedicated transactions for which the underlying activities are known (*e.g.* asset or project financing). Three types of criteria are defined in these policies:

- exclusion criteria on the basis of which are excluded companies, dedicated transactions or financial products and services associated with underlying activities or practices that may have E&S impacts, including climate impacts, and that cannot be the subject of positive change within a reasonable period of time;
- priority assessment criteria targeting priority impact factors requiring a targeted and systematic response as part of the assessment process. Clients that do not meet the applicable assessment criteria are granted a reasonable timeframe in which to improve their practices (steps required may include a formal action plan or the signing of contractual undertakings). For project-related transactions, compliance with the criteria will have to be incorporated into project development. When providing dedicated advisory services ahead of project development, the Group must assess the client's commitment to developing a project that will satisfy these criteria;
- other assessment criteria aimed at identifying other E&S impact factors specific to the sector concerned, which will also be considered in the assessment, and aimed at defining the best practices the Group wishes to promote.

The E&S assessment criteria are applicable in a proportionate manner based on the importance of the E&S risks inherent to the counterparties clients' activities and to the underlying activities related to the dedicated transactions, products and services.

Sector-specific policies are updated in line with regulatory, scientific or societal developments, observed best practice and the Group's strategy. The Group's ongoing dialogue with its stakeholders covers issues related to civil society through various exchanges with French and international NGOs. When relevant issues are reported through these channels, they are dealt with through the impact management system, for instance by adding to identification lists or enhancing sector policies. Sector-specific policy updates are approved by General Management as part of a control system led by the Group's Compliance Department.

(Detailed information on sector policies is presented in sections 5.3.3.2 "The Group's leverage on corporate financing activities: managing the portfolio to contribute to global carbon neutrality" and 5.3.3.1 "Policies for managing material impacts on climate change" of the 2025 Universal Registration Document).

The governance bodies (as described in section 5.1.4. of the Universal Registration Document 2025) play a key role in managing this process and monitoring the application of the system.

14.3 GOVERNANCE OF SUSTAINABILITY ISSUES

14.3.1 GENERAL INFORMATION ON GOVERNANCANCE OF SUSTAINABILITY ISSUES

The following paragraphs describe the governance processes, controls and procedures implemented to control, manage and monitor sustainability issues.

Additional information is also presented in section 5.1.2 “Governance of sustainability matters” of the 2025 Universal Registration Document.

OBJECTIVES AND DEFINITIONS

The “administrative, management and supervisory bodies”, as mentioned in this Chapter, are commonly referred to as “governance bodies”. These governance bodies include, on the one hand, the Board of Directors (and its specialised committees) and on the other hand, the executive corporate officers (“the General Management”).

14.3.2 COMPOSITION AND DIVERSITY OF GOVERNANCE BODIES

The composition of the Board of Directors and its specialised committees are described in Chapter 3 “Corporate Governance” of the 2025 Universal Registration Document.

The General Management, which manages the Company and represents it vis-à-vis third parties, is currently composed of the Chief Executive Officer, Mr. Slawomir Krupa, assisted by a Deputy Chief Executive Officer, Mr. Pierre Palmieri.

14.3.3 ROLES AND RESPONSABILITIES OF GOVERNANCE BODIES AS REGARDS SUSTAINABILITY

14.3.3.1 Roles and responsibilities of the Board of Directors in sustainability

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN SUSTAINABILITY

The Board of Directors defines the Group’s business guidelines, ensures that they are implemented by General Management and reviews them at least once a year. These guidelines incorporate the Group’s values and Code of Conduct, which it approves, as well as the key policy axes on social and environmental responsibility, human resources, IT systems and organisation.

The Board of Directors is assisted by a non-voting Director whose role is to provide CSR support. The non-voting Director, in addition to his or her role in preparing for strategic CSR discussions, attends all of the Board’s committee meetings when CSR-related matters are on the agenda.

The strategic direction of the Group in CSR is approved by the Board of Directors on the basis of a proposal from General Management, which is reviewed by the non-voting Director.

ROLES AND RESPONSIBILITIES OF THE BOARD’S SPECIALISED COMMITTEES AS REGARDS SUSTAINABILITY

Throughout the year, the Board of Directors is assisted by four specialised committees which prepare for the review of CSR matters within their respective areas of responsibility. Each matter examined by a committee is subsequently presented to the Board of Directors for discussion and approval, where appropriate:

- the Audit and internal control Committee reviews all financial and extra-financial CSR disclosures before they are submitted to the Board of Directors for approval;
- the Risk Committee is responsible for reviewing the risks associated with the Group’s strategic direction in sustainability, including climate risks. This risk monitoring is part of the standard Group process described in Chapter 4.2 “Risk management framework” of the 2025 Universal Registration Document. As part of this process, the Risk Committee specifically reviews the results of all climate stress tests. It is also responsible for reviewing the risk materiality assessment. These results are submitted to the Board of Directors to help it validate the risk appetite for ESG-related risk;
- the Compensation Committee makes recommendations to the Board of Directors on CSR criteria concerning the remuneration of corporate officers;
- the Nomination and Corporate Governance Committee prepares discussion material for the Board of Directors to ensure the best governance to deal with CSR matters. Using a Directors’ skills matrix, it examines each year the Board’s skills requirements in terms of expertise including various CSR-related topics. It draws conclusions for recruitment processes and the training on offer.

Further information on the roles and responsibilities of the Board of Directors and its specialised committees can be found in the Board of Directors’ Rules of Procedure in Chapter 3 “Corporate Governance” of the 2025 Universal Registration Document. The roles and responsibilities of the Board of Directors as regards business conduct are described in section 5.5.1.1.1 “Corporate culture in business conduct” of the 2025 Universal Registration Document.

INCLUSION OF SUSTAINABILITY-RELATED PERFORMANCE IN COMPENSATION POLICIES

Each year, on the proposal of the Compensation Committee, the Board of Directors decides on the compensation policy for executive corporate officers, including the performance criteria for the calculation and vesting of annual variable compensation and long-term incentives. These criteria include CSR targets aimed at aligning the compensation of executive corporate officers with the Group’s CSR strategy.

More detailed information on the integration of sustainability-related performance into the incentive and compensation schemes for executive corporate officers is presented in the section “Remuneration of Group Senior Management” in Chapter 3 “Corporate Governance” of the 2025 Universal Registration Document.

14.3.3.2 Roles and responsibilities of the General Management in sustainability

ROLES AND RESPONSIBILITIES OF THE GENERAL MANAGEMENT AS REGARDS SUSTAINABILITY

The General Management proposes the CSR strategy, particularly on climate change, to the Board of Directors, which approves it. This proposal is reviewed beforehand, first by the non-voting Director, and then by the Board’s specialised committees. It describes the implementation procedures for the CSR strategy, with an action plan and the time horizons in which these actions will be carried out. It informs the Board of Directors each year of the results obtained.

Within General Management, the Deputy Chief Executive Officer is directly responsible for overseeing all CSR policies and their effective integration into the strategic trajectories adopted by the Group’s Business Units and Service Units.

ROLES AND RESPONSIBILITIES OF THE GROUP’S CROSS-FUNCTIONAL COMMITTEES AND BUSINESS COMMITTEES AS REGARDS SUSTAINABILITY

To implement the CSR strategy, the General Management relies on the Group’s cross-functional committees and business committees that deal with sustainability matters. Each of them is chaired by the Deputy Chief Executive Officer:

Responsible Commitments Committee

The role of this committee is to deal with all matters relating to the Group’s Environmental and Social (E&S) responsibility. The Committee is decision-making and has authority over the whole Group.

Its objectives are to examine E&S matters that are significant for the Group and strategic opportunities, to make new Group E&S commitments, to develop or revise the Group’s E&S standards, such as sectoral policies or guidelines associated with portfolio alignment, and to examine new products or business development opportunities, seeking the opinion or approval of General Management in view of the potential E&S risks.

Group Risk Committee

The objectives of this Committee are to approve the main risk management processes, in particular the Group’s risk taxonomy, risk identification, risk management and stress testing frameworks. It also validates the Risk Inventory and the Risk Appetite Framework (RAF) before they are submitted to the Board of Directors. An operational procedure is also formalised to identify ESG topics that must be systematically analysed within the sectoral Risk Committees.

In addition, the risk materiality assessment exercise is submitted to the Risk Committee for approval and presented to the Group’s Executive Committee, as well as to the Board of Directors’ Risk Committee. The ESG risk assessment is incorporated into the risk materiality assessment included in the sustainability statement, for which the Board of Directors is responsible.

The specialised committees reporting to the Risk Committee and focused on a specific risk category (Credit Risk Committee, Counterparty Credit Risk Committee, Market Risk Committee, etc.) must now include an ESG dimension in their analysis. In addition, the Risk Committee meets annually to discuss environmental issues, covering aspects of risk appetite and the strengthening of governance around ESG risk management.

The Group’s Complex Transactions and Reputational Risk Committee

The objective is to review, assess and, where appropriate, approve/refuse the increased legal, regulatory, tax, compliance, accounting, conduct and/or reputational risks that may arise from the involvement of Group entities or employees in any complex structured transaction or any new or existing product, transaction, business, service or activity with a customer or counterparty.

Group Client Acceptance Committee

Client acceptance decisions are a key part of the day-to-day management of non-compliance and reputational risks at a financial institution. The Committee’s role is to approve new relationships or confirm the continuation of existing relationships with the Group’s riskiest and most sensitive clients.

The Committee focuses on the business relationship; sensitive transactions are the responsibility of the Complex Transactions and Reputational Risk Committee. The Committee assesses the full range of non-compliance and reputational risks (including, but not limited to money laundering, corruption, sanctions and embargoes and CSR), generated by the business relationship. The Committee reviews requests for exceptions to the Group’s CSR standards (including E&S sectoral policies) relating to a specific customer.

14.3.4 RISK MANAGEMENT AND INTERNAL CONTROL OF SUSTAINABILITY INFORMATION

The control system applicable to risk management involves the three lines of defence, as described in Chapter 4.3 “Internal control” of the 2025 Universal Registration Document. ESG risks form part of this general framework.

Moreover, ESG issues have several specificities. Thus, the Group’s Sustainable Development Department participates in the continuous improvement of the Group’s permanent control system on the ESG risk factor, as an expert function. It contributes to the production of Group-level normative documentation on ESG. It offers General Management a system for identifying the risks of potential environmental and social impacts on all of the Group’s activities, and for mitigating these impacts, as well as strategic objectives relating to sustainable finance.

The Finance Department is responsible for producing ESG indicators. A department, in charge of reporting and metrics, brings together these skills. The Finance Department contributes to regulatory monitoring in terms of sustainability and ensures the production of the sustainability statement.

14.4 GENERAL FRAMEWORK OF THE ESG RISK MANAGEMENT

ESG risks do not constitute a new risk category,but represent a potentially aggravating factor of existing risk categories monitored as part of the Group's system of risk management.

The analysis of these ESG risk factors is therefore carried out through the assessment of their impact on other existing risk categories and factors as recommended by the European Banking Authority.

Their integration into the general framework is based on the Group's existing system of governance and processes. The approach to these is as follows: identification, quantification, definition of risk appetite, monitoring, reporting, control and risk mitigation. Section 14.5.2 "Environmental risk management" presents the process applied regarding environmental risks, which benefit from the most mature level of development (particularly in terms of climate risks).

14.4.1 FINANCIAL MATERIALITY ASSESSMENT

The financial materiality assessment process involves identifying risk factors that may have a potential impact on each risk category and the associated transmission channels, and then determining this impact quantitatively or qualitatively.

Identification of risk factors and transmission channels

The Group defines a list of risk factors and transmission channels to be reviewed before each annual risk identification exercise based on regulatory changes, the publication of reference documents (BIS, EBA, ECB, etc.) and ongoing risk identification.

Based on these elements, a qualitative identification of risk factors is carried out (using expert judgment), in the short, medium and long term and in relation to the associated transmission channels, concerning ESG factors.

Financial materiality assessment criteria

For each risk category, a quantitative or qualitative assessment of materiality is conducted using the materiality thresholds defined at Group level, over a short, medium and long term time horizon.

The materiality of the potential financial effects of the risks generated by sustainability issues is determined based on the following criteria:

- the significance of the potential financial effects, which takes into account the time horizon;
- the level of materiality in relation to the Group threshold;
- the frequency of the scenarios.

It also takes into account residual risk, *i.e.* the level of risk after the deployment of mitigation actions.

The probability of occurrence of the financial effect of the risks generated by a sustainability issue corresponds to the probability of the risks occurring at certain time horizons (occurrence at 10 years for an adverse scenario and occurrence at 50 years for an extreme scenario).

For the materiality of ESG risks, the Group uses the same materiality thresholds as those applied to traditional risk categories, *i.e.* a pre-tax income threshold and a capital requirement threshold.

Quantitative and qualitative methods are used in the assessment process. For the quantitative analysis (based in particular on the production of stress tests on certain risk categories), the data comes from internal and external sources. Qualified experts from the different risk categories within the Group were called upon to supplement the data collected or compensate for the lack of quantitative data. This qualitative approach aims to supplement the quantitative analysis.

Results of the assessment of the financial materiality of risks

The following table provides a summary of the materiality assessment by risk level carried out in 2024, with a focus on the main risk categories.

The methodology for identifying environmental risk factors was improved in 2024 in terms of both qualitative and quantitative aspects. The methodology for identifying social and governance risk factors was also tightened in 2024 with new risk factors, the impact of which was subject to a systematic qualitative assessment across all risk categories and factors.

	Topics subject to the highest level of materiality	Highest level of materiality	Time horizons impacted by the highest level of materiality
Credit risk	E/S/G	High	CT/MT/LT
Counterparty credit risk	E	High	CT/MT/LT
Business risk	E	High	CT/MT/LT
Liquidity and funding risk	E/S	Medium	CT/MT/LT
Non-financial risk	E/S/G	Medium	CT/MT/LT
Market risk	E/S/G	Low	CT/MT/LT

Furthermore, section 5.1.3 “Impacts, risks and opportunities (IRO)” of the 2025 Universal Registration Document presents additional information concerning financial materiality as defined by the CSRD and with respect to the various European Sustainability Reporting Standards (ESRS).

INTEGRATION OF THE OUTCOME OF RISK ASSESSMENT

The Group identifies and manages ESG risks on the basis of the results of its internal exercise to assess the financial materiality of ESG risk factors across all its risk categories and factors.

After determining the financial materiality, the Group ensures that its risk management framework and processes effectively address material ESG risks through:

- the Risk Appetite Framework and Risk Appetite Statement: review of the indicators and their thresholds;
- stress testing exercises: review of the overall scope of the climate stress test in order to add a new risk category or extend the geographical scope covered where necessary. Stress test exercises can also be carried out on specific risk scenarios or categories;
- ICAAP and ILAAP: review of capital allocation and liquidity resources based on the materiality assessment.

In addition, the risk inventory is shared with the Business Units so that they can take it into account for the Business Environment Scan, which feeds into the annual strategic review.

The results of the stress tests and the financial materiality assessment process are also used in the annual budget exercise.

METHODOLOGY USED FOR THE RESILIENCE ANALYSIS OF THE GROUP’S STRATEGY AND BUSINESS MODEL

The Business Environment Scan (BES) aims to identify a wide range of external factors and trends that shape the business conditions in which a business operates or is likely to operate. It is a key process through which each Business Unit integrates external factors, such as macroeconomic variables, the competitive landscape, sectoral policies and regulations, technological advances, and societal and geopolitical developments.

The BES methodology is based on a continuous three-step process:

- preparation: definition of the relevant risk factors and granularity of analyses by Business Unit;
- impact analysis: assessment of the effects of risk factors on the Group’s business environment;
- business implications: identification and prioritisation of threats and opportunities for the Group.

This process, which involves teams within the Group’s Risk Department, Business Units and management working closely together, also takes into account the outcome of the ESG factors financial materiality assessment. The effects of these factors on the activity of the different Business Units are thus analyzed over the three time horizons short term (2024-2025), medium term (2030) and long term (2040-2050) and using three main climate scenarios: Below 2°C, Net Zero 2050 (increased exposure to transition risks) and Current Policies (increased exposure to physical risks).

14.4.2 ESG RISK APPETITE

The general principles relating to risk appetite are set out in Chapter 4.2 “Risk management framework” of the 2025 Universal Registration Document.

In accordance with the ECB Guide on climate-related and environmental risks[1], banks must include climate- and environment-related risks in the existing overall risk appetite framework, based on the outcome of financial materiality assessments and quantitative measures, as well as qualitative statements. These elements are validated by the Board of Directors after consulting the Risk Committee.

The Group is continuing to embed ESG risks (and in particular climate and environmental risks) in its risk appetite process. This process is based on the outcome of the financial materiality assessment and may include recommendations in the form of quantitative metrics and qualitative narratives.

The Group distinguishes between two sets of Risk Appetite Statement (RAS) metrics for ESG risks: (i) cross-cutting metrics impacting multiple risk categories and (ii) metrics impacting a specific risk category. Thus, ESG indicators are fully embedded in the RAS governance of each risk category. RAS indicators are defined with a crisis threshold, limit or level and are consistent with the Risk Appetite Framework (RAF), including the escalation process. These indicators cover, for example, issues of sector alignment or exposure to sectors with high levels of emissions (such as thermal coal or oil and gas). Key Risk Indicators not tracked in the RAS, whose methodologies and quantification need to be refined before thresholds and limits are set, are also presented in the RAS dashboard since they provide relevant information for tracking purposes.

(1) https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.202011finalguideonclimate-relatedandenvironmentalrisks~58213f6564.en.pdf

With particular regard to credit risk in relation to the climate risk factor, the assessment and oversight of the effect of climate risk factors is based, in particular, on portfolio alignment indicators (GHG emissions linked to electricity production, for example). As part of the process of strengthening governance around the management of ESG risk factors, these indicators were enhanced in 2024, in particular, to expand on the number of climate risk factor-related indicators monitored at sector level (both in terms of portfolio alignment and portfolio exposure).

These indicators are part of the governance of risk appetite, including monitoring and escalation processes enabling information to forwarded to management.

The Group may be required to define limits applicable to certain business portfolios. Some decisions (*e.g.* the setting of targets for evolving the coal-related financing portfolio) assume the existence of governance involving the Group's Sustainable Development Department, the Business Units concerned and the second lines of defence (Risk Management and Compliance Departments). Other decisions (adjustments to existing limits or definition of new limits for climate considerations) are taken within the framework of existing governance for the relevant risk category.

14.4.3 PROCESSES, INDICATORS AND METHODOLOGICAL TOOLS

As part of ESG analyses of its counterparties, the Group applies general Environmental and Social (E&S) principles that establish a general framework applicable to respect for fundamental human rights and the environment.

The Group also relies on various sectoral policies that make it possible to identify and monitor counterparties belonging to sectors considered potentially sensitive from an E&S point of view.

The Group also relies on processes, indicators and tools to measure, control and mitigate risks related to ESG or more specifically environmental risk factors such as:

- the definition and monitoring of indicators by risk category:
  - key ESG indicators (Risk, Quality and Performance) for credit, compliance and liquidity risk are produced and sent quarterly to the ESG Risk Exco chaired by the Risk Division,
  - ESG-related Key Risk Indicators (KRI) are produced and reported on in committees dedicated to the risk categories (*e.g.* liquidity, compliance, reputational or counterparty risk);
- public commitments:
  - as a founding member of the Net Zero Banking Alliance (NZBA), the Group is engaged with gradually aligning its portfolios on a pathway compatible with the goals of the Paris Agreement. As part of this NZBA initiative, the Group has set alignment targets for 10 of the 12 NZBA sectors,
  - reduction of fossil fuel financing with the aim of reducing exposure to exploration and extraction activities (upstream) in the oil and gas industry and to thermal coal;
- internal tools and processes:
  - internal tools are used to assess the climate vulnerability of business segments (Industry Climate Vulnerability Indicator, ICVI), companies (Corporate Climate Vulnerability Indicator, CCVI) and countries (Sovereign Climate Vulnerability Indicator, SCVI), as well as the vulnerability to nature of business segments (Industry Nature Vulnerability Indicator, INVI). These indicators are also gradually being reinforced by questionnaires addressed to counterparties,
  - an ESG analysis process (both at the counterparty and transaction level) has been set up to formalise the identification and assessment of ESG risks. It is gradually being rolled out in the Group's Business Units.

14.4.4 PERIODIC REPORTING TO ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

As part of the reporting set up by the Risk Department concerning the different risk categories, ESG risk factors are regularly monitored, with reporting to the Board of Directors and General Management.

Risk reporting is submitted to the Risk Committee several times per quarter, with four quarterly reports that are also sent to the Board of Directors. Risk reporting for General Management is also submitted to CORISQ several times per quarter.

In terms of content, the items included in these reports cover each of the main risk categories (indicators and comments) with the addition of specific topical issues, a focus on particular topics, as well as a quarterly dashboard presenting ESG risk appetite indicators.

The ESG indicators mentioned in these reports cover sector alignment issues (in terms of exposure amounts and/or emission intensity), as well as the level of vulnerability of the overall corporate portfolio to the climate transition (*via* the industry vulnerability indicator), an update of the Group's external ESG scores and the share of outstanding loans secured by real estate for which an Energy Performance Certificate has been obtained.

Items relating to the assessment of the financial materiality of ESG risks are shared with the Group's Executive Committee,General Management and the Board's Risk Committee as part of the overall risk inventory process. The aim of this process is to present the risks identified as material for the Group and thus inform decisions on risk appetite indicators.

14.5 RISK MANAGEMENT FRAMEWORK – ENVIRONMENTAL RISK SPECIFICITIES

14.5.1 DEFINITION OF ENVIRONMENTAL RISK

This Chapter presents the main definitions applying to environmental risk factors as a whole (climate change, pollution, biodiversity and ecosystems, etc.).

For the Group, environmental risks do not constitute a new category of risks but represent a potentially aggravating factor of existing categories of risks already monitored in the Group's risk management framework.

Environmental risks designate the detrimental materialization of current or prospective environmental factors through the Group's counterparties, the assets in which the Group invests or its own operations. These environmental factors can materialize through various types of risk (credit risk, for example) and impact the Group's financial performance.

Environmental factors concern factors related to climate change and nature.

The Group has adopted the risk terminology proposed by the Task Force on Climate-related Financial Disclosures (TCFD) to qualify climate-related risks and by extension to the environment, *i.e.* physical and transition risks.

Environmental factors are related to the quality and functioning of the natural environment and natural systems. They can lead to negative financial impacts due to various risk factors that can be classified as:

- **physical risk factors**: These arise from the physical effect of climate change and environmental degradation (related to the dependence on ecosystem services of economic actors). Physical risks can materialize at the local level (*e.g.* related to natural disasters affecting a specific location) or at the sectoral level (related to climate or biodiversity events, such as lack of water resources) affecting the entire value chain. They can be classified as follows:
  - acute: These arise from events related to extreme weather conditions (such as floods, heat waves or fires) and acute environmental destruction (*e.g.* related to chemical pollution or oil spills) *(short-term to long-term horizon)*,
  - chronic: These result from gradual changes in climate patterns (such as a rising average temperature or sea level) or a gradual loss of ecosystem services (*e.g.* due to the use of pesticides leading to a gradual decline in pollinators, a decrease in soil fertility and a decline in agricultural yields) *(medium to long-term horizon)*;
- **transition risk factors**: These refer to the uncertainty related to the timing and speed of the adjustment process to a low-carbon and more environmentally sustainable economy. This transition involves significant legal, regulatory, technological and market changes that address the mitigation and adaptation requirements related to climate change and the preservation of the environment and ecosystems. These risks may be affected by the following:
  - policy: Climate-related policy measures or potentially disorderly mitigation strategies could have an impact on asset prices in carbon-intensive sectors *(short to medium-term horizon)*,
  - technology: technological changes may, for example, render existing technologies obsolete or uncompetitive, change their affordability and affect the relative price of replacement products. Such technological changes could trigger a revaluation of assets *(short-term to long-term horizon)*,
  - preferences and behaviour of customers and investors: environmental effects could have an influence on the customers of the Group's counterparties, which could itself lead to a deterioration in the credit quality of these counterparties (decline in activity, deterioration in reputation, etc.) *(short-term to long-term horizon)*.

14.5.2 ENVIRONMENTAL RISK MANAGEMENT

ESG factors have been and continue to be integrated into the risk management system, particularly in terms of environmental risks and risks related to climate change.

The processes relating to environmental risks are thus part of the existing processes for the Group's various risk categories. Climate risks have a higher level of maturity compared to other environmental risks.

Since risks linked to environmental factors are potentially aggravating factors in the risk categories taken into account in the Group's risk management structure, their integration is based on the following multi-stage approach: identification, quantification, definition of risk appetite, monitoring, reporting, control and risk mitigation.

14.5.2.1 Identification of environmental risks

The identification and assessment of environmental risks are part of the ESG risk identification system described in section 14.4.1 "Financial materiality assessment" presented above.

As aggravating factors of existing risk categories, environmental risks can entail to financial losses for the Group through specific transmission channels identified for each risk category.

The table below summarises the relevant transmission channels for each risk category.

Environmental transmission channels	Risk categories concerned
MACRO-ECONOMY & FINANCIAL MARKETS	
Revenues	Credit, Counterparty credit, Banking book market risk, Liquidity and funding, Country.
Costs/Commodities	Credit, Counterparty credit, Liquidity and funding, Investment, All structural risks, Country.
Real Assets	Credit, Counterparty credit, Employees benefits, Liquidity and funding, Operational, Insurance, Leasing, Investment, Country.
Interest rates	Credit, Counterparty credit, Market (banking and trading), Employees benefits, Country.
Equity & FX	Credit, Counterparty credit, Market (trading), Employees benefits, Investment, Country.
Societe Generale Group	Operational, Compliance, Litigation.
MICRO-ECONOMY	
Revenues	Credit, Counterparty credit, Liquidity and funding, Insurance, Investment.
Costs/Commodities	Credit, Counterparty credit, all Non-financial risks, Liquidity and funding, Insurance, Leasing, Country.
Assets	Credit, Counterparty credit, Country.
OTHERS	
Others	Credit, Litigation, Employees benefits, Investment.

14.5.2.2 Quantification of climate risks

The climate risk management approach requires quantification both in the context of risk identification, but more broadly for other processes contributing to the monitoring and mitigation of ESG-related risks. This quantification is carried out according to various climate scenarios and over several time horizons.

SCENARIO SELECTION

Strategic planning involves the use of prospective scenarios. The severity level and temporality of climate-related risks remain uncertain in all geographical regions, the transition aspects are a function of political and societal choices that may differ between countries and/or regions, and may also depend on technological developments that are still unknown. The physical aspects are more directly linked to the location of activities and their vulnerability. It is therefore necessary to examine how risks and opportunities may evolve in different conditions and contexts.

The Economic and Sector Studies Department has been developing a climate analysis on macro and sectoral impacts for several years and has integrated climate considerations, the price of carbon and economic and environmental policy actions into the Group's reference economic scenario, and is enriching it to include more sectoral granularity.

The Group has selected scenarios from several sources (Network for Greening the Financial System – NGFS, IPCC, IEA, Oxford Economics, NiGEM), which are the market benchmarks. Depending on the exercise, the scenarios are then used for internal analyses with short-, medium- and long-term trajectories, serving as a source of data, calibration and benchmarks for the Risk Division's internal scenarios.

The scenarios selected for the risk identification and materiality analysis process correspond to a central scenario (B2D, Below 2 degree), a stressed climate transition scenario (NZE2050, Net Zero in 2050) and a stressed scenario in physical climate terms (CP, Current Policies, *i.e.* high emissions scenario). These scenarios are broken down into short (one year), medium (five years) and long-term horizons (2040-2050). The scenarios proposed internally thus cover the short, medium and long term (up to 2050) and thus exceed the residual maturity of most of the Group's assets.

ENVIRONMENTAL VULNERABILITY INDICATORS

The assessment of environmental risks impacting the Group's counterparties is based on a set of Vulnerability indicators. These indicators aim to measure environmental risks (related to climate change, biodiversity loss, depletion of freshwater resources, pollution and circular economy and resource issues) faced by sovereigns, industries and corporates in terms of transition and physical risks. They are then used, depending on their maturity and level of deployment, as part of stress tests, portfolio monitoring and specific mitigation measures. They measure counterparties' current vulnerability and capacity to adapt to transition and physical risks, emphasising the transition trajectory to 2030 and the ability to continue on that pathway to 2050 (and beyond).

All indicators use the same 11-level scale ranging from "extremely negative" to "extremely positive":

EXTREMELY NEGATIVE	ULTRA NEGATIVE	VERY NEGATIVE	NEGATIVE	FAIRLY NEGATIVE	NEUTRAL	FAIRLY POSITIVE	POSITIVE	VERY POSITIVE	ULTRA POSITIVE	EXTREMELY POSITIVE
-5	-4	-3	-2	-1	0	1	2	3	4	5

The indicators have been developed for transition risk and physical risk on different levels:

Industry Climate Vulnerability Indicator (ICVI)

At the sector level, the indicator reflects the vulnerability of the least developed sectors of activity in terms of climate strategy in a stressed transition scenario (NZE 2050, IEA) for the transition indicator and in a stressed physical scenario ("Current policies", IEA) for the physical indicator. An indicator, divided into 114 segments, is calculated uniformly at global level for each sector of activity. For each of these segments, the indicator level (from -5 to 5) is set by independent internal experts from the Group's Economic and Sector Studies Department on the basis of a documented questionnaire, with qualitative and quantitative contributions. It takes into account the effect of climate risk (transition and physical) on the revenues, costs and asset value of companies in each segment.

Transition and physical ICVI indicators are used, in particular, as part of credit risk and counterparty risk stress tests.

The "Assets at risk" focus proposed by the ICVI indicator (based on the work of the Group's consulting engineers) provides information on the assets aspects, and therefore on stranded assets. The identification of companies presenting challenges in terms of transition is carried out both at the sectoral and individual level, based on climate vulnerability indicators.

Corporate Climate Vulnerability Indicator (CCVI)

This indicator measures the specific features of a corporate counterparty's climate vulnerability, in particular, through its climate strategy. The Group has identified the impact of climate transition risk on the credit risk of the Group's corporate clients as one of the main environmental risks it faces. It was, therefore, the first area of focus for the Group when developing its environment risk framework.

The transition CCVI is calculated on the basis of the transition ICVI and a company-specific climate strategy questionnaire. This questionnaire makes it possible to collect information on the quality of the information communicated, the credibility of the targets or the governance in place. Based on this questionnaire, the CCVI score can, therefore, be improved or downgraded compared to the ICVI rating. This CCVI score is produced during the internal credit rating and is reviewed annually.

A phased roll-out of this CCVI indicator, the second version of which goes back to 2023, is currently being developed. Priority is given to scoring counterparties identified as the most exposed to climate transition risk (those with the most negative ICVI scores) to which the Group has significant exposure. At the very least, counterparties for which a CCVI score has yet to be calculated are rated on the basis of an ICVI.

The table below presents a summary of the results of the CCVI Transition indicator. It summarises, sector by sector, the CCVI Transition score bucket which brings together the main exposures.

Sector	CCVI bucket of score of the main exposures
Agriculture, food industry	Fairly negative to Negative
Automotive	Fairly negative to Negative
Aviation and defence	Very negative to extremely negative
B2B and B2C services	Neutral
Construction	Neutral
Heavy industry and mining	Fairly negative to Negative
Hotels, restaurants, Tourism, Leisure	Fairly negative to Negative
Land transport and logistics	Fairly negative to Negative
Manufacturing industries	Fairly negative to Negative
Oil and Gas	Very negative to extremely negative
Pharmaceuticals, health and social work	Fairly negative to Negative
Real estate	Very negative to extremely negative
Retail trade excluding automotive	Fairly negative to Negative
Shipping and cruise	Fairly negative to Negative
Telecoms, media and technology	Fairly negative to Negative
Utilities	Extremely positive to Very positive

Sovereign Climate Vulnerability Indicator (SCVI)

Two SCVI indicators, one for transition aspects and the other for physical risk, assess the impact of climate-related risks on a country's ability and willingness to meet its external debt commitments. For the transition indicator, the scores reflect the countries' vulnerability and capacity to adapt to climate transition in a Net Zero Scenario (NZE). For the physical risk indicator, the scores reflect vulnerability to chronic and acute physical risks as well as adaptive capacities, in a Current Policies scenario, to cope with the increased frequency of extreme weather events and adapt to chronic risks.

CLIMATE STRESS TESTS

Dedicated climate stress tests are a useful tool for assessing the resilience of financial institutions to various market developments, taking into account different scenarios of future developments in terms of energy transition, CO_2 emission trajectory or acute climate events.

In 2022, the Group validated the principle of integrating a climate stress test based on scenarios as part of the Group's stress tests. It is produced at least once a year, over short to medium-long term horizons, and covers transition and physical risks on a global scope or on a specific portfolio.

As part of the stress tests, the main assumptions used primarily concern the scenarios used for the long term, which are the "Current Policies", "Below 2°C" and "NZE 2050" scenarios. They are broken down by sector and by geography. Physical and/or transition shocks are also applied to these scenarios, in the short, medium and long term.

Please note that the stress testing work relating to credit risk and counterparty risk is based in particular on the ICVI transition and physical indicators, presented above.

In recent years, the Group has continued its efforts to develop and integrate its tools and methodologies to include climate risk in the context of global stress tests.

SPECIFIC FEATURES OF PHYSICAL RISK INTEGRATION

In addition to the vulnerability indicators and stress tests described above, the Group continues to develop its physical risk analysis by means of several initiatives, based on both internal tools and external solutions.

The Group is striving to improve analysis of the physical risks generated by its activity by refining the identification of the location of its assets, in particular, by stepping up its collection of information on loan origination or additional data collection exercises (from clients, external partners and data providers). The Group is also developing a tool for reporting physical hazards based on an external service provider's scoring data.

The disclosure of Pillar 3 data on physical risks has also served to improve understanding of related climate issues. The methodology used is detailed in section 14.9 of the present document.

INCORPORATING THE IMPACT OF CLIMATE RISKS INTO THE ASSESSMENT OF CREDIT LOSSES

The Group has adopted tools developed to clarify the risks associated with environmental factors (ICVI, CCVI, etc.) and procedures that allow to take indirectly into account of the impact of ESG risk factors when calculating a counterparty's credit rating (based on duly justified expert opinion).

In estimating expected credit losses, upwards or downwards adjustments may need to be made to the results obtained using the existing models, based on the sector in question. These sector-specific adjustments are made by means of dedicated governance based on the sector ratings established by the Group's Economic Research Department, which incorporates climate factors into the sector rating process.

INCORPORATION OF THE EFFECT OF CLIMATE RISKS IN THE ICAAP AND ILAAP

The incorporation of the effect of climate and environmental risk factors into the ICAAP (Internal Capital Adequacy Assessment Process) on capital requirements continued to be gradually stepped up in 2024, both from a standards perspective (*i.e.* related to regulatory requirements) and from an economic perspective (*i.e.* related to internally identified risks).

As part of the ILAAP (Internal Liquidity Adequacy Assessment Process), the Group has used a quantification produced as part of the 2024 financial materiality assessment exercise relating to liquidity and financing risk. This quantification was produced *via* stress tests across multiple scenarios and time horizons, using expert calibration of cash outflows.

OPERATIONAL RISK AND OWN ACCOUNT OPERATIONS

The Group defines operational risk as the risk of loss attributable to the inadequacy or failure of internal procedures, personnel, information systems or external events, including legal risk. It assesses the physical risks to its assets and operations as part of the operational risk management system.

The Group's operational resilience strategy is implemented across all geographies according to a common framework of risk scenarios and through the implementation of a business continuity plan (BCP) and equipped crisis management systems as well as the maintenance of our IT contingency plans. The approach also applies to Group-level outsourced service providers in order to ensure their ability to deal with local risks. In addition, the Group has developed an approach to assess climate change-related risks (*e.g.* flooding, heatwave, fire) for its most sensitive sites/data centers and their impacts on all or part of the resources (human, technical, or facilities or services provided by service providers). These risks are already covered by existing business continuity arrangements that are regularly reviewed and tested. As an illustration, scenarios such as a typhoon or heavy rain in Hong Kong or hurricanes or snowfall in New York are considered. In addition, the scenarios of a "Seine flood" in France or "Chennai floods" in India are taken into account in the internal models for calculating capital requirements for operational risks.

14.5.2.3 Definition of risk appetite and climate risks

The general principles of risk appetite for ESG risks are presented in section 14.4.2 "ESG risk appetite" of this document.

14.5.2.4 Monitoring and reporting of climate risks

Climate risks are subject to monitoring and follow-up integrated into the system relating to all risk categories, as presented in section 14.4.4 "Periodic reporting to administrative, management and supervisory bodies".

14.5.2.5 Climate and mitigation of climate risks

The Group uses a set of processes and tools put in place to control and mitigate risks linked to environmental factors. In particular, they are applied to the climate risk factor to track a range of transition and physical risk effects across a variety of risk factors and portfolios. The paragraphs below provide details of these different processes and tools.

The main processes, indicators and tools put in place to measure, control and mitigate risks relating to ESG risk factors are presented in section 14.3.4 “Risk management and internal control over sustainability information”.

MECHANISMS FOR ALLOCATION AND PERIODIC MONITORING OF CLIMATE RISKS

General guidelines

General guidelines for the risk allocation and monitoring process have been defined and are gradually being adopted by the various sector-specific Risk Committees. In particular, they enshrine the obligation to check that counterparties are not on the environmental and social exclusion list and compliance with the exclusion criteria incorporated into sector-specific policies as well as the obligation to analyse CCVI scoring and take material ESG controversies into consideration.

Environmental and social exclusion and identification lists

The exclusion list, which includes companies excluded under certain environmental and social policies, is updated at least quarterly. The Group is committed not to knowingly provide banking and financial services to these companies.

In addition, a climate and environmental identification list is regularly updated by internal CSR experts and distributed to the relevant operational teams. This internal list identifies any projects, companies, business sectors or countries that are the subject of severe controversy or public campaigns on the part of civil society for C&E reasons, irrespective of whether they are financed by the Group. The purpose of this internal list is to alert the operational teams to potential concerns ahead of the client and transaction review process, so that they can be prepared to carry out a more in-depth C&E assessment of any transactions and clients concerned.

Criteria for exclusion and evaluation of sector-specific policies

Sector-specific policies also provide relevant guidelines to follow on the E&S aspects of the identified sectors, focusing on issues requiring a sector-specific or regional approach and cover a total of 10 sectors. The sectoral policies also provide relevant guidelines to follow on E&S aspects in the identified sectors, focusing on issues requiring a specific sectoral or regional approach and covering a total of 10 sectors. In particular, they make it possible to identify counterparties particularly concerned by transition issues (such as the Thermal Coal, Oil & Gas or Mining sectors), which contributes to the correct monitoring of the companies concerned.

When entering into a relationship with, or reviewing, a counterparty, checks are carried out to verify whether a client is eligible for a sector policy and whether exclusion or assessment criteria are applicable to the client under the policy in question.

Client negative information checks

The detection of environmental and social (E&S) “negative news” is used with the scope of the activities of companies to identify and anticipate the possible negative consequences of two distinct risks: E&S reputational risk (action by NGOs, etc.) and the risk of non-alignment (in relation to the Group’s commitments to sector-specific policies, etc.).

ESG assessment of clients and transactions

An in-depth ESG assessment is carried out at origination and periodically updated (and in particular at the occasion of significant events) for client companies or transactions identified as involving an intrinsic ESG risk.

The complete sequence of the various due diligences is described in two dedicated Group operational procedures, one for the ESG analysis of counterparties, the other for the ESG analysis of transactions, which specify the different stages of these analyses as well as the required approval levels.

New Products Committee

Climate and environmental factors are also taken into account in New Product Committees. This allows for the potential financial and non-financial risks associated with the physical and transition risks associated with marketing a new product to be taken into consideration.

STRATEGY AND ALIGNMENT TARGETS

NZBA targets

As part of its NZBA (Net Zero Banking Alliance) commitments, the Group has gradually set portfolio alignment targets for ten particularly high-emitting sectors, while measuring its progress and regularly adapting the Group’s data system as methodologies and regulations evolve. The ten key areas that are now the subject of an alignment target are: Oil & Gas, Thermal Coal, Electricity Production, Cement, Steel, Aluminium, Automotive, Shipping, Commercial Real Estate & Aviation. These alignment targets make it possible in particular, to mitigate the Group’s transition risk.

The elements relating to portfolio alignment issues are presented in section 5.3.2.2 “The Group’s lever on corporate financing business: aligning the financing portfolio with the objectives of the Paris Agreement”. The “NZBA Progress Report 2024” published in July 2024 also provides information on the Group’s alignment sector trajectories.

Incorporation of climate and environmental issues in the Group’s strategy

In addition, work has been completed through the Business Environment Scan, to strengthen the process of identifying the main opportunities and threats of climate and environmental risks on the Group’s business unit activities. Particular attention has also been paid to the consideration of climate and environmental risks in order to provide the Group with a systematic mechanism for analysing and incorporating the impact of C&E risks into the Group’s business strategy. This strategic planning process is reviewed and commented on by the Risk Department (effective challenge process).

SECURITY AND INSURANCE

Inclusion of ESG factors in the valuation of real and personal property collateral

With respect to real estate and personal property collateral, two instructions for the first and second lines of defence were issued internally in November 2023 and March 2024 to include ESG factors in the assessment of collateral. The Group rolled out its data collection process for Energy Performance Certificates (EPC) – a key component in assessing the transition risk of real estate collateral transition risk – across the Group and circulated guidelines on how this risk should be taken into account when considering whether to grant loans.

Climate damage insurance

Insurance mechanisms (mainly non-life insurance, automatically including Natural Disaster cover and storm/hail/snow (TGN) cover for the French market), reinsurance mechanisms and natural disaster insurance systems theoretically cover damage caused by climate factors and constitute a significant mitigating factor. The benefit of this insurance cover is, however, likely to gradually decrease as extreme events occur more frequently (even more so in pessimistic scenarios), since it is likely that insurance policies will become more and more geographically selective either in terms of rates or by excluding certain areas.

SPECIFIC MECHANISMS FOR MITIGATING COUNTERPARTY AND BUSINESS RISKS

Specific mechanisms for mitigating counterparty credit risk

The Group's counterparty risk is mitigated, in particular, by means of a margin call mechanism incorporated, where possible, into framework derivative and securities financing agreements. In addition, for transactions with corporate counterparties, which do not all benefit from margin calls, this risk is also mitigated by the nature of these clients' transactions, which are highly concentrated on currency and interest rate hedging solutions. Clearing services also carry less long-term risk due to the margin mechanisms in place and other contractual mitigations.

Specific mechanisms for mitigating business risk

Business risk is also covered by specific mechanisms, including (i) the commitments made by the Group's businesses in the transition strategy and (ii) the annual assessment of the adequacy of the Group's strategy to cope with C&E risk factors as part of the strategic planning process.

14.5.2.6 Specific features of nature risks

DEFINITION

In the present publication, the concepts of "nature" and "nature-related risks" denote environmental aspects other than climate.

They concern in particular the issues relating to biodiversity and ecosystems, water and aquatic and marine resources, pollution and the circular economy and waste, as defined by the European Taxonomy.

The definition elements presented in section 14.5.1 "Definition of environmental risk factors" concern environmental aspects as a whole and therefore remain relevant with regard to nature-related aspects.

The distinction between physical risk and transition risk also remains relevant.

The NGFS further defines nature-related financial risks as "the risks of negative impacts on economies, individual financial institutions and financial systems resulting from: (i) the degradation of nature, including its biodiversity, and the loss of ecosystem services that result from it (*i.e.* physical risks); or (ii) misalignment of economic actors with actions aimed at protecting, restoring and/or reducing negative impacts on nature (*i.e.* transition risks)".

INITIATIVES IN NATURE RISK MANAGEMENT

The Group has launched several initiatives to identify and quantify nature risks.

In addition to the climate vulnerability indicators (detailed in section 14.5.2.2.), the Group has also developed an indicator dedicated to nature issues (biodiversity and ecosystems, water resources, pollution).

The Industry Nature Vulnerability Indicator (INVI) is designed to measure the vulnerability of each industrial sector to nature-related risks, as well as the capacity of each sector to adapt to these risks (for both transition risks and physical risks). This indicator does not include climate aspects in order to avoid double counting with the ICVI.

In this sense, the objective of the INVI is to provide an initial assessment of financial materiality, *i.e.* how physical and transition risks related to nature could impact the revenues, costs and value of assets of a given industrial sector, while taking into account in this analysis the adaptability of this sector.

The INVI score reflects the situation of companies most exposed to physical and transition risks.

It is defined globally and for each of the four themes identified by the European Taxonomy (biodiversity and ecosystems, water and aquatic and marine resources, pollution, circular economy), both for physical risk and for transition risk.

This assessment applies to all industrial sectors (excluding financial activities and conglomerates) divided into 75 segments, uniformly defined at the global level. Independent internal experts determined for each of the segments covered a final overall INVI score on a scale of -5 to +5, based on two documented questionnaires:

- a physical INVI questionnaire: structured according to the three main categories of ecosystem services (provisioning services, regulation and maintenance services, cultural services);
- a transition INVI questionnaire: structured in categories of impact of economic activities on nature, with reference to the IPBES classification of the main direct drivers of biodiversity loss, excluding climate change (already covered by the ICVI): land/sea use change, pollution, overexploitation of natural resources, invasive species.

The Group has also developed a nature vulnerability indicator at the sovereign level, the Sovereign Nature Vulnerability Indicator (SNVI). This indicator is designed to work with the sectoral Nature vulnerability indicators and to provide a score defined according to the same scale.

The Group has also developed narratives dedicated to nature, to understand both transition issues and issues related to physical nature. A first narrative on transition risks assumes both ambitious climate and nature policies in line with the Paris Climate Agreement, the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy 2030. A second narrative on physical risks assumes low climate and nature action and therefore high physical risks related to climate change and nature loss.

14.5.2.7 Data issues

The exhaustiveness and quality of data are key in enabling financial institutions to identify, quantify and manage climate-related risks.

The Group uses a number of sources of data: data is collected from our counterparties (data already present in its business line or non-business line information systems), from public data and research institutes or obtained from data providers. It is continually striving to expand its external supplier base (with a view to obtaining better data on certain sectors) and adopt the right data collection processes (especially for Energy Performance Certificates) so as to achieve optimal data coverage.

However, the challenges remain significant in terms of improving the completeness and quality of the data. The Group is, therefore, partially constrained by the degree of accuracy of the information disclosed by corporate counterparties.

The application of estimates (proxies) is also necessary in certain cases in the event of data not being available.

The Group strives to improve the quality and completeness of the data it gathers, with additional data quality controls and indicators in the business lines and at Head Office. The controls put in place make it possible to identify data where quality or completeness needs to be improved and to define remediation plans.

In terms of Energy Performance Certificates, the collection of data flows has been improved and the addition of data (sale in future state of completion, construction dates, etc.) has made it possible to refine the proxies used in the production of reports. In terms of physical risk, reporting coverage has been improved with data on the location of financed assets, particularly for the Non-Financial Corporates portfolio. Finally, the Green Asset Ratio has been slightly enhanced, with regards to car loans.

To achieve the target, the Group has chosen to gradually implement the data incorporated into its existing repositories and applications in order to:

- make the use of ESG data structurally secure;
- have the option to deploy data quality checks on a large scale;
- provide the option to develop its processes and information system.

Initial data collected in relation to this target mode through this medium/long-term strategy will be available from 2025 and over the coming years.

14.6 RISK MANAGEMENT FRAMEWORK – SOCIAL RISKS SPECIFICITIES

14.6.1 DEFINITIONS OF SOCIAL RISKS

Social risks refer to the negative materialization of current or prospective social factors through the Group's counterparties, the assets the Group invests in or its own operations. These social factors can take the form of various types of risk and impact the Group's activities, performance and financial position in the short, medium and long term. They are those related to rights, well-being and interests of people and communities, and include factors such as equality and inequality, health, inclusiveness, labour relations, workplace safety, human capital. They are mainly based on the below categories:

- **Group's employees**: social factors relating to the Group's employees can lead to risks linked, for example, to staff shortage problems, difficulties in recruiting, lack of staff training, large-scale social and political movements, which are likely to hamper the Group's activity. Risks of litigation, as well as reputational problems, may also arise from a possible non-respect of employee rights by the Group (on matters of social protection, health or safety, for example);
- **employees in the Group's value chain (corporate clients, suppliers, third parties…)**: the Group's stakeholders are faced with social risk factors similar to those described above for the Group, which may thus indirectly impact the Group's financial situation (*via* a deterioration in the credit quality of its corporate clients, or a disruption of the supply chain) or its reputation;
- **affected communities**: insufficient consideration of the rights and interests of local communities (as well as their environment) by the Group or its stakeholders, may result in reputational risks, as well as direct and indirect negative financial impacts for the Group (litigation costs, drop-in activity, deterioration in the credit quality of its corporate clients, for example);
- **consumers and end-users**: non-respect of minimum standards of compliance with consumers by the Group or its stakeholders, may result in risks similar to those generated by the "Affected communities" social factor.

14.6.2 SOCIAL RISK MANAGEMENT

14.6.2.1 Assessment of the financial materiality of social risks

The identification and assessment of social risks are part of the ESG risk identification system described in section 14.4.1 "Assessment of financial materiality" presented above.

As aggravating factors of existing risk categories, social risks can entail to financial losses for the Group through specific transmission channels identified for each risk category.

The table below summarises the relevant transmission channels for each risk category.

Social transmission channels	Risk categories concerned
MACRO-ECONOMY & FINANCIAL MARKETS	
Revenues	Credit, Counterparty credit.
Real Assets	Strategy, Insurance, Operational.
Interest rates	Counterparty credit, Market (trading), Employees benefits.
Equity & FX	Counterparty credit, Market (trading), Employees benefits.
Societe Generale Group	Operational, Compliance, Litigation, Strategy, Step in.
MICRO-ECONOMY	
Revenues	Credit, Counterparty credit, Liquidity and funding, Business, Strategy.
Costs/Commodities	Credit, Counterparty credit, All Non-financial risks, Liquidity and funding, Business, Strategy, Investment, Operational, Employees benefits.
Assets	Counterparty credit.
OTHERS	
Others	Credit, Liquidity and funding, Country, Litigation.

As part of the ESG risk identification system, the financial effects of social risk factors are assessed in order to determine their financial materiality, this assessment being carried out qualitatively.

14.6.2.2 ESG assessment of counterparties – Social risk

As part of the ESG analyses of its counterparties, the Group applies general Environmental and Social (E&S) principles which establish a general framework applicable to respect of fundamental human rights and the environment.

With regard to social and human rights risks, these Principles are built around the Universal Declaration of Human Rights (1948) and the fundamental conventions of the International Labour Organization. They cover the following topics in particular:

- forced labour and slavery;
- child labour;
- respect for indigenous peoples and their cultural heritage;
- rights of ownership;
- discrimination;
- freedom of association;
- health and safety;
- decent working conditions, remuneration and social protection;
- right to privacy.

In making these commitments, the Group's objective is twofold: limit potential direct adverse social impacts, and encourage transactions and clients that make a positive impact to sustainable development.

The Group has developed the procedures and tools it needs to ensure it delivers on its social commitments in its financing operations, human resources management and supply chain. It uses customised tools to search public controversies rooted in social issues.

Credit approval procedures include an assessment of environmental and social criteria, using specific tools, based both on the Group's knowledge of its counterparties and on research into public controversies sparked by social issues.

For most E&S-sensitive sectors, the Group has introduced E&S sector policies to provide guidelines for ensuring that the Group's commitments on social issues are met through priority assessment criteria.

It also keeps and regularly updates an exclusion list of companies it does not do business with, either because of involvement in or a link to banned or controversial weapons, or pursuant to the E&S assessment procedure (because of the use of forced labour, for example). This exclusion list has been added to the financial crime compliance tool and is available throughout the Group.

The Group is also committed to the Equator Principles[1] to ensure that all direct project financing transactions adhere to these principles, which include a social dimension.

Most of the information given above is published on Société Générale's website and is available in the sections explaining the general principles of the Group's Environment[2] and Social policy and its E&S sector policies[3].

(1) https://equator-principles.com
(2) https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf
(3) https://www.societegenerale.com/en/responsibility/ethics-and-governance

14.7 RISK MANAGEMENT SYSTEM – SPECIFITIES OF GOVERNANCE RISKS

14.7.1 DEFINITIONS OF GOVERNANCE RISKS

Governance risks refer to the negative materialization of current or prospective governance factors through the Group's counterparties, the assets the Group invests in or its own operations. These governance factors can take the form of various types of risk and impact the Group's activities, performance and financial position in the short, medium and long term. They encompass governance practices, including executive management, compensation of senior management, audits, internal controls, tax evasion, independence of the Board, shareholder rights, corruption, integrity, as well as how companies or entities address environmental and social risk drivers in their policies and procedures.

These factors can directly impact the Group financially in the event of non-compliance with high governance standards, exposing it to compliance, reputation and litigation risks. Litigation risks can thus result in financial costs (*e.g.* fines, damages, legal costs), and reputational risks are likely to generate a possible reduction in activity.

Governance factors are also likely to impact the financial situation of the Group indirectly, through its corporate clients (or other stakeholders). These companies are in fact also exposed to these same compliance, reputation and litigation risks, with the possible effect of an amplification of the financial vulnerabilities of these companies, and ultimately a negative impact on their credit quality. Furthermore, any image and reputation problems encountered by these client companies could also negatively impact the reputation of the Group itself.

14.7.2 GOVERNANCE RISK MANAGEMENT

14.7.2.1 Assessment of the financial materiality of governance risks

The identification and assessment of governance risks are part of the ESG risk identification system described in section 14.4.1 "Financial materiality assessment" presented above.

As aggravating factors of existing risk categories, governance risks can lead to financial losses for the Group through specific transmission channels identified for each risk category.

The table below summarises the relevant transmission channels for each risk category.

Environmental Governance transmission channels	Risk categories concerned
MACRO-ECONOMY & FINANCIAL MARKETS	
Real Assets	Leasing, Insurance.
Interest rates	Counterparty credit, Market (trading), Employees benefits.
Equity & FX	Counterparty credit, Market (trading), Employees benefits.
Société Générale Group	Compliance, Litigation, Strategy.
MICRO-ECONOMY	
Revenues	Liquidity and funding, Business.
Costs/Commodities	Credit, Counterparty credit, All Non-financial risks, Liquidity and funding, Strategy, Investment.
Assets	Counterparty credit.
OTHERS	
Others	Credit, Litigation.

As part of the ESG risk identification system, the financial effects of governance risk factors are assessed in order to determine their financial materiality, this assessment being carried out qualitatively.

14.7.2.2 Counterparties ESG assessment – Governance risk

The Group manages the governance risk factor on credit risk through a set of measures including:

- integration of the governance criterion into the ESG risk factor analysis process, which is itself integrated into the credit approval process of client counterparties;
- an analysis at the beginning of the relationship and constant vigilance regarding business relationships with corporate clients for financial security aspects through dedicated processes and tools including:
  - the Know Your Customer process (KYC),
  - continuous monitoring of controversies and negative information relating to client counterparties,
  - the identification of politically exposed persons among the legal representatives and beneficial owners of the corporate client,
  - the detection of links of attachment (nexus) for the application of sanctions (presence on lists of designated persons or sectoral sanctions,
  - continuous monitoring of transactions to identify potential money laundering or terrorist financing scenarios ;
- E&S exclusion and identification lists:
  - the E&S exclusion list includes companies excluded under certain E&S sector policies. This is updated quarterly as part of the E&S risk identification system. Societe Generale has pledged that it will not knowingly supply banking or financial services to such companies. This list is now included in the Group's financial security tool and is available to all employees who deal with corporate clients,
  - the E&S identification list identifies projects, corporates and sectors that are the subject of public attention, criticism or campaigns within civil society in relation to ESG concerns. When a business or transaction is included in this list, the process of granting credit involves a more thorough evaluation.

14.8 PILLAR 3 CROSS-REFERENCE TABLE

Topic	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2025 Universal Registration Document	Information in 2025 Pillar 3
Environmental risk	Business strategy and processes	Table 1 (a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	▪ 1.3. A clear strategy for a sustainable future ▪ 5.1.2. Sustainability strategy ▪ 5.1.3.1. Outcome of the IRO assessment in relation to the strategy and business model ▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.3.1.1. Description of the climate risk resilience analysis ▪ 5.3.2. A groupwide transition plan, compatible with the objectives of the Paris Agreement ▪ 5.3.3. Management of material impacts on climate change mitigation	▪ 14.1.1. Definitions and ESG risk factors ▪ 14.2. Sustainability strategy ▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.4.1. Financial materiality assessment ▪ 14.4.2. ESG risk appetite ▪ 14.5.1. Definition of environmental risk factors
Environmental risk	Business strategy and processes	Table 1 (b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	▪ 5.1.1.2. Information on specific circumstances ▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.3.2. A groupwide transition plan, compatible with the objectives of the Paris Agreement ▪ 5.3.3. Management of material impacts on climate change mitigation ▪ 5.3.5.4. Definition of risk appetite and climate risks	▪ 14.1.2. Time horizons ▪ 14.2. Sustainability strategy ▪ 14.4.2. ESG risk appetite ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.5.2. Environmental risk management
Environmental risk	Business strategy and processes	Table 1 (c)	Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	▪ 5.2. Environmental information: eligible and aligned activities under the European taxonomy: Green asset ratio (GAR) ▪ 5.3.2. A groupwide transition plan, compatible with the objectives of the Paris Agreement	▪ 14.2. Sustainability strategy
Environmental risk	Business strategy and processes	Table 1 (d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	▪ 5.1.2.3. Stakeholder interests and views in line with the Group's CSR ambitions ▪ 5.3.3. Management of material impacts on climate change mitigation	▪ 14.2.2. Sector-specific policies

Topic	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2025 Universal Registration Document	Information in 2025 Pillar 3
Environmental risk	Governance	Table 1 (e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	▪ 3.1.1. Governance ▪ 5.1.4. Governance of sustainability matters	▪ 14.3. Governance of sustainability matters
Environmental risk	Governance	Table 1 (f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.3. The roles and responsibilities of governance bodies as regards sustainability ▪ 5.1.4.4. Expertise of governance bodies as regards sustainability	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.3.4. Risk management and internal control of sustainability information ▪ 14.4.1. Financial materilaity assessment
Environmental risk	Governance	Table 1 (g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	▪ 5.1.4.3. The roles and responsibilities of governance bodies as regards sustainability ▪ 5.1.4.4. Expertise of governance bodies as regards sustainability ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.3.4. Risk management and internal control of sustainability information ▪ 14.4.1. Financial materiality assessment
Environmental risk	Governance	Table 1 (h)	Lines of reporting and frequency of reporting relating to environmental risk	▪ 5.1.4.5. Decision-making process involving governance bodies ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.4.4. Periodic reporting to administrative, management and supervisory bodies
Environmental risk	Governance	Table 1 (i)	Alignment of the remuneration policy with institution's environmental risk-related objectives	▪ 3.1.6. Remuneration of Group Senior Management ▪ 5.1.4.6. Integration of sustainability-related performance into compensation policies	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability
Environmental risk	Risk management	Table 1 (j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.3.1.1. Description of the climate risk resilience analysis ▪ 5.3.5.4. Definition of risk appetite and climate risks	▪ 14.4.1. Financial materiality assessment ▪ 14.4.2. ESG risk appetite ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.5.1. Definition of environmental risk factors ▪ 14.5.2 Environmental risk management

Topic	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2025 Universal Registration Document	Information in 2025 Pillar 3
Environmental risk	Risk management	Table 1 (k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.3.1. Climate change-related material IROs and their interaction with the strategy and business model	▪ 14.2.1. General E&S principles ▪ 14.4.1. Financial materiality assessment ▪ 14.4.2. ESG risk appetite ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.5.1. Definition of environmental risk factors ▪ 14.5.2 Environmental risk management
Environmental risk	Risk management	Table 1 (l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.3.1.1. Description of the climate risk resilience analysis ▪ 5.3.3. Management of material impacts on climate change mitigation ▪ 5.3.5. Climate risk management	▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.5.2.1. Environmental risk identification ▪ 14.5.2.2. Climate risk quantification ▪ 14.5.2.5. Climate risk control and mitigation ▪ 14.5.2.6. Specific features of nature risks
Environmental risk	Risk management	Table 1 (m)	Activities, commitments and exposures contributing to mitigate environmental risks	▪ 5.2. Environmental information: eligible and aligned activities under the European taxonomy: Green asset ratio (GAR) ▪ 5.3.2. A groupwide transition plan, compatible with the objectives of the Paris Agreement	▪ 14.5.2.5. Climate risk control and mitigation *(See also Pillar 3 quantitative templates in section 14.9)*
Environmental risk	Risk management	Table 1 (n)	Implementation of tools for identification, measurement and management of environmental risks	▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.3.5. Climate risk management	▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.5.2.2. Climate risk quantification ▪ 14.5.2.4. Monitoring and reporting of climate risks ▪ 14.5.2.5. Climate risk control and mitigation ▪ 14.5.2.6. Specific features of nature risks
Environmental risk	Risk management	Table 1 (o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.3.1.2. Description of climate change-related material IROs	▪ 14.4.1. Financial materiality assessment ▪ 14.5.2.2. Climate risk quantification
Environmental risk	Risk management	Table 1 (p)	Data availability, quality and accuracy, and efforts to improve these aspects	▪ 5.3.5.6. Data issues *(See also narratives accompanying the Pillar 3 quantitative templates)*	▪ 14.5.2.7. Data issues *(See also the narratives accompanying the Pillar 3 quantitative templates in section 14.9)*
Environmental risk	Risk management	Table 1 (q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.3.5.4. Definition of risk appetite and climate risks	▪ 14.2. Sustainability strategy ▪ 14.4.2. ESG risk appetite ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.5.2. Environmental risk management

Topic	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2025 Universal Registration Document	Information in 2025 Pillar 3
Environmental risk	Risk management	Table 1 (r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	▪ 5.1.3.2. Description of the processes to identify and assess material IROs	▪ 14.5.2.1. Environmental risk identification
Social risk	Business strategy and processes	Table 2 (a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	▪ 1.3. A clear strategy for a sustainable future ▪ 5.1.2. Sustainability strategy ▪ 5.1.3.1. Outcome of the IRO assessment in relation to the strategy and business model ▪ 5.4.2.1. Material social impacts and risks related to the strategy and business model ▪ 5.4.2.4. Mitigating material financial risks related to "consumers and end-users" social risk factors	▪ 14.1.1. Definition and ESG risk factors ▪ 14.2. Sustainability strategy ▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.4.1. Financial materiality assessment ▪ 14.6.1. Definitions of social risks ▪ 14.6.2. Social risk management
Social risk	Business strategy and processes	Table 2 (b)	Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	▪ 5.1.1.2. Information on specific circumstances ▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.4.2.1. Material social impacts and risks related to the strategy and business model ▪ 5.4.2.4. Mitigating material financial risks related to "consumers and end-users" social risk factors	▪ 14.1.2. Time horizons ▪ 14.2. Sustainability strategy ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.6.2. Social risk management
Social risk	Business strategy and processes	Table 2 (c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	▪ 5.1.2.3. Stakeholder interests and views in line with the Group's CSR ambitions ▪ 5.4.2.4. Mitigating material financial risks related to "consumers and end-users" social risk factors	▪ 14.2.2. Sector-specific policies
Social risk	Governance	Table 2 (d)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to: **(I)** Activities towards the community and society **(II)** Employee relationships and labour standards **(III)** Customer protection and product responsibility **(IV)** Human rights	▪ 5.1.4. Governance of sustainability matters	▪ 14.3. Governance of sustainability matters

Topic	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2025 Universal Registration Document	Information in 2025 Pillar 3
Social risk	Governance	Table 2 (e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.3. The roles and responsibilities of governance bodies as regards sustainability ▪ 5.1.4.4. Expertise of governance bodies as regards sustainability	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.3.4. Risk management and internal control of sustainability information ▪ 14.4.1. Financial materiality assessment ▪ 14.6.2. Social risk management
Social risk	Governance	Table 2 (f)	Lines of reporting and frequency of reporting relating to social risk	▪ 5.1.4.5. Decision-making process involving governance bodies ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.4.4. Periodic reporting to administrative, management and supervisory bodies
Social risk	Governance	Table 2 (g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	▪ 3.1.6. Remuneration of Group Senior Management ▪ 5.1.4.6. Integration of sustainability-related performance into compensation policies ▪ 5.4.2.2.1.2. Marketing practices for products and services that respect customers' interests	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability
Social risk	Risk management	Table 2 (h)	Definitions, methodologies and international standards on which the social risk management framework is based	▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.3.1. Climate change-related material IROs and their interaction with the strategy and business model	▪ 14.2.1. General E&S principles ▪ 14.4.1. Financial materiality assessment ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.6.1. Definitions of social risks ▪ 14.6.2. Social risk management
Social risk	Risk management	Table 2 (i)	Processes to identify, measure and monitor activities and exposures (and collateral wher applicable) sensitive to social risk, covering relevant transmission channels	▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.4.2.1. Material social impacts and risks related to the strategy and business model	▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.6.2. Social risk management
Social risk	Risk management	Table 2 (j)	Activities, commitments and assets contributing to mitigate social risk	▪ 5.4.2.4. Mitigating material financial risks related to "consumers and end-users" social risk factors	▪ 14.6.2. Social risk management
Social risk	Risk management	Table 2 (k)	Implementation of tools for identification and management of social risk	▪ 5.1.3.2. Description of the processes to identify and assess material IROs ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.4.2.4. Mitigating material financial risks related to "consumers and end-users" social risk factors	▪ 14.4.1. Financial materiality assessment ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.6.2. Social risk management

Topic	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2025 Universal Registration Document	Information in 2025 Pillar 3
Social risk	Risk management	Table 2 (l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	▪ 5.1.4.8. Risk management and internal controls over sustainability reporting	▪ 14.2. Sustainability strategy ▪ 14.4.3. Processes, indicators and methodological tools ▪ 14.6.2. Social risk management
Social risk	Risk management	Table 2 (m)	Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	▪ 5.1.3.2.1. General description of the processes to identify and assess material IROs	▪ 14.6.2.1. Assessment of the financial materiality of social risks
Governance risk	Governance	Table 3 (a)	Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.3. The roles and responsibilities of governance bodies as regards sustainability ▪ 5.1.4.4. Expertise of governance bodies as regards sustainability ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.3.4. Risk management and internal control of sustainability information ▪ 14.4.1. Financial materility assessment
Governance risk	Governance	Table 3 (b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	▪ 5.1.4.3. The roles and responsibilities of governance bodies as regards sustainability ▪ 5.1.4.5. Decision-making process involving governance bodies	▪ 14.3. Governance of sustainability matters ▪ 14.4.4. Periodic reporting to administrative, management and supervisory bodies
Governance risk	Governance	Table 3 (c)	Institution's integration in governance arrangements of the governance performance of their counterparties including: **(I)** Ethical considerations **(II)** Strategy and risk management **(III)** Inclusiveness **(IV)** Transparency **(V)** Management of conflict of interest **(VI)** Internal communication on critical concerns	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.3. The roles and responsibilities of governance bodies as regards sustainability ▪ 5.1.4.4. Expertise of governance bodies as regards sustainability ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting	▪ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability ▪ 14.3.4. Risk management and internal control of sustainability information ▪ 14.4.1. Financial materiality assessment ▪ 14.7.2. Governance risk management
Governance risk	Risk management	Table 3 (d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering: **(I)** Ethical considerations **(II)** Strategy and risk management **(III)** Inclusiveness **(IV)** Transparency **(V)** Management of conflict of interest **(VI)** Internal communication on critical concerns	▪ 5.1.3. Impacts, risks and opportunities (IRO) ▪ 5.1.4.8. Risk management and internal controls over sustainability reporting ▪ 5.5.2. Management of material risks related to business conduct	▪ 14.3.4. Risk management and internal control of sustainability information ▪ 14.4.1. Financial materiality assessment ▪ 14.7.2. Governance risk management

14.9 QUANTITATIVE INFORMATION ON ESG RISKS

Quantitative information on environmental, social and governance risks for the implementation of regulation 2022/2453 apply the same data as those used to produce other regulatory reports. In particular, elements used to produce the reporting of financial information (FINREP) have been used to ensure consistency with existing production. Specific enhancements have then been made to this base to comply with each template's requirements. These enhancements mainly consist of drawing on external data providers.

Template 1: Banking book – Climate change transition risk- credit quality of exposures by sector, emissions and residual maturity

A sector breakdown of exposures to non-financial counterparts has been conducted by leveraging on the internal procedure used for regulatory reporting to determine the activity sector of a specific counterparty.

Regarding exposure to companies excluded from the EU Paris-aligned Benchmarks, their identification is based on data purchased from Moody's and internal monitoring. This data has allowed the Group to apply the exclusion criteria as defined under regulation 2020/1818 regarding revenue or emission intensity thresholds as well as the assessment of significant harm to at least one of the six environmental objectives referred to in Article 9 of Regulation (EU) 2020/852. Based on these results, internal reviews were performed to qualify the consistency with existing internal procedures.

Greenhouse gas (GHG) emissions are reported for the purposes of in Pillar 3 ESG. The method for calculating corporate carbon emissions follows the Global GHG Accounting and Reporting Standard for the financial industry, developed by the Partnership for Carbon Accounting Financials (PCAF).

In accordance with this methodology, a prioritization of data sources on emissions data was established as follows:

- where available, reported emissions data from our clients were used (PCAF score 1 or 2, depending on whether they were certified or not. This is called "primary" data);
- when estimated via the external provider, emission data (PCAF score2, 3 or 4) were used;
- if not, it was decided to use PCAF emission factors, based on customers' revenue based or assets based, to estimate their emissions, with PCAF scores of 4 and 5 respectively.

Moreover, financed emissions are calculated in accordance with the PCAF methodology by applying to client emissions the ratio between (i) the Bank total outstanding and (ii) the client's total equity and debt (attribution factor).

TABLE 101: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

		a	b	c	d	e
		31.12.2024				
		Gross carrying amount *(in EURm)*				
	Sector/subsector		of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	of which environ-mentally sustainable (CCM)	of which stage 2 exposures	of which non-performing exposures
1	**Exposures towards sectors that highly contribute to climate change***	**153,598**	**13,906**	**1,197**	**15,877**	**6,882**
2	A – Agriculture, forestry and fishing	2,098	-	-	292	162
3	B – Mining and quarrying	6,394	4,718	9	148	77
4	*B.05 – Mining of coal and lignite*	*-*	*-*	*-*	*-*	*-*
5	*B.06 – Extraction of crude petroleum and natural gas*	*2,564*	*2,559*	*6*	*29*	*17*
6	*B.07 – Mining of metal ores*	*1,753*	*548*	*-*	*56*	*25*
7	*B.08 – Other mining and quarrying*	*377*	*-*	*1*	*36*	*15*
8	*B.09 – Mining support service activities*	*1,700*	*1,611*	*2*	*27*	*20*
9	C – Manufacturing	33,372	2,233	388	3,006	1,721
10	*C.10 – Manufacture of food products*	*4,815*	*-*	*-*	*287*	*205*
11	*C.11 – Manufacture of beverages*	*2,200*	*-*	*-*	*121*	*22*
12	*C.12 – Manufacture of tobacco products*	*8*	*-*	*-*	*7*	*-*
13	*C.13 – Manufacture of textiles*	*254*	*-*	*-*	*34*	*36*
14	*C.14 – Manufacture of wearing apparel*	*230*	*-*	*-*	*51*	*30*
15	*C.15 – Manufacture of leather and related products*	*140*	*-*	*-*	*22*	*4*
16	*C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	*732*	*-*	*1*	*65*	*42*
17	*C.17 – Manufacture of paper and paper products*	*503*	*-*	*-*	*68*	*37*
18	*C.18 – Printing and reproduction of recorded media*	*284*	*-*	*-*	*34*	*33*
19	*C.19 – Manufacture of coke and refined petroleum products*	*1,715*	*1,682*	*14*	*113*	*27*
20	*C.20 – Manufacture of chemicals and chemical products*	*2,281*	*26*	*1*	*292*	*109*
21	*C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations*	*1,373*	*4*	*-*	*125*	*85*
22	*C.22 – Manufacture of rubber products*	*1,078*	*12*	*4*	*138*	*67*
23	*C.23 – Manufacture of other non-metallic mineral products*	*1,137*	*-*	*7*	*292*	*52*
24	*C.24 – Manufacture of basic metals*	*1,530*	*82*	*72*	*201*	*70*
25	*C.25 – Manufacture of fabricated metal products, except machinery and equipment*	*2,086*	*1*	*22*	*192*	*168*
26	*C.26 – Manufacture of computer, electronic and optical products*	*784*	*1*	*-*	*83*	*46*
27	*C.27 – Manufacture of electrical equipment*	*1,844*	*3*	*93*	*141*	*252*
28	*C.28 – Manufacture of machinery and equipment n.e.c.*	*1,823*	*4*	*2*	*261*	*102*
29	*C.29 – Manufacture of motor vehicles, trailers and semi-trailers*	*3,593*	*418*	*52*	*234*	*201*
30	*C.30 – Manufacture of other transport equipment*	*3,571*	*-*	*116*	*96*	*76*
31	*C.31 – Manufacture of furniture*	*213*	*-*	*-*	*25*	*11*
32	*C.32 – Other manufacturing*	*442*	*-*	*-*	*50*	*16*
33	*C.33 – Repair and installation of machinery and equipment*	*736*	*-*	*4*	*74*	*30*

	f	g	h	i	j	k	l	m	n	o	p
	31.12.2024										
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in EURm)*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company -specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		of which Stage 2 exposures	of which non-performing exposures		Of which Scope 3 financed emissions						
1	**(4,093)**	**(943)**	**(2,823)**	**146,468,363**	**106,327,217**	**25.25%**	**98,579**	**27,550**	**15,672**	**11,797**	**9**
2	(107)	(23)	(74)	1,690,268	620,148	9.11%	1,333	509	139	117	8
3	(61)	(16)	(42)	17,992,570	13,221,469	59.90%	4,501	1,191	649	53	5
4	*-*	*-*	*-*	*430*	*37*		*-*	*-*	*-*	*-*	*4*
5	*(6)*	*(1)*	*(5)*	*9,809,788*	*6,890,281*	*55.58%*	*2,465*	*97*	*-*	*2*	*3*
6	*(14)*	*(6)*	*(7)*	*5,417,313*	*4,571,312*	*66.05%*	*1,150*	*559*	*37*	*7*	*4*
7	*(19)*	*(8)*	*(10)*	*465,364*	*272,905*	*27.25%*	*146*	*192*	*14*	*25*	*11*
8	*(22)*	*(1)*	*(20)*	*2,299,675*	*1,486,934*	*68.44%*	*740*	*343*	*598*	*19*	*8*
9	(950)	(173)	(692)	53,301,674	44,298,537	33.97%	22,880	4,253	1,686	4,553	13
10	*(157)*	*(20)*	*(124)*	*7,538,799*	*6,890,216*	*24.81%*	*3,684*	*476*	*135*	*520*	*10*
11	*(21)*	*(6)*	*(10)*	*548,647*	*451,477*	*26.06%*	*1,656*	*127*	*18*	*399*	*16*
12	*-*	*-*	*-*	*543*	*460*	*55.87%*	*7*	*-*	*-*	*1*	*8*
13	*(22)*	*(3)*	*(18)*	*162,341*	*138,042*	*11.64%*	*188*	*46*	*10*	*10*	*6*
14	*(21)*	*(3)*	*(18)*	*58,112*	*50,056*	*42.33%*	*181*	*18*	*9*	*22*	*9*
15	*(3)*	*(1)*	*(2)*	*45,810*	*43,370*	*2.52%*	*51*	*71*	*14*	*4*	*8*
16	*(29)*	*(7)*	*(19)*	*276,188*	*231,641*	*16.82%*	*455*	*189*	*23*	*65*	*10*
17	*(23)*	*(4)*	*(15)*	*286,858*	*216,462*	*7.37%*	*371*	*67*	*19*	*46*	*9*
18	*(17)*	*(2)*	*(14)*	*68,491*	*51,601*	*0.00%*	*219*	*48*	*5*	*12*	*6*
19	*(7)*	*(3)*	*(4)*	*7,102,278*	*5,988,470*	*52.07%*	*848*	*161*	*678*	*28*	*7*
20	*(64)*	*(29)*	*(31)*	*4,114,013*	*2,170,276*	*37.42%*	*1,534*	*385*	*23*	*339*	*14*
21	*(26)*	*(9)*	*(12)*	*749,837*	*600,739*	*38.55%*	*1,141*	*88*	*14*	*130*	*7*
22	*(40)*	*(7)*	*(29)*	*1,012,397*	*912,208*	*9.06%*	*652*	*241*	*40*	*145*	*13*
23	*(55)*	*(13)*	*(37)*	*2,518,800*	*580,327*	*46.90%*	*744*	*249*	*14*	*130*	*12*
24	*(67)*	*(8)*	*(54)*	*5,184,404*	*3,279,917*	*48.92%*	*1,000*	*249*	*13*	*268*	*16*
25	*(85)*	*(15)*	*(62)*	*1,386,855*	*1,268,023*	*13.12%*	*1,400*	*424*	*61*	*201*	*11*
26	*(25)*	*(9)*	*(12)*	*354,719*	*311,657*	*11.36%*	*437*	*183*	*17*	*147*	*17*
27	*(67)*	*(3)*	*(60)*	*2,917,878*	*2,808,071*	*29.04%*	*1,394*	*161*	*84*	*205*	*11*
28	*(56)*	*(9)*	*(42)*	*1,001,851*	*913,077*	*9.57%*	*1,426*	*191*	*49*	*157*	*9*
29	*(94)*	*(12)*	*(76)*	*14,210,097*	*13,764,005*	*76.35%*	*1,870*	*449*	*20*	*1,254*	*29*
30	*(33)*	*(3)*	*(26)*	*3,200,131*	*3,145,551*	*73.61%*	*2,874*	*51*	*319*	*327*	*10*
31	*(7)*	*(1)*	*(5)*	*125,024*	*105,713*	*0.01%*	*138*	*23*	*8*	*44*	*18*
32	*(13)*	*(2)*	*(10)*	*158,544*	*124,825*	*24.26%*	*205*	*131*	*68*	*38*	*11*
33	*(18)*	*(4)*	*(12)*	*279,057*	*252,353*	*1.37%*	*405*	*225*	*45*	*61*	*10*

		a	b	c	d	e
		31.12.2024				
		Gross carrying amount *(in EURm)*				
	Sector/subsector		of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	of which environ-mentally sustainable (CCM)	of which stage 2 exposures	of which non-performing exposures
34	D – Electricity, gas, steam and air conditioning supply	19,046	3,894	391	1,723	404
35	*D35.1 – Electric power generation, transmission and distribution*	*17,170*	*2,619*	*378*	*1,349*	*401*
36	*D35.11 – Production of electricity*	*15,038*	*2,418*	*352*	*1,174*	*397*
37	*D35.2 – Manufacture of gas; distribution of gaseous fuels through mains*	*1,394*	*1,273*	*12*	*372*	*2*
38	*D35.3 – Steam and air conditioning supply*	*482*	*2*	*1*	*2*	*1*
39	E – Water supply; sewerage, waste management and remediation activities	1,812	228	29	129	37
40	F – Construction	6,411	13	100	776	666
41	*F.41 – Construction of buildings*	*1,970*	*-*	*64*	*214*	*204*
42	*F.42 – Civil engineering*	*1,344*	*5*	*16*	*104*	*77*
43	*F.43 – Specialised construction activities*	*3,097*	*8*	*20*	*458*	*385*
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	30,568	1,407	17	3,607	1,459
45	H – Transportation and storage	18,481	1,412	146	1,904	549
46	*H.49 – Land transport and transport via pipelines*	*6,060*	*1,058*	*126*	*531*	*297*
47	*H.50 – Water transport*	*5,387*	*336*	*-*	*826*	*70*
48	*H.51 – Air transport*	*3,565*	*-*	*-*	*230*	*40*
49	*H.52 – Warehousing and support activities for transportation*	*3,366*	*18*	*17*	*290*	*140*
50	*H.53 – Postal and courier activities*	*103*	*-*	*3*	*27*	*2*
51	I – Accommodation and food service activities	4,655	-	1	889	532
52	L – Real estate activities	30,761	1	116	3,403	1,275
53	**Exposures towards sectors other than those that highly contribute to climate change***	**82,502**	**298**	**293**	**5,133**	**2,128**
54	K – Financial and insurance activities	21,328	86	172	370	192
55	Exposures to other sectors (NACE codes J, M – U)	61,174	212	121	4,763	1,936
56	**TOTAL**	**236,100**	**14,204**	**1,490**	**21,010**	**9,010**

* *In accordance with the Commission Delegated Regulation EU) 2020/1818 supplementing Regulation (EU) 2016/1011 with minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.*

	f	g	h	i	j	k	l	m	n	o	p
	31.12.2024										
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in EURm)*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
		of which Stage 2 exposures	of which non-performing exposures		Of which Scope 3 financed emissions		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
34	(180)	(92)	(74)	16,571,960	4,893,603	21.26%	10,281	4,191	3,480	1,094	8
35	*(136)*	*(52)*	*(73)*	*13,561,125*	*4,227,815*	*20.42%*	*9,243*	*3,835*	*3,034*	*1,058*	*8*
36	*(131)*	*(51)*	*(72)*	*11,426,259*	*3,331,288*	*8.65%*	*7,706*	*3,333*	*2,971*	*1,028*	*9*
37	*(43)*	*(40)*	*(1)*	*1,662,407*	*494,225*	*32.13%*	*698*	*307*	*355*	*34*	*8*
38	*(1)*	-	-	*1,348,428*	*171,563*	*25.99%*	*340*	*49*	*91*	*2*	6
39	(30)	(8)	(18)	1,814,825	1,028,293	41.42%	842	588	236	146	8
40	(451)	(80)	(342)	4,363,469	3,912,296	18.10%	4,658	937	535	281	7
41	*(165)*	*(23)*	*(136)*	*1,641,140*	*1,543,753*	*19.39%*	*1,612*	*141*	*134*	*83*	*5*
42	*(45)*	*(12)*	*(29)*	*1,038,007*	*793,352*	*30.45%*	*844*	*228*	*197*	*75*	*8*
43	*(241)*	*(45)*	*(177)*	*1,684,322*	*1,575,191*	*11.45%*	*2,202*	*568*	*204*	*123*	7
44	(997)	(182)	(742)	33,327,876	30,354,568	23.70%	22,019	2,852	1,055	4,642	13
45	(385)	(109)	(249)	15,445,927	6,368,086	41.61%	8,337	6,140	3,617	387	7
46	*(217)*	*(87)*	*(114)*	*2,415,475*	*1,740,924*	*15.54%*	*3,832*	*1,325*	*753*	*150*	6
47	*(32)*	*(3)*	*(26)*	*7,698,827*	*2,885,552*	*54.82%*	*1,758*	*1,984*	*1,642*	*3*	*7*
48	*(25)*	*(6)*	*(17)*	*4,414,255*	*993,659*	*78.81%*	*1,033*	*1,937*	*564*	*31*	*8*
49	*(110)*	*(13)*	*(91)*	*912,268*	*743,463*	*21.19%*	*1,677*	*893*	*658*	*138*	*7*
50	*(1)*	-	*(1)*	*5,102*	*4,488*	*87.66%*	*37*	*1*	-	*65*	49
51	(320)	(58)	(238)	1,117,427	981,562	6.25%	2,650	1,071	724	210	7
52	(612)	(202)	(352)	842,367	648,655	7.94%	21,078	5,818	3,551	314	5
53	**(1,453)**	**(328)**	**(958)**			**-**	**58,804**	**14,437**	**5,966**	**3,295**	**6**
54	(133)	(16)	(105)				18,895	1,281	543	609	3
55	(1,320)	(312)	(853)			-	39,909	13,156	5,423	2,686	7
56	**(5,546)**	**(1,271)**	**(3,781)**	**146,468,363**	**106,327,217**	**25.25%**	**157,383**	**41,987**	**21,638**	**15,092**	**8**

		a	b	c	d	e
		31.12.2023				
		Gross carrying amount *(in EURm)*				
	Sector/subsector		of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	of which environ-mentally sustainable (CCM)	of which stage 2 exposures	of which non-performing exposures
1	**Exposures towards sectors that highly contribute to climate change***	**169,740**	**16,221**	**1,174**	**15,228**	**7,646**
2	A – Agriculture, forestry and fishing	2,332	-	-	278	132
3	B – Mining and quarrying	7,196	5,022	2	526	130
4	*B.05 – Mining of coal and lignite*	*-*	*-*	*-*	*-*	*-*
5	*B.06 – Extraction of crude petroleum and natural gas*	*3,070*	*3,070*	*1*	*100*	*20*
6	*B.07 – Mining of metal ores*	*1,446*	*177*	*-*	*278*	*72*
7	*B.08 – Other mining and quarrying*	*878*	*-*	*-*	*39*	*18*
8	*B.09 – Mining support service activities*	*1,802*	*1,775*	*1*	*109*	*20*
9	C – Manufacturing	36,234	2,951	267	3,073	1,699
10	*C.10 – Manufacture of food products*	*5,401*	*-*	*-*	*335*	*266*
11	*C.11 – Manufacture of beverages*	*1,881*	*-*	*-*	*120*	*24*
12	*C.12 – Manufacture of tobacco products*	*7*	*-*	*-*	*5*	*-*
13	*C.13 – Manufacture of textiles*	*360*	*-*	*-*	*34*	*43*
14	*C.14 – Manufacture of wearing apparel*	*716*	*-*	*-*	*43*	*29*
15	*C.15 – Manufacture of leather and related products*	*156*	*-*	*-*	*18*	*15*
16	*C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	*763*	*-*	*-*	*48*	*35*
17	*C.17 – Manufacture of paper and paper products*	*613*	*-*	*-*	*67*	*14*
18	*C.18 – Printing and reproduction of recorded media*	*501*	*-*	*-*	*36*	*37*
19	*C.19 – Manufacture of coke and refined petroleum products*	*1,818*	*1,818*	*28*	*69*	*87*
20	*C.20 – Manufacture of chemicals and chemical products*	*2,500*	*55*	*1*	*159*	*45*
21	*C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations*	*1,849*	*8*	*-*	*381*	*78*
22	*C.22 – Manufacture of rubber products*	*1,342*	*6*	*-*	*181*	*70*
23	*C.23 – Manufacture of other non-metallic mineral products*	*1,481*	*3*	*3*	*202*	*81*
24	*C.24 – Manufacture of basic metals*	*1,512*	*139*	*10*	*125*	*128*
25	*C.25 – Manufacture of fabricated metal products, except machinery and equipment*	*2,392*	*6*	*1*	*288*	*195*
26	*C.26 – Manufacture of computer, electronic and optical products*	*852*	*1*	*-*	*121*	*16*
27	*C.27 – Manufacture of electrical equipment*	*2,000*	*11*	*32*	*170*	*91*
28	*C.28 – Manufacture of machinery and equipment n.e.c.*	*2,219*	*3*	*1*	*199*	*92*
29	*C.29 – Manufacture of motor vehicles, trailers and semi-trailers*	*4,638*	*901*	*97*	*196*	*218*
30	*C.30 – Manufacture of other transport equipment*	*1,644*	*-*	*93*	*96*	*62*
31	*C.31 – Manufacture of furniture*	*284*	*-*	*-*	*33*	*19*
32	*C.32 – Other manufacturing*	*464*	*-*	*-*	*58*	*17*
33	*C.33 – Repair and installation of machinery and equipment*	*841*	*-*	*1*	*89*	*37*

	f	g	h	l	m	n	o	p
	31.12.2023							
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in EURm)*							
		of which Stage 2 exposures	of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	**(4,813)**	**(903)**	**(3,465)**	**115,115**	**32,411**	**18,511**	**3,703**	**5**
2	(118)	(29)	(75)	1,541	540	177	74	6
3	(90)	(14)	(67)	4,688	1,819	683	6	5
4	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*3*
5	*(11)*	*(2)*	*(6)*	*2,447*	*623*	*-*	*-*	*3*
6	*(43)*	*(8)*	*(33)*	*943*	*485*	*18*	*-*	*4*
7	*(17)*	*(3)*	*(11)*	*609*	*251*	*13*	*5*	*4*
8	*(19)*	*(1)*	*(17)*	*689*	*460*	*652*	*1*	*8*
9	(1,091)	(185)	(793)	28,869	5,213	1,300	852	4
10	*(199)*	*(35)*	*(141)*	*4,375*	*727*	*149*	*150*	*4*
11	*(24)*	*(5)*	*(12)*	*1,558*	*222*	*26*	*75*	*5*
12	*-*	*-*	*-*	*7*	*-*	*-*	*-*	*2*
13	*(39)*	*(4)*	*(33)*	*297*	*55*	*7*	*1*	*3*
14	*(22)*	*(3)*	*(18)*	*679*	*29*	*7*	*1*	*2*
15	*(14)*	*(1)*	*(13)*	*91*	*49*	*15*	*1*	*5*
16	*(23)*	*(4)*	*(17)*	*508*	*186*	*36*	*33*	*7*
17	*(17)*	*(4)*	*(9)*	*530*	*72*	*6*	*5*	*3*
18	*(24)*	*(3)*	*(17)*	*405*	*84*	*9*	*3*	*3*
19	*(13)*	*(3)*	*(9)*	*1,248*	*198*	*372*	*-*	*4*
20	*(43)*	*(7)*	*(29)*	*1,803*	*623*	*22*	*52*	*4*
21	*(32)*	*(5)*	*(22)*	*1,359*	*287*	*140*	*63*	*4*
22	*(49)*	*(9)*	*(35)*	*994*	*233*	*48*	*67*	*7*
23	*(63)*	*(12)*	*(46)*	*1,055*	*388*	*14*	*24*	*4*
24	*(83)*	*(10)*	*(68)*	*1,185*	*296*	*1*	*30*	*4*
25	*(116)*	*(17)*	*(91)*	*1,790*	*443*	*77*	*82*	*6*
26	*(22)*	*(11)*	*(7)*	*600*	*156*	*93*	*3*	*4*
27	*(46)*	*(5)*	*(37)*	*1,496*	*423*	*37*	*44*	*4*
28	*(76)*	*(19)*	*(48)*	*1,819*	*252*	*89*	*59*	*5*
29	*(94)*	*(7)*	*(80)*	*4,327*	*216*	*17*	*78*	*3*
30	*(38)*	*(5)*	*(29)*	*1,527*	*44*	*59*	*14*	*3*
31	*(14)*	*(4)*	*(8)*	*227*	*36*	*15*	*6*	*4*
32	*(13)*	*(4)*	*(8)*	*366*	*58*	*21*	*19*	*6*
33	*(27)*	*(8)*	*(16)*	*623*	*136*	*40*	*42*	*7*

		a	b	c	d	e
		31.12.2023				
			Gross carrying amount *(in EURm)*			
	Sector/subsector		**of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818**	**of which environ-mentally sustainable (CCM)**	**of which stage 2 exposures**	**of which non-performing exposures**
34	D – Electricity, gas, steam and air conditioning supply	19,089	4,318	558	983	365
35	*D35.1 – Electric power generation, transmission and distribution*	*16,339*	*2,308*	*557*	*537*	*336*
36	*D35.11 – Production of electricity*	*14,452*	*2,135*	*553*	*499*	*332*
37	*D35.2 – Manufacture of gas; distribution of gaseous fuels through mains*	*2,361*	*2,010*	*1*	*446*	*28*
38	*D35.3 – Steam and air conditioning supply*	*389*	*-*	*-*	*-*	*1*
39	E – Water supply; sewerage, waste management and remediation activities	1,926	248	30	131	42
40	F – Construction	7,848	125	87	633	781
41	*F.41 – Construction of buildings*	*2,645*	*12*	*30*	*194*	*269*
42	*F.42 – Civil engineering*	*1,701*	*81*	*48*	*97*	*93*
43	*F.43 – Specialised construction activities*	*3,502*	*32*	*9*	*342*	*419*
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	33,219	1,847	9	2,938	1,750
45	H – Transportation and storage	20,337	1,707	178	3,020	698
46	*H.49 – Land transport and transport via pipelines*	*7,539*	*1,387*	*139*	*486*	*287*
47	*H.50 – Water transport*	*5,292*	*277*	*-*	*1,576*	*170*
48	*H.51 – Air transport*	*3,431*	*-*	*-*	*708*	*65*
49	*H.52 – Warehousing and support activities for transportation*	*3,938*	*43*	*37*	*180*	*172*
50	*H.53 – Postal and courier activities*	*137*	*-*	*2*	*70*	*4*
51	I – Accommodation and food service activities	5,576	-	-	1,072	844
52	L – Real estate activities	35,983	3	43	2,574	1,205
53	**Exposures towards sectors other than those that highly contribute to climate change***	**91,241**	**487**	**92**	**5,560**	**2,486**
54	K – Financial and insurance activities	25,589	286	44	315	269
55	Exposures to other sectors (NACE codes J, M – U)	65,652	201	48	5,245	2,217
56	**TOTAL**	**260,981**	**16,708**	**1,266**	**20,788**	**10,132**

* *In accordance with the Commission Delegated Regulation EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.*

	f	g	h	l	m	n	o	p
	31.12.2023							
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in EURm)*							
		of which Stage 2 exposures	of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
34	(182)	(43)	(119)	10,034	4,581	3,985	489	6
35	*(122)*	*(16)*	*(88)*	*8,584*	*3,990*	*3,276*	*489*	*6*
36	*(115)*	*(14)*	*(86)*	*7,683*	*3,106*	*3,215*	*448*	*6*
37	*(58)*	*(27)*	*(30)*	*1,183*	*526*	*652*	*-*	*6*
38	*(2)*	*-*	*(1)*	*267*	*65*	*57*	*-*	*6*
39	(37)	(10)	(21)	1,122	491	121	192	7
40	(510)	(59)	(414)	6,183	1,135	453	77	4
41	*(189)*	*(21)*	*(158)*	*2,193*	*261*	*161*	*30*	*4*
42	*(71)*	*(14)*	*(51)*	*1,163*	*343*	*169*	*26*	*5*
43	*(250)*	*(24)*	*(205)*	*2,827*	*531*	*123*	*21*	*3*
44	(1,241)	(148)	(990)	27,687	3,151	1,053	1,328	5
45	(455)	(115)	(304)	10,273	5,800	4,030	234	6
46	*(200)*	*(78)*	*(103)*	*4,847*	*1,923*	*641*	*128*	*5*
47	*(99)*	*(11)*	*(81)*	*2,380*	*1,585*	*1,326*	*1*	*6*
48	*(31)*	*(7)*	*(22)*	*652*	*1,537*	*1,242*	*-*	*8*
49	*(124)*	*(18)*	*(97)*	*2,261*	*754*	*818*	*105*	*6*
50	*(1)*	*(1)*	*(1)*	*133*	*1*	*3*	*-*	*2*
51	(467)	(82)	(366)	3,421	1,396	674	85	5
52	(622)	(218)	(316)	21,297	8,285	6,035	366	5
53	**(1,660)**	**(449)**	**(1,030)**	**67,691**	**15,655**	**6,039**	**1,856**	**4**
54	(146)	(23)	(94)	22,692	1,862	872	163	2
55	(1,514)	(426)	(936)	44,999	13,793	5,167	1,693	5
56	**(6,473)**	**(1,352)**	**(4,495)**	**182,806**	**48,066**	**24,550**	**5,559**	**5**

Template 2: Climate change Transition risk: Loans collateralised by immovable property collateral – Energy efficiency of the collateral

This template outlines the gross carrying amount of loans collateralized by immovable property by energy efficiency buckets based on the level of energy efficiency of the collaterals indicated in the Energy Performance Certificate (EPC).

The loans collateralized by immovable property include loans secured by a guarantee provided by Crédit Logement or other insurance companies.

The EPC requires a collection process from the Group's clients which is currently under way, and which will ultimately allow for the reporting to be further refined.

In the absence of an EPC, the Groups has where possible estimated the energy consumption of the immovable property collateral based on public information disclosed by entities such as the French Energy and Environment (ADEME). In addition, the approach described above was completed using statistical distributions from national databases or from databases specific to the Group's portfolio.

TABLE 102: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY – ENERGY EFFICIENCY OF THE COLLATERAL

		a	b	c	d	e	f	g
		31.12.2024						
		Total gross carrying amount *(in EURm)*						
			Level of energy efficiency (EP score in kWh/m² of collateral)					
	Counterparty sector		0 <= 100	> 100 <= 200	> 200 <= 300	> 300 <= 400	> 400 <= 500	> 500
1	**TOTAL EU AREA**	**151,012**	**16,442**	**37,227**	**33,414**	**21,704**	**9,701**	**4,831**
2	*of which Loans collateralised by commercial immovable property*	*25,546*	*1,661*	*3,877*	*4,249*	*1,407*	*665*	*562*
3	*of which Loans collateralised by residential immovable property*	*125,466*	*14,780*	*33,351*	*29,165*	*20,297*	*9,036*	*4,269*
4	*of which Collateral obtained by taking possession: residential and commercial immovable properties*	-	-	-	-	-	-	-
5	*of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*	*103,397*	*15,623*	*34,958*	*29,795*	*14,584*	*5,563*	*2,874*
6	**TOTAL NON-EU AREA**	**6,709**	**105**	**1,100**	**1,371**	**167**	**-**	**0**
7	*of which Loans collateralised by commercial immovable property*	*5,049*	*105*	*1,100*	*1,371*	*167*	-	-
8	*of which Loans collateralised by residential immovable property*	*1,660*	-	-	-	-	-	*0*
9	*of which Collateral obtained by taking possession: residential and commercial immovable properties*	-	-	-	-	-	-	-
10	*of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*	*2,743*	*105*	*1,100*	*1,371*	*167*	-	-

	h	i	j	k	l	m	n	o	p
	31.12.2024								
	Total gross carrying amount *(in EURm)*								
	Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	A	B	C	D	E	F	G		of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**819**	**2,269**	**3,619**	**7,120**	**4,138**	**1,337**	**621**	**131,090**	**79%**
2	*57*	*14*	*3*	*2*	*1*	*1*	-	*25,469*	*48%*
3	*762*	*2,256*	*3,616*	*7,118*	*4,137*	*1,335*	*621*	*105,621*	*86%*
4	-	-	-	-	-	-	-	-	-
5								*103,397*	*100%*
6	**-**	**-**	**-**	**-**	**-**	**0.1105**	**-**	**6,709**	**41%**
7	-	-	-	-	-	-	-	*5,049*	*54%*
8	-	-	-	-	-	*0*	-	*1,660*	*0%*
9	-	-	-	-	-	-	-	-	-
10								*2,743*	*100%*

		a	b	c	d	e	f	g
		31.12.2023						
		Total gross carrying amount *(in EURm)*						
			Level of energy efficiency (EP score in kWh/m² of collateral)					
	Counterparty sector		0 <= 100	> 100 <= 200	> 200 <= 300	> 300 <= 400	> 400 <= 500	> 500
1	**TOTAL EU AREA**	**154,409**	**16,564**	**37,634**	**33,402**	**22,044**	**8,577**	**3,777**
2	*of which Loans collateralised by commercial immovable property*	*26,296*	*1,559*	*1,854*	*2,669*	*1,156*	*147*	*98*
3	*of which Loans collateralised by residential immovable property*	*128,113*	*15,005*	*35,780*	*30,733*	*20,888*	*8,430*	*3,679*
4	*of which Collateral obtained by taking possession: residential and commercial immovable properties*	-	-	-	-	-	-	-
5	*of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*	*107,585*	*15,883*	*36,700*	*30,910*	*16,239*	*5,467*	*2,386*
6	**TOTAL NON-EU AREA**	**10,666**	**172**	**1,038**	**1,870**	**331**	**38**	**-**
7	*of which Loans collateralised by commercial immovable property*	*6,077*	*172*	*1,038*	*1,870*	*331*	*38*	-
8	*of which Loans collateralised by residential immovable property*	*4,589*	-	-	-	-	-	-
9	*of which Collateral obtained by taking possession: residential and commercial immovable properties*	-	-	-	-	-	-	-
10	*of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*	*3,449*	*172*	*1,038*	*1,870*	*331*	*38*	-

	h	i	j	k	l	m	n	o	p
	31.12.2023								
	Total gross carrying amount *(in EURm)*								
	Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	A	B	C	D	E	F	G		of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**681**	**934**	**2,492**	**5,805**	**3,110**	**987**	**404**	**139,996**	**77%**
2	*18*	*43*	*49*	*102*	*23*	*15*	*29*	*26,017*	*28%*
3	*663*	*891*	*2,443*	*5,703*	*3,087*	*972*	*375*	*113,979*	*88%*
4	-	-	-	-	-	-	-	-	-
5								*107,585*	*100%*
6	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,666**	**32%**
7	-	-	-	-	-	-	-	*6,077*	*57%*
8	-	-	-	-	-	-	-	*4,589*	*0%*
9	-	-	-	-	-	-	-	-	-
10								*3,44*	*100%*

Template 3: Banking book – Indicators of potential change transition risk: Alignment metrics

Alignment metrics to measure climate change transitions are disclosed within Pillar 3. The Group which joined the Net Zero Banking Alliance (NZBA) as a founding member in 2021, took the objective of aligning its credit portfolios for the most emissive sectors with the Paris Agreement climate goals. The alignment metrics are furthermore disclosed as per the NZBA commitment (key figures are detailed in Chapter 5 “Sustainability Statement” of the Universal Registration Document (URD) in the section 5.3.2 “Group-wide transition plan, compatible with the objectives of the Paris Agreement”.

The Pillar 3 approach is derived from Société Generale’s NZBA publication. In particular, column (b) was filled in only with the main NACE sector codes with respect to our NZBA commitments; column (c) with the Gross Carrying Amount related to our NZBA metrics.

The 3 years targets in column (g) are currently not filled in for consistency with NZBA publication which discloses objectives at 2030 for the Group consistent with NZBA commitments. Linear interpolation could be implemented between the reference year and 2030 but would not stand for formal intermediary objectives for the Group. Linear interpolation is a method with limitations, not allowing to take into account in particular the pace of low-carbon technological advances that are accelerating on a horizon close to 2030 for many sectors. This result per sector would be as follows:

TABLE 103: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

	a	b	c	d	e	f	g
	Sector	**NACE Sectors (a minima)**	**Portfolio gross carrying amount** *(In EURm)*	**Alignment metric**	**Year of reference**	**Distance to IEA NZE2050 in % *****	**Target (year of reference + 3 years)**
1	Power Generation	35.11	13,313	GHG emissions intensity *($gCO_2eq.$/kWh)*	114.4	-41.2%	n.a
2	Fossil fuel combustion/Thermal Coal	05.10; 05.20; 35.11	273	Gross commitments *(€m, index 100)*	44.2	2,9%	n.a
2	Fossil fuel combustion/Upstream Oil & Gas	06.10; 09.10;19.29; 3521; 35.22; 35.23; 49.50	1,267	Gross commitments *(€m, index 100)*	41.7	-45.9%	n.a
2	Fossil fuel combustion/Oil & Gas (scope 1, 2 & 3)	06.10; 09.10; 19.29; 3521; 35.22; 35.23; 49.50	6,340	Absolute GHG emissions *(in $MtCO_2eq.$)*	10.5	-49.3%	n.a
3	Automotive	29.10	1,043	GHG emissions intensity *($gCO_2eq.$/v-km)*	155.9	47.1%	n.a
4	Aviation	51.10; 51.21; 77.35	5,714	GHG emissions intensity *($gCO_2eq.$/RTK)*	866.3	10.5%	n.a
5	Maritime transport	50.10; 50.20	1,647	Poseidon Principles alignment score of AER	16.8	79.0%	n.a
6	Cement, clinker and lime production/Cement	08.91; 08.92; 08.93; 08.99; 23.51; 23.52; 23.63; 23.64; 81.10	367	GHG emissions intensity *($kgCO_2eq.$/t cement)*	672.6	45.3%	n.a
7	Iron and steel, coke, and metal ore production/Steel	07.10; 24.10; 24.20; 24.30; 24.34; 24.51; 24.52	532	SSP alignment score of GHG emission intensity	-0.6	41.6%	n.a
8	Chemicals						

*** *Point in Time (PiT) distance to 2030 NZE2050 scenario in % (for each metric).*

For the chemicals industry, work is currently underway given the complexity of this industry and the lack of methodology in the banking industry to align such a sector.

Template 4: Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms

To determine the elements presented in this template, the Group has defined a list of the world's 20 most carbon-intensive firms, in particular by drawing on the reports of the Carbon Disclosure Project (CDP).

TABLE 104: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

a	b	c	d	e
31.12.2024				
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1,796	0.21%	3	3.8	11

* For counterparties among the top 20 carbon emitting companies in the world.

a	b	c	d	e
31.12.2023				
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
2,188	0.24%	4	2	11

* For counterparties among the top 20 carbon emitting companies in the world.

Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk

Data availability issues require the use of physical hazard projection estimates to be applied to exposures. The methodology will be enhanced in future publications to take into account all physical events and risks.

The geographical breakdown of this template is based on aggregations (France, Europe excluding France, North America, and Rest of the World) in line with the locations of the Group's main activities.

The exposures sensitive to the impact of climate change physical events are reported in gross amounts, i.e. before taking into account mitigating measures such as insurance coverage or mitigating actions by counterparties or public actors (such as flood protection systems) – based on the location of the assets. It is expected that the physical risk impacts on the Group's portfolio are reduced by such measures.

The identification of the existence of physical risks in the Group's portfolios is based on the following items:

- climate-related hazards covered include river floods, droughts, wildfires, heavy precipitation and tropical cyclones as acute events, as well as sea level rise and heat stress as chronic events;
- use of Shared Socioeconomic Pathway SSP5-8.5 and Representative Concentration Pathway RCP8.5 climate scenario, developed by the Intergovernmental Panel on Climate Change (IPCC). Projections are carried out at yearly time steps: 2030 for acute hazards and 2050 for chronic hazards, except for sea level rise (2100);
- geographical location refers to the assets of counterparties in the Group's portfolio. The Group used internal and external data sources (SIREN, Moody's) to determine the location of the assets. Asset locations constitute a critical element in the identification of physical risks and continue to be the subject of quality improvement efforts;
- the physical risk scores of each asset, split per type of hazard, is based on data provider Munich Re for all companies.

Based on the assumptions made and available data, the residential real estate loan portfolio subject to physical risk in France (which constitutes the Group's main market) represents EUR 12,0 billion in terms of gross risk: this exposure is prior to any mitigation mechanism and the resulting final vulnerability of the counterparties.

The corporate portfolio subject to physical risk in France (which is the Group's main market) totals EUR 13.3 billion in terms of gross risk before accounting for any mitigation mechanism and the final vulnerability of counterparties.

TABLE 105: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

	a	b	c	d	e	f	g
		31.12.2024					
		Gross carrying amount *(in EURm)*					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	France		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	A – Agriculture, forestry and fishing	877	46	11	7	5	9.0
2	B – Mining and quarrying	330	29	6	1	1	4.0
3	C – Manufacturing	12,717	1,023	215	91	104	9.0
4	D – Electricity, gas, steam and air conditioning supply	2,880	159	28	87	44	9.0
5	E – Water supply; sewerage, waste management and remediation activities	1,022	51	127	15	5	7.0
6	F – Construction	3,933	335	81	37	16	6.0
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	14,715	1,271	262	78	145	9.0
8	H – Transportation and storage	5,611	278	149	69	36	7.0
9	L – Real estate activities	18,545	2,284	688	794	30	6.0
10	Loans collateralised by residential immovable property	106,578	855	2,362	5,450	1,793	13.0
11	Loans collateralised by commercial immovable property	17,829	532	485	542	47	8.0
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	42,731	3,481	732	363	95	5.0

	h	i	j	k	l	m	n	o
	31.12.2024							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	9	55	5	10	8	(4)	-	(3)
2	3	32	2	6	4	(2)	-	(1)
3	60	1,346	27	152	93	(62)	(7)	(49)
4	9	274	35	7	3	(3)	(1)	(2)
5	84	112	2	16	3	(3)	(2)	-
6	17	438	14	56	58	(34)	(5)	(26)
7	87	1,599	70	335	145	(103)	(29)	(70)
8	25	488	19	91	46	(27)	(10)	(16)
9	52	3,687	57	674	137	(65)	(24)	(31)
10	715	8,333	1,412	867	95	(11)	(4)	(7)
11	92	1,282	232	241	90	(25)	(15)	(7)
12	-	-	-	-	-	-	-	-
13	116	4,477	78	459	265	(168)	(39)	(117)

	a	b	c	d	e	f	g
		31.12.2024					
		Gross carrying amount *(in EURm)*					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	Europe (excluding France)		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	915	31	21	3	4	9.0
2	B – Mining and quarrying	1,921	107	5	-	-	2.0
3	C – Manufacturing	8,866	635	74	6	203	19.0
4	D – Electricity, gas, steam and air conditioning supply	4,497	98	91	96	8	8.0
5	E – Water supply; sewerage, waste management and remediation activities	493	6	4	8	3	13.0
6	F – Construction	1,722	58	6	32	15	15.0
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	8,122	574	43	-	121	14.0
8	H – Transportation and storage	6,166	174	33	222	30	11.0
9	L – Real estate activities	8,868	269	99	17	2	4.0
10	Loans collateralised by residential immovable property	19,008	7	30	190	500	22.0
11	Loans collateralised by commercial immovable property	8,781	55	44	9	-	4.0
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	28,071	1,299	340	58	34	5.0

	h	i	j	k	l	m	n	o
	31.12.2024							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	1	58	-	4	9	(4)	(1)	(3)
2	24	79	9	5	-	-	-	-
3	114	740	64	62	49	(19)	(4)	(13)
4	116	170	7	10	1	(1)	(1)	-
5	2	20	(1)	1	-	-	-	-
6	6	97	8	11	1	(1)	(1)	(1)
7	69	661	8	63	2	(6)	(4)	(1)
8	60	333	66	3	16	(14)	-	(14)
9	94	291	2	28	1	(3)	(2)	-
10	-	727	-	166	8	(9)	(4)	(4)
11	4	104	-	1	-	(2)	-	-
12	-	-	-	-	-	-	-	-
13	364	992	375	49	30	(13)	(2)	(4)

	a	b	c	d	e	f	g
		31.12.2024					
		Gross carrying amount *(in EURm)*					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	North America		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	14	5	-	-	-	2.0
2	B – Mining and quarrying	1,132	182	95	-	-	4.0
3	C – Manufacturing	5,149	392	123	1	303	30.0
4	D – Electricity, gas, steam and air conditioning supply	6,590	460	118	1	327	30.0
5	E – Water supply; sewerage, waste management and remediation activities	39	2	-	1	2	13.0
6	F – Construction	102	5	-	-	-	7.0
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	2,406	486	2	-	207	23.0
8	H – Transportation and storage	2,845	73	35	-	7	8.0
9	L – Real estate activities	2,239	131	-	-	-	2.0
10	Loans collateralised by residential immovable property	25	-	-	-	-	-
11	Loans collateralised by commercial immovable property	1,840	-	-	-	-	na
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	9,266	658	12	6	27	5.0

	h	i	j	k	l	m	n	o
	31.12.2024							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	-	2	3	-	-	-	-	-
2	43	186	48	10	-	(2)	(2)	-
3	244	346	229	45	4	(1)	-	-
4	241	421	244	10	-	(1)	-	-
5	1	3	1	-	-	-	-	-
6	2	3	-	1	-	-	-	-
7	225	246	224	68	1	(3)	(2)	-
8	32	46	37	2	-	-	-	-
9	20	76	35	17	19	(6)	(1)	(5)
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	112	387	204	35	31	(12)	(5)	(6)

	a	b	c	d	e	f	g
		31.12.2024					
		Gross carrying amount *(in EURm)*					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	Rest of the World		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	292	14	-	-	-	1.0
2	B – Mining and quarrying	3,011	652	95	-	1	3.0
3	C – Manufacturing	6,640	1,129	225	328	222	12.0
4	D – Electricity, gas, steam and air conditioning supply	5,079	478	3	118	-	5.0
5	E – Water supply; sewerage, waste management and remediation activities	258	3	34	1	1	8.0
6	F – Construction	654	98	2	3	3	3.0
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	5,325	2,308	32	4	129	5.0
8	H – Transportation and storage	3,859	71	73	15	7	8.0
9	L – Real estate activities	1,109	181	5	11	-	3.0
10	Loans collateralised by residential immovable property	1,515	1	1	1	-	8.0
11	Loans collateralised by commercial immovable property	2,145	-	-	-	-	-
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	7,089	1,724	120	17	45	4.0

	h	i	j	k	l	m	n	o
	31.12.2024							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	3	7	4	-	1	-	-	-
2	63	533	152	36	6	(6)	(5)	(1)
3	179	1,013	712	157	52	(49)	(4)	(44)
4	57	172	370	241	-	(7)	(7)	-
5	1	36	2	-	-	-	-	-
6	13	65	28	7	19	(19)	(1)	(18)
7	104	2,033	336	17	36	(38)	(2)	(34)
8	9	125	32	3	36	(10)	-	(10)
9	6	180	11	11	44	(24)	(1)	(22)
10	-	1	2	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	112	1,538	256	43	11	(11)	(1)	(7)

	a	b	c	d	e	f	g
		31.12.2023					
		Gross carrying amount *(in EURm)*					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	France		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	832	42	5	11	3	8
2	B – Mining and quarrying	228	24	10	1	-	4
3	C – Manufacturing	13,060	1,255	164	32	8	3
4	D – Electricity, gas, steam and air conditioning supply	3,509	216	30	80	20	6
5	E – Water supply; sewerage, waste management and remediation activities	870	86	66	4	2	5
6	F – Construction	4,214	385	53	19	1	3
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	14,953	1,204	237	88	19	4
8	H – Transportation and storage	5,260	292	85	32	23	5
9	L – Real estate activities	22,155	2,018	920	700	34	6
10	Loans collateralised by residential immovable property	108,860	850	2,436	5,540	1,722	14
11	Loans collateralised by commercial immovable property	17,831	309	169	285	27	8
12	Repossessed collaterals	-	-	-	-	-	0
13	Other relevant sectors (breakdown below where relevant)	40,916	3,041	595	300	39	4

	h	i	j	k	l	m	n	o
	31.12.2023							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	13	45	3	5	7	(3)	(1)	(2)
2	3	30	2	1	1	(1)	-	(1)
3	48	1,363	48	308	87	(49)	(10)	(32)
4	11	323	12	8	3	(2)	(1)	(1)
5	68	88	2	5	1	(1)	-	-
6	17	428	13	36	53	(30)	(3)	(25)
7	52	1,438	58	222	118	(87)	(18)	(61)
8	33	376	23	32	70	(40)	(4)	(34)
9	67	3,552	53	302	87	(51)	(18)	(24)
10	725	8,410	1,413	792	77	(12)	(5)	(6)
11	40	605	145	138	72	(13)	(10)	(2)
12	-	-	-	-	-	-	-	-
13	142	3,768	65	344	223	(113)	(25)	(73)

	a	b	c	d	e	f	g
		31.12.2023					
		Gross carrying amount *(in EURm)*					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	Europe (excluding France)		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	1,029	30	21	2	3	9
2	B – Mining and quarrying	1,862	64	3	-	-	2
3	C – Manufacturing	10,786	1,178	156	40	45	5
4	D – Electricity, gas, steam and air conditioning supply	5,254	105	158	247	6	8
5	E – Water supply; sewerage, waste management and remediation activities	607	26	8	-	2	5
6	F – Construction	1,823	138	18	1	5	5
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	9,495	559	81	6	46	7
8	H – Transportation and storage	7,110	296	110	1	17	7
9	L – Real estate activities	9,220	257	110	25	-	4
10	Loans collateralised by residential immovable property	20,733	30	39	228	572	21
11	Loans collateralised by commercial immovable property	9,418	32	21	11	16	20
12	Repossessed collaterals	-	-	-	-	-	0
13	Other relevant sectors (breakdown below where relevant)	35,198	627	377	82	8	5

	h	i	j	k	l	m	n	o
	31.12.2023							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	3	52	1	12	2	(4)	(2)	(2)
2	25	38	4	9	-	-	-	-
3	152	1,195	72	81	8	(17)	(11)	(3)
4	20	491	5	9	-	(1)	(1)	-
5	2	34	-	1	-	-	-	-
6	26	127	9	14	1	(2)	(1)	(1)
7	106	531	55	95	4	(4)	(2)	(1)
8	76	283	65	64	3	(6)	(4)	(1)
9	88	296	8	4	2	(2)	(1)	-
10	1	867	1	185	6	(3)	(1)	(2)
11	4	75	1	12	-	(1)	(1)	-
12	-	-	-	-	-	-	-	-
13	147	829	118	105	51	(17)	(11)	(5)

	a	b	c	d	e	f	g
		31.12.2023					
			Gross carrying amount *(in EURm)*				
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	North America		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	12	6	-	-	-	1
2	B – Mining and quarrying	1,433	377	96	-	-	3
3	C – Manufacturing	4,086	861	27	7	-	1
4	D – Electricity, gas, steam and air conditioning supply	5,031	444	37	9	-	1
5	E – Water supply; sewerage, waste management and remediation activities	35	4	2	-	2	8
6	F – Construction	184	38	1	-	-	2
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	2,761	760	8	-	29	4
8	H – Transportation and storage	2,534	102	6	-	-	2
9	L – Real estate activities	2,819	118	4	3	-	2
10	Loans collateralised by residential immovable property	56	-	-	-	-	-
11	Loans collateralised by commercial immovable property	2,049	-	-	-	-	na
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	11,350	971	57	6	-	2

	h	i	j	k	l	m	n	o
	31.12.2023							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	-	4	2	-	-	-	-	-
2	109	173	191	7	-	(1)	(1)	-
3	232	426	237	39	1	(2)	(1)	-
4	149	225	116	2	8	(2)	-	(1)
5	2	4	2	-	-	-	-	-
6	12	16	11	-	-	-	-	-
7	235	300	262	88	3	(1)	-	-
8	36	42	30	1	-	(3)	(1)	-
9	11	77	37	-	13	(5)	-	(3)
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	247	462	325	30	3	(2)	(2)	-

	a	b	c	d	e	f	g
		31.12.2023					
			Gross carrying amount *(in EURm)*				
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	Rest of the World		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	A – Agriculture, forestry and fishing	459	16	-	-	-	1
2	B – Mining and quarrying	3,673	412	215	209	-	6
3	C – Manufacturing	8,302	1,298	167	134	1	2
4	D – Electricity, gas, steam and air conditioning supply	5,295	375	59	92	-	5
5	E – Water supply; sewerage, waste management and remediation activities	414	5	42	-	1	8
6	F – Construction	1,627	90	1	1	-	2
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	6,010	1,029	26	-	17	2
8	H – Transportation and storage	5,433	92	45	-	-	3
9	L – Real estate activities	1,789	198	10	7	-	3
10	Loans collateralised by residential immovable property	3,053	1	2	1	-	8
11	Loans collateralised by commercial immovable property	3,075	-	-	-	-	-
12	Repossessed collaterals	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	9,353	1,760	196	15	-	3

	h	i	j	k	l	m	n	o
	31.12.2023							
	Gross carrying amount *(in EURm)*							
	of which exposures sensitive to impact from climate change physical events							
	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
							of which Stage 2 exposures	of which non-performing exposures
1	3	11	2	-	-	-	-	-
2	64	463	309	30	-	(3)	(2)	-
3	166	983	451	67	15	(14)	(4)	(8)
4	62	258	206	15	3	(3)	(2)	(1)
5	1	43	4	-	-	-	-	-
6	19	46	27	-	2	(2)	-	(1)
7	89	795	188	147	96	(81)	(1)	(80)
8	7	112	18	3	11	(5)	(1)	(4)
9	10	190	15	1	43	(10)	(1)	(9)
10	-	3	1	-	-	-	-	-
11	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-
13	221	1,322	428	63	7	(7)	(2)	(4)

Template 6: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

It should be noted that certain key elements excluded from the numerator are nonetheless considered in the denominator, in particular exposure to all companies which are not subject to the EU NFRD publication obligations.

Furthermore, the items reported as part of the publication exercise required by Implementing Regulation 2022/2453 of November 30, 2022 are consistent in terms of methodology with the information published under the EU regulation on the taxonomy of sustainable finance (Regulation (EU) 2020/852).

TABLE 106– SUMMARY OF KEY PERFORMANCE INDICATORS (KPIS) ON THE TAXONOMY - ALIGNED EXPOSURES

	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	1.71%	0.00%	1.71%	9.88%
GAR flow	0.96%	0.00%	0.97%	6.66%

* *% of assets covered by the KPI over banks´ total assets.*

Template 7: Mitigating actions: Assets for the calculation of GAR

Societe Generale has calculated the data necessary for the required information based on the recommendations of the European Banking Authority for Pillar 3 and some of the FAQs of the European Commission concerning the methodology for aligning exposures with the requirements of the taxonomy regulation.

The methodologies applied to the main exposure categories present in this model are as follows:

Measurement of alignment for financial companies and non-financial companies (Non-Retail):

Exposures for which the use of proceeds is known, and provided that the beneficiary is an NFRD entity, are considered fully eligible under the EU Taxonomy, but not aligned due to the absence of information communicated by the client. For all other transactions, the KPIs relating to turnover and capital expenditure (CapEx) published by the NFRD counterparties are used in the calculation.

Alignment measurement for households (Retail):

Mortgage loans include those which are guaranteed by a financial guarantee such as the Crédit Logement guarantee and are considered fully eligible. The alignment is based on the technical screening criteria and the assessment of the activity according to the DNSH criteria (*i.e.,* the activity does not significantly harm the other environmental objectives of the EU taxonomy).

To the extent that certain data on construction standards and construction permit dates cannot be easily collected on new housing, the internal models were complemented by national data sources in France in order to complete the knowledge of the Group's portfolio in real estate loans, particularly for more recent buildings.

Concerning **loans to local authorities**, only dedicated loans are eligible. They have been included as eligible exposures in line with exposure to Public Housing Offices (OPH), but not aligned due to lack of available data.

Motor vehicles loans from January 1, 2022 as well as building renovation loans have been included only as eligible exposures. The methodology is highly restrictive, and any alignment requires data that is often not available: Only financial leasing transactions for motor vehicles have been subject to alignment measurement.

TABLE 107 – MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

		a	b	c	d	e	f
		Disclosure reference date T					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	(In EURm)	Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	158,995	139,697	12,186	-	1,014	871
2	**Financial corporations**	**7,333**	**2,426**	**203**	**-**	**8**	**131**
3	Credit institutions	3,744	1,122	59	-	6	3
4	Loans and advances	2,630	897	40	-	4	2
5	Debt securities, including UoP	1,075	225	19	-	2	1
6	Equity instruments	39	-	-			
7	Other financial corporations	3,589	1,304	144	-	2	128
8	*of which investment firms*	*3,468*	*1,303*	*144*	-	*2*	*128*
9	Loans and advances	2,780	1,294	144	-	2	128
10	Debt securities, including UoP	686	9	-	-	-	-
11	Equity instruments	2	-	-		-	-
12	*of which management companies*	1	-	-	-	-	-
13	Loans and advances	1	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	*of which insurance undertakings*	120	1	-	-	-	-
17	Loans and advances	120	1	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-			
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**21,954**	**7,564**	**1,605**	**-**	**342**	**740**
21	Loans and advances	21,242	7,349	1,496	-	342	706
22	Debt securities, including UoP	652	215	109	-	-	34
23	Equity instruments	60	-	-			
24	**Households**	**129,707**	**129,707**	**10,378**	**-**	**664**	**-**
25	*of which loans collateralised by residential immovable property*	*125,546*	*125,546*	*9,714*	-	-	-
26	*of which building renovation loans*	*2,054*	*2,054*	-	-	-	-
27	*of which motor vehicle loans*	*2,107*	*2,107*	*664*	-	*664*	-
28	**Local governments financing**	**1**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	1	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**
32	**TOTAL GAR ASSETS**	**158,995**	**139,697**	**12,186**	**-**	**1,014**	**871**

	g	h	i	j	k	l	m	n	o	p
	Disclosure reference date T									
	Climate Change Adaptation (CCA)					Total (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
1	310	19	-	-	-	140,007	12,205	-	1,014	871
2	**12**	**-**	**-**	**-**	**-**	**2,438**	**203**	**-**	**8**	**131**
3	-	-	-	-	-	1,122	59	-	6	3
4	-	-	-	-	-	897	40	-	4	2
5	-	-	-	-	-	225	19	-	2	1
6						-	-		-	-
7	12	-	-	-	-	1,316	144	-	2	128
8	*2*	-	-	-	-	*1,305*	*144*	-	*2*	*128*
9	2	-	-	-	-	1,296	144	-	2	128
10	-	-	-	-	-	9	-	-	-	-
11	-	-		-	-	-	-		-	-
12	-	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-	-
15	-	-				-	-		-	-
16	10	-	-	-	-	11	-	-	-	-
17	10	-	-	-	-	11	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
19						-	-		-	-
20	**298**	**19**	**-**	**-**	**-**	**7,862**	**1,624**	**-**	**342**	**740**
21	298	19	-	-	-	7,647	1,515	-	342	706
22	-	-	-	-	-	215	109	-	-	34
23	-	-		-	-	-	-		-	-
24						**129,707**	**10,378**	**-**	**664**	**-**
25						*125,546*	*9,714*	-	-	-
26						*2,054*	-	-	-	-
27						*2,107*	*664*	-	*664*	-
28	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	-	-	-	-	-	-	-	-	-	-
30	-	-	-	-	-	-	-	-	-	-
31	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**310**	**19**	**-**	**-**	**-**	**140,007**	**12,205**	**-**	**1,014**	**871**

		a	b	c	d	e	f
		Disclosure reference date T					
			Climate Change Mitigation (CCM)				
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
					Of which environmentally sustainable (Taxonomy-aligned)		
	(In EURm)	Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
	ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)						
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**149,717**					
34	Loans and advances	143,018					
35	Debt securities	5,168					
36	Equity instruments	1,531					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**105,154**					
38	Loans and advances	102,185					
39	Debt securities	2,439					
40	Equity instruments	530					
41	Derivatives	9,097					
42	On demand interbank loans	50,415					
43	Cash and cash-related assets	2,107					
44	Other assets (*e.g.* Goodwill, commodities, etc.)	237,931					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**713,416**					
	OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND DENOMINATOR FOR GAR CALCULATION						
46	Sovereigns	86,421					
47	Central banks exposure	216,890					
48	Trading book	400,446					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**703,757**					
50	**TOTAL ASSETS**	**1,417,173**					

	g	h	i	j	k	l	m	n	o	p
	Disclosure reference date T									
	Climate Change Adaptation (CCA)					Total (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
33										
34										
35										
36										
37										
38										
39										
40										
41										
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50										

Template 8: GAR (%)

This model presents the information from the previous model in terms of percentage.

TABLE 108 – GAR (%)

		a	b	c	d	e
		Disclosure reference date T: KPIs on stock				
		Climate Change Mitigation (CCM)				
		Proportion of eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable			
	% (compared to total covered assets in the denominator)			Of which specia-lised lending	Of which transi-tional	Of which ena-bling
1	**GAR**	**19.58%**	**1.71%**	**0.00%**	**0.14%**	**0.12%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	87.86%	7.66%	0.00%	0.64%	0.55%
3	Financial corporations	33.08%	2.77%	0.00%	0.11%	1.79%
4	Credit institutions	29.97%	1.58%	0.00%	0.16%	0.08%
5	Other financial corporations	36.33%	4.01%	0.00%	0.06%	3.57%
6	*of which investment firms*	*37.57%*	*4.15%*	*0.00%*	*0.06%*	*3.69%*
7	*of which management companies*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
8	*of which insurance undertakings*	*0.83%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
9	Non-financial corporations subject to NFRD disclosure obligations	34.45%	7.31%	0.00%	1.56%	3.37%
10	Households	100.00%	8.00%	0.00%	0.51%	0.00%
11	*of which loans collateralised by residential immovable property*	*100.00%*	*7.74%*	*0.00%*	*0.00%*	*0.00%*
12	*of which building renovation loans*	*100.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
13	*of which motor vehicle loans*	*100.00%*	*31.51%*	*0.00%*	*31.51%*	*0.00%*
14	Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%
15	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%
16	Other local governments financing	n.c	n.c	n.c	n.c	n.c
17	Collateral obtained by taking possession: residential and commercial immovable properties	n.c	n.c	n.c	n.c	n.c

Note : proportion of total assets computed as the ratio between eligible amounts compared with total assets. Ratio of total assets in GAR denominator compared with total assets would amount to 50,9%.

	f	g	h	i	j	k	l	m	n	o	p
	Disclosure reference date T: KPIs on stock										
	Climate Change Adaptation (CCA)					**Total (CCM + CCA)**					
	Proportion of eligible assets funding taxonomy relevant sectors					**Proportion of eligible assets funding taxonomy relevant sectors**					
		Of which environmentally sustainable					**Of which environmentally sustainable**				
			Of which specia-lised lending	**Of which adap-tation**	**Of which enabling**			**Of which specia-lised lending**	**Of which transi-tional/ adap-tation**	**Of which ena-bling**	**Propor-tion of total assets covered**
1	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**19.62%**	**1.71%**	**0.00%**	**0.14%**	**0.12%**	**9.88%**
2	0.19%	0.01%	0.00%	0.00%	0.00%	88.06%	7.68%	0.00%	0.64%	0.55%	9.88%
3	0.16%	0.00%	0.00%	0.00%	0.00%	33.25%	2.77%	0.00%	0.11%	1.79%	0.17%
4	0.00%	0.00%	0.00%	0.00%	0.00%	29.97%	1.58%	0.00%	0.16%	0.08%	0.08%
5	0.33%	0.00%	0.00%	0.00%	0.00%	36.67%	4.01%	0.00%	0.06%	3.57%	0.09%
6	*0.06%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*37.63%*	*4.15%*	*0.00%*	*0.06%*	*3.69%*	*0.09%*
7	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
8	*8.33%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*9.17%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
9	1.36%	0.09%	0.00%	0.00%	0.00%	35.81%	7.40%	0.00%	1.56%	3.37%	0.55%
10						100.00%	8.00%	0.00%	0.51%	0.00%	9.15%
11						*100.00%*	*7.74%*	*0.00%*	*0.00%*	*0.00%*	*8.86%*
12						*100.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.14%*
13						*100.00%*	*31.51%*	*0.00%*	*31.51%*	*0.00%*	*0.15%*
14						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	n.c	n.c	n.c	n.c	n.c	n.c	n.c	n.c	n.c	n.c	0.00%
17						n.c	n.c	n.c	n.c	n.c	0.00%

		q	r	s	t	u
		Disclosure reference date T: KPIs on flows				
		Climate Change Mitigation (CCM)				
		Proportion of new eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable			
	% (compared to total covered assets in the denominator)			Of which specia-lised lending	Of which transi-tional	Of which ena-bling
1	**GAR**	**7.8%**	**0.96%**	**0.0%**	**0.3%**	**0.2%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	55.5%	6.89%	0.0%	1.9%	1.6%
3	Financial corporations	36.9%	2.86%	0.0%	0.2%	1.7%
4	Credit institutions	33.4%	1.42%	0.0%	0.2%	0.1%
5	Other financial corporations	44.6%	6.01%	0.0%	0.1%	5.3%
6	*of which investment firms*	*45.3%*	*6.13%*	*0.0%*	*0.1%*	*5.4%*
7	*of which management companies*	*0.0%*	*0.00%*	*0.0%*	*0.0%*	*0.0%*
8	*of which insurance undertakings*	*4.5%*	*0.00%*	*0.0%*	*0.0%*	*0.0%*
9	Non-financial corporations subject to NFRD disclosure obligations	21.9%	6.19%	0.0%	1.1%	3.0%
10	Households	100.0%	9.28%	0.0%	3.3%	0.0%
11	*of which loans collateralised by residential immovable property*	*100.0%*	*6.49%*	*0.0%*	*0.0%*	*0.0%*
12	*of which building renovation loans*	*100.0%*	*0.00%*	*0.0%*	*0.0%*	*0.0%*
13	*of which motor vehicle loans*	*100.0%*	*51.31%*	*0.0%*	*51.3%*	*0.0%*
14	Local government financing	0.0%	0.00%	0.0%	0.0%	0.0%
15	Housing financing	0.0%	0.00%	0.0%	0.0%	0.0%
16	Other local governments financing	n.a	n.a	n.a	n.a	n.a
17	Collateral obtained by taking possession: residential and commercial immovable properties	n.a	n.a	n.a	n.a	n.a

Note : proportion of total assets computed as the ratio between eligible amounts compared with total assets. Ratio of total assets in GAR denominator compared with total assets totals 50,9%.

	v	w	x	y	z	aa	ab	ac	ad	ae	af
	Disclosure reference date T: KPIs on flows										
	Climate Change Adaptation (CCA)					**Total (CCM + CCA)**					
	Proportion of new eligible assets funding taxonomy relevant sectors					**Proportion of new eligible assets funding taxonomy relevant sectors**					
		Of which environmentally sustainable					**Of which environmentally sustainable**				
			Of which specia-lised lending	**Of which adap-tation**	**Of which enabling**			**Of which specia-lised lending**	**Of which transi-tional/ adap-tation**	**Of which ena-bling**	**Propor-tion of total assets covered**
1	**0.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**7.91%**	**0.97%**	**0.00%**	**0.26%**	**0.23%**	**6.66%**
2	1.1%	0.0%	0.0%	0.0%	0.0%	56.55%	6.91%	0.00%	1.85%	1.61%	6.66%
3	0.2%	0.0%	0.0%	0.0%	0.0%	37.12%	2.86%	0.00%	0.15%	1.71%	0.70%
4	0.0%	0.0%	0.0%	0.0%	0.0%	33.39%	1.42%	0.00%	0.18%	0.07%	0.43%
5	0.7%	0.0%	0.0%	0.0%	0.0%	45.31%	6.01%	0.00%	0.08%	5.29%	0.27%
6	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*45.34%*	*6.13%*	*0.00%*	*0.08%*	*5.39%*	*0.26%*
7	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
8	*40.9%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*45.45%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
9	2.4%	0.0%	0.0%	0.0%	0.0%	24.28%	6.24%	0.00%	1.11%	3.03%	1.26%
10						100.00%	9.28%	0.00%	3.34%	0.00%	4.70%
11						*100.00%*	*6.49%*	*0.00%*	*0.00%*	*0.00%*	*4.30%*
12						*100.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.10%*
13						*100.00%*	*51.31%*	*0.00%*	*51.31%*	*0.00%*	*0.31%*
14						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	0.00%
17						n.a	n.a	n.a	n.a	n.a	0.00%

Template 10: Other climate change mitigating actions that are not covered in the EU Taxonomy

The template refers to financing transactions that contribute to achieving the objective of climate change mitigation, but which are not aligned to the EU taxonomy.

The figures presented by the Group are based on the existing internal methodology to identify financing commitments dedicated to Sustainable Finance and also include Sustainability Linked Loans aligned to Loan Market Association (LMA) principles.

Moreover, it should be noted that Societe Generale may support its clients by issuing green debt securities, which are eligible for inclusion in this template but not on the Group's balance sheet. They do not therefore contribute to the exposures presented in this template.

TABLE 109: OTHER CLIMATE CHANGE MITIGATING ACTIONS THAT ARE NOT COVERED IN REGULATION (EU) 2020/852

		31.12.2024			
Type of financial instrument	**Type of counterparty**	**Gross carrying amount** *(in EURm)*	**Type of risk mitigated (Climate change transition risk)**	**Type of risk mitigated (Climate change physical risk)**	**Qualitative information on the nature of the mitigating actions**
Bonds (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations				
	Non-financial corporations				
	Of which Loans collateralised by commercial immovable property				
	Other counterparties				
Loans (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	797	Yes	No	The Group's climate change mitigation actions are linked to loans grouped around the following themes: low-carbon solutions and technologies, renewable electricity generation and storage, plug-in electric or hybrid vehicles, new real estate and improved energy efficiency of buildings, financing sustainable agriculture and forests, other "green" solutions or green equipment. The benedicial and sustainable nature of such financing contributes to climate change mitigation and more particularly to transition risk.
	Non-financial corporations	21,413	Yes	No	
	of which Loans collateralised by commercial immovable property	*2,151*	Yes	No	
	Households	4,003	Yes	No	
	of which Loans collateralised by residential immovable property	*1,698*	Yes	No	
	of which building renovation loans	*273*	Yes	No	
	Other counterparties	454	Yes	No	

		31.12.2023			
Type of financial instrument	**Type of counterparty**	**Gross carrying amount** *(in EURm)*	**Type of risk mitigated (Climate change transition risk)**	**Type of risk mitigated (Climate change physical risk)**	**Qualitative information on the nature of the mitigating actions**
Bonds (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	-	-	-	
	Non-financial corporations	-	-	-	
	Of which Loans collateralised by commercial immovable property	-	-	-	
	Other counterparties	-	-	-	
Loans (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	687	Yes	No	The Group's climate change mitigation actions are linked to loans grouped around the following themes: low-carbon solutions and technologies, renewable electricity generation and storage, plug-in electric or hybrid vehicles, new real estate and improved energy efficiency of buildings, financing sustainable agriculture and forests, other "green" solutions or green equipment. The beneficial and sustainable nature of such financing contributes to climate change mitigation and more particularly to transition risk.
	Non-financial corporations	15,283	Yes	No	
	of which Loans collateralised by commercial immovable property	*880*	Yes	No	
	Households	2,547	Yes	No	
	of which Loans collateralised by residential immovable property	*1,050*	Yes	No	
	of which building renovation loans	*201*	Yes	No	
	Other counterparties	463	Yes	No	

15

MODEL RISK

IN BRIEF

Model risk is defined as the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

Many choices made within the Group are based on quantitative decision support tools (models). Model risk is defined as the risk of adverse consequences (including financial consequences) due to decisions reached based on results of internal models. The source of model risk may be linked to errors in development, implementation or use of these models and can take the form of model uncertainty or errors in the implementation of model management processes.

15.1 MODEL RISK MONITORING

The Group is fully committed to maintaining a solid governance system in terms of model risk management in order to ensure the efficiency and reliability of the identification, design, implementation, modification monitoring processes, independent review and approval of the models used. An MRM ("Model Risk Management") Department in charge of controlling model risk was created within the Risk Department in 2017. Since then, the model risk management framework has been consolidated and structured and is based today on the following device.

Market players and responsibilities

The model risk management system is implemented by the three independent lines of defence, which correspond to the responsibility of the business lines in risk management, to the review and independent supervision and evaluation of the system and which are segregated and independent to avoid any conflict of interest.

The mechanism in place is as follows:

- the first line of defence (LoD1), which brings together several teams with diverse skills within the Group, is responsible for the development, implementation, use and monitoring of the relevance over time of the models, in accordance with model risk management system; these teams are housed in the Business Departments or their Support Departments;
- the second line of defence (LoD2) is made up of governance teams and independent model review teams, and supervised by the "Model Risk" Department within the Risk Department;
- the third line of defence (LoD3) is responsible for assessing the overall effectiveness of the model risk management system (the relevance of governance for model risk and the efficiency of the activities of the second line of defence) and independent audit of models: it is housed within the Internal Audit Department.

Governance, steering and monitoring

A MRM Committee chaired by the Risk Director meets at least every three months to ensure the implementation of the management system and monitor the risk of models at Group level. Within the second line of defence and the "Model risk" Department, a governance team is in charge of the design and management of the model risk management system at Group level.

As such:

- Normative framework applicable to all of the Group's models is defined, applied when necessary to the main families of models to provide details on the specifics, and maintained while ensuring the consistency and homogeneity of the system, its integrity and its compliance with regulatory provisions; this framework specifies in particular the definition of expectations with regard to LoD1, the principles for the model risk assessment methodology and the definition of guiding principles for the independent review and approval of the model;
- Identification, recording and updating of information of all models within the Group (including models under development or recently withdrawn) are carried out in the model inventory according to a defined process and piloted by LoD2;
- Monitoring and reporting system relating to model risk incurred by the Group in Senior Management has been put in place. The appetite for model risk, corresponding to the level of model risk that the Group is ready to assume in the context of achieving its strategic objectives, is also formalised through statements relating to risk tolerance, translated under form of specific indicators associated with warning limits and thresholds.

Model life cycle and the review and approval process

For each model, risk management is based on compliance with the rules and standards defined for the entire Group by each LoD1 player, it is guaranteed by an effective challenge from LoD2 and a uniform approval process.

The need to examine a model is assessed according to the level of model risk, its model family and applicable regulatory requirements. The independent review by the second line of defence is triggered in particular for new models, periodic model reviews, proposals to change models and transversal reviews in response to a recommendation:

- it corresponds to all the processes and activities which aim to verify the conformity of the functioning and use of the models with respect to the objectives for which they were designed and to the applicable regulations, on the basis of the activities and controls implemented by LoD1;
- it is based on certain principles aimed at verifying the theoretical robustness (evaluation of the quality of the design and development of the model), the conformity of the implementation and use, and the relevance of the monitoring of the model;
- it gives rise to an Independent Review Report, which describes the scope of the review, the tests carried out, the results of the review, the conclusions or the recommendations.

The approval process follows the same approval scheme for all models, the composition of governance bodies being able to vary according to the level of model risk, the family of models, the applicable regulatory requirements and the Business Units/Service Units in which model is applicable. Responsible for LoD2, the approval process consists of two consecutive instances:

- the Review Authority which aims to present the conclusions identified by the review team in the Independent Review Report and to discuss, allowing for a contradictory debate between LoD1 and LoD2. Based on the discussions, LoD2 confirms or modifies the conclusions of the Review Report, including the findings and recommendations, without being limited thereto;
- the Approval Authority, a body which has the power to approve (with or without reservation) or reject the use of a model, changes made to the existing model or continuous monitoring of the relevance of the model along the time proposed by the LoD1, from the Independent Review Report and the minutes of the Review Authority.

16

OTHER RISKS

IN BRIEF

This section describes equity risks and other risks not described in previous chapters.

16.1 RISK RELATED TO INSURANCE ACTIVITIES

Refer to Financial Statements in Chapter 6 - Note 4.3 Insurance activities.

16.2 INVESTMENT RISK

The Group' appetite for financial shareholdings in proprietary private equity operations is restricted to certain targeted business areas. Consequently, the types of acceptable private equity operations chiefly involve:

- commercial support for the network through the private equity business of the Group's retail banking network in France and certain foreign subsidiaries;
- shareholdings in innovative companies and/or ESG-oriented companies, either directly or through private equity funds;
- shareholdings in financial services companies such as Euroclear and Crédit Logement.

Private equity investments are managed directly by the networks concerned (the Group's retail bank in France and foreign subsidiaries) and are capped at EUR 25 million. Any investments above this threshold must be approved by the Group Strategy Department based on a file submitted by the Business Unit in conjunction with its Finance Department. The file must set out arguments justifying an investment of the allotted size, with details of:

- the projected outcome;
- the expected profitability based on the consumption of the associated capital;
- the investment criteria (typology, duration, etc.);
- the risk analysis;
- the proposed governance.

The Group's General Management must approve the investment amount if it exceeds EUR 50 million and must base its decision on the opinion delivered by the Strategy Department, the Finance Department, the General Secretariat and the Compliance Department. At least once a year, the relevant Business Unit must submit a status report to the Strategy Department tracking the operations and the use of the allocated investment amount.

Other private equity minority investments undergo a dedicated approval process for both the investment and divestment phases. They are approved by the Heads of the Business Units and the entities concerned, by their Finance Department and the Strategy Department. Approval must also be sought from the Group's General Management for amounts over EUR 50 million, and from the Board of Directors for amounts exceeding EUR 250 million. These files are assessed by the Strategy Department with the assistance of experts from the Services Units and Business Units involved in the operation, comprising at least the Finance Department, the General Secretariat's Legal and Tax Departments and the Compliance Department. The assessment is based on:

- a review of the proposed shareholding;
- the context of the investment and the reasons for going ahead with it;
- the structuring of the operation;
- its financial and prudential impacts;
- an evaluation of the identified risks and the resources employed to track and manage them.

16.3 RISK RELATED TO OPERATING LEASING ACTIVITIES

Risk related to operating leasing activities is the risk of management of the goods leased (including the risk on residual value mainly, and risk on the value of the repair, maintenance and tires to a lesser extent), excluding the operational risk.

Residual value risk

Through its Mobility and Financial Services Division, mainly in its long-term vehicle leasing subsidiary, the Group is exposed to residual value risk (where the net resale value of an asset at the end of the leasing contract is less than initially expected).

RISK IDENTIFICATION

Societe Generale Group holds, inside in Ayvens Business Unit (automobile leasing activity), cars on its balance sheet with a risk related to the residual value of these vehicles at the moment of their disposals. This residual value risk is managed by Ayvens.

The Group is exposed to potential losses in a given reporting period caused by (i) the resale of vehicles associated with leases terminated in the reporting period where the used car resale price is lower than its net book value and (ii) additional depreciation booked during the lease term if the expected residual values of its vehicles decline below the contractual residual value. The future sales results and estimated losses are affected by external factors like macroeconomic, government policies, environmental and tax regulations, consumer preferences, new vehicles pricing, etc.

Used car sales result profits excluding depreciation adjustment[1] totalled EUR 907.9 million in 2024, compared to EUR 1,078.5 million in 2023.

RISK MANAGEMENT

The residual value setting procedure defines the processes, roles and responsibilities involved in the determination of residual values that will be used by Ayvens as a basis for producing vehicle lease quotations.

A Residual Value Review Committee is held at least three times a year within each operating entity of Ayvens. This Committee debates and decides residual values, considering local market specificities, documenting its approach, ensuring that there is a clear audit trail.

A central Ayvens Risk team validates the proposed residual values prior to their being notified to the operating entities and updated in the local quotation system. This team informs Ayvens' regional Directors, group Chief Risk and Compliance Officer (CRCO) and/or other ExCo members in case of disagreements.

Additionally, the fleet revaluation process determines an additional depreciation in countries where an overall loss on the portfolio is identified. This process is performed locally twice a year for operating entities owning more than 10,000 cars (once a year for smaller entities) under the supervision of the Ayvens' central Risk Department and using common tools and methodologies. This depreciation is booked in accordance with accounting standards.

16.4 STRATEGIC RISKS

Strategic risks are defined as the risks inherent in the choice of a given business strategy or resulting from the Group's inability to execute its strategy. They are monitored by the Board of Directors, which approves the Group's strategic trajectory and reviews them at least once a year. Moreover, the Board of Directors approves strategic investments and any transaction (particularly disposals and acquisitions) that could significantly affect the Group's results, the structure of its balance sheet or its risk profile.

Strategic steering is carried out under the authority of General Management, by the General Management Committee (which meets weekly without exception), by the Group Strategy Committee and by the Strategic Oversight Committees of the Business Units and Service Units. The composition of these various bodies is set out in the Corporate Governance chapter of the present document, Chapter 3 (see pages 61 and following). The Internal Rules of the Board of Directors (provided in Chapter 3 of the present document, at page 61) lay down the procedures for convening meetings.

(1) From 31 December 2024, Ayvens changed presentation of the components within the Gross Operating Income in its income statement. Prospective depreciation, which reflects revision of residual values of the running fleet and previously accounted for in the Leasing contract margin, is now recognised in the Used Car Sales. This transfer is accompanied by a change of the "Used car sales result" caption becoming "Used car sales result and depreciation adjustments". These presentation changes do not impact Gross Operating Income overall, nor Net income, Group share.

16.5 CONDUCT RISK

The Group is also exposed to conduct risk through all of its core businesses. The Group defines conduct risk as resulting from actions (or inaction) or behaviours of the Bank or its employees, inconsistent with the Group's Code of Conduct, which may lead to adverse consequences for its stakeholders, or jeopardise the Bank's sustainability or reputation.

Stakeholders include in particular the clients, employees, investors, shareholders, suppliers, the environment, markets and countries in which the Group operates.

See also "Culture & Conduct programme" (see page 350).

17

PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT

17.1 PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT

Mr Leopolodo ALVEAR

Group Chief Financial Officer of Societe Generale

17.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT

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

Paris, the 20th of March 2025

Group Chief Financial Officer of Societe Generale

Mr Leopolodo ALVEAR

18

APPENDICES

18.1 PILLAR 3 CROSS-REFERENCE TABLE

CRD4/CRR article	Theme	Pillar 3 report reference (except reference to the Universal Registration Document)	Page in Pillar 3 report
90 (CRD)	Return on assets	5 Capital management and adequacy	48
435 (CRR)	Risk management objectives and policies	1 Group concise risk statement 3 Risk management and organisation 12 Liquidity risk	8-16 31-46 223-240
436 (CRR)	Scope of application	5 Capital management and adequacy	65-67 ; 91-100
		SG website - Capital instruments and TLAC eligible SNP/SP	
		SG website - Information about the consolidation scope	
		SG website - Differences in the scopes of consolidation (LI3)	
437 (CRR)	Own funds	5 Capital management and adequacy	53-57 ;62-66
437a (CRR)	TLAC and related eligible instruments	5 Capital management and adequacy	60 ; 62-63
		SG website - Capital instruments and TLAC eligible SNP/SP	
438 (CRR)	Capital requirements	5 Capital management and adequacy	48;63
439 (CRR)	Exposure to counterparty credit risk	7 Counterparty credit risk	154-169
440 (CRR)	Capital buffers	5 Capital management and adequacy	67-69
441 (CRR)	Indicators of global systemic importance	SG website - Information and publication section	
442 (CRR)	Credit risk adjustments	6 Credit risk	86 ; 112-116
443 (CRR)	Encumbered and unencumbered assets	12 Liquidity risk	227-230
444 (CRR)	Information on the use of the standardised approach/use of ECAIs	6 Credit risk 8 Securitisation	87-112;128-131 183
445 (CRR)	Exposure to market risk	9 Market risk	192-206
446 (CRR)	Operational risk	10 Operational risk	208-215
447 (CRR)	Information on key metrics	1 Group concise risk statement	14-16
448 (CRR)	Exposure to interest rate risk on positions not included in the trading book	11 Structural interest rate and exchange rate risks	218-221
449 (CRR)	Exposure to securitisation positions	8 Securitisation	172-190
449 bis (CRR)	Environnemental Social Governance	14 ESG	248-266
450 (CRR)	Remuneration policy	First update of the Pillar 3 report (planned)	
451 (CRR)	Leverage	5 Capital management and adequacy	60;70-73
451a (CRR)	Liquidity	12 Liquidity risk	224-226 ;231-240
452 (CRR)	Use of the IRB Approach to credit risk	6 Credit risk	87-109;132-144
453 (CRR)	Use of credit risk mitigation techniques	6 Credit risk	87-88;126;144-150
454 (CRR)	Use of the advanced measurement approaches to operational risk	10 Operational risk	208-216
455 (CRR)	Use of internal market risk models	9 Market risk	192-206

18.2 INDEX OF THE TABLES IN THE RISK REPORT

(1) Universal Registration Document.

18.3 MAPPING TABLE OF EXPOSURE CLASSES

As part of the presentation of credit risk data, the table below shows the link between the synthetic presentations of certain tables and the exposure classes detailed in the tables requested by the EBA in the context of the revision of Pillar 3.

Approach	COREP exposure class	Pillar 3 exposure class
AIRB	Central governments and central banks	Sovereigns
AIRB	Institutions	Institutions
AIRB	Corporate - SME	Corporates
AIRB	Corporate - Specialised lending	Corporates
AIRB	Corporate - Other	Corporates
AIRB	Retail - Secured by real estate SME	Retail
AIRB	Retail - Secured by real estate non-SME	Retail
AIRB	Retail - Qualifying revolving	Retail
AIRB	Retail - Other SME	Retail
AIRB	Retail - Other non-SME	Retail
AIRB	Other non credit-obligation assets	Others
AIRB	Default funds contributions	Others
FIRB	Central governments and central banks	Sovereigns
FIRB	Institutions	Institutions
FIRB	Corporate - SME	Corporates
FIRB	Corporate - Specialised lending	Corporates
FIRB	Corporate - Other	Corporates
IRB	Equity Exposures	Others
IRB	Securitisation	Others
Standardised	Central governments or central banks	Sovereigns
Standardised	Regional governments or local authorities	Institutions
Standardised	Public sector entities	Institutions
Standardised	Multilateral development banks	Sovereigns
Standardised	International organisations	Sovereigns
Standardised	Institutions	Institutions
Standardised	Corporates	Corporates
Standardised	Retail	Retail
Standardised	Secured by mortgages on immovable property	Others
Standardised	Exposures in default	Others
Standardised	Items associated with particularly high risk	Others
Standardised	Covered bonds	Others
Standardised	Claims on institutions and corporate with a short-term credit assessment	Others
Standardised	Claims in the form of CIU	Others
Standardised	Equity Exposures	Others
Standardised	Other items	Others
Standardised	Default funds contributions	Others
Standardised	Securitisation	Others

18.4 ABBREVIATIONS TABLE

ABBREVIATIONS TABLE

Abbreviation	Meaning
ABS	Asset-Backed Securities
ACPR	*Autorité de contrôle prudentiel et de résolution* (French supervisory authority)
ALM	Asset and Liability Management
CCF	Credit Conversion Factor
CDS	Credit Default Swap
CDO	Collateralised Debt Obligation
CLO	Collateralised Loan Obligation
CMBS	Commercial Mortgage-Backed Securities
CRD	Capital Requirement Directive
CRM (credit risk)	Credit Risk Mitigation
CRM (market risk)	Comprehensive Risk Measure
CRR	Capital Requirement Regulation
CVaR	Credit Value at Risk
EAD	Exposure At Default
ECB	European Central Bank
EL	Expected Loss
IMM	Internal Model Method
IRBA	Internal Ratings-Based approach – Advanced
IRBF	Internal Ratings-Based approach – Foundation
IRC	Incremental Risk Charge
G-SIB	Global Systemically Important Bank
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MREL	Minimum Requirement for own funds and Eligible Liabilities
NSFR	Net Stable Funding Ratio
PD	Probability of Default
RMBS	Residential Mortgage-Backed Securities
RW	Risk Weight
RWA	Risk-Weighted Assets
SREP	Supervisory Review and Evaluation Process
SVaR	Stressed Value at Risk
TLAC	Total Loss Absorbing Capacity
VaR	Value at Risk

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