UNIVERSAL REGISTRATION DOCUMENT

2024

ANNUAL FINANCIAL REPORT 2023

SOCIETE GENERALE

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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.

SOCIETE GENERALE

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AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document was filed on 11 March 2024 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a translation into English of the Annual Financial Report/Universal Registration Document of the Company issued in French and is available on the website of the Issuer.

The Universal Registration Document is a copy of the official version of the Universal Registration Document which has been prepared in XHTML format and is available on the Issuer's website.

MESSAGE

from the Chairman of the Board of Directors

Lorenzo Bini Smaghi

Chairman of the Board of Directors

2023 was a year of managerial transition with Slawomir Krupa being appointed Chief Executive Officer of the Group on 23 May.

The transition at the top management of the Group had been carefully prepared, under the aegis of the Board of Directors and its Nomination and Corporate Governance Committee. As soon as he was appointed, Slawomir Krupa put in place a new General Management and an experienced and gender-balanced Executive Committee which were immediately operational, and prepared **a new strategic and financial plan that was presented last September with a view to making Societe Generale a top-tier, rock-solid and sustainable European bank.**

Being a rock-solid and sustainable bank is first and foremost about setting a goal for lasting strength and performance by adapting our business model, by optimising capital management and improving operational efficiency, while maintaining a disciplined and strict approach to risk. This is key to boosting our long-term flexibility and competitiveness.

2023, year of transition

Accelerating our ESG ambitions is also a cornerstone of Societe Generale's sustainable development strategy. The ESG expertise built by our Group over many years is well recognised. Supporting our clients on their decarbonisation pathway is an even more critical priority at a time when the economic risks associated with climate transition are intensifying. The pro-active commitments that we have made and the milestones achieved are well recognised by the main extra-financial rating agencies that have placed the Group among the top-ranking global banks.

2023 was also filled with strategic achievements such as the emergence of SG, the new retail bank in France, which involved the successful migration of information systems, and the creation of Ayvens, a global leader in sustainable mobility following ALD's acquisition of LeasePlan. We also made significant strategic headway in the other Group businesses, notably by laying the groundwork to form the joint venture with AllianceBernstein in the cash equities and equity research business, and further developing the exceptional momentum at BoursoBank, which took the number of individual clients to over 6 million January 2024.

From the financial perspective, the results were contrasted, marked by very solid performances in Global Banking and Investor Solutions and International Retail Banking, the negative impacts of rising interest rates in French Retail Banking, which only started to ease in the fourth quarter of 2023, and by LeasePlan's higher-than-expected integration costs. But it is important to emphasise that our disciplined management of costs, risks and capital have helped make the Bank more robust.

As our Group prepares to celebrate its 160th anniversary, the Board of Directors is confident of the ability of General Management and the Group's staff to commit to serving clients, shareholders and the various stakeholders to embark on the new chapter that is opening up for Societe Generale, with the purpose of building together a better and sustainable future. ■

MESSAGE

from the Chief Executive Officer

2023 was marked by the launch of a new strategic roadmap for Societe Generale designed to strengthen our Group by building on our solid foundations, with the aim of solidifying our position among Europe's top-tier banks and creating long-term value for our various stakeholders.

From the moment we took office on 24 May 2023, the entire new Group management team and I immediately concentrated on our short-term priorities and on finalising the medium-term strategic roadmap that we presented last September.

After a 2023 of transition and transformation for our Group, a year that was both challenging in terms of performance and resolute in rolling out our strategic initiatives, 2024 will be a year focused on the execution of the Group's new strategic medium-term plan.

Our strategy announced at the Capital Markets Day event is based on two key ambitions: rock-solid strength and sustainability. This means enhancing our commercial performance by paying constant attention to customer satisfaction and anticipating their needs, managing our capital selectively and proactively, and making structural cost reductions by improving efficiency and simplifying our organisation. This also means continuing our disciplined approach to risk management and fostering innovation. We have set interim targets for 2024 that will put us well on track to reach our medium-term targets by 2026.

2024 will also be crucial for achieving new milestones in our various strategic initiatives. Accelerating the rollout of our new retail banking model and winning new clients at BoursoBank will enable us to strengthen our positions in the French banking market. The creation of our joint venture with AllianceBernstein and our partnership with Brookfield will broaden our offering to corporate banking clients and investors. The further integration of LeasePlan's activities into Ayvens will establish us as a world leader in mobility. We will also push further ahead with our portfolio review to focus on our core businesses and simplify the Group's business model.

A new chapter in the history of our Group

Slawomir Krupa

Chief Executive Officer

Maintaining our leadership in the ESG universe is clearly more than ever a linchpin of our strategy. The Group has accelerated its ESG ambitions for environmental transition to increase sustainable finance and reinforce our contribution to environmental imperatives and to the UN's Sustainable Development Goals. We were again a pioneer in that domain and took ground-breaking and leading decisions based on our resolve to heavily reduce exposure to the oil and gas sector, define new decarbonisation targets for our businesses, and support development of new low-carbon technologies and solutions. To increase our positive impact, we signed new partnerships with The Ocean Cleanup and the International Finance Corporation (IFC), a member of the World Bank Group. Determined to lead by example, we also made another strong commitment to diversity, appointed the Chairman to our new Scientific Advisory Council and expanded our philanthropy programme. Societe Generale was the recipient of IFR's prestigious Bank for Sustainability award in recognition of our leadership in this field. The rollout of our ESG ambitions is a major imperative and a continuous process.

With all the teams of SG, we are writing a new chapter in the history of our Group in a committed and responsible way. Leveraging a 160-year legacy through which we have assisted millions of clients, we can look confidently to the future. We have solid and differentiating assets that enable us to play an essential role, support major transitions of our stakeholders, help our clients' ideas flourish, and assist their development and projects. Our contribution to their growth and to the achievement of their potential is, and will continue to be, a source of pride to us ■

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KEY FIGURES AND PROFILE OF SOCIETE GENERALE

2023 FINANCIAL RESULTS

REVENUES

€25.1 BN

GROUP NET INCOME

€2.5 BN

CAPITAL

CET 1 13.1%[1]

(1) including IFRS 9 phasing

BUSINESS PERFORMANCE

FRENCH RETAIL, PRIVATE BANKING AND INSURANCE

REVENUES €8 BN -12.9%*

*vs. 2022

GLOBAL BANKING AND INVESTOR SOLUTIONS

REVENUES €9.6 BN -4.6%*

INTERNATIONAL RETAIL, MOBILITY AND LEASING SERVICES

REVENUES €8.5 BN +4.5%*

2023, YEAR OF TRANSITION 2024, YEAR FOCUSED ON THE EXECUTION OF THE NEW STRATEGIC ROADMAP

MAJOR ACHIEVEMENTS IN STRATEGIC INITIATIVES

- Roll-out of the new retail bank in France, SG
- Development of the French leader in online banking, BoursoBank
- Further integration of LeasePlan's activities into Ayvens, a global leader in mobility
- Completion of the AllianceBernstein joint venture and partnership with Brookfield

ACCELERATING ESG DECISIONS

- Reduction of 80% by 2030 of our exposure to the upstream oil and gas sector
- Launch of a EUR 1 billion investment fund to foster the development of new low-carbon technologies
- Long-term partnership with IFC, International Finance Corporation
- Creation of a Scientific Advisory Council, chaired by Subra Suresh

1.1 HISTORY

On 4 May 1864, Napoleon III signed Societe Generale's founding decree. Founded by a group of industrialists and financiers driven by the ideals of progress, the Bank's mission has always been "to promote the development of trade and industry in France".

Since its beginnings, Societe Generale has worked to modernise the economy, following the model of a diversified bank at the cutting edge of financial innovation. Its retail banking branch network grew rapidly throughout the French territory, increasing from 46 to 1,500 branches between 1870 and 1940. During the interwar period, the Bank became the leading French credit institution in terms of deposits.

At the same time, Societe Generale began to build its international reach by financing infrastructure essential to the economic development of a number of countries in Europe, Americas and North Africa. This expansion was accompanied by the establishment of an International Retail Banking network. In 1871, the Bank opened its London branch. On the eve of World War I, Societe Generale had a presence in 14 countries, either directly or through one of its subsidiaries. This network was subsequently expanded by opening branches in New York, Buenos Aires, Abidjan and Dakar, and by acquiring stakes in financial institutions in Central Europe.

Societe Generale was nationalised by law on 2 December 1945 and played an active role in financing the reconstruction of France. The Bank thrived during the prosperous post-war decades and contributed to the increased use of banking techniques by launching innovative products for businesses, including medium-term discountable credit and lease financing agreements, for which it held the position of market leader.

Societe Generale demonstrated its ability to adapt to a new environment by taking advantage of the banking reforms that followed the French Debré Acts of 1966-1967. While continuing to support the businesses it partnered, the Group lost no time in focusing its business on individual clients. In this way, it supported the emergence of a consumer society by diversifying the credit and savings products it offered private households.

In June 1987, Societe Generale was privatised with a successful stock market launch and shares offered to Group staff. The Group developed a universal banking strategy, in particular through its Corporate and Investment Banking activities, to support the worldwide development of its clients. In France, it expanded its networks by founding Fimatex in 1995, which later became Boursorama and now BoursoBank, currently France's leading online bank, and by acquiring Crédit du Nord in 1997. Internationally, it established itself in Central and Eastern Europe through Komerčni banka in the Czech Republic and BRD in Romania while consolidating its growth in Africa, notably in Morocco, Côte d'Ivoire, and Senegal. Building on the professionalism of its teams and the relationship of confidence developed with its clients, the Bank continues its process of transformation by adopting a sustainable growth strategy driven by its core values of team spirit, innovation, responsibility and commitment.

In 2023, the Group completed two major strategic projects: the launch of the new French Retail Banking, SG, resulting from the merger of the two Societe Generale and Crédit du Nord networks, and the creation of Ayvens, a leader in sustainable mobility resulting from the acquisition of LeasePlan by ALD Automotive.

The Group currently employs more than 126,000 people[(1)] in 65 countries.

With 160 years of expertise serving clients and the sustainable development of economies, Societe Generale intends to leverage this legacy to look confidently towards the future.

(1) Headcount at end-2023, excluding temporary staff.

1.2 PROFILE OF SOCIETE GENERALE

BUSINESS MODEL

CREATING VALUE FOR OUR STAKEHOLDERS

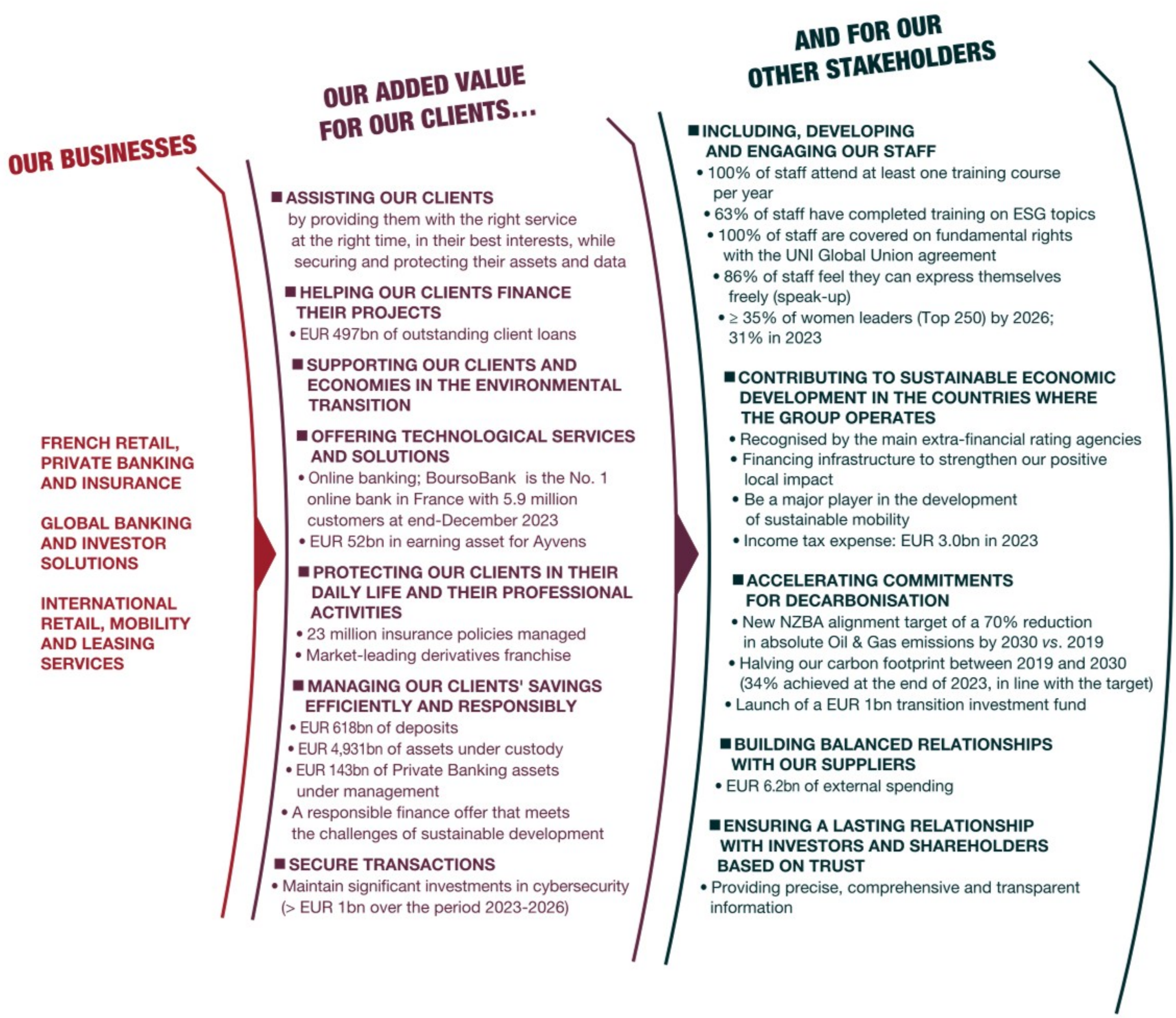
FIND OUT MORE

> 2024 Universal Registration — Document, chapter 1

Societe Generale is a top-tier European Bank with more than 126,000 employees serving around 25 million clients in 65 countries across the world. We have been supporting the development of our economies for nearly 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective – to deliver sustainable value creation for our various stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- French Retail, Private Banking and Insurance, with the leading retail bank SG and insurance franchise, premium private banking services, and the leading digital bank BoursoBank;



- Global Banking and Investor Solutions, a top-tier wholesale bank offering tailored-made solutions with distinctive global leadership in Equity Derivatives, Structured Finance and ESG;
- International Retail, Mobility and Leasing Services, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD - LeasePlan brand), a global player in sustainable mobility, as well as specialised financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and in sustainability overall.

The Group is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

KEY FIGURES

Results *(In EURm)*	**2023**	**2022**	**2021**	**2020**	**2019**
Net banking income	25,104	27,155	25,798	22,113	24,671
o.w. French Retail, Private Banking and Insurance	*8,023*	*9,210*	*7,777*	*7,315*	*7,746*
o.w. Global Banking and Investor Solutions	*9,640*	*10,108*	*9,530*	*7,613*	*8,704*
o.w. International Retail, Mobility and Leasing Services	*8,507*	*8,139*	*8,117*	*7,524*	*8,373*
o.w. Corporate Centre	*(1,066)*	*(302)*	*374*	*(339)*	*(152)*
Gross operating income	6,580	9,161	8,208	5,399	6,944
Cost/income ratio	73.8%	66.3%	68.2%	75.6%	71.9%
Operating income	5,555	7,514	7,508	2,093	5,666
Group net income	2,493	1,825	5,641	(258)	3,248
Equity *(In EURbn)*					
Group shareholders' equity	66.0	67.0	65.1	61.7	63.5
Total consolidated equity	76.2	73.3	70.9	67.0	68.6
ROTE	**4.2%**	**2.5%**	**11.7%**	**-0.4%**	**6.2%**
Common Equity Tier 1[(1)]	**13.1%**	**13.5%**	**13.7%**	**13.4%**	**13.3%**
Risk Weighted assets ***(In EURbn)***	**388.8**	**362.4**	**363.4**	**351.9**	**345.0**

(1) Figures based on CRR2/CRD5 rules, including IFRS 9 phasing.

Note: 2022 figures restated in compliance with IFRS 17 and IFRS 9 for insurance entities. Definitions and potential adjustments presented in section 2.3.6 / Definitions and methodology, alternative performance measures on pages 42 - 45.

1.3 A CLEAR STRATEGY FOR A SUSTAINABLE FUTURE

The Group's ambition is underpinned by a clear strategy and roadmap for a sustainable future: to become a rock-solid bank that fosters solid and sustainable performances that contribute to sustainable development objectives.

To further strengthen the Bank's financial profile is a core priority for the Group. This will notably be achieved by continuing to improve the Group's capital ratio, with a target CET1 ratio of 13% under Basel IV set for 2026. To achieve this target, the Group will allocate and use its capital effectively, improve operational efficiency and simplify its portfolio based on a consistent, integrated and synergy-centric business model leveraging its core franchises, while maintaining best-in-class risk management.

The Group intends to leverage high-performance, sustainable businesses with a robust diversified banking model suited to the needs of around 25 million corporate, institutional and individual clients, structured around three core businesses:

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

In French Retail, Private Banking and Insurance, the Group intends to take advantage of the new operating model of its new SG network to boost synergies with the Insurance and Private Banking activities while improving operating efficiency, and accelerate BoursoBank's development with the aim of reaching 8 million clients by 2026 and enhancing long-term value creation. Leveraging a high-impact value offer, the Group intends to be the partner of choice for businesses, professionals and high net worth clients, as well as for digital clients, and at the same time be a responsible bank for its various counterparties.

For the Global Banking and Investor Solutions businesses, the Group is pursuing with the strategy initiated in 2021 that seeks to further enhance the sustainability and profitability of its model. Building on its positioning as a top-tier European player and trusted partner for its global banking clients, the Group intends to unlock greater value from its leading franchises, notably through innovative action, while continuing to improve operating efficiency and optimising its resources, particularly capital. Recent partnerships with AllianceBernstein and Brookfield are merely two examples of the Group's ability to create innovative solutions to broaden the offering and value proposition for its clients.

The International Retail, Mobility and Leasing Services' main objective is to deliver sustainable performances that exceed the cost of capital, notably by implementing a more compact and efficient model that also offers first-rate client experience. The Group is aiming to become a world leader in the mobility ecosystem through its mobility and leasing activities, chiefly through Ayvens, following the finalisation of ALD's acquisition of LeasePlan.

The Group's main priority is to press further ahead with its commercial development, furnishing quality service, value-added and innovation to enhance client satisfaction. Its aim is to become a trusted partner for its clients, making sound use of its digital capabilities to provide them with responsible and innovative financial solutions. To this end, the Group is pursuing various digital transformation and operational efficiency initiatives.

Another priority for the Group is to foster a culture of performance and accountability. To this end, it has set targets to increase its employee engagement score, reduce the gender pay gap and promote diversity in senior leadership roles. The Group has also adjusted its financial reporting principles to embed greater accountability.

The Group is fully committed to the strategic initiatives presented in September 2023 and has set the following main financial targets:

- a robust CET1 ratio at 13% under Basel IV in 2026;
- average annual revenue growth of between 0% and 2% over 2022-2026;
- increased operational efficiency, with a cost-to-income ratio below 60% in 2026;
- cost of risk within the 25-30 basis-point range over 2024-2026;
- return on tangible equity (ROTE) between 9 and 10% in 2026;
- a Liquidity Coverage Ratio (LCR) of at least 130% and a Net Stable Funding Ratio (NSFR) of at least 112% throughout the cycle;
- a Non-Performing Loans (NPL) ratio target of 2.5-3% in 2026;
- a leverage ratio of 4-4.5% throughout the cycle;
- an MREL ratio equal to at least 30% of risk-weighted assets (RWA) throughout the cycle;
- application of a sustainable distribution policy, based on a payout ratio range between 40% and 50% of reported net income(1) with a balanced distribution mix between cash dividends and share buybacks from 2024 onwards.

Being an ESG leader

In a world faced with climate change, environmental imperatives and shifting societal norms, a a bank like Societe Generale has a crucial role to play. Mindful of its corporate purpose, Societe Generale has placed ESG concerns front and centre of its ambition to become a rock-solid and top-tier sustainable European bank.

Transitioning to sustainable, low-carbon economies presents complex and multifarious challenges for all economic operators. Tackling them requires a holistic approach that looks beyond the economic effects to also encompass the strategic, technological, geopolitical and social impacts of the transition. The Group firmly believes in the need to work together on this. It is committed to supporting its clients in their transition process and to working hand in hand with its various stakeholders.

(1) After deduction of interest on super subordinated notes and undated subordinated notes, restated for non-cash items with no impact on the CET1 ratio

As part of these efforts, Societe Generale has pledged EUR 300 billion to develop sustainable finance out to 2025 and offers its clients a range of financing and investment solutions designed their changing needs. Naturally, the Group must also look inwards if it is to live up to its promise of supporting clients in their transitions and satisfying stakeholder expectations: it continues to pursue its own transition and factors environmental and social considerations into decision-making processes Group-wide.

When presenting its 2026 strategic plan in September 2023, the Group highlighted a series of far-reaching measures to reaffirm its commitment as a top-tier operator in the transition to a sustainable world. ESG considerations are of critical importance and form the linchpin of the Group's roadmap and the strategic trajectories of its various businesses.

The Group also announced that it is accelerating the decarbonisation of its activities with O&G exploration and production reduction targets and diligent decarbonisation of emission-intensive sectors. As a founding member of the Net Zero Banking Alliance (NZBA), launched in 2021 as part of the United Nations Environment Programme Finance Initiative (UNEP-FI) which is composed today of 130 banks, the Group has already set alignment targets for nine sectors out of 12 to align its financing portfolios with trajectories compatible with the Paris Agreement's climate goals, starting with short- and medium-term targets.

The three core themes of the Group's environmental strategy are supporting clients in their transitions, managing the climate impact of its own activities and addressing environmental risk factors. This entails adapting its businesses, capitalising on its sector-specific expertise to offer clients customised support and develop innovative solutions. Not satisfied with simply financing existing technologies, the Group intends to position itself as a partner for emerging operators who are developing new technologies and experimenting with new ways of doing business.

This has prompted the Group to increase investment in groundbreaking partnerships and solutions to amplify its impact. And it is not doing so alone: aware of the value of international cooperation and outside expertise, it is strengthening its partnership with the International Finance Corporation (IFC) – a member of the World Bank Group – on sustainable finance projects. It has also announced the creation of a Scientific Advisory Council to contribute expert opinions on topics relating to climate, nature, social issues and sustainable development. Another announcement concerns the launch of a new EUR 1 billion transition investment fund to support transition champions, green technologies, nature-based solutions and impact finance projects. The fund offers further opportunities for positive action, notably by supporting new actors in the transition sector.

Last, embedding a culture of accountability and being a responsible employer are also priorities for the Group. In terms of gender diversity, it has decided to allocate EUR 100 million to reduce the pay gap between men and women. Also working along these lines, Societe Generale aims to get women into at least 35% of its Top 250 senior managerial positions worldwide by 2026.

The Group is deeply committed to the United Nations' Sustainable Development Goals. This is reflected in the four strategic themes of its CSR ambition, each of which contributes to a number of the SDGs. The first two themes – Environmental Transition and Positive Local Impact – form the pillars of the Group's transition efforts. The other two – Responsible Employer and Culture of Accountability – form the framework of responsible banking.

CSR AMBITION – STRATEGIC DRIVERS

ACTIVITIES PILLAR

SUPPORTING ENVIRONMENTAL TRANSITION
By assisting clients in transitioning to greener practices through innovative solutions tailored to their evolving needs, Societe Generale is also doing its part to help preserve biodiversity and develop the circular economy while simultaneously aligning its portfolios with the Paris Agreement on climate change, starting with short- and medium-term targets.

MAKING A POSITIVE LOCAL IMPACT
Societe Generale supports societal and economic change at a local level, contributing to infrastructure financing, assisting local organisations, SMEs and entrepreneurs, leading the field in sustainable mobility and developing socially inclusive services.

RESPONSIBLE BANK PILLAR

BEING A RESPONSIBLE EMPLOYER
Monitoring quality of working life, diversity, equality and inclusion and professional development for its teams is crucial to encouraging employee engagement within the Group and optimising performances. In 2023, Societe Generale redefined its Responsible Employer strategy – one of the pillars of its CSR policy.

FOSTERING A CULTURE OF ACCOUNTABILITY
Societe Generale factors in ESG concerns at the very highest levels of governance, rolling out a robust E&S risk management framework, holding itself to account on its commitments in terms of human rights, the climate and biodiversity and ensuring it operates ethically and responsibly in all aspects of its business.

SUSTAINABLE DEVELOPMENT GOALS

The Group's businesses have all included ESG in their strategic roadmaps. Leveraging its regional footprint, French Retail Banking's ambition is to furnish support to its individual, corporate and local authority clients in their environmental transitions by developing a comprehensive range of ESG solutions. Likewise, Global Banking and Investor Solutions intends to remain the most innovative provider of ESG solutions. Meanwhile, International Retail Banking is seeking to position itself as a leader in ESG across all its regions worldwide. Last Ayvens, the Group's new vehicle leasing subsidiary, is focusing on three ways to advance sustainable mobility: advising clients on greener mobility options, facilitating the switch to EVs and offering integrated Mobility-as-a-Service (MaaS) solutions.

Addressing these new challenges demands wide-sweeping change within the Group. CSR can no longer be the sole preserve of experts; a major considerable awareness-raising and upskilling campaign is required to tackle the challenges of transition. As such, the Group is rolling out an extensive in-house training programme.

As a responsible bank, the Group is maintaining its target to cut own-account CO_2 emissions by -50% by 2030. This awareness of its responsibilities is also reflected in the Societe Generale Foundation's work, with plans to boost sponsoring of cultural, educational and into-work initiatives.

The Group's capacity for innovation across all businesses, its commitment to international coalitions to establish new standards and a firm grasp of its responsibilities as a bank are essential to consolidating the Group's leadership position. The strong commitments made in its 2026 strategic plan, the operational implementation of its CSR ambition and its ESG risk factor management are helping the Group move forward with its transformation, develop new processes and solutions to effect change and dial up its transition efforts.

The Group's aim is to remain a pioneer in this field, preparing for the future by developing expertise in areas such as the circular economy, nature conservation and water management. It continues to foster a Group-wide culture of responsibility and to strengthen its internal control framework, especially its Compliance operations, to meet the banking industry's highest standards. It has now completed the rollout of its Culture & Conduct programme, embedding rules of conduct and strong shared values throughout the entire organisation.

Outlook

Against a backdrop in 2023 of continued geopolitical, economic and financial uncertainty, and complexity, the Group delivered good commercial performances across most of its businesses, in particular in International Retail Banking and in Global Banking and Investor Solutions. The Group also maintained a disciplined approach to costs that were up only slightly despite the inflationary context. Notwithstanding, the Group's performance was notably marked by the negative impact of short-term hedges of its net interest margin in French Retail Banking and by LeasePlan's high integration costs.

The Group also successfully passed key milestones in a number of other strategic projects, notably the:

- completion of the legal merger between the Societe Generale and Crédit du Nord branch networks and the IT migration of all Crédit du Nord clients to Societe Generale's system;
- accelerated development of the Group's online bank BoursoBank through the consolidation of its leadership position in the French market with a client base of over 5.9 million; and the
- emergence of a world leader in sustainable mobility, further to the completion of ALD's acquisition of LeasePlan in May 2023 and the launch of the new joint brand, Ayvens.

2024 will be a year focused on strategic execution and improved performance. The priorities will be to:

- **enhance the commercial performance**, notably by setting up new relationship models and reorganising front offices in core franchises, implementing the new model in the French network, overhauling the Financing and Advisory activities and wide-reaching transformation at Ayvens;
- **manage our portfolio of activities**, notably by finalising the announced disposals, in addition to those in Congo and Chad, which have already been completed;
- ensure a linear improvement of **operational efficiency**, targeting around EUR 500 million in additional gross savings in 2024, with EUR 750 to 800 million of transformation charges;
- **consolidate a solid liquidity profile** and a high capital ratio, with limited organic growth of RWAs (expected growth of under 1% relative to 2023);
- **maintain disciplined risk management;**
- maintain the pace when **rolling out our strategic ESG initiatives and ambitions**.

From a financial perspective, the Group has set the following targets:

- in 2024, the Group is expected to benefit from increase revenues that are above or equal to 5% relative to 2023, notably owing to the rebound in net interest income for the French Retail, Private Banking and Insurance business expected to be greater than or equal to that of 2022;
- the cost-to-income ratio is also expected to improve in 2024 to below 71%;
- the net cost of risk is anticipated at between 25 and 30 basis points in 2024;
- the Group aims to maintain a CET1 ratio of around 13% at end-2024;
- last, ROTE for the Group is expected to improve in 2024 to more than 6%.

The Board of Directors approved the distribution policy for the 2023 fiscal year, aiming to distribute EUR 1.25 per share[(1)], equivalent to around EUR 1 billion, of which around EUR 280 million in share buy-backs. A cash dividend of EUR 0.90 will be proposed at the General Meeting of Shareholders on 22 May 2024. The dividend will be detached on 27 May 2024 and paid out on 29 May 2024.

(1) Based on the number of shares in circulation at 31 December 2023, subject to usual approvals from the General Meeting and the ECB

French Retail, Private Banking and Insurance

With its Societe Generale network banking model and its fully online bank, BoursoBank, the Group's dual approach is a pioneer in France. It plans to capitalise on the cross-convergence of those two models to consolidate its unique and differentiating position on the French market.

The French Retail Banking business has made sweeping changes to its model over the past few years in response to rapidly evolving client behaviours and demand for ever more convenience, expertise and customised products and services. The pace of this transformation has picked up on back of two major strategic initiatives: the merger of Crédit du Nord and Societe Generale, and moves to ramp up growth at BoursoBank.

French Retail Banking's targets for 2026 are to achieve a client base of 17 million, with a cost-to-income ratio of below 60%, higher revenues and a lower cost base. Success in achieving these milestones will notably be driven by a combination of increased efficiency in the French retail network and a larger contribution from BoursoBank.

It has drawn up a roadmap containing high-impact strategic goals defined with efficiency in mind to:

- be the partner of choice for corporate, professional, wealthy and affluent clients, and digital clients, and a responsible bank for all clients;
- further strengthen the value proposition for clients, offering best-in-class quality of service;
- adopt a more efficient banking model;
- develop a comprehensive range of ESG solutions (savings, financing and advisory).

SG NETWORK, PRIVATE BANKING AND INSURANCE

The Group saw the Crédit du Nord/Societe Generale merger through to successful completion in 2023, with 1 January 2023 marking its legal entry into effect. The resulting new retail banking entity is branded SG. The Crédit du Nord branches also migrated smoothly to Societe Generale's IT system in the first half of 2023, with branch mergers and Back Office adaptations being rolled out progressively as from the second half of 2023 and through to 2025.

The new entity has adopted a new relationship model, designed to improve the quality of service provided to individual, professional and corporate clients and establish SG as a leading player in the French market for savings, insurance and first-rate solutions for corporates and professionals alike. Closer integration with the Insurance and Private Banking activities will allow the SG network to fully leverage the commercial synergies available.

SG promises its clients convenience, responsiveness, expertise and responsibility. In line with its strategic positioning, SG will be:

- a bank with a greater regional presence. The vast majority of decisions will be taken at regional level, and increasingly in branches and business centres directly. All clients will benefit from a denser branch network, reflecting the strategy of emphasising French Retail Banking's local roots through 11 regional brands grouped under the national SG umbrella;
- an expertise-centric bank, offering services even more tailored to the specific needs of its different types of client. For example, it will set up a private banking entity, assign each professional client a dedicated client relationship manager to handle both their personal and professional banking needs, and appoint more specialists throughout France to assist on savings and insurance matters and to offer its professional and corporate clients financing and advisory services;
- an accessible and responsive bank, with streamlined processes to speed up decision-making and reduce response times to customer queries, state-of-the-art digital services enabling clients to perform their day-to-day banking transactions remotely and securely, and a mobile app through which clients can subscribe to a wide range of products and services;
- a responsible bank that makes CSR the linchpin of its new model, adjusting how it is organised and its product and service range to strengthen its positive impact on its clients and local communities. More specifically, each region will have a dedicated CSR consultancy team to help SG step up its financing of the environmental transition and become a major player in the economic and social development of local regions and their ecosystems.

The strategy adopted aims to capitalise on closer integration, with a more efficient operating and relationship banking model, optimised processes and more judicious use of digital tools and AI, all while ensuring strict management of scarce resources.

Clients will be offered a stronger value proposition, designed especially with the target demographic in mind. The aim is to allow French Retail Banking to:

- take full advantage of its integrated bancassurance model, anticipating changes in the life-insurance market and boosting client take-up potential for personal protection and non-life insurance;
- seize the opportunities offered by an integrated value chain for savings and the new shared governance for the Group's Insurance businesses;
- draw on its Private Banking expertise to gain in prominence among wealthy and affluent clients;
- cement its top-tier position with corporates and professionals by enhancing its advisory offering.

In Wealth Management, Private Banking is moving forward with its strategy of operating in open architecture, distributing savings solutions to clients throughout its network. By offering investment and asset management solutions through partnerships with external asset managers, Societe Generale gives its savers access to the best investment expertise in France and internationally, while at the same time responding to their growing demand for socially responsible investment. The Wealth & Investment Solutions business within Private Banking focuses primarily on structuring savings, asset management and investment solutions for the Group's private banking and retail banking networks, as well as providing structured asset management solutions for its Global Markets clients.

In Insurance, the Group plans to accelerate the rollout of both its bancassurance model across all retail banking markets and all segments (life insurance, personal protection and non-life insurance) where it operates and also implement its digital strategy, notably to enhance its product range and client experience within an integrated omnichannel framework, while diversifying its business models and growth drivers through a strategy of innovation and partnerships. This growth strategy goes hand in hand with increased commitments to responsible finance at SG Assurances.

BOURSOBANK

The Group continues to support the development of its online bank. BoursoBank offers clients a broad, diversified and innovative range of online banking services, an efficient model and an unbroken 16-year record as the cheapest bank on the market[1], resulting in excellent client satisfaction and recommendation scores.

Over 2023, BoursoBank increased its lead on the French market, acquiring more than 1.2 million net new clients, bringing its total client base to 5.9 million at the end of the year. It plans to accentuate this trend, aiming to pass the 8 million client mark in 2026. This larger client base, together with greater take-up of services and products, plus an efficient operating model, will create long-term value.

While this strategic decision will incur a negative cumulated impact of around -EUR 150 million on gross operating income between 2023 and 2025, the Group sees substantial earnings potential with a positive net income above EUR 300 million in 2026.

Global Banking and Investor Solutions

Global Banking and Investor Solutions stands on strong foundations: it has built up a solid and stable diversified client base, high value-added product franchises and recognised sector expertise backed by a global network. GBIS serves the financing and investment needs of a broad and diversified client base spanning corporates, financial institutions and public-sector entities. Having undergone considerable transformation in recent years – reducing its breakeven point, de-risking the Global Markets activities and adjusting the balance between its businesses – GBIS is now focused on consolidating its foundations and profitability.

The Group is targeting a cost-to-income ratio of under 65% in 2026, based on an average annual growth of 1-2% in revenue for Financing and Advisory over 2022-2026 and revenues in the EUR 4.9-5.5 billion range for Global Markets activities. GBIS long-term strategic goals are to:

- continue improving operational efficiency;
- reduce RWA intensity by developing an asset-light and advisory-driven model;
- unlock further value from leading integrated franchises;
- remain the most innovative provider of ESG solutions;
- lead the way in digital innovation (digital assets and AI).

Made possible by GBIS's positioning as a top-tier European wholesale player and trusted partner for its clients, the recent partnerships with AllianceBernstein and Brookfield illustrate the Group's capacity to develop innovative pathways to further expand its client offering and explore new avenues for growth.

International Retail, Mobility and Leasing Services

International Retail, Mobility and Leasing Services is a profitable growth driver for the Group thanks to its leading positions in high-potential markets, its operational efficiency and digital transformation initiatives, and its ability to unlock synergies with other Group activities. These businesses have undergone a major transformation over the last few years with the creation of Ayvens, a global leader in sustainable mobility, a fully refocused portfolio, a more optimised model and an improved underlying risk profile. This last point is illustrated by the orderly pull-out from Russia in May 2022, as well as the announcement to withdraw from a number of African nations (Congo, Equatorial Guinea, Mauritania, Chad, Burkina Faso and Mozambique). The disposals of the African subsidiaries in Congo and Chad were finalised in December 2023 and January 2024, respectively.

International Retail Banking activities are located in regions outside the eurozone and benefit from positive long-term growth fundamentals and a higher interest-rate environment despite the prevailing economic uncertainty due to high inflation in these regions. Notwithstanding, the Group's plans to streamline its model and make it more efficient by consolidating leadership positions and pursuing responsible growth while upholding stringent risk management and compliance standards throughout its international networks.

Mobility and Leasing Services businesses – especially Ayvens – enjoy competitive positions in growth markets. All Mobility and Leasing Services businesses are continuing to roll out their programmes to innovate and transform their operational models in order to improve operating efficiency and grow synergies to achieve a cost-to-income ratio of less than 58% in 2026.

In mobility activities, Ayvens, created after ALD's acquisition of LeasePlan, is world No. 1 in multi-make and multi-channel vehicle leasing (excluding captives and financial leasing companies). It has a foothold in over 40 countries, including 29 where it is No. 1. With the full integration of LeasePlan and the PowerUp 2026 plan, the Group is well positioned to achieve its goal of becoming the world leader in mobility. The sector benefits from strong structural growth prospects, in particular with the structural transition from ownership to usership, the shift to sustainable mobility solutions, and notably increasing digitalisation of the sector. Last, in Vendor and Equipment Finance, the Group plans to build on its leadership position in its top-tier markets in Europe to maintain revenue and optimise profitability against a backdrop of higher financing costs as a result of climbing interest rates. It plans to draw on its service quality, capacity for innovation, product expertise and dedicated teams to retain its preferred partner status with vendors and clients alike.

Societe Generale also plans to continue moving forward with its strategy to unlock synergies between the activities of the various businesses in this division and elsewhere within the Group, with Private Banking and the regional Corporate and Investment Banking platforms, by developing commercial banking services such as international trade finance, cash management, payment services and factoring.

(1) Le Monde/Panorabanques.com for 2023, 12 December 2023.

RECENT DEVELOPMENTS AND MACROECONOMIC AND REGULATORY OUTLOOK

The tightening of economic policies is impacting growth on both sides of the Atlantic. China’s efforts to reduce its debt burden also continue to weigh on global growth, including that of emerging economies.

Concerns around inflation are now focused on wages, but leading indicators show a weakening of labour markets with a convergence in the number of business bankruptcies and a lower rate of labour retention as companies’ profit margins come under pressure. Inflation is expected to average out to below 3% in 2024, close to central bank targets.

Credit spreads are likely to bear the brunt of corporate bankruptcies while sovereign spreads in the eurozone could suffer to some degree from a return to more stringent fiscal policy in Europe from 1 January 2024, particularly in view of the debate about PEPP (pandemic emergency purchase programme) reinvestments. Greater market volatility cannot be ruled out as recessionary effects are starting to materialise.

Rate cuts by the European Central Bank (ECB) and the US Federal Reserve (Fed) will be vital to avoid a recession. The Bank of Japan (BoJ) is expected to abandon negative deposit rates in 2024, but it is unlikely to move them beyond 0% over the forecast horizon.

Geopolitical risks are likely to remain high in 2024 with elections on the agenda in Taiwan in the early part of the year, at the European Parliament in spring and in the US in November.

From a regulatory perspective, governments sought to adapt throughout 2023 to the emergence of a new global geopolitical and economic paradigm.

- The worsening geopolitical environment, marked by conflicts in several of the world's regions, forced governments to respond and take measures to shore up the resilience of their economic and financial systems. This saw the EU push further ahead with the rollout of its financial sanctions policy and look further into strategic autonomy considerations, coming up with two initiatives in particular, the EU Net Zero Industry Act and the EU Critical Raw Materials Act, in response to protectionist measures introduced by the US, notably under the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. The EU also encouraged investment in infrastructure (Next Generation EU), energy (REPowerEU) and defence (European Defence Industrial Strategy). Discussions on the Stability and Growth Pact (SGP) and its impact on the capacity of European countries to (co-)finance the recovery and ecological and environmental transitions were the subject of much attention. In France, in particular, the government introduced midway through 2023 its strategic autonomy and productive investment projects to support the reindustrialisation of the economy through green and innovative projects, and towards the end of 2023 proposed initiatives to enhance the economic appeal of Paris as a marketplace.
- The economic environment, marked by rising interest rates and the fight against inflation, also preoccupied the regulatory authorities.

Authorities first sought measures to restore purchasing power and lending to households and businesses. In this context, European banks faced new regulatory actions that weighed on their profitability, such as exceptional taxes in certain member countries and tougher ECB requirements on reserves. In France, parliamentary debate gave rise to legislative proposals in favour of consumers and requiring commitments from banks, the impacts of which are manageable (e.g., the usury rate, banking prices, measures in support of the economy and the real estate market), but further discussions on these matters are possible (e.g., tax on market transactions and financial assets).

Meanwhile, the rising interest rate environment fuelled political debate around financial stability: already in the first half of 2023 authorities and the public alike began to query the resilience of banks amid rising rates following the regional bank failures experienced in the US. Still not settled in the US, this debate is poised to continue in 2024. The concerns in Europe, given that the bank collapses in the US virtually coincided with Credit Suisse's woes in March 2023, were nevertheless brief and did not prompt any immediate calls to strengthen banks’ capital requirements beyond those set out under the Basel framework (CRR3/CRD6).

With major elections looming in 2024, in Europe (European elections in June 2024 and a Commission reshuffle six months later), Asia (Taiwan in January 2024 and India in May 2024), the US in November 2024 and the UK before January 2025, the priorities of the new administrations will need to be closely watched.

As these important political dates draw near, various regulatory projects at the European level are set to gain pace, namely (i) strengthening of the prudential and resolution framework, (ii) support for the environmental and digital transitions, and (iii) consumer protection and development of European capital markets.

- The final CRD6 and CRR3 texts transposing the Basel Accords in the EU have been adopted and enter into force in January 2025. While it is unlikely the Basel standards will be applied in the US and UK by that date, questions are likely to be raised in 2024 about the possibility of pushing back the implementation date of the banking package in the EU (at least partially, concerning the FRTB – Fundamental Review of the Trading Book – on market risk rules).
- The European Commission (EC) published its proposed reform of the banking crisis management and deposit insurance (CMDI) framework with a view to extending the application of the resolution mechanism in Europe to more small- and medium-sized banks. These talks will continue in 2024, but the prospect of an agreement is uncertain.
- The regulatory framework concerning sustainability will continue to take shape in 2024.

In addition to the climate objectives already adopted, several more targets have been added to the European Taxonomy for sustainable activities while sector-based initiatives bring supports for the transition trajectory of banks (e.g., Fit for 55 and the Green Deal Industrial Plan for the Net Zero Age, including the afore-mentioned NZIA and CRMA).

ESG risks are now incorporated into the European prudential framework review: in the first quarter of 2023, credit institutions reported granular information on their exposures to climate risks under their Pillar 3 disclosures. The question of the prudential treatment of bank exposures to emissions-intensive activities under Pillar 1 has been presently set aside in favour of additional requirements under Pillar 2 – the final conclusions of the European Banking Authority (EBA) on this matter are expected by the end of 2025. Concerning transparency obligations, the multi-sector standards of the Corporate Sustainability Reporting Directive (CSRD) have been adopted and will begin to apply gradually from 2025.

Additionally, negotiations on the European Corporate Sustainability Due Diligence Directive (CS3D), which increases the accountability of companies for negative human rights and environmental impacts, is in the process of being completed.

With other national and international initiatives fast multiplying, the question of how the EU's legislation will interact with measures introduced outside its borders is more relevant than ever. The EU will want to reassert its role as a pioneer in the field and avoid any distortion of competition with non-EU and unregulated operators.

- Another ongoing regulatory priority is digital transformation and innovation in financial services, projects which will continue in 2024 and by the next Commission.

Discussions on payments (e.g., the European Payments Initiative (EPI) and acceleration of the availability of instant payments) concluded with proposals on an open finance framework: review of Payment Services Directive 3 (PSD3), a new Financial Data Access draft bill and the European proposal for a digital euro issued by the central bank. Talks are also ongoing in relation to electronic identification (eIDAS), which could replace the strong authentication processes currently used by payment systems and for which banks would act as trusted intermediaries for consumers.

The December 2023 European agreement on an AI Act to govern the use of AI and related risks and safeguards for AI systems designed for general purposes allow for innovation while strengthening controls on usage deemed to be high risk, including certain aspects of credit-related decision-making and risk management. The adaptations required will be carried out in the near future, with close attention paid to developments in the EU AI Pact.

Last, in this post-Brexit era and amid growing funding needs to deal with the challenges facing the EU, the European Commission gave new impetus to the development of a Capital Markets Union (CMU). Initially focused on deepening and integrating European markets, the CMU is now also being seen as a way of ensuring Europe's financial autonomy. In this context, the reviews of MIFIR, the Alternative Investment Fund Managers (AIFM) Directive, the European Long-Term Investment Funds (ELTIF) Regulation and the European Single Access Point (ESAP) for financial and non-financial information were completed. Lawmakers also put forward a series of new proposals to further develop the CMU, centred on three ambitions:

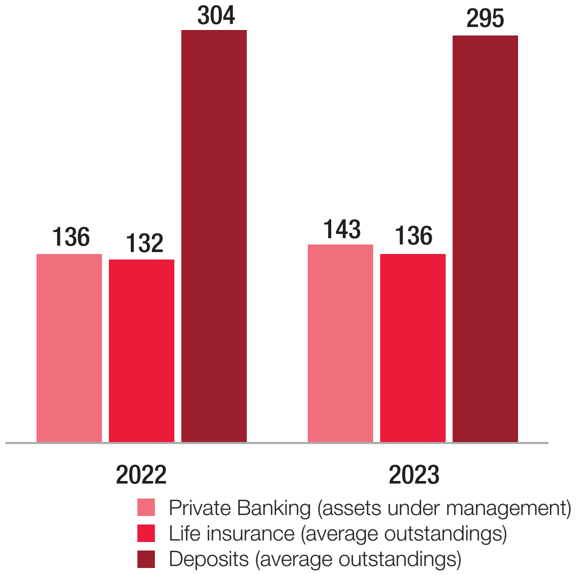
- ensuring "safe, robust and attractive" clearing to encourage market participants to start using EU-based clearing houses for some of their euro-denominated products (revision of EMIR);
- harmonising corporate insolvency rules, ironing out the disparities that currently discourage cross-border investment within the EU and hamper the appeal of the European markets;
- simplifying the process for listing on public markets (through a new Listing Act) to make capital markets more attractive to European companies and facilitate access for SMEs.

To encourage savings in Europe and enable savers to mitigate the effects of inflation, the Commission published an investment strategy in 2023 aimed at retail investors to help them take full advantage of the capital markets. However, the proposal met with severe criticism from originators and distributors of financial products who claim that certain measures contained in it could in practice have many counter-productive effects on household investment in Europe. The likelihood of the strategy being successfully introduced before the Commission changeover would appear compromised.

1.4 THE GROUP'S CORE BUSINESSES

1.4.1 FRENCH RETAIL, PRIVATE BANKING AND INSURANCE

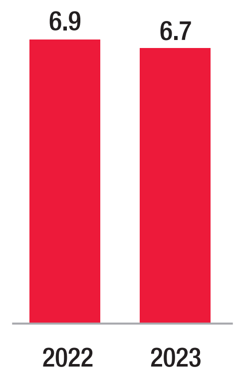
CLIENTS' DEPOSITS AND SAVINGS (IN EURBN)



NET BANKING INCOME (IN EURBN)

€8.0bn

OPERATING EXPENSES (IN EURBN)



34,000 members of staff

€234bn in loan outstandings

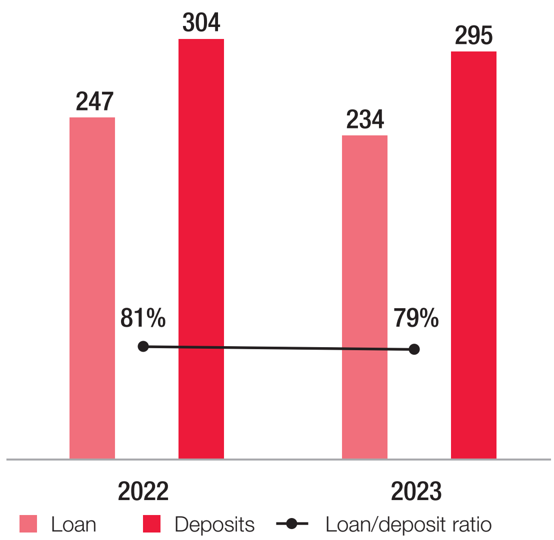
€0.6bn contribution to Group net income (€1.4bn in 2022)

In May 2023, French Retail Banking activities (SG Network and BoursoBank) were housed together with those of Private Banking and Insurance under the one banner in a bid to optimise synergies between businesses and offer a large suite of products and services adapted to the needs of a diversified client base – retail, professional and corporate clients, as well as non-profits and municipalities – seeking varied expertise.

2023 was marked by:

- **the creation of the new bank SG resulting from the successful merger between the Societe Generale network and Crédit du Nord.** After a large-scale IT migration process in the spring of 2023, the new relational model is being rolled out by strengthening our regional foothold, expertise and responsiveness. It is also capitalising on a strengthened CSR commitment;
- **the number of Boursorama (now BoursoBank) clients reaching the 5 million mark**;
- **solid commercial and financial performances from the Private Banking and Insurance businesses** that give further value to our suite of products and services with clients of the Retail Banking networks.

Our networks continue to support the economy and assist our clients with their financing projects despite a decrease in average loan outstandings in the networks from EUR 247 billion in 2022 to EUR 234 billion in 2023 in a context of climbing interest rates. At the same time and amid intense competition particularly in the corporate segment, deposit outstandings decreased by -3% to EUR 295 billion at the end of December 2023.



SG Network in France

The SG Network France offers **solutions tailored to the needs of nearly 9 million individual, professional, non-profit and corporate clients**, representing EUR 217 billion in annual average outstanding deposits and EUR 201 billion in outstanding loans in 2023.

SG Network offers clients:

- around 1,700 main branches located predominantly in urban areas where a large proportion of national wealth is concentrated;
- an exhaustive and diversified range of products and services, ranging from savings vehicles and asset management solutions to corporate finance and payment means;
- a comprehensive and innovative omnichannel system offering Internet, mobile, phone and service platforms.

The system is the result of the legal merger of the French Retail Banking networks of Societe Generale and Crédit du Nord on 1 January 2023.

The migrations of Crédit du Nord's IT system towards Societe Generale's information system were successfully carried out in a two-stage process during the first quarter of 2023 and on schedule.

The strategic objectives set out in the programme to bring the networks closer together focus on four major areas:

- **a bank with a local foothold across 11 regions:** decisions will be predominantly taken at regional level and on an increasing basis directly in agencies and business centres;
- **a more responsive, accessible and efficient bank with the launch of programmes to simplify internal procedures and optimise customer pathways;**
- **a bank that gears itself more to the specific needs of each client category:** a bank that offers expertise, with resources increasingly focused on the specific requirements of the various client categories, notably with the creation of a wealth management bank, across-the-board presence of a dedicated advisor for professional clients – covering both their personal and professional banking needs – and more experts throughout France to deal with the full scope of their savings, insurance and advisory concerns.

  In 2023, Societe Generale continued to expand its network and increase its service offering in response to clients' requirements. These efforts have focused in particular on increasing the use of electronic signatures and the continued development of digital applications for retail, private banking, professional and corporate markets;
- **a responsible bank**: the Societe Generale network makes sustainable development the linchpin of its strategy. It offers to support all clients in their energy transition: in each region, a regional CSR manager provides expertise to SMEs, non-profit organisations and local authorities, offering a comprehensive range of advice and financing solutions designed with benchmark partners.

  Retail clients could also avail themselves in 2023 of an energy renovation programme that includes diagnosis, building work and financing, on top of a dedicated range of savings products. Irrespective of their profile, the Bank also offers to measure clients' greenhouse gas emissions, in partnership with Carbo.

BoursoBank

Boursorama is a subsidiary of Societe Generale, and a pioneer and leader in France for its three main businesses: online banking, brokerage and online financial information at boursorama.com, ranked No. 1 for economic and stock market news. An online bank accessible to all, without any revenue or financial wealth prerequisites, **BoursoBank's promise is the same as it was when it was first created, which is to simplify clients' lives at the most competitive price and furnish the best service possible to boost their purchasing power**.

At end-2023, BoursoBank served **5.9 million clients, which is a +26% increase in the space of a year, after a 41% rise in 2022**. This growth has been matched by an increase in the bank's total outstandings of EUR 6 billion over the period, for a total of around EUR 71 billion at end-December 2023, including approximately EUR 15 billion in loans, around EUR 34 billion in current accounts, around EUR 13 billion in off-balance sheet savings (life insurance) and around EUR 9 billion in share securities).

2023 was dominated by:

- **the number of BoursoBank clients passing the 5 million mark midway through the year.** Most of the targets of the prior strategic plan were met two and half years ahead of schedule;
- **rebranding in October,** making the bank's name simpler. Boursorama Banque is now known as BoursoBank, but the portal name will remain *boursorama.com;*
- profitability of almost EUR 50 million in the second quarter, lending weight to the **underlying economic model;**
- **B Corp certification,** an international standard attesting to the fact that Societe Generale meets social and environmental performance, transparency, and accountability standards towards the public.

Over and above its successful mainstream banking offer, BoursoBank provides an increasingly wide range of products and services that in 2023 included the launch of:

- Banque au Quotidien: the launch of a BoursoPrime service which enables clients who subscribe to the offer to make use of the multiple advantages on all aspects of the offer, notably a cashback offer on all bankcard (CB) expenditure;
- savings: against the backdrop of increasing interest rates, a term account and a second savings account were launched (Bourso+). Cumulative net inflows on these two products totalled around EUR 6 billion in 2023;
- loans: an "ecoresponsible" mortgage loan offer was launched;
- a more comprehensive Beyond the Bank offer was introduced that generates larger business volumes *via* The Corner platform that again doubled in 2023 to reach EUR 300 million.

Boursorama was voted the least expensive bank for the 16th consecutive year (source: *Le Monde*/Panorabanque 2023) and France's preferred bank for digital banking (source: Opinionway 2023). The online bank was ranked No. 1 on app stores, with a rating of 4.9/5 on iOS and 4.8/5 on Android. It boasts a Net Promoter Score of +36 for the sector (source: Bain and Company – January 2023).

Its online portal, *www.boursorama.com*, is consistently ranked the No. 1 website for online financial and economic information, and receives around 50 million visits a month for almost 300 million page views (Source ACPM – September 2023).

BoursoBank generally attracts young clients – the average age is 35 – who are city dwellers, who work and are financially stable. The average client outstanding is around EUR 13,000 (savings and loans). Against an overall backdrop of accelerated growth, the acquisition of private banking clients also continues to rise amid a rapid acceleration in growth. BoursoBank also continues to push ahead with optimisation and rationalisation efforts. It notably registered an annual decrease in IT costs per client of around 20%, whereas its headcount has increased by a mere 6% per year since 2017, in contrast to the number of clients by employee which has increased on average by almost 30% per year.

Societe Generale Private Banking

Societe Generale Private Banking has an extensive foothold in Europe and offers global financial engineering and wealth management solutions, in addition to global expertise in structured products, hedge funds, mutual funds, private equity funds and real estate investment solutions. It also offers clients access to capital markets.

Since January 2014 and in conjunction with the French Retail, Private Banking and Insurance core business, **Societe Generale Private Banking has extensively modified its relationship banking model in France by extending its services to all individual clients with more than EUR 500,000 in their accounts.**

Societe Generale Private Banking also created a **Wealth Investment Services centre of expertise** in 2022, thereby becoming a **genuine one-stop shop** that houses unique expertise within the Group to design investment and open-architecture solutions. It consolidates the management and structuring skills offered by Investment Management Services, the Market Solutions teams in charge of market solutions and the management entities of SG 29 Haussmann[(1)] in France and SGPWM[(2)] in Luxembourg that have been housed in Societe Generale Private Banking following the Lyxor disposal at the end of 2021.

2023 was dominated by the legal and IT merger of the Societe Generale retail bank and Crédit du Nord. **As a result, Societe Generale Private Banking welcomed new clients from Crédit du Nord in France and in Monaco in its network**. The project enabled Private Banking to **strengthen its local foothold and also capitalise on its national reputation**.

Societe Generale Private Banking's offering is available from three main centres: SGPB France, SGPB Europe (Luxembourg, Monaco and Switzerland) and Kleinwort Hambros (London, Jersey, Guernsey and Gibraltar). At the end of 2023, Private Banking held EUR 143 billion in assets under management.

Societe Generale was the recipient of around 30 awards in 2023 acclaiming the quality of its service and the depth of its high-value offering (Euromoney, Private Banker International, WealthBriefing, etc.).

Societe Generale Assurances

Societe Generale Assurances lies **at the core of Societe Generale Group's development strategy, in synergy with its retail banking, private banking and financial services businesses.** Societe Generale Assurances also pursues the **expansion of its distribution model** through the development of external partnerships.

Societe Generale Assurances offers a full range of products and services to meet the needs of individual, professional and corporate clients in Life Insurance Savings, Retirement Savings and Personal Protection businesses.

Leveraging the expertise of its 3,000 employees (FTE), **Societe Generale Assurances combines financial strength with dynamic innovation and a sustainable development strategy to be a trusted partner for its clients**. Gross premiums stood at EUR 13 billion in 2023, with the share of unit-linked (UL) funds totalling 38%. Outstandings in life insurance investment solutions reached EUR 136.2 billion at end-2023, up by 3.5%, of which UL funds accounted for 38%. Business is increasing in the personal protection and property and casualty lines, with growth accelerating by 3.6% compared to 2022.

In 2023, Societe Generale Assurances pushed ahead with its bid to assist and protect the clients of Group networks by stepping up the development of **digital sales tools** and its phygital dimension. It also accelerated the pace of digital client journeys by optimising data and client behaviour knowledge.

Societe Generale Assurances also continued **diversifying its business model**, which is a proven high-potential growth driver in both the life insurance and personal protection areas, in synergy with the Group's other businesses, such as Ayvens, BoursoBank and with external partners.

As one of the **dominant players in the retirement savings market in France**, Societe Generale Assurances offers cross-business products to meet the needs of individual clients, corporate clients and their employees through customised solutions, simple and easy-to-use digital pathways, innovative and tailor-made services and bespoke assistance.

The **financial strength** of Societe Generale Assurances was confirmed by S&P Global Ratings which upgraded Sogécap's long-term credit rating from BBB+ to A-, and the hybrid debt issue rating from BBB to BBB+.

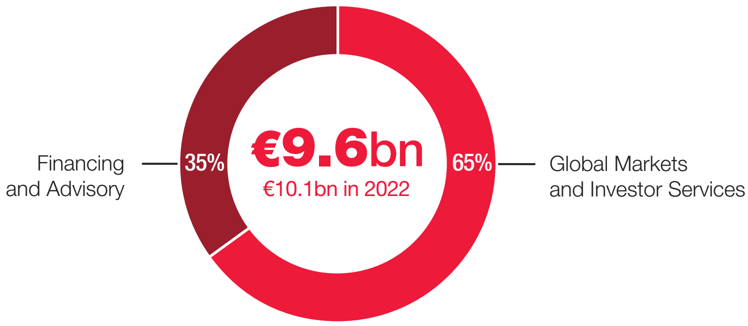
Societe Generale Assurances actively endorses a policy to **strengthen its CSR commitments**, vowing to make Corporate Social Responsibility (CSR) a differentiating factor in its strategy. It has divided its policy into three areas: Being a Responsible Insurer, Being a Responsible Investor and Being a Responsible Employer. A host of actions have been rolled out both in relation to the Group's investment policy – signing the Finance for Biodiversity Pledge, limiting non-conventional oil and gas funding, developing green investments and creating an energy efficiency plan – and to the products on offer, such as a responsible UL offering, giving the "Positive Insurance" certification to ten of its protection products. In addition, the Group has embedded the ESG dimension into all its activities making it the bedrock underpinning all its activities and processes ("ESG by design").

(1) SG 29 Haussmann is a management company approved and regulated by the AMF (Autorité des Marchés Financiers – the French financial services authority). Its remit is to provide portfolio management services as funds or by way of discretionary asset management, mainly for the benefit of Private Banking clients and of clients of the Societe Generale network. It has multi-management expertise in structured management, equities, fixed income and alternative management. Since 1 November 2021, SG 29 has also integrated structured Global Markets' structured fund management business (SIS).

(2) SGPWM is a Luxembourg-based management company in charge of (i) managing asset management mandates for the portfolios of SG Private Banking clients in Luxembourg, and (ii) managing the UCITS MOOREA sub-funds.

1.4.2 GLOBAL BANKING AND INVESTOR SOLUTIONS

BREAKDOWN OF NET BANKING INCOME IN 2023



16,000 members of staff

€168bn in loan outstandings

€2.3bn contribution to Group Net income (€2.3bn in 2022)

€4,931bn in assets under custody (global leader in derivatives, No. 2 custodian in Europe)

Global Banking and Investor Solutions (GBIS) is tasked with furnishing its Global Markets and Investor Services, and Financing and Advisory offering to a global client base of businesses, financial institutions, investors and sovereigns.

GBIS employs almost 16,000 people located in 35 countries and fields operations in around 50 countries[1]. It boasts extensive European coverage and representative offices in Europe, the Middle East, Africa, the Americas and the Asia-Pacific regions.

The linchpin of economic flows between issuers and investors, GBIS supports its clients over the long term, offering them a variety of services and integrated solutions tailored to their specific needs. The Group has forged strong and long-lasting ties with a large base of loyal clients thanks to the value-added of its franchises and the globally recognised extensive expertise of its businesses.

GBIS' experts provide their issuer clients – large corporates, financial institutions, sovereigns and the public sector – with strategic advisory on their development, as well as access to capital markets to address their funding requirements and hedge their risks. They also furnish services to investors who manage savings according to defined risk/return targets.

A pioneer in sustainable and positive-impact finance, the Group furnishes advisory to its clients and offers concrete financing and investment solutions aimed at transitioning towards a more sustainable economy. The Group places social and environmental responsibility at the core of GBIS businesses.

The Group confirmed in September 2023 the medium-term strategy it unveiled in May 2021 for its Global Banking and Investor Solutions core business and underscored the key feature of these activities in its diversified banking model. Societe Generale's goal is to consolidate its position as a top-tier European corporate and investment bank.

It is ideally positioned to tap the major trends for the coming years, such as sharp growth in infrastructure and energy transition financing.

The strategy has five priorities:

- continue the improvement in operational efficiency;
- reduce RWA intensity by developing an advisory-oriented, less capital-intensive model;
- unlock more value from leading integrated franchises;
- remain the most innovative bank for ESG solutions;
- be at the cutting-edge for digital innovation (digital assets and AI).

While leveraging its position as a leading European corporate bank and trusted partner for its clients, the recent partnerships AllianceBernstein and Brookfield illustrates the bank's capacity to develop innovative resources to broaden the client offering and grow alternative sources of revenue.

(1) In-country operations through partnerships in the Societe Generale Group.

Global Markets and Investor Services

The Global Markets and Investor Services (GMIS) Division includes Global Markets' activities formed by the Fixed Income and Currencies, Equities and Securities Services arms. As such, the division combines the strength of a leading financial institution offering global access to markets with the customer-oriented approach of a broker positioned as a market leader in its activities, delivering value-added services and innovative solutions.

The teams – financial engineers, salespeople, traders and specialist advisors – use SG Markets, a unique integrated digital platform, to furnish tailored solutions designed to address each client's needs and specific risks, and to assist them to navigate increasingly interconnected financial markets. By way of example, Societe Generale last year issued its first green digital bond as a Security Token directly registered by SG-FORGE on the Ethereum blockchain, with transparent and traceable ESG data. The transaction completes a new step in Societe Generale's growth. The objective behind the creation of SG-FORGE, which is a regulated subsidiary of Societe Generale Group, is to offer crypto asset structuring, issuance, exchange and custody services to the Group's professional clients. Innovation is key to GBIS' strategy and this operation illustrates the Group's willingness to use the most innovative technologies and create cutting-edge business models to better serve its clients.

In addition, work performed by Societe Generale's Cross Asset Research Department provides insight into the impact of major events on the various asset categories and analyses the relationships between asset categories. This key information is drafted into strategic fact sheets. Since January 2020, the Bank has systematically included Environmental, Social and Governance (ESG) analyses in its equities publications, alongside its fundamental financial analysis. The Institutional Investor 2023 Europe Research Survey singled out Societe Generale for the Best Multi-Asset Research prize and, for the first time, awarded the Bank the Best Quantitative Research prize, thereby confirming the quality of its Equity and Cross-Asset Quant research. Societe Generale equity analysts also rank among the leaders of their field in Europe.

SRP named Societe Generale Best House ESG for Global and Europe in 2023.

At the end of 2022, Societe Generale and AllianceBernstein, a leading asset management and research group, signed a letter of intention to combine their equity research and cash equities businesses in a joint venture that is expected to be finalised in the first half of 2024. The partnership would enable the corporate, financial institution and institutional investor clients of Societe Generale and Bernstein Research Services to gain access to a global and comprehensive suite of top-tier cash equity and research services, on top of the current Societe Generale offering from the equity capital markets, equity derivatives and prime services businesses.

FIXED INCOME AND CURRENCIES

Fixed Income and Currencies (FIC) activities cover a comprehensive range of products and services ensuring the liquidity, pricing and hedging of risks related to the fixed income, credit, forex and emerging market activities of Societe Generale clients.

Teams operate in London, Paris, Madrid and Milan, as well as in the US and the Asia-Pacific region, and offer a wide range of flow and derivative products. Underpinned by in-depth research, engineering, trading and e-commerce expertise, they furnish strategic advisory, flow data and competitive prices.

The teams assist corporate clients and financial institutions with their investments and risk management, providing advisory on the most appropriate opportunities depending on each client's protection and return of capital objectives. Leveraging 15 years' experience in structured finance hedging, FIC teams are able to furnish customised solutions for each financing transaction, including risk hedging where required. Drawing on solid expertise underpinned by cutting-edge technology and algorithmic trading, clients also have access to a wide array of instruments, technologies and liquidities in fixed-income and credit markets *via* single broker platforms to execute spot trading and derivatives transactions.

On the global stage, Societe Generale was acclaimed Best FX Bank by Global Capital and Best FX Execution Algorithms at the FXTech awards.

For fixed-interest products, the Bank also collected the Best Europe and Asia Inflation House of the Year award from Global Capital.

EQUITIES

Boasting its historic presence in the world's major primary and secondary equity markets and its long-standing tradition of calculated innovation, Societe Generale is a leader in a comprehensive suite of varied solutions covering the full spectrum of cash equity, equity finance, derivative-based services, equity structured products, strategic equity transactions and Prime Services activities.

Drawing on more than 30 years' experience in this field, the Group has a leading position in derivatives and investment solution products, and continues to constantly innovate by offering tailored advisory and innovative solutions that are adapted to its clients' needs. The Group has succeeded in maintaining this global top position, including the strategic post-review since 2020 of the most complex products, while developing the next generation of investment solution products and by remaining a pioneer in innovation, notably for CSR.

This innovative approach is applied to the full array of equities-related activities, spanning equity research, trading, equity financing and listed products.

The Bank was also acclaimed in the Prime Services domains as Best Capital Introduction House at the HFM US Services Awards and the Hedgeweek European Awards 2023. The department rounded off the string of accolades by winning Best Equity House in Asia at the SRP awards.

SECURITIES SERVICES

The Societe Generale Security Services (SGSS) business offers a comprehensive range of solid and effective securities services, including:

- market-leading clearing services;
- custody and depository bank activities, covering all asset classes;
- fund administration services for managers of complex financial products;
- issuer services, including administration of stock option plans and employee shareholdings;
- liquidity management services (cash and securities);
- transfer agent activities, providing a comprehensive suite of services ranging from support to fund distribution.

With EUR 4,931 billion in assets under custody at end-December 2023 (*versus* EUR 4,257 billion at end-December 2022), SGSS ranks second among European custodians. It offers custodian services to more than 3,445 mutual funds and provides valuation services to more than 2,604 mutual funds, for a total of EUR 579 billion in total assets under management.

Financing and Advisory

Financing and Advisory is responsible for covering and developing global relationships with the Bank's strategic clients. The Department houses:

- the **Global Banking and Advisory platform** (GLBA) which now combines in one business unit the Coverage teams dedicated to Global Banking clients and the business teams: mergers and acquisitions, advisory and other corporate finance advisory corporate banking and investment banking, namely capital raising solutions for debt or equity, financial engineering and hedging for issuers; and
- the services of **Global Transaction and Payment Services**.

The GLBA platform operates on a worldwide scale with expert teams located in France and Europe, the CEEMEA region, the Americas and in Asia. The teams' knowledge of clients and local regulations are key to conducting domestic, international and cross-border activities due to the international dimension of their business. Leveraging this global expertise and sectoral knowledge, the Group was singled out for the Outstanding Leadership in Sustainable Finance prize and is ranked in the Top 6 worldwide for project finance (source: IJ Global in 2023) and in the Top 3 for acquisition finance as MLA in EMEA (source: Dealogic in 2023).

Global Banking and Advisory teams provide issuer clients with a comprehensive suite of products and integrated solutions, products and advisory. Teams are housed in four core businesses:

- the **Asset Finance Division** consists of five businesses - development and structured export finance, aircraft finance, shipping industries, real estate finance, structured solutions and mobility finance - employing over 200 specialists. Offering a wide range of products, experienced professionals design tailor-made solutions for clients, financial companies and public institutions by combining financial know-how and industry expertise. The Group is positioned as a leader in syndicated loans in EMEA (No. 4 MLA; source: Dealogic in 2023);
- the **Natural Resources and Infrastructures** Division is tasked with developing a global activity in the natural resources, energy and infrastructure sectors. by providing clients with financing solutions as well as advisory services, in addition to assistance in their ESG and energy transition needs. Increasing focus is placed on green energy, electromobility and digitalisation. Clients of this division are producers, operators, refinery groups, traders, commodity service providers, commodity and distributor logistics companies, as well as upstream transformers. The infrastructure sector concentrates on construction companies, motorway toll concession groups, public services, public municipalities (or concessions), infrastructure funds and operators dealing with digital and electromobility infrastructure. The Group took home Energy & Commodity Finance House of the Year (Energy Risk Awards 2023), Global Advisor of the Year (Project Finance International 2023), Investment Bank of the Year for Infrastructure & Project Finance (The Banker), Best Investment Bank for Sustainable Financing (GlobalFinance) for the second consecutive year and World's Best Bank Transition Strategy (Euromoney) in another back-to-back award;
- the **Asset Backed Products** Division combines GLBA's primary markets expertise, blends sectoral skills, securitisation and structuring with know-how in secondary market trading, distribution channels and debt security refinancing. This makes it possible to capitalise on credit capacities and act as the single entry point for ABS-type products and structured loans, and assist the development of our issuer clients and investors. The Group ranks No. 2 for securitisation in euro (source: Dealogic 2023).
- The **Investment Banking** teams furnish clients, businesses, financial institutions and the public sector an integrated, comprehensive and tailored approach, leveraging its in-depth sectoral knowledge and execution capacity recognised both locally and internationally. The offer relies on a full array of investment banking services to cover their clients' investment banking needs – strategic advisory, mergers and acquisitions, capital and debt markets, and acquisition and leveraged finance. Societe Generale holds a leading position in the equity capital markets and in euro-denominated issues for corporate and financial institutions, as well as in acquisition finance in Europe. The equity capital markets franchise and acquisition finance franchise are respectively ranked No. 4 and No. 2 (Bookrunner) in France. The debt capital markets franchise is ranked No. 2 in EMEA for euro issues for large groups and No. 1 for euro issues for financial institutions. Last, the mergers and acquisition franchise is ranked No. 9 in France (source: Dealogic 2023).

The **Global Transaction & Payment Services** (GTPS) teams focus on economic and financial operators and domestic and international financial institutions, medium and large companies with international and multinational activities that require flow management assistance for their banking, commercial, corporate flows and/or payment flow assistance.

They also provide expert assistance to retail Business Units operating these business lines and manage the Group's euro payment platform.

Operating in more than 40 countries, the business delivers a comprehensive and integrated range of solutions and services, leveraging the expertise of the Transaction Banking businesses. It houses five transactional banking activities:

- cash management;
- trade finance;
- cash clearing and correspondent banking;
- receivables and supply chain finance;
- foreign exchange services associated with the payments of our activities, in partnership with Global Markets.

Global Transaction Banking teams are regular recipients of industry awards. The business has been acclaimed Best Bank for Transaction Services in Western Europe (Euromoney) and Africa (Euromoney, The Banker), Most Innovative Bank in Western Europe (Global Finance, The Innovators), Best Trade Finance Provider in Western Europe and France, Romania, Senegal, Algeria (Global Finance), Global Best Bank for Financial Institutions and for Liquidity Management (Global Finance), Best Overall Bank for Cash Management in Western Europe and France (Global Finance), Best Cash Management Services in EMEA & Africa, Best Treasury Services in EMEA, Best Trade Finance Services in EMEA & Europe, Best Factoring Services in EMEA, Europe, CEE & Africa, and Best Transactional Bank for Financial Institutions in Europe & CEE (EMEA Finance).

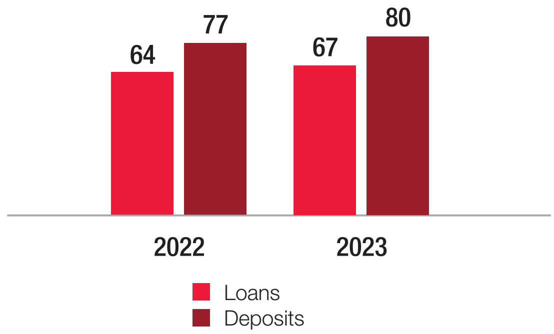
1.4.3 INTERNATIONAL RETAIL, MOBILITY AND LEASING SERVICES

51,000 members of staff

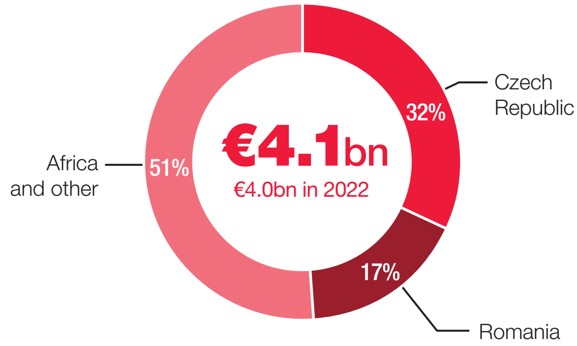
€167bn in loan outstandings

€1.6bn contribution to Group Net income (€1.9bn in 2022)

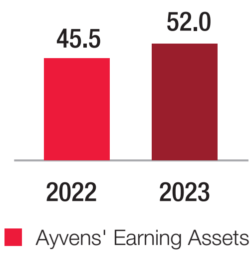
INTERNATIONAL RETAIL BANKING
(IN EURBN)



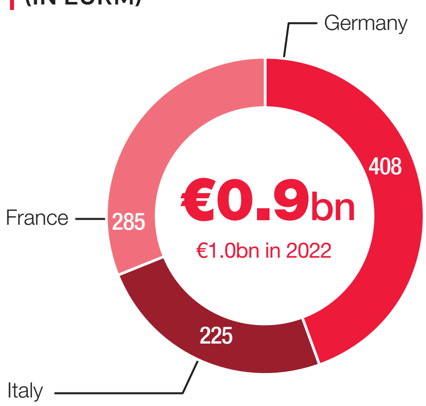
BREAKDOWN OF NET BANKING INCOME IN 2023
(IN EURBN)



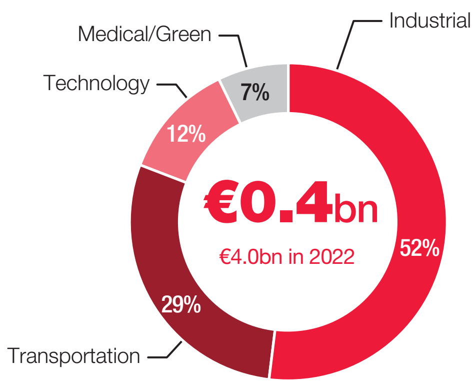
MOBILITY AND LEASING SERVICES
(IN EURBN)



BREAKDOWN OF NBI OF CONSUMER FINANCE BY COUNTRY
(IN EURM)



BREAKDOWN OF NBI OF EQUIPMENT FINANCEBY SECTOR



International Retail, Mobility and Leasing Services (IRMLS) combines:

- International Retail Banking activities spanning our banking networks in Europe, Africa and abroad;
- Mobility and Leasing Services which houses the specialised consumer lending, operational vehicle leasing and fleet management, and equipment and vendor finance activities.

Leveraging this pillar, the Group's ambition is to better serve the full array of its individual and corporate clients by adapting to changes in the economic and social environments, in addition to supporting the international growth of Group clients by drawing on the strength of its network in fast-growing regions where the Group has leading market franchises. International Retail, Mobility and Leasing Services bases its strategy on the relationship-focused diversified banking model, growth of its client base through an extended range of products, and the distribution and pooling of expertise aimed at improving revenues with a constant focus on developing intra-group synergies, while continually seeking to optimise the allocation of scarce resources and manage risks. With around 51,000 employees(1) and commercial operations in 59 countries, International Retail, Mobility and Leasing Services is dedicated to offering a wide range of products and services to its clients (individuals, professionals and corporates). Boasting a complementary range of expertise, IRMLS enjoys solid and recognised positions in its different markets.

International Retail Banking

International Retail Banking activities currently hold leading positions in the various regions where they operate, such as Europe, the Mediterranean Basin and sub-Saharan Africa.

EUROPE

Komerčni banka (KB) is the Czech Republic's third-ranked bank in terms of balance sheet size, with outstanding loans of EUR 33.4 billion, 209 branches and 7,227 full-time employees (FTE) at end-December 2023. KB, which was founded in 1990 and became a subsidiary of Societe Generale in 2001, has developed its universal banking activities for individual and professional clients and expanded its traditionally significant presence among corporate clients and municipalities.

Since 2020, KB has embarked on major organisational transformation projects, with the introduction of agile working methods at scale, and on a technical level, by stepping up investment in the digitisation of its services and its client pathways. 2024 should therefore culminate in the finalisation of a new platform destined for the bank's retail and professional clients and the launch of IT developments for its corporate clients. The KB Group also offers a suite of products intended for individual clients with ESSOX (consumer loans and car financing), Modra Pyramida (mortgage facilities), as well as a range developed in collaboration with Insurance and Private Banking. KB is also present in Slovakia under KB Slovakia, which is exclusively devoted to corporate clients.

KB was singled out by Mastercard as Bank of the Year in 2023. KB retained its Top Corporate Bank of the Year award. The bank was runner-up in the Private Bank of the Year and Sustainable Bank of the Year categories. KB was also acclaimed in 2023 by industry magazine as Banker for the Czech Republic Bank of the Year.

In Romania, **BRD** is the No. 3 bank in terms of balance sheet size, and had market share of approximately 10% in loans and 10.5% in deposits at end-November 2023. Societe Generale Group became BRD's main shareholder in 1999. The BRD Group's activity is divided into two major business lines: French Retail (individual and professional clients, and SMEs) and Corporate and Investment Banking. Outstanding loans and deposits respectively totalled EUR 8.5 billion and EUR 12.6 billion at the end of December 2023.

BRD won the Romania Bank of the Year award in 2023 from industry magazine The Banker.

AFRICA, MEDITERRANEAN BASIN AND OVERSEAS FRANCE

Societe Generale holds strong positions in these regions through the deployment of services for individuals and businesses alike.

In the **Mediterranean Basin**, the Group has been present in Morocco since 1913, in Algeria since 1999, and in Tunisia since 2002. In all, this business unit covers 588 branches and has more than 2.4 million clients. At 31 December 2023, outstanding deposits totalled EUR 11.7 billion and outstanding loans stood at EUR 12.1 billion.

In **sub-Saharan Africa**, the Group has an historic presence in 13 countries, with solid local positions, notably in Côte d'Ivoire and Senegal (both No. 1 for loans and deposits), in Cameroon (No. 2 for loans and deposits). In 2023, the region registered outstanding loans of EUR 8.7 billion and deposits of EUR 11.1 billion. Societe Generale is Western Africa's leading international bank.

In 2023 Societe Generale announced the disposal of its stakes in the Congo, Chad, Equatorial Guinea, Mauritania, Burkina Faso and Mozambique subsidiaries. The Group remains fully committed to accompanying its large clients in Africa, notably through its worldwide Corporate and Investment Banking franchises, and its leading subsidiaries operating across the continent.

Societe Generale was singled out in 2023 for numerous awards for the continent. It was acclaimed Best Bank for Sustainability, Best Bank for Financial Inclusion, Best Foreign Investment Bank, Best Factoring Services and Best Cash Management Services by industry magazine EMEA Finance. Meanwhile, Euromoney named Societe Generale Best Bank for Transaction Services. Societe Generale also received the Outstanding Leadership in Sustainable Finance in Africa, and Financial Leadership in Sustaining Communities in Africa awards from Global Finance. The Bank was also acclaimed Best Bank in Cameroon, Côte d'Ivoire, Guinea and Madagascar by EMEA Finance, while Global Finance named Societe Generale Best Bank in Cameroon, Madagascar and Senegal. Meanwhile, in a back-to-back win, Côte d'Ivoire took home Euromoney's Best Bank award. Rounding off the awards tally, The Banker acclaimed Societe Generale Bank of the Year in Senegal, Madagascar, Algeria, Equatorial Guinea and Morocco.

In **Overseas France**, the Group operates in Reunion and Mayotte, French Polynesia and New Caledonia. Societe Generale furnishes the same services to individual and corporate clients in these regions as in mainland France.

(1) Headcount at end-2023 excluding temporary staff.

Mobility and Leasing Services

SPECIALISED CONSUMER FINANCE ACTIVITIES

Societe Generale Group operates in Europe and Africa *via* (i) specialised retail financial services subsidiaries in France (CGI), Germany (BDK and Hanseatic Bank) and Italy (Fiditalia) and (ii) subsidiaries attached to the Group's distribution networks in the Czech Republic (ESSOX *via* KB) and in Morocco (EQDOM, through Societe Generale Maroc).

Through CGI, BDK and Fiditalia, Societe Generale Group generated total outstandings of EUR 24.1 billion at 31 December 2023, giving it strong positions in Western Europe (it ranks in the Top 3 for vehicle finance in Europe) and leading positions locally (market leader in France and Germany, and in the Top 4 in Italy). These subsidiaries furnish financing solutions to retail clients (chiefly loans that have been granted) through a B2B2C model (over 80% of outstandings were generated through 22,000 partners), with a strategy focused primarily on automotive financing (63% of outstandings).

These franchises have significant competitive advantages, with a quality offering and services recognised by clients, underpinning strong growth in recent years, which was three times higher than the market's over the 2015-2023 period, at 7.7% CAGR *vs.* 2.8%.

OPERATIONAL VEHICLE LEASING AND FLEET MANAGEMENT (AYVENS)

Ayvens offers mobility solutions centred on operational vehicle leasing and fleet management for businesses of all sizes in both local and international markets. It also serves individual clients. The business combines the financial benefits of operational leasing and those of a complete range of upscale services, including maintenance, tyre management, fuel consumption, insurance and vehicle replacement.

Following the finalisation of the acquisition of LeasePlan by ALD Automotive in 2023, Ayvens has become the global leader for operational vehicle leasing and fleet management solutions and for businesses and a leading global player in sustainable mobility that is around twice the size of the second-largest player in this market. Spanning 43 countries, Ayvens boasts the largest geographic coverage in the sector, managing a combined fleet of around 3.4 million vehicles and employing over 15,000 full-time employees.

A pioneer in the field of mobility solutions, Ayvens is constantly innovating to provide unparallelled support to its clients, fleet managers and drivers, and to furnish customised services that are tailored to their needs.

Ayvens has been listed on the Euronext Paris stock exchange since June 2017. Societe Generale is Ayvens' controlling shareholder and, as such, Ayvens benefits from the Group's financing capacity, and from the Group's expertise in synergy-centric businesses with those of Ayvens (insurance, retail banking, vehicle leasing, specialised consumer credit for auto financing).

VENDOR AND EQUIPMENT FINANCE (SGEF)

Societe Generale Equipment Finance specialises in vendor and professional equipment finance. The business is conducted through partnership agreements with international vendors (professional equipment manufacturers and distributors) or directly with end clients. SGEF has developed its expertise in four major sectors: Transport, Industrial Equipment, Technology and the Medical and Environmental sector.

Societe Generale Group is one of leaders in the equipment finance business. Leveraging on SGEF and the Group's networks, it operates in over 35 countries (partnerships included) and manages a portfolio of EUR 25 billion[1] in outstandings. It has a broadly diverse client base, ranging from large international companies to SMEs, to which it offers an extensive array of products, such as financial leasing, loans, rentals, purchase of receivables, as well as insurance and marketing services.

Societe Generale Equipment Finance has a headcount of over 1,500 full-time employees (FTEs) and is a regular recipient of leasing industry honours. It has made sustainable development a linchpin of its strategy. SGEF was acclaimed European Lessor of the Year by Leasing Life and has to date deployed the ESR EcoVadis certification process throughout six entities.

(1) At 31 December 2023, including Franfinance, Sogelease and Starlease, and Leasing activities of the Africa, Mediterranean Basin and Overseas France network.

2

GROUP MANAGEMENT REPORT

2.1 SOCIETE GENERALE GROUP'S MAIN ACTIVITIES

Societe Generale Group

Corporate Centre		French Retail, Private Banking and Insurance	
FRANCE			
Société Générale*		Société Générale*	
Généfinance	100%	Boursorama	100%
SG Financial SH	100%	Franfinance	100%
Sogéparticipations	100%	Sogefinancement	100%
Société Générale SFH	100%	Sogelease France	100%
Société Générale SCF	100%	Sogeprom	100%
Sogefim Holding	100%	Société Générale Capital Partenaires	100%
Galybet	100%		
Genevalmy	100%		
Valminvest	100%		
Sogemarché	100%		
Sogecampus	100%		
EUROPE			
		SG Kleinwort Hambros Limited *United Kingdom*	100%
		SG Private Banking *Switzerland*	100%
		SG Private Banking *Monaco*	100%
AFRICA - MEDITERRANEAN			
AMERICAS			
ASIA - AUSTRALIA			

* Parent Company.
Notes:
- the percentage given indicates the percentage of capital held by the Group in the subsidiary;
- the groups are listed under the geographic region where they carry out their principal activities.

Societe Generale Group

Global Banking and Investor Solutions		International Retail, Mobility and Leasing Services	
FRANCE			
■ Société Générale*		■ Sogessur	100%
■ CALIF	100%	■ Sogecap	100%
■ Société Générale Factoring	100%	■ CGL	99.9%
		■ Banque Française Commerciale Océan Indien	50%
		■ SGEF SA	100%
		■ ALD	52.6%
EUROPE			
■ Société Générale Luxembourg *Luxembourg*	100%	■ Hanseatic Bank *Germany*	75%
■ SG Investments (U.K.) Ltd *United Kingdom*	100%	■ Komerční banka A.S. *Czech Republic*	61%
■ Société Générale International Ltd *United Kingdom*	100%	■ BRD-Groupe SG *Romania*	60.2%
■ Société Générale Effekten *Germany*	100%	■ Fiditalia S.P.A *Italy*	100%
■ SG Issuer *Luxembourg*	100%		
■ SGSS Spa *Italy*	100%		
■ Societe Generale* branches in: London *United Kingdom*, Milan *Italy*, Frankfurt *Germany*, Madrid *Spain*			
AFRICA - MEDITERRANEAN			
		■ SG Marocaine de Banques *Morocco*	57.7%
		■ Société Générale *Algeria*	100%
		■ Société Générale *Côte d'Ivoire*	73.3%
		■ Union Internationale de Banques	55.1%
AMERICAS			
■ Banco SG Brazil SA *Brazil*	100%		
■ SG Americas, Inc. *United States*	100%		
■ SG Americas Securities Holdings, LLC *United States*	100%		
■ Societe Generale* branches in: New York *United States*, Montreal *Canada*			
ASIA - AUSTRALIA			
■ Société Générale (China) Ltd *China*	100%		
■ SG Securities Asia International Holdings Ltd *Hong Kong*	100%		
■ SG Securities Korea Co, Ltd *South Korea*	100%		
■ SG Securities Japan Limited *Japan*	100%		
■ Societe Generale* branches in: Seoul *South Korea*, Taipei *Taiwan*, Singapore, Mumbai, Sydney			

2.2 GROUP ACTIVITY AND RESULTS

Definitions and details of methods used are provided on page 42 and following.

Information followed by an asterisk (*) is indicated as adjusted for changes in Group structure and at constant exchange rates.

2022 data in this document are restated in compliance with IFRS 17 and IFRS 9 for insurance entities 2022 data are restated in compliance with IFRS 17 and IFRS 9 for insurance entities (see Note 1.4 of the consolidated financial statements, page 429 and following).

ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

(In EURm)	2023	2022	Change	
Net banking income	**25,104**	**27,155**	**-7.6%**	**-8.2%***
Operating expenses	(18,524)	(17,994)	+2.9%	+0.6%*
Gross operating income	**6,580**	**9,161**	**-28.2%**	**-25.8%***
Net cost of risk	(1,025)	(1,647)	-37.8%	-30.8%*
Operating income	**5,555**	**7,514**	**-26.1%**	**-24.8%***
Net income from companies accounted for by the equity method	24	15	+60.0%	+26.8%*
Net profits or losses from other assets	(113)	(3,290)	+96.6%	+96.6%*
Impairment losses on goodwill	(338)	0	n/s	n/s
Income tax	(1,679)	(1,483)	+13.2%	+15.9%*
Net income	3,449	2,756	+25.2%	+28.4%*
o.w. non-controlling interests	*956*	*931*	*+2.7%*	*+7.1%**
Group net income	**2,493**	**1,825**	**+36.6%**	**+39.1%***
Cost-to-income ratio	73.8%	66.3%		
Average allocated capital	56,396	55,282		
ROTE	**4.2%**	**2.5%**		

Net banking income

Over 2023, net banking income for the Group decreased by -7.6% vs. 2022.

Revenues in French Retail, Private Banking and Insurance contracted by -12.9% relative to 2022, mainly due to the negative impact from short-term hedges taken before the period of rising interest rates that occurred as of 2022.

Activity at Global Banking and Investor Solutions decreased by -4.6% despite solid revenues of EUR 9.6 billion in 2023. Global Markets and Investor Services contracted by -6.3% vs. 2022 owing to an unfavourable base effect compared with a record year for market activities in 2022. The Financing and Advisory busines posted high revenues of EUR 3,341 million in 2023, down slightly by -1.4% vs. 2022.

Revenues for International Retail, Mobility and Leasing Services rose by +4.5% vs. 2022 on back of stable activity levels in International Retail Banking despite the disposal of the business in Russia and a sharp increase in Mobility and Leasing Services actitivities (+9.3%) that was driven by the LeasePlan integration in ALD.

Revenues for the Corporate Centre totalled EUR -1,066 million in 2023 compared with EUR -302 million in 2022, notably due to the impact of the unwinding of hedges on TLTRO operations and non-recurring items.

Operating expenses

In 2023, operating expenses totalled EUR 18,524 million, up by a moderate +2.9% vs. 2022. They include EUR 617 million for the integration of LeasePlan's activities and EUR 730 million in transformation costs. At constant perimeter, operating expenses rose by a very moderate +0.3% in spite of the inflationary context.

Cost of risk

Over 2023, the cost of risk came to 17 basis points.

The Group's provisions on performing loans amounted to EUR 3,572 million, down EUR -197 million relative to 31 December 2022, notably linked to the strong decrease in the Russian offshore exposure.

The gross coverage ratio stood at 2.9%(1) at 31 December 2023. The net coverage ratio on the Group's doubtful loans stood at around 80%(2) at 31 December 2023, after taking into account guarantees and collateral.

At 31 December 2023, the Group sharply reduced its offshore exposure to Russia to around EUR 0.9 billion of EAD (Exposure at Default) compared with EUR 1.8 billion at 31 December 2022 (-50%). The maximum risk exposure on this portfolio is estimated at around EUR 0.3 billion before provision. Total provisions stood at EUR 0.2 billion at end-2023. The onshore residual exposure is marginal at around EUR 15 million and relates to the integration during the year of LeasePlan activities in Russia.

Operating income

Operating income totalled EUR 5,555 million in 2023 compared with EUR 7,514 million in 2022 (-26.1%).

Impairment losses on goodwill

In 2023, a goodwill impairment of around EUR -340 million was recorded on Africa, Mediterranean Basin and Overseas Territories, and on Equipment Leasing activities.

Net income

The Group net income for 2023 came to EUR 2.5 billion, representing ROTE of 4.2%.

(1) Ratio calculated according to EBA methodology published on 16 July 2019
(2) Ratio of S3 provisions and guarantees/colllateral on the gross book value of doubtful loans

2.3 ACTIVITY AND RESULTS OF THE CORE BUSINESSES

2.3.1 RESULTS BY CORE BUSINESSES

	French Retail, Private Banking and Insurance		Global Banking and Investor Solutions		International Retail, Mobility and Leasing Services		Corporate Centre		Group	
(In EURm)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net banking income	**8,023**	**9,210**	**9,640**	**10,108**	**8,507**	**8,139**	**(1,066)**	**(302)**	**25,104**	**27,155**
Operating expenses	(6,708)	(6,896)	(6,787)	(6,832)	(4,765)	(3,957)	(264)	(309)	(18,524)	(17,994)
Gross operating income	**1,315**	**2,314**	**2,853**	**3,276**	**3,742**	**4,182**	**(1,330)**	**(611)**	**6,580**	**9,161**
Net cost of risk	(505)	(483)	(30)	(421)	(486)	(705)	(4)	(38)	(1,025)	(1,647)
Operating income	**810**	**1,831**	**2,823**	**2,855**	**3,256**	**3,477**	**(1 334)**	**(649)**	**5,555**	**7,514**
Net income from companies accounted for by the equity method	7	8	7	6	10	1	0	0	24	15
Net profits or losses from other assets	10	57	0	6	(11)	11	(112)	(3,364)	(113)	(3,290)
Impairment losses on goodwill	0	0	0	0	0	0	(338)	0	(338)	0
Income tax	(213)	(489)	(517)	(538)	(823)	(838)	(126)	382	(1,679)	(1,483)
Net income	614	1 407	2 313	2 329	2 432	2 651	(1 910)	(3 631)	3 449	2 756
o.w. non-controlling interests	*4*	*1*	*33*	*36*	*826*	*730*	*93*	*164*	*956*	*931*
Group net income	**610**	**1,406**	**2,280**	**2,293**	**1,606**	**1,921**	**(2,003)**	**(3,795)**	**2,493**	**1,825**
Cost-to-income ratio	83.6%	74.9%	70.4%	67.6%	56.0%	48.6%			73.8%	66.3%
Average allocated capital[(1)]	**15,449**	**15,592**	**15,426**	**16,176**	**9,707**	**9,670**	**15,814**	**13,844**	**56,396**	**55,282**
RONE (businesses)/ROTE (Group)	**3.9%**	**9.0%**	**14.8%**	**14.2%**	**16.5%**	**19.9%**			**4.2%**	**2.5%**

2.3.2 FRENCH RETAIL, PRIVATE BANKING AND INSURANCE

(In EURm)	2023	2022	Change
Net banking income	**8,023**	**9,210**	**-12.9%**
Net banking income (excl. PEL/CEL)	*8,019*	*9,018*	*-11.1%*
Operating expenses	(6,708)	(6,896)	-2.7%
Gross operating income	**1,315**	**2,314**	**-43.2%**
Net cost of risk	(505)	(483)	4.6%
Operating income	**810**	**1,831**	**-55.8%**
Net income from companies accounted for by the equity method	7	8	-12.5%
Net profits or losses from other assets	10	57	-82.5%
Impairment losses on goodwill	0	0	n/s
Income tax	(213)	(489)	-56.4%
Net income	614	1,407	-56.4%
o.w. non-controlling interests	*4*	*1*	*x4.0*
Group net income	**610**	**1,406**	**-56.6%**
Cost-to-income ratio	83.6%	74.9%	
Average allocated capital	15,449	15,592	
RONE	**3.9%**	**9.0%**	

Activity and net banking income

In 2023, revenues totalled EUR 8,023 million, down -12.9% vs. 2022 (-11.1% restated for the PEL/CEL provision). Net interest income excluding PEL/CEL decreased by -22% vs. 2022. Fee income was stable.

Average loan outstandings in Q4 23 contracted by -5% vs. Q4 22 to EUR 201 billion against a backdrop of higher interest rates than in 2022. Average outstanding deposits for the final quarter of the year decreased by -6% relative to the year-earlier period owing mainly to the anticipated decline in corporate deposits at the beginning of the year in a context of climbing rates. The average loan-to-deposit ratio stood at 86% in Q4 23.

BoursoBank posted a record quarter in terms of onboarding, welcoming more than 566,000 new clients in Q4 23. The number of clients at the leading online bank in France reached 5.9 million at the end of December 2023 on back of very strong organic growth over the year (+1.2 million clients vs. 2022, up +26% vs. 2022). At the same time, acquisition costs per client declined over the year.

Private Banking activities, which cover Private Banking activities in and outside France, saw the net asset gathering pace (net new money divided by AuM) rise by an average of +4% vs. 2022.

Operating expenses

Over the year, operating expenses decreased by -2.7% vs. 2022 to EUR 6,708 million and include EUR 312 million in transformation costs. The cost-to-income ratio stood at 83.6%.

Cost of risk

In 2023, the cost of risk came to EUR 505 million or 20 basis points, which is stable on the 2022 level.

Group net income

Over 2023, Group net income came to EUR 610 million, down -57% *vs.* 2022. RONE stood at 3.9% in 2023.

Insurance

(In EURm)	2023	2022	Change	
Net banking income	**620**	**510**	**21.6%**	**22.0%***
Operating expenses	(131)	(105)	24.8%	20.3%*
Gross operating income	**489**	**405**	**20.7%**	**22.4%***
Net cost of risk	0	0	n/s	100.0%*
Operating income	**489**	**405**	**20.7%**	**22.3%***
Net income from companies accounted for by the equity method	0	0	n/s	n/s
Net profits or losses from other assets	0	0	n/s	n/s
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(127)	(106)	19.8%	21.4%
Net income	362	299	21.1%	22.7%
o.w. non-controlling interests	*4*	*2*	*100.0%*	*x 2.0**
Group net income	**358**	**297**	**20.5%**	**22.1%***
Cost-to-income ratio	21.1%	20.6%		
Average allocated capital	1,897	2,119		

Insurance, which includes activities in and outside France, has been consolidated in the French Retail, Private Banking and Insurance core business since the second half of 2023.

Life insurance ouststandings stood at EUR 136 billion at end-December 2023. The unit-linked share of 38% remains at a high level and rose by +3 percentage points vs. December 2022.

The Insurance business posted a a +21.6% rise in net banking income to EUR 620 million vs. 2022 on the back of its savings and protection activities.

Operating expenses for the business rose by +24.8% vs. 2022, while the cost-to-income ratio stood at 21.1%

2.3.3 GLOBAL BANKING AND INVESTOR SOLUTIONS

(In EURm)	2023	2022	Change	
Net banking income	**9,640**	**10,108**	**-4.6%**	**-3.4%***
Operating expenses	(6,787)	(6,832)	-0.7%	+0.5%*
Gross operating income	**2,853**	**3,276**	**-12.9%**	**-11.6%***
Net cost of risk	(30)	(421)	-92.9%	-92.8%*
Operating income	**2,823**	**2,855**	**-1.1%**	**+0.4%***
Net income from companies accounted for by the equity method	7	6	16.7%	16.7%*
Net profits or losses from other assets	0	6	-100.0%	-100.0%*
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(517)	(538)	-3.9%	-1.9%*
Net income	2,313	2,329	-0.7%	0.8%*
o.w. non-controlling interests	*33*	*36*	*-8.3%*	*-9.3%**
Group net income	**2,280**	**2,293**	**-0.6%**	**+1.0%***
Cost-to-income ratio	70.4%	67.6%		
Average allocated capital	15,426	16,176		
RONE	**14.8%**	**14.2%**		

Global Banking & Investor Solutions' revenues remained high, recording a slight decrease of -4.6% vs. a record 2022 (EUR 9,640 million in 2023 vs. EUR 10,108 million in 2022), notably owing to less conducive market conditions than in 2022, particularly for the fixed-income business.

Over 2023, operating expenses decreased by a slight -0.7% vs. 2022. They include EUR 167 million in transformation charges. The cost-to-income ratio consequently came to 70.4% in 2023. Excluding the contribution to the Single Resolution Fund (SRF), the ratio was 65.4%.

The cost of risk stood at two basis points vs. 23 basis points in 2022.

Over 2023, reported RONE came to 14.8% and to 17.2% excluding the contribution to the SRF.

Global Markets & Investor Services

(In EURm)	2023	2022	Change	
Net banking income	**6,299**	**6,721**	**-6.3%**	**-5.0%***
Operating expenses	(4,755)	(4,878)	-2.5%	-1.4%*
Gross operating income	**1,544**	**1,843**	**-16.2%**	**-14.8%***
Net cost of risk	20	5	n/s	n/s
Operating income	**1,564**	**1,848**	**-15.4%**	**-13.9%***
Net income from companies accounted for by the equity method	7	6	16.7%	16.7%*
Net profits or losses from other assets	0	3	-100.0%	-100.0%*
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(371)	(420)	-11.7%	-10.1%*
Net income	1,200	1,437	-16.5%	-15.1%*
o.w. non-controlling interests	*34*	*35*	*-2.9%*	*-3.9%**
Group net income	**1 ,166**	**1,402**	**-16.8%**	**-15.4%***
Cost-to-income ratio	75.5%	72.6%		
Average allocated capital	7,991	8,638		

In 2023, Global Markets and Investor Services posted revenues of EUR 6,299 million, which is a -6.3% decrease on 2022.

Global Markets revenues were down slightly by -4.6% vs. 2022 to EUR 5,598 million, which is a very good performance despite a less conducive market context.

The Equities business posted revenues which were slightly down by -3.2% to EUR 3,196 million relative to robust activity in 2022.

Revenues at Fixed Income and Currencies decreased by -6.5% vs. 2022 to EUR 2,402 million.

Securities Services' revenues contracted by -17.5% vs. 2022 but were stable (-0.7%) excluding the impact of the valuation of various equity participations. Assets under Custody and Assets under Administration amounted to EUR 4,931 billion and EUR 579 billion, respectively.

Financing and Advisory

(In EURm)	2023	2022	Change	
Net banking income	**3,341**	**3,387**	**-1.4%**	**-0.3%***
Operating expenses	(2,032)	(1,954)	4.0%	5.0%*
Gross operating income	**1,309**	**1,433**	**-8.7%**	**-7.5%***
Net cost of risk	(50)	(426)	-88.3%	-88.1%*
Operating income	**1,259**	**1,007**	**25.0%**	**26.8%***
Net income from companies accounted for by the equity method	0	0	n/s	n/s
Net profits or losses from other assets	0	3	-100%	-100%*
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(146)	(118)	23.7%	27.4%*
Net income	1,113	892	24.8%	26.3%*
o.w. non-controlling interests	*(1)*	*1*	*n/s*	*n/s*
Group net income	**1,114**	**891**	**25.0%**	**26.6%***
Cost-to-income ratio	60.8%	57.7%		
Average allocated capital	7,425	7 ,529		

Financing & Advisory revenues contracted by a moderate -1.4% to EUR 3,341 million vs. 2022, which was a record year.

The Global Banking & Advisory business registered solid revenues, albeit posting a -6.8% decrease compared to a record year in 2022. The business notably benefited from a sustained commercial performance in the Asset Finance and Natural Resources platforms, and from a rebound in Investment Banking.

Last, Global Transaction and Payment Services posted a record performance in 2023, with revenues up by a sharp +19.3% vs. 2022.

2.3.4 INTERNATIONAL RETAIL, MOBILITY AND LEASING SERVICES

(In EURm)	2023	2022	Change	
Net banking income	**8,507**	**8,139**	**+4.5%**	**+1.1%***
Operating expenses	(4,765)	(3,957)	+20.4%	+8.1%*
Gross operating income	**3,742**	**4,182**	**-10.5%**	**-5.5%***
Net cost of risk	(486)	(705)	-31.1%	-8.8%*
Operating income	**3,256**	**3,477**	**-6.4%**	**-5.1%***
Net income from companies accounted for by the equity method	10	1	n/s	n/s
Net profits or losses from other assets	(11)	11	n/s	n/s
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(823)	(838)	-1.8%	+0.4%*
Net income	2,432	2,651	-8.3%	-7.3%*
o.w. non-controlling interests	*826*	*730*	*+13.2%*	*+19.3%**
Group net income	**1,606**	**1,921**	**-16.4%**	**-16.9%***
Cost-to-income ratio	56.0%	48.6%		
Average allocated capital	9,707	9,670		
RONE	**16.5%**	**19.9%**		

Revenues were up +4.5% vs. 2022 to EUR 8,507 over the full year, including around EUR 680 million from the integration of LeasePlan.

Over the year, operating expenses totalled EUR 4,765 million, up by +20.4% vs. 2022 (+8.1% at constant perimeter and exchange rates) and included around EUR 615 million from LeasePlan and approximately EUR 250 million in transformation costs.

Over 2023, the cost of risk stood at 32 basis points vs. 52 basis points in 2022.

In 2023, Group net income came to EUR 1,606 million, down -16.4% vs. 2022, while RONE stood at 16.5%. RONE was 17.5% in International Retail Banking, and 15.9% in Mobility and Leasing Services in 2023.

International Retail Banking

(In EURm)	2023	2022	Change	
Net banking income	**4,191**	**4,190**	**0.0%**	**6.5%***
Operating expenses	(2,374)	(2,368)	0.3%	8.2%*
Gross operating income	**1,817**	**1,822**	**-0.3%**	**4.3%***
Net cost of risk	(185)	(464)	-60.1%	-33.4%*
Operating income	**1,632**	**1,358**	**20.2%**	**11.0%***
Net income from companies accounted for by the equity method	0	0	n/s	n/s
Net profits or losses from other assets	(8)	11	n/s	n/s
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(429)	(360)	19.2%	12.8%*
Net income	1 ,195	1,009	18.4%	8.5%*
o.w. non-controlling interests	*465*	*444*	*4.7%*	*5.8%**
Group net income	**730**	**565**	**29.2%**	**10.4%***
Cost-to-income ratio	56.6%	56.5%		
Average allocated capital	17.5%	12.0%		

International Retail Banking posted a good commercial performance in 2023, recording loan outstandings of EUR 67.3 billion and deposits of EUR 80.4 billion, up by a respective +4.6% and +5.2% relative to 2022.

In Europe, outstanding loans continued their uptrend and totalled EUR 41.9 billion at end 2023, which was a +5.1% increase on 2022. Outstanding loans in the Czech Republic grew by + 3.4% vs. 2022, while in Romania they rose by +12.3% vs. 2022. Outstanding deposits totalled EUR 53.3 billion and end-2023, up by +7.5% vs. 2022.

Outstandings in Africa, Mediterranean Basin and French Overseas Territories also grew, with loans of EUR 25.4 billion and deposits of EUR 27.1 billion in 2023, i.e., respective increases of +3.7% and +0.8% vs. 2022. The region benefited from particularly robust commercial performances in sub-Saharan Africa, which posted loan outstandings growth of +6.8% vs. 2022, and in the Mediterranean Basin which saw deposits increase by +4.5% vs. 2022.

International Retail Banking's revenues stabilised relative to 2022 at EUR 4,191 million despite the impact from the pull-out from Russia. They rose by 6.5% at constant perimeter and exchange rates.

Revenues in Europe remained high in 2023 at EUR 2,037 million and were stable vs. 2022. Romania turned in a good financial performance in 2023 and posted a +12.4% increase in net banking income vs. 2022. The Czech Republic recorded a lower net interest margin compared with a particularly robust 2022 amid a high interest-rate environment.

Revenues in Africa, Mediterranean Basin and French Overseas Territories rose sharply over the year by +10.1% vs. 2022 and were driven by robust growth in net interest income across all regions (average of +14.1% vs. 2022).

International Retail's operating expenses were stable over the year at EUR 2,374 million.

Mobility and Leasing Services

(In EURm)	2023	2022	Change	
Net banking income	**4,316**	**3,949**	**9.3%**	**-4.4%***
Operating expenses	(2,391)	(1,589)	50.5%	8.1%*
Gross operating income	**1,925**	**2,360**	**-18.4%**	**-13.2%***
Net cost of risk	(301)	(241)	24.9%	17.6%*
Operating income	**1,624**	**2,119**	**-23.4%**	**-16.9%***
Net income from companies accounted for by the equity method	10	1	x 10.0	x 5.0*
Net profits or losses from other assets	(3)	0	n/s	n/s
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(394)	(478)	-17.6%	-10.2%*
Net income	1,237	1,642	-24.7%	-18.6%*
o.w. non-controlling interests	*361*	*286*	*26.2%*	*42.0%**
Group net income	**876**	**1,356**	**-35.4%**	**-30.9%***
Cost-to-income ratio	55.4%	40.2%		
Average allocated capital	15.9%	27.6%		

Mobility and Leasing Services registered solid growth in earning assets that was notably driven by the increase in car values. Earning assets grew to EUR 52.0 billion at end-December vs. EUR 45.5 billion at end-December 2022.

Ayvens recorded an increase in net banking income in 2023 of +16% vs. 2022 after the LeasePlan integration. The used car market gradually converged towards normal levels in 2023, which prompted a gradual decrease in used car sales (UCS) results. Over the year, average UCS revenue (excluding the reduction of depreciation costs) came to EUR 2,344 per unit, which remains high, relative to a record year in 2022, where the average was EUR 3,269 per unit.

2024 will be a pivotal year for Ayvens that will include decisive steps in the LeasePlan integration and the unlocking of synergies for around EUR 120 million that will materialise as of this year (of which EUR 38 million is already secured), ahead of a targeted EUR 350 million in 2025, followed by approximately EUR 440 million in 2026. The amount of associated restructuring costs for 2024 is confirmed at around EUR 190 million, with a remaining amount of around EUR 40 million in 2025.

Regarding the business, Ayvens anticipates a gradual improvement in margins in the future and an acceleration in the normalisation of the UCS market. It has set the following targets for 2024:

- annual growth in earning assets of +7% to +9% vs. 2023;
- average UCS result of between EUR 1,100 and EUR 1,600 per unit [1];
- cost-to-income ratio of 65% to 67% excluding the result of UCS, one-off items and PPA[2].

Consumer Finance entities recorded a good performance at end-2023, with loan outstandings of EUR 24.1 billion (+0.7% vs. 2022) and deposit outstandings of EUR 2.3 billion (+17.5% vs. 2022). Equipment Finance's business rode high on robust production levels during the entire year to post outstandings of EUR 5.4 billion at end-2023, up +2.8% vs. 2022.

The Consumer Finance and Equipment Finance business posted a good financial performance, and increased revenues by +6.0% vs. 2022.

Operating expenses for Mobility and Leasing Services rose by +50.5% over the year to EUR 2,391 million (+8.1% vs. 2022 at constant perimeter and exchange rates), including LeasePlan costs and transformation costs associated with its integration.

(1) Excluding prospective depreciation and PPA.
(2) Cost-to-income ratio of around 70% reported at SG level.

2.3.5 CORPORATE CENTRE

(In EURm)	2023	2022	Change
Net banking income	**(1,066)**	**(302)**	**n/s**
Operating expenses	(264)	(309)	-14.6%
Gross operating income	**(1,330)**	**(611)**	**n/s**
Net cost of risk	(4)	(38)	-89.5%
Operating income	**(1,334)**	**(649)**	**n/s**
Net income from companies accounted for by the equity method	0	0	n/s
Net profits or losses from other assets	(112)	(3,364)	96.7%
Impairment losses on goodwill	(338)	0	n/s
Income tax	(126)	382	n/s
Net income	(1,910)	(3,631)	47.4%
o.w. non-controlling interests	*93*	*164*	*-43.3%*
Group net income	**(2,003)**	**(3,795)**	**47.2%**

The Corporate Centre includes:

- the property management of the Group's head office;
- the Group's equity portfolio;
- the Group's Treasury function;
- certain costs related to cross-functional projects as well as certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR -1,066 million in 2023 vs. EUR -302 million in 2022. It mainly includes an impact of around EUR -310 million associated with the the negative impact of replacement swaps on hedges not eligible for hedge accounting, the unwinding of hedges on TLTRO operations for around EUR -330 million and the negative impact of one-off items for around EUR -200 million.

Over the year, operating expenses totalled EUR -264 million vs. EUR -309 million in 2022.

The Corporate Centre's net banking income totalled EUR -2,003 million vs. EUR -3,795 million in 2022.

2.3.6 DEFINITIONS AND METHODOLOGY, ALTERNATIVE PERFORMANCE MEASURES

Framework

The financial information presented in respect of the financial year ended 31 December 2023 was examined by the Board of Directors on 7 February 2024 and was prepared in accordance with IFRS as adopted in the European Union and applicable at that date.

Capital allocation

In 2023, the allocation of normative capital to the businesses on the basis of their capital consumption was determined in accordance with CRR rules, *i.e.* 12% of their risk-weighted assets, supplemented by the consumption of Common Equity Tier 1 capital chargeable to each business after taking into account non-controlling interests and the adjustment of capital consumption in insurance activities. Accordingly, the capital allocation rule applies to the Group's three pillars - French Retail Banking, International Retail Banking & Financial Services, and Global Banking & Investor Solutions - and enables each activity's capital consumption and profitability to be calculated by activity on a standalone and uniform basis, taking into account the Group's regulatory constraints.

Net banking income

Net banking income (NBI) for each business division includes:

- revenues generated by its activity;
- the yield on normative capital allocated to the business division, which is calculated using a long-term rate by currency. In return, in order to compare performances between the Group's different business lines, book capital is reassigned to the Corporate Centre at the same rate.

Moreover, capital gains and losses generated by the business divisions on the disposal of shares in non-consolidated entities, and income from management of the Group's industrial and bank equity portfolios, are booked under NBI as these securities are classified as available-for-sale financial assets.

Operating expenses

Operating expenses correspond to the following items in the financial statements: Personnel expenses + Other operating expenses + Amortisation, depreciation and impairment of tangible and intangible assets.

Operating expenses for the business divisions include their direct expenses, their management overheads, and a share of the head-office expenses, which are in principle almost fully redistributed between the business divisions. The Corporate Centre only books costs related to its own activity, along with certain technical adjustments.

Cost-to-income ratio

The cost-to-income ratio indicates the operating expenses of a business in relation to its net banking income. This indicator provides a measure of a system's effectiveness (see glossary).

Main exceptional items

The following table sets out the main one-off financial items in the income statement that were exceptional to 2023 and 2022. They relate to operations that are not ordinary Societe Generale activities. It should be noted that the list of these operations is not exhaustive and should not be used by the Group as a guide of its financial performance. The Group's performance remains in accordance with the announcements on the Group's reported results made during the Capital Markets Day event.

In EURm	2023	2022
Net Banking Income - Total exceptional items	**(199)**	**0**
One-off legacy items - Corporate Centre	(199)	0
Operating expenses - Total one-off items and transformation charges	**(765)**	**(767)**
Transformation charges	**(730)**	**(767)**
Of which French Retail, Private Banking and Insurance	*(312)*	*(414)*
Of which Global Banking and Investor Solutions	*(167)*	*(198)*
Of which International Retail, Mobility and Leasing Services	*(251)*	*(155)*
One-off items	**(35)**	**0**
Of which French Retail, Private Banking and Insurance	*60*	*0*
Of which Global Banking and Investor Solutions	*(95)*	*0*
Other one-off items - Total	**(820)**	**(3,364)**
Net profits or losses from other assets	(112)	(3,364)
Goodwill impairment - Corporate Centre(1)	(338)	0
Provision of Deferred Tax Assets - Corporate Centre(1)	(370)	0

(1) Items restated from reported net income for the proposed distribution.

Cost of risk

Net cost of risk is charged to each business division to reflect the cost of risk inherent in their activity during each financial year. Impairment losses and provisions concerning the whole Group are booked by the Corporate Centre.

Societe Generale's commercial net cost of risk is expressed in basis points. It is calculated by dividing the net annual allocation to provisions for commercial risks by average loan outstandings at the end of the four quarters preceding the closing date. This indicator reveals the level of risk borne by each of the pillars as a percentage of balance sheet loan commitments, including operating leases. The key items used in this calculation are indicated in the table below.

In EURm		2023	2022
French Retail, Private Banking and Insurance	Net cost of risk *(In EURm)*	505	483
	Gross loan outstandings *(In EURm)*	246,701	246,249
	Cost of risk in bp	**20**	**20**
Global Banking and Investor Solutions	Net cost of risk *(In EURm)*	30	421
	Gross loan outstandings *(In EURm)*	169,823	182,110
	Cost of risk in bp	**2**	**23**
International Retail, Mobility and Leasing Services	Net cost of risk *(In EURm)*	486	705
	Gross loan outstandings *(In EURm)*	150,161	135,743
	Cost of risk in bp	**32**	**52**
Corporate Centre	Net cost of risk *(In EURm)*	4	38
	Gross loan outstandings *(In EURm)*	20,291	15,411
	Cost of risk in bp	**2**	**25**
Societe Generale Group	Net cost of risk *(In EURm)*	1,025	1,647
	Gross loan outstandings *(In EURm)*	586,977	579,513
	Cost of risk in bp	**17**	**28**

Gross coverage ratio for doubtful outstandings

"Doubtful outstandings" are outstandings that are in default pursuant to the regulations.

The gross doubtful outstandings ratio measures the doubtful outstandings recognised in the balance sheet compared with gross loan outstandings.

The gross coverage ratio for doubtful outstandings is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as being in default pursuant to the regulations, without taking into account any guarantees provided. The coverage ratio measures the maximum residual risk associated with outstandings in default, otherwise referred to as "doubtful".

Net income/expense from other assets

Net income or expense from other assets essentially comprises capital gains and losses on operating fixed assets, or when the Group ceases to control a consolidated subsidiary, as well as goodwill immediately written down when the Group takes control of an entity and recalculates the stake previously held by the Group in entities that have been fully consolidated during the year.

Income tax

The Group's tax position is managed centrally.

Income tax is charged to each Business Division on the basis of a normative tax rate which takes into account the local tax rate of the countries in which it conducts its activities and the nature of its revenues. The difference between the income tax charged to the Group's consolidated companies and the sum of normative taxes of the strategic pillars is assigned to the Corporate Centre.

ROE, ROTE

Group ROE and ROTE is calculated on the basis of average Group shareholders' equity under IFRS.

It excludes:

- unrealised or deferred capital gains or losses booked directly under shareholders' equity, excluding conversion reserves;
- deeply subordinated notes;
- undated subordinated notes adjusted as shareholders' equity.

It deducts:

- interest payable to holders of deeply subordinated notes and of adjusted, undated subordinated notes;
- the provision in respect of the dividends to be paid to shareholders.

For the ROTE, the following items are also excluded:

- average net goodwill in the assets, and underlying average goodwill relating to shareholdings in companies accounted for by the equity method;
- average net intangible assets.

Net income used to calculate ROE is based on Group net income adjusted for interest to be paid to holders of deeply subordinated notes for the period and, since 2006, holders of adjusted deeply subordinated notes and undated subordinated notes.

Net income used to calculate ROTE is based on Group net income excluding the goodwill impairment loss but reinstating interest on deeply subordinated notes for the period (including issuance fees paid, for the period, to external parties and the discount charge related to the issue premium for deeply subordinated notes) and interest on undated subordinated notes (including issuance fees paid, for the period, to external parties and the discount charge related to the issue premium for undated subordinated notes).

The key items used in this calculation are indicated in the tables below.

RONE

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses (see "Capital allocation" above). The allocation principle consists of allocating to each business normative equity corresponding to 12% of its risk-weighted assets.

(In EURm, end of period)	**2023**	**2022**
Shareholders' equity Group share	**65,975**	**66,970**
Deeply subordinated notes and undated subordinated notes	(9,095)	(10,017)
Interest of deeply & undated subordinated notes, issue premium amortisations(1)	(21)	(24)
OCI excluding conversion reserves	636	780
Dividend provision(2)	(995)	(1,803)
ROE equity end-of-period	56,500	55,906
Average ROE equity	**56,396**	**55,282**
Average Goodwill(3)	**(4,011)**	**(3,650)**
Average Intangible Assets	(3,143)	(2,751)
Average ROTE equity	49,242	48,881
Group net Income	**2,493**	**1,825**
Interest on deeply subordinated notes and undated subordinated notes	**(759)**	**(596)**
Cancellation of goodwill impairment	338	3
Adjusted Group net Income	2,073	1,233
ROTE	**4.2%**	**2.5%**

(1) Interest net of tax.
(2) Based on the proposed 2023 distribution subject to usual approvals from the General meeting and the ECB.
(3) Excluding goodwill arising from non-controlling interests.

RONE CALCULATION: AVERAGE CAPITAL ALLOCATED TO CORE BUSINESSES

(In EURm)	**2023**	**2022**
French Retail, Private Banking and Insurance	15,449	15,592
Global Banking and Investor Solutions	15,426	16,176
International Retail, Mobility and Leasing Services	9,707	9,670

Earnings per share

In accordance with IAS 33, to calculate earnings per share, "Group net income" for the period is adjusted by the amount (net of tax, capital gains/losses on partial buybacks of securities issued and classified as equity) of costs pertaining to these equity instruments and the interest paid on them.

Earnings per share is therefore calculated as the ratio of corrected Group net income for the period to the average number of ordinary outstanding shares, excluding own shares and treasury shares, but including:

a) trading shares held by the Group; and

b) shares held under the liquidity contract.

Average number, in thousands of shares	2023	2022
Existing shares	**818,008**	**845,478**
Deductions		
Shares allocated to cover stock option plans and free shares awarded to staff	6,802	6,252
Other own shares and treasury shares	11,891	16,788
Number of shares used to calculate EPS(1)	**799,315**	**822,437**
Group net Income *(In EURm)*	**2,493**	**1,825**
Interest on deeply subordinated notes and undated subordinated notes *(In EURm)*	(759)	(596)
Adjusted Group net income *(In EURm)*	**1,735**	**1,230**
EPS *(In EUR)*	**2.17**	**1.50**

(1) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

Net Asset, Net Tangible Asset Value

Net assets comprise Group shareholders' equity, excluding:

- deeply subordinated notes, undated subordinated notes previously recognised as debt; and
- interest payable to holders of deeply subordinated notes and undated subordinated notes, but reinstating the book value of trading shares held by the Group and shares held under the liquidity contract.

Tangible net assets are corrected for net goodwill in the assets, goodwill under the equity method and intangible assets.

In order to calculate Net Asset Value Per Share or Net Tangible Asset Value Per Share, the number of shares used to calculate book value per share is the number of shares issued at the end of the period, excluding own shares and treasury shares, but including:

- trading shares held by the Group; and
- shares held under the liquidity contract.

(In EURm, end of period)	2023	2022
Shareholders' equity Group share	**65,975**	**66,970**
Deeply subordinated notes and undated subordinated notes	(9,095)	(10,017)
Interest of deeply & undated subodinated notes, issue premium amortisations(1)	(21)	(24)
Book value of own shares in trading portfolio	36	67
Net Asset Value	56,895	56,996
Goodwill	**(4,008)**	**(3,652)**
Intangible Assets	(2,954)	(2,875)
Net Tangible Asset Value	49,933	50,469
Number of shares used to calculate NAPS(2)	**796,244**	**801,147**
Net Asset Value per Share	**71.5**	**71.1**
Net Tangible Asset Value per Share	**62.7**	**63.0**

(1) Interest net of tax.
(2) The number of shares considered is the number of ordinary shares outstanding as at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

Prudential capital and solvency ratios

The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules.

The fully-loaded solvency ratios are presented *pro forma* for current earnings, net of dividends, for the current financial year, unless specified otherwise.

Where reference is made to phased-in ratios, the latter include the earnings for the current financial year, unless otherwise specified.

The leverage ratio is calculated according to applicable CRR2/CRD5 rules.

2.4 EXTRA-FINANCIAL REPORT

DRIVERS OF POSITIVE TRANSFORMATION

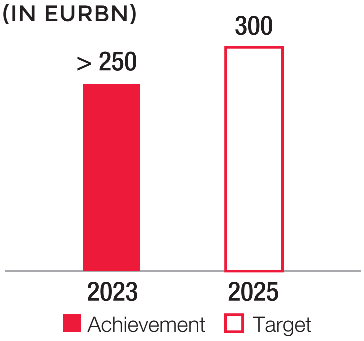
THE ENVIRONMENTAL TRANSITION

- **Accelerating decarbonisation**
  - **Oil & Gas:** sharply accelerated reduction
    - **-80%** exposure to the upstream sector between 2019 and 2030, with an intermediary target of a -50% reduction in 2025.
    - **-70%** absolute reduction in greenhouse gas (GHG) emissions across the entire oil and gas chain by 2030 *vs.* 2019.
  - **Highest emitting sectors: 9 NZBA sectors out of 12** New targets set for the automotive, steel, cement, commercial real estate, maritime transport and aluminium sectors.
  - **Publication of the Climate and Alignment Report.**
- **Stepping up our efforts to protect nature**
  - Integrating nature-related considerations into E&S impact management and materiality assessment.
  - Signature of a five-year partnership agreement with The Ocean Cleanup.
- **Building solutions**
  - Rethinking our business to accompany clients with their transition.
  - EUR 1 billion transition investment fund focused on the transition actors, green technology, nature and impact.
  - Supporting "emerging champions".
    Three investments in 2023 INNOENERGY, PARTECH and POLESTAR.
    First round of ESG start-ups accepted in our Global Markets Incubator.

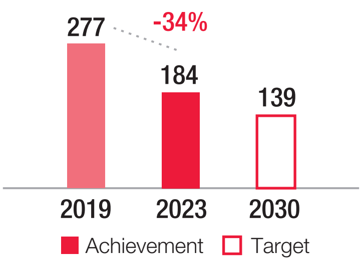
POSITIVE IMPACT ON LOCAL COMMUNITIES

- **Providing support at local level**
  - SG network: creation of a retail bank that is firmly anchored in the local community and with a Chief CSR Officer appointed in each region.
  - New offerings: Solar Pack and HelloWatt for home energy revovation.
  - Supporting female entrepreneurs locally
  - Promoting awareness to make a difference: Positive Impact Week in 22 towns and cities in France.
- **Infrastructure financing**
  - Recognised expertise in project financing.
  - Investing in the AFRIGREEN fund: financing access to water and light in Africa.
- **At the cutting edge of sustainable mobility**
  - Ayvens, an agent of sustainable mobility.
  - Mobility-as-a-Service and multimodal mobility.
  - Global partnership with CHARGEPOINT, a charging station operator.
  - Initiatives to finance sustainable transport in emerging economies in 2023.
- **Building a social and inclusive range of products and services**
  - Distributor of state-guaranteed student loans in France (Bpi France).
  - BOOST: non-banking services platform accessible to young people.

ACCOMPANYING THE TRANSITION
TARGETED CONTRIBUTION TO SUSTAINABLE FINANCE (IN EURBN)

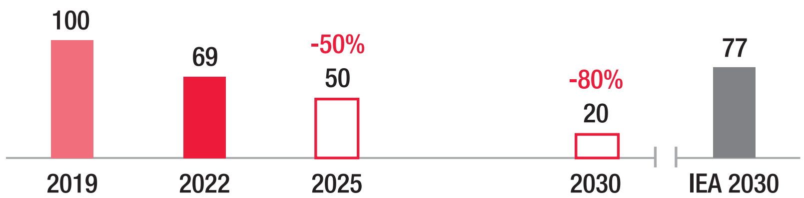


BEING A RESPONSIBLE BANK
SOCIETE GENERALE'S CARBON FOOTPRINT (IN TEQ CO_2)

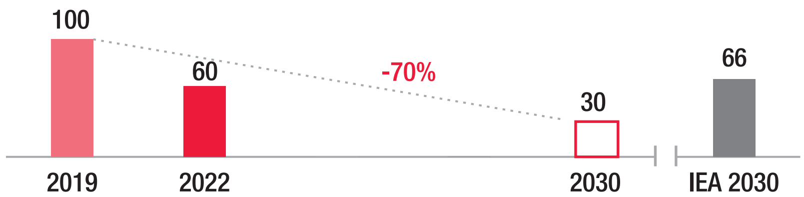


ACCELERATING DECARBONISATION
TWO OIL AND GAS TARGETS (INDEX BASE 100)

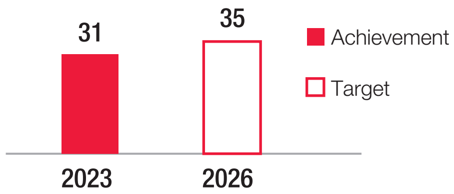
Reduction of upstream Oil & Gas exposure



Reduction of absolute emissions across the value chain



BEING A RESPONSIBLE EMPLOYER
NUMBER OF WOMEN IN SENIOR MANAGEMENT POSITIONS - TOP 250 (%)



ANCHORING A CULTURE OF RESPONSIBILITY
EMBEDDING AWARENESS

63%
of Group employees received training on CSR topics in 2023

IEA: International Energy Agency scenario.

RESPONSIBLE BANK

RESPONSIBLE EMPLOYER

Empowering all our employees to fulfil their potential

- No forced departures under the transformation plan for Societe Generale in France (excluding subsidiaries).
- 17.5% increase in staff committed to 32 reskilling modules in 2023 vs. 2022
- More than 80% of Group employees have completed at least one ESG training course since 2021.

Offering an appropriate, fulfilling and motivating working environment

- Provide the conditions for an equitable and inclusive culture:
  - renewed the 2023-2025 three-year agreement promoting the employment and professional integration of people with disabilities in France.
  - EUR 100 million budget allocated to reduce the gender pay gap.
  - Target of at least 35% women in senior leadership positions by 2026.
- Ensure working conditions respect people's private time
  - Signed the Work-life quality and working conditions agreement in France.
  - Signature of the new global agreement with UNI Global Union.

Promoting employee engagement and ability to make a difference

- Close collaboration with networks of engaged employees that are the voice of employees : Prides&Allies, Mix&Win, WAY, DKdrés, S'engaGer.
- 3rd Move for Youth challenge in support of organisations (involving 20% of staff).
- Organisation of solidarity days in support of *C'est vous l'avenir*, the Societe Generale Foundation.

CULTURE OF RESPONSIBILITY

Embedding ESG at the highest level of the organisation

- Sustainable Development Department reporting to General Management.

Creation of a Scientific Advisory Council to provide expert advice and long term vision on matters related to climate, nature, social issues and sustainable development.

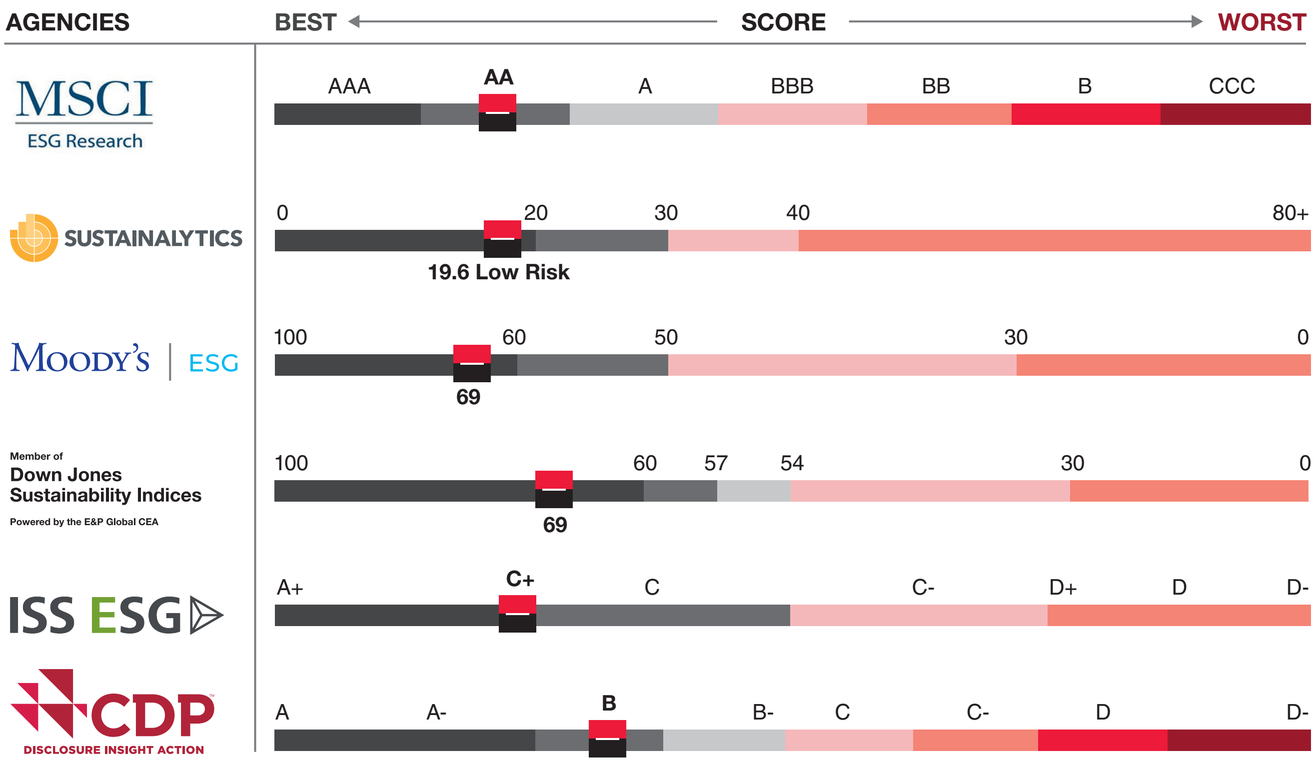
Collaboration Framework Agreement signed with the International Finance Corporation (IFC) to make a stronger impact and contribute to the UN Sustainable Development Goals

Monitoring ethical and responsible business conduct

- Continuation of Culture and Conduct initiatives.
- The Group's ESG training and awareness catalogue updated: 150 modules on 6 topics.
- Extensive roll-out of Climate Fresk workshops by the end of 2024.

Managing ESG-related risks and meeting voluntary commitments

- Founding member of international working groups on decarbonisation.
- Oil & Gas and Thermal Power Stations sector policies updated.



The Group’s actions are guided by its corporate purpose which is “Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions”.

In 2023, under the leadership of the new management team, Societe Generale placed its ESG goals firmly at the centre of its strategy. In its 2026 strategic plan, it announced a series of major initiatives to accelerate its contribution to the environmental transition and, more broadly, to the UN’s Sustainable Development Goals. It stated the Group’s ambition to be a rock-solid and sustainable top-tier bank, lead in ESG, and foster a culture of performance and accountability. ESG is an imperative and is included in the criteria used to manage the Group's activities.

Societe Generale is a founding signatory of the UNEP-FI's Principles for Responsible Banking (PRB).

In the second half of 2023, the Group announced it was stepping up the pace of decarbonisation across its businesses with the following measures:

- sharply accelerate steps to reduce exposure to the upstream oil and gas sector, together with a new absolute carbon emissions reduction target across the whole oil and gas value chain;
- new decarbonisation targets for the steel, automotive, cement, aluminium and commercial real estate sectors to contribute to the alignment of the Group's financing activities with Net Zero trajectories by 2050.

The Group also announced higher investment to develop innovative impact-generating solutions and partnerships to generate a bigger impact and develop as early as possible its positioning with emerging players and new markets:

- planned launch of a new EUR 1 billion transition investment fund that includes an equity investment of EUR 700 million. The fund aims to support transition actors, green technologies, nature-based solutions and impact-driven investments projects;
- continued development of key partnerships, such as with the International Finance Corporation, a member of the World Bank Group;
- planned establishment of an independent scientific advisory council to provide a long-term view and expert scientific opinions to inform strategy, with a focus on climate, nature, social questions and sustainable development.

Being a responsible employer and embedding a culture of responsibility are priorities for the Group. Launching its strategic plan, the Group announced:

- a new target of at least 35% of women in senior leadership roles (Top 250) by 2026;
- a EUR 100 million allocation to reduce the gender pay gap.

The Group ran its 30th Global employee share ownership plan in 2023.

The core goals of the Group’s CSR policy break down into four strategic priorities. Two of these concern the Group's activities: supporting clients with their environmental transition and making a positive contribution to local communities. And two make up the very foundation of a responsible bank: being a responsible employer and nurturing a culture of responsibility and accountability across all our businesses.

The Group's aim is to contribute EUR 300 billion in sustainable financing over the period 2022-2025 in: sustainable bonds, Sustainable and Positive Impact Finance (SPIF), advisory mandates on SPIF transactions, Sustainability-linked loans, as well as financing and long-term leases of electric vehicles. All Group businesses are committed to working towards these goals to meet the environmental and social challenges of our time. The Group’s contribution at end-2023 towards achieving the target was more than EUR 250 billion.

To drive the positive changes we urgently need now the Group is pushing forward with its transformation through the internal “Building together” programme. This approach places all its business lines on a change trajectory and seeks to embed an ESG culture throughout the Group. The three core themes are:

- rethinking the Bank’s businesses: revamping the teams’ missions to develop solutions to support clients as they transition their businesses to more sustainable models;
- implementing the transformation: systematically building ESG into all the Group’s strategic decisions, management tools and processes and applying them to the business lines;
- deepening expertise through team training: Societe Generale has rolled out a specific CSR training programme.

This year brought out new players. The first was a new SG-branded retail bank in France, formed by the merger of the Societe Generale and Crédit du Nord networks. The new bank sets out to provide a comprehensive range of ESG solutions (savings, financing and advisory). The second new player was Ayvens, the new global mobility brand created from ALD’s acquisition of LeasePlan. It is positioned to become a global agent in the mobility ecosystem.

These new ESG-focused models, the announcement of the new strategic plan and the accelerated decarbonisation drive represent major changes. Together with an unprecedented training programme and our determination to ensure that all the Group’s businesses evolve to better support its clients, these advances position it to help set new standards and open up new possibilities. Building on its hallmark innovation and entrepreneurship, combined with its pioneering position in financing the energy transition, the Group is accelerating the number and pace of transformations and readying itself to meet the pressing challenges of water management, the circular economy, protecting and restoring nature.

Thanks to the transformation of its businesses, the Group is poised to seize a myriad of opportunities at a stage when existing clients require increasingly sophisticated solutions in their transition pathways and where new markets and operators are materialising in the economies.

2.4.1 THE ENVIRONMENTAL TRANSITION: ACCELERATING DECARBONISATION AND ACCOMPANYING CLIENTS

For more than 20 years Societe Generale has financed renewable energy and positive impact finance as a founding member of the UNEP-FI Positive Impact Finance initiative. Having built up solid expertise, in 2023 the Bank stepped up measures to progressively align its portfolios, at the heart of which is the Group's support for clients to successfully make the transition to a low-carbon model.

Acutely aware that decarbonising is a global challenge that requires collective action, the Group is working with clients, peers and all its stakeholders to accelerate the transition and contribute to setting new standards.

To promote transparency and accountability, the Group takes part in many sector working groups to advance research and development in sustainable finance and decarbonisation. Through building partnerships and participating in alliances within expert bodies such as the Poseidon Principles, the Hydrogen Council or, more recently, in industries such as steel, aviation and aluminium, the Group aims to work towards the adoption of common standards and comparability between companies.

2.4.1.1 Accelerating decarbonisation

Societe Generale Group takes a proactive approach to decarbonisation. Backed by a capacity for innovation and its teams' industry-specific expertise, the Group is not only a driving force, but also has the ambition to be a leader in the green transition and sustainable development of our economies.

In 2020, Societe Generale co-published with a small group of banks a report on the application of the PACTA (Paris Agreement Capital Transition Assessment) methodology, developed by the 2Degrees Investing Initiative, to the credit portfolios of the banking sector. Societe Generale joined the UNEP-FI's Net Zero Banking Alliance (NZBA) as a founding member in April 2021 and has since undertaken, for the highest carbon emitting sectors defined by the NZBA, to align its financing portfolios with trajectories compatible with the goals of the Paris Agreement based on reference climate scenarios and science-based methodologies. The group has also undertaken to be transparent on the progress of these steps.

The Group's portfolio alignment strategy is based on (i) prioritising reducing its absolute CO_2 footprint in fossil fuels, and (ii) defining a trajectory to reduce the carbon intensity of its portfolios in other sectors.

2023 marked an important milestone with the announcement that the Group intends to accelerate its alignment efforts. Having largely completed its exit from thermal coal (target of zero exposure in 2030 in EU and OECD countries and by 2040 in the rest of the world) and hit its first reduction target ahead of time (-20% by 2025) for exposure to upstream oil and gas, the Group has set new targets aimed at aligning with benchmark 1.5 °C "low overshoot"[(1)] scenarios.

OIL AND GAS TARGETS

The Group announced a sharp acceleration in steps to reduce the Group's exposure to the upstream oil and gas sector: an 80% reduction by 2030 (vs. 2019) with an intermediate target of 50% in 2025 stands out in the global banking world as one of the most ambitious targets.

The Bank has added a new target for a 70% absolute reduction in its carbon footprint across the entire oil and gas value chain by 2030 compared to 2019 levels (from a previous target of -30%). This is twice as ambitious as the IEA's NZE (Net Zero Emissions) scenario.

The Group has also updated its Oil and Gas sector policy in line with the definition of these NZBA trajectories. Societe Generale will no longer provide financing and advisory services for new oil and gas field projects and is withdrawing from financing private pure players in upstream oil and gas. These exposures will be managed in run-off. At the same time, it is strengthening engagement with energy sector clients on their climate strategy.

NEW NZBA TARGETS

Automotive sector: reduce the sector's average carbon emissions intensity (carmakers, on their annual sales and over the vehicle's useful life) to 90g of CO_2 equivalent per km travelled per vehicle by 2030, *vs.* 2021 (184gCO_2eq/v-km), a reduction of 51% in emissions intensity.

Steel sector: achieve a target alignment score of 0 by 2030[(2)], which equates to aligning the portfolio of steel manufacturers with the International Energy Aency's Net Zero Emission (NZE) scenario trajectory.

Cement sector: reduce the carbon intensity of cement manufacture to 535kg of CO_2 equivalent per tonne of cement by 2030, *vs.* 2022 (671kgCO_2eq/t cement), a reduction of 20% in emissions intensity.

Commercial real estate: achieve target carbon intensity of 18kgCO_2eq/sq.m in 2030 (based on the current composition of the Group's portfolio) *vs.* 49kgCO_2eq/sq. m in 2022, a reduction of 63% from 2022 levels.

Aluminium sector: reduce carbon emission intensity by -25% by 2030 vs. 2022, i.e., 6tCO_2 e/t in 2030 vs. 8tCO_2 e/t in 2022.

Maritime transport sector: achieve a Poseidon Principles target alignment score of 15% by 2030, which equates to a -43% reduction of carbon emission intensity (Annual Efficiency Ratio) relative to 2022.

(1) The Group sets the objectives for aligning credit portfolios with the aim to align with reference scenarios striving to limit the temperature increase to +1.5°C compared with the pre-industrial era. These scenarios may allow for an overshoot period during which warming increases above 1.5°C before returning to 1.5°C in 2100. Low overshoot scenarios can allow periods in excess of about 0.1°C for several decades.

(2) As described in Sustainable Steel Principles, the score is an intensity indicator (CO2/t steel).

TARGET FOR POWER GENERATION

The Group maintains its objective of reducing carbon intensity in the electricity generation sector to 125 gCO_2 per kWh by 2030 vs. 221 gCO_2 per kWh in 2019, which equates to a 43% reduction.

Having at this stage set targets for nine sectors, the Group is continuing its work on other sectors, namely aviation, residential real estate and agriculture. In December 2023, the Bank published a "Climate and Alignment Report" (available in English only) outlining the progress of its work as a member of the Net Zero Banking Alliance: *https://www.societegenerale.com/sites/default/files/documents/CSR/climate-and-alignment-report.pdf*

2.4.1.2 Accompanying clients in their environmental transition

Financing clients on their path to decarbonisation is a fundamental imperative that calls for unparalleled levels of investment. The International Energy Agency (IEA) estimates USD 100 trillion is needed in energy alone by 2050. Colossal investment is required to decarbonise our economies, often simultaneously across all value chains – which also calls for collective intelligence and co-construction.

The Group embeds the ESG dimension in the strategy of all its businesses and makes helping clients to achieve the transition a priority.

In a bid to speed up the pace of investment in the development of solutions and innovative partnerships to generate more positive impact, the Group announced in September 2023 that it was launching a EUR 1 billion transition investment fund that includes a EUR 700 million equity investment component. The fund aims to provide support for:

- green technologies and transition drivers;
- impact projects in line with the goal of contributing to the UN Sustainable Development Goals;
- solutions that are nature based and that help preserve biodiversity.

RETHINKING THE BANK'S BUSINESSES

The Group makes ESG a core part of strategy across all its businesses, with each one working on shaping its business model and putting together a range of products and services to meet new client needs.

Bit by bit, the Bank is expanding its offering to meet the requirements of clients of all sizes and to support them in their transition. These offers are available to all Group clients and include not only financing and investment products, but also financial services.

A programme in Global Banking & Investor Solutions aims to upgrade its offering, step up expertise in the teams, and work with clients to build innovative solutions tailored to their transition challenges. Involving more than 400 professionals, the programme promotes cross-sector collaboration to share expertise and develop a broader vision and more comprehensive insight into what clients are grappling with. It also intensifies the focus on new value chains and brings deeper understanding of emerging leaders' business models. In 2023, programme outcomes included a methodology to assess the maturity of clients' transitions with a tool to identify emerging opportunities. Based on a sector analysis and a review of where the client is on the decarbonisation and transition pathway, the tool, which is currently being deployed, flags the opportunities created by the client's transition.

The programme has delivered handsomely with major advisory and financing transactions in the electrical power sector (such as financing for the first cross-border electricity interconnection between Germany and the United Kingdom), the green energy sector (e-fuels in Chile and the US), and in low-carbon hydrogen and rare metals (with the world's most economical and cleanest copper-nickel projects in Australia).

SG, the new retail bank in France, formed from merging the Societe Generale and Crédit du Nord banking networks, is a responsible bank strongly committed to ESG and helping its clients move forward with their transition. CSR is at the very heart of its business model to strengthen the positive and local impact it has on its clients. This is reflected in how the Bank is organised and the appointment of a Chief CSR Officer in each region.

Drawing from its deep pool of talent, the Group is positioned to offer support and expertise in CSR to its clients to shift to a low-carbon economy through partnerships with innovative providers.

2.4.1.3 Building an ecosystem to seed innovation

Societe Generale is developing an ecosystem to seed innovation to grow its businesses and serve its clients. Firm in the knowledge that innovation is central to sustainable finance, the Group promotes the new, supporting cutting-edge companies in business incubators, investing in the champions of the future and cementing partnerships to offer bold and original solutions to its clients. The transition investment fund focused on the transition, nature and impact will further boost this capacity to identify and support innovative players and emerging champions.

The Group has a number of incubators, including the Global Markets Incubator (GMI). The GMI and the Capital Markets Division works with start-ups and entrepreneurs to turn their innovative ideas into market-ready solutions. The Incubator has also upped its support for Fintechs. In 2023, it doubled the number of incubees and accepted the first intake of start-ups focused on sustainability. The ultimate aim is to deliver on its commitments and expand the offering to corporate clients, financial institutions and private investors who stand to benefit from these novel solutions tailored to their ESG objectives. The incubator spurs progress towards tackling sustainability imperatives and rounds out the Group's offering with the products and services developed by the start-ups.

In France, the retail banking incubator for impact start-ups, SG Planète A, continued to scale up. It welcomed its third intake in the Lille-based incubator this year.

By supporting low-carbon champions and new technologies, the Group is breaking new ground. It made major new investments in 2023.

The Bank took a stake in the capital of EIT InnoEnergy. The aim of this strategic partnership is to help new industrial champions grow and to accelerate the energy transition by supporting the current 200 portfolio start-ups, which include names like Verkor, GravitHy, Holosolis and FertigHy. Societe Generale will provide access to its full range of financing and advisory services and to its own ecosystem of clients and investors.

Another key investment in 2023 was in Polestar, the only private debt fund in Europe dedicated to the circular economy. Polestar provides debt finance to innovative mid-sized Dutch companies to build their first recycling plants for organic, plastic, chemical, textile, metal and other forms of waste.

The Group joined the pool of investors in Partech which is launching its first growth impact fund (target: EUR 300 million). The fund plans to invest in around 15 European champions. The objective is to help them scale up innovative climate and social solutions.

Finally, the Group also took a stake in namR, an innovator in making data work for the green transition of buildings and regions, and Quarnot, a pioneer in heat recovery from data centres. These investments are part of the Group's existing policy of forging partnerships with pioneering and innovative players.

2.4.1.4 Help preserve biodiversity

Helping to protect biodiversity is part of the Group's commitment to the environmental transition. A member of the Act4Nature international* alliance, it updated its specific and measurable biodiversity objectives for the Group.

The Group is a member of several international alliances: the Taskforce for Nature-related Financial Disclosures, the Science-Based Targets Network and the Finance for Biodiversity Pledge. This engagement ensures we continuously deepen our understanding of nature-based issues and contribute to enhancing expertise in the area by collaborating on best practices.

In 2023, the Group completed an initial exercise to map the sectors it finances by the severity of their impacts and dependencies. It also developed an indicator of financial vulnerability based on an assessment of nature-based physical and transition risks. Following on from these two exercises, the Group started a process to assess nature-based impacts, dependencies and risks, which will be expanded in the near term. The Group's commitments to biodiversity are also set out in Group sector policies that specify exclusions to protect nature. In addition, a biodiversity component is now part of the client environmental and social assessment. The Group's objective is to have conducted an assessment of all Corporate and Investment Banking clients by the end of 2024. Biodiversity factors have also been added to the E&S Interview Guide for SMEs. And to ensure everyone can put these initiatives to good use, a training programme is available with targeted modules.

Societe Generale champions innovation in this area. One example is the SG incubator's support for REGROW, a start-up working to make agriculture more sustainable and resilient.

Last but not least, nature-based solutions form part of the EUR 1 billion transition investment fund announced in 2023.

Societe Generale was one of the sponsors of the Day of Dialogue on Nature for financial companies organised in 2023 by *Entreprises pour l'Environnement** (EpE), a member of the World Business Council for Sustainable Development global network.

The Group also signed the Ecod'eau* Charter, an initiative to save water aimed at the general public, local authorities, businesses and other organisations.

2.4.2 MAKING A POSITIVE IMPACT ON LOCAL COMMUNITIES

The Group works to effect social and economic transformation at local level by backing SMEs and businesses, financing infrastructure – especially social infrastructure – and the fast-changing mobility business. It also has a social and inclusive offering in France and in other countries where it is present.

2.4.2.1 Supporting local operators, SMEs and entrepreneurs

In France, the new retail bank, SG, with its strong regional footprint, is organised to help its clients in their transitions. The Group offers a comprehensive range of sustainable products, including environmental and social (PES) loans and impact loans. And the SG network goes further, providing clients with a full range of support for CSR, including awareness-raising, advice on various project stages and financial solutions. CSR experts support and assist local teams in the regions and the Bank is also building an ecosystem of partners to supplement its offer.

Offers introduced in France in 2023:

- SG joined forces with NamR, a building data intelligence specialist, to launch "Solar pack" to help corporate clients address the complex energy and environmental issues of our day. This new solution provides a full range of support for solar panel installation from start to finish. Clients can tap into a network of selected partner developers to assess needs, get advice on applying for grants and, where applicable, benefit from an environmental and social loan;
- for individual clients, SG joined with Hello Watt in February 2023 to facilitate home energy upgrades. Again, the aim is to provide a comprehensive package, from energy assessment through to financing the work, tapping into the aids available and getting the right person for the job through a network of accredited tradespeople.

The SG network offers its individual and corporate clients the Carbo calculator to measure their carbon footprint and take action to reduce their CO_2 emissions.

Since its inception in June 2022, the SG Entrepreneurs Tech scheme has provided 450 French companies in France and abroad with more than EUR 200 million in new financing. Focused exclusively on French tech businesses, the programme draws on the expertise available in the Societe Generale Group to offer a suite of services from Retail Banking, Investment Banking and Private Banking to cover the full gamut of business leaders' professional and personal needs.

The range of labelled products was supplemented with a financing product for unlisted companies that are on the transition pathway: a private debt fund launched by Societe Generale Assurances and Tikehau Capital in February 2023. The innovative product allows private investors to invest in SMEs with a regional footprint through this unit-linked product. The companies selected by the fund commit to reducing their greenhouse gas emissions. The finance conditions are adjusted according to the borrower's progress towards achieving the target results.

Societe Generale is also active in the social economy in France and is engaged with local authorities across the 11 regions spanned by the SG network.

In March 2023, the Group took a stake in the Citizen CIS fund marking an important milestone in its commitment to fostering the emergence of projects centred around social and environmental actors as part of an innovative social impact bond programme. The proceeds raised from private investors and the involvement of many stakeholders help channel funds to projects that are closely aligned with the needs of the local areas, which in turn contributes to effective public policy.

Awareness was also an important theme in 2023 as SG ran initiatives to inform individuals and companies and spotlight key issues. In September 2023, Societe Generale organised the second National Photovoltaic Conference – a one-of-a-kind event for small and medium enterprises looking to use solar for some of their energy needs. In November 2023, the Group organised Positive Impact Week, which for the first time featured a series of events in 22 cities in France that attracted more than 1,000 clients.

In Africa, the Group invested in the Afrigreen impact debt fund in 2023 to address the growing demand for financing from African SMEs and mid-caps for the installation of decentralised solar power plants. The capacity to finance small-scale assets in off-grid regions generates a positive impact for these areas.

The Solar Pack offer was launched in April 2023 through two African subsidiaries.

Support for female entrepreneurs is also one of the Group's initiatives. It is a committed and engaged partner of international and local initiatives to empower women in business. Societe Generale took part in Women in Africa 54, a project to offer business training and coaching to women across the African continent. The Africa programme comes under the auspices of the Societe Generale Foundation to support local education and job placement initiatives.

2.4.2.2 Infrastructure financing

Infrastructure financing to promote regional development is one of the key principles of the Group's CSR goals. Societe Generale provides financing that support the economic and social transformation at local level. The Group draws on its acknowledged expertise to provide financing for these projects. Societe Generale was named "Adviser of the Year" by Project Finance International.

Infrastructure financing is crucial to unlock development opportunities in Africa. The Group is active in developing financing arrangements through its expert teams based in Europe and its knowledge of the specific needs of African countries. It works hand-in-hand with local, regional and international financial partners to bring different projects to fruition: environmental (notably access to water), transport (building roads, railways, port facilities, etc.), power generation and distribution, health (financing construction of hospitals) and telecoms, all of which is vital for developing the economy and fostering the social inclusion of local populations. The Bank's work has been recognised with a number of African Awards by EMEA Finance magazine, including Best Foreign Investment Bank and Best Bank for Sustainability in the region. Global Finance also crowned Societe Generale regional winner for sustainable finance in Africa in its 2023 awards classification.

2.4.2.3 At the cutting edge of sustainable mobility

Sustainable mobility solutions contribute to regional development. In 2023, Ayvens announced as part of its PowerUP 2026 strategic plan the objective to cut its fleet's $C0_2$ emissions to 90g/CO_2/km (from 112g/CO_2 /km in 2022). At 31 December 2023, Ayvens achieved a level of 111g/km.

Beyond this decarbonisation strategy, Ayvens is committed to making multimodal transport solutions available for new uses and new mobility needs. Its Mobility-as-a-Service (MaaS) offer aims to provide users with a range of different transport options.

As change disrupts how we use the car, Ayvens launched its MaaS platform, ALD Move, in 2022 with a target of 200,000 active users. The Company innovates constantly to keep up with changing needs. In 2023, it launched the eMSP (electric Mobility Service Provider) joint venture with ChargePoint to provide an EV charging network for clients in public places, chargers for the home and the workplace, as well as reporting tools.

Ayvens teamed up with partners to step up innovations in 2023 with flexible and multimodal solutions for the shift from the car to better, greener mobility (car, public transport, bike, etc.).

At the end of their lease contracts, users can access an online used vehicle resale platform, complete with finance options, extended warranties, handover assistance and management of vehicle registration formalities.

The Group's regional support goals also include financing for soft mobility and transport infrastructure projects.

2.4.2.4 Building a social and inclusive range of products and services

The Group supports young people and offers banking services to ensure they have access to affordable financial products to meet their needs (financial inclusion) and to help those who are financially vulnerable. Micro-finance initiatives are another way the Group works for inclusion.

PRODUCTS AND SERVICES FOR YOUNG PEOPLE

Societe Generale has a range of banking products for young people.

In France, it partners with Bpifrance on student loans for those with no income and nobody to act as guarantor for them. In 2023, the Group distributed a total of EUR 45 million of Bpifrance student loans.

"Boost" offered in partnership with start-up Wizbii, is a set of non-bank services for 16-24 year-olds in France. After being the first bank to launch such a platform in 2019, Societe Generale is the first bank in France to open this service free of charge to all young clients. "Boost" is a digital platform for young people focused on becoming more independent, improving skills and gaining employment. The Group lists all recruitment events organised as part of the initiative to match young people with jobs ("*1 Jeune, 1 Solution*"), which took place for the third time in 2023.

In Africa, the Group is also supporting young people by maintaining local relationships with schools and universities and offers financing solutions for their studies. In this context Societe Generale announced its ambition to double student loans to EUR 100 million in the period 2022–2025 on the basis of the existing 2021 perimeter. For 2023, student loan production totalled EUR 44.5 million.

SOCIAL AND INCLUSIVE FINANCE

The Group offers products and services to promote financial inclusion, prevent over-indebtedness, provide help and assistance to people struggling to manage their finances or who are recognised as being in a precarious financial situation.

The Group's Kapsul inclusive offer was first launched in 2020. Designed to ensure ready and low-cost access to a bank account, Kapsul is intended for clients who want more independence and to better manage their budget. Available online or in-branch, Kapsul accounts cost EUR 2 per month with no income conditions and no other account charges. At the end of 2023, 5,400 clients had signed up for a Kapsul account *vs.* 5,622 at end-2022.

In France, the Group provides a free package of basic banking services. The Généris banking package offers everyday banking products to help people manage their finances for EUR 1 per month, down from EUR 3 previously. At the end of 2023, 58,236 clients had a Généris account *vs.* 55,355 at the end of 2022. Societe Generale is keenly aware of the needs of these particular clients and provides specific budget simulation tools and budget management advice. A range of training programmes are also available for staff to give them the skills they need to serve this client group.

MICROFINANCE

In France the Group has worked in partnership with ADIE (a non-profit promoting the right to economic initiative) since 2006 to support microfinance throughout both metropolitan and overseas France. Credit lines provided in partnership with ADIE totalled EUR 35.9 million at end-2023 *vs.* EUR 18.2 million at the end of 2022.

For almost 20 years, faced with the extent of the need for microfinance and its emergence in Africa, Societe Generale made the decision to support the sector and, through its intermediary, to help boost the local bank penetration rate for local people, micro-enterprises and SMEs with no access to traditional banks. The Group aims to double loans to microfinance organisations by 2025 (compared to 2021). At this stage, the Group has EUR 135 million in commitments, equating to 67% of the target of EUR 200 million by 2025.

2.4.3 BEING A RESPONSIBLE EMPLOYER

Well-being at work, equity, inclusion and professional development are all essential to strengthen employee engagement and boost performance.

Being a responsible employer is a priority in the Group's 2023–2026 Strategic Plan, which sets out its diversity and equity ambitions with the goal of:

- achieving a percentage of women in senior leadership positions of at least 35% by 2026;
- allocating EUR 100 million to reduce the gender pay gap.

In 2023, Societe Generale defined its Responsible Employer strategy, one of the pillars of the Group's CSR strategy. It includes three key objectives:

1. ensure that each employee has the opportunity to realise their full potential by offering:
   - a rich and varied array of training options with a firm emphasis on a core programme of CSR, digital transformation and innovation modules to quickly ramp up skills across the Group's talent pool so that employees can play a pivotal role in the Bank's CSR transformation;
   - tailored career and skills management policy to offer each and every one of our staff the right opportunities to improve their profile, increase the internal mobility rate and control staff turnover. The Group offers reskilling programmes for employees to facilitate them to move into new positions in the Group in growth areas or where there is a skills shortage.
2. offer a satisfying, fulfilling and efficient workplace to attract and retain talent:
   - from remote working arrangements to the many employee benefits, the ultimate aim is to emphasise the well-being and working conditions of our staff, wherever they work in the Group;
   - the Diversity, Equity & Inclusion policy helps create an environment that respects individual differences. The Group's commitments include eliminating discrimination (including on the basis of disability) and it is taking steps to eliminate the gender pay gap and increase the percentage of women in senior leadership positions.
3. promote employee engagement by strengthening the culture of dialogue (speaking out and listening) or bringing staff on board with solidarity initiatives.

2.4.4 ANCHORING A CULTURE OF RESPONSIBILITY

Ethics and conduct

The Group’s Code of Code describes its commitments to all stakeholders (clients, employees, investors, suppliers, supervisory bodies, the general public and civil society), as well as the principles underpinning the individual and collective behaviour it expects. The Group's approach to ethics and conduct is founded on its values: team spirit, innovation, responsibility and engagement. The Code of Conduct refers directly to the whistleblowing procedure which forms part of the mechanism to combat inappropriate behaviours.

Culture and Conduct is the joint responsibility of Compliance and Human Resources and a central part of Group governance. A Culture and Conduct report is submitted to General Management and the Board of Directors on an annual basis. Since June 2023, Culture and Conduct have been an agenda item on a quaterly basis for the Executive Committee Meetings.

In 2023, Societe Generale distributed a Speak-up framework document to all staff, together with information on how to learn more (workshops, training for Culture and Conduct correspondants, etc.).

Each year, a training programme around the Code of Conduct has been rolled out to all employees in all countries in which Societe Generale operates. In 2023, this training was further strengthened with a new Ethics and Conduct component (see chapter 5 “Rolling out a Code of Conduct underpinned by shared values and human rights”, page 332).

Incorporating CSR at the highest level of governance

Maintaining high standards of governance by fostering a culture of responsibility is a priority of the Group’s CSR strategy. In a competitive and rapidly-changing banking ecosystem, Societe Generale has long been working to bolster its culture, based on its values, its Code of Conduct and its Leadership Model. The Group has set ethical principles and ensures they are adhered to by each and every employee. By complying with ethics regulations and obligations and implementing its own commitments, Societe Generale intends to take practical steps and anchor a position of responsibility.

Managing ESG risks is addressed at the highest level of Group governance. The Board of Directors approves the CSR strategy based on General Management’s recommendations. It oversees implementation of the strategy through specialist Committees tasked with working on specific ESG topics within their area of competence. The Board is assisted in this work by a non-voting Director with a mandate across the full range of ESG matters and whose term runs to May 2025: this director has a particular expertise in the challenges of the environmental transition.

The ESG criteria taken into account to determine executive remuneration are decided every year by the Board of Directors. Stricter criteria were applied this year (see Chapter 3, page 114).

Within General Management, a Deputy General Manager supervises the full range of ESG matters and their implementation by Group businesses. The Sustainable Development Department reports directly to General Management. Implementation of the Group’s climate strategy is overseen by a number of supervisory Committees (including the Responsible Commitments Committee and the Group Risk Committee), chaired by General Management. The Group set up two new Committees in 2023, the Group Client Acceptance Committee, and the Complex Transactions and Reputation Committee, tasked with decisions on client relations and transactions that involve certain risk or complexity criteria, with a remit that includes addressing ESG factors (see chapter 5 "Incorporating CSR at the highest level of governance", page 328).

Embedding an ESG culture across the Group

Making ESG an integral part of the strategic roadmaps for all Group businesses is now well established under the “Building together” programme. In 2023, the Group put together an ESG maturity matrix tailored to all its Business Units and Service Units. The tool is designed to assist them to manage their ESG transformation guided by six key priorities to align with the Group’s overall ESG goals.

Nurturing an ESG culture requires an extensive training and awareness drive. Societe Generale is currently rolling out a vast CSR training plan to embed cultural change aimed at all personnel. The plan includes support tailored to five levels from “Basic” to “Expert” and spans a full range of subjects, including climate change, managing environmental and social risks, sustainable finance, the circular economy and more. Furthermore, the Group is committed to the large-scale roll-out of Climate Fresque workshops and aims to have trained 30% of staff by the end of 2024. Over 25% of staff had completed the training course at the end of 2023, with the percentage reaching 95% for Group Ambassadors (the top 1,400 managers in the Group).

The CSR Reskilling programme is an example of how the Group is giving employees keen to move to new positions access to deeper insights and training to facilitate them to change career or to acquire the type of specialist ESG skills now in demand for an increasing number of positions. The Reskilling initiative is another plank in the overall culture-change approach and part of the Group’s career management policy.

Lastly, the Group also organised a series of talks with keynote presentations on central transition topics.

Responsible finance and commitments

Responsible finance goes beyond compliance with laws and regulations. This is why Societe Generale Group incorporates voluntary commitments into its ethical reference framework. These commitments have a dual purpose. First, they aim to limit all our potential direct negative environmental and social impacts. Second, they help to encourage transactions and clients with a positive impact for sustainable development.

The Group is determined to meet and manage its commitments, providing full transparency. It contributes to setting standards and methodologies for financial institutions.

The Group’s Environmental and Social (E&S) Principles and sector-wide policies provide an overall framework to ensure respect for fundamental human rights and the environment. These policies and principles implement standards applicable throughout the Group for 10 sectors. In 2023, three sector policies were updated to reflect and set out in greater detail the operational implications of the new alignment targets defined during the year.

ESG by design programme

The ESG by Design programme launched at the end of 2022 to further the Group's transformation is making progress with its roadmap. The main Programme objectives are to:

- implement ESG objectives in all Group operations and make ESG even more central to internal processes;
- ensure the Group complies with its regulatory obligations and fulfils its voluntary commitments by developing the methods, processes and tools needed to manage them, with a focus on incorporating climate and environmental risks in the Group's risk management;
- optimise operational efficiency by scaling up ESG processes and building the infrastructure from ESG data capture to client and transaction assessment to reporting.

Changes delivered by the Programme in 2023 led to (i) improvements to financial security tools with functions to handle exclusions or ESG controversies, which should see the processes deployed in 2024; (ii) the definition of a standard process at Group level for analysing a corporate client's ESG risks; (iii) the addition of an ESG rating (Corporate Climate Vulnerability Indicator v.2) to the credit rating tool to assess a company's vulnerability to climate transition risk; (iv) operational implementation of portfolio alignment decisions by updating origination guidelines and setting up a monitoring system. The programme also strengthens the process of producing internal management indicators and external ESG reporting. In addition, the Group upgraded data collection, reference documents and its information systems.

To ensure a coordination and cross-functioning across the Group the Programme works with the Finance Department on the forthcoming Corporate Sustainability Reporting Directive (CSRD): a project manager was appointed to lead this work, under the sponsorship of the Finance Department.

Societe Generale Foundation

For 2023, the Group also announced it was stepping up its philanthropic work: it increased the Societe Generale Foundation's budget giving it more scope to support culture, education and improving access to employment. Through a new large-scale partnership agreed with The Ocean Cleanup, the Group will work towards protecting the oceans to help rid them of plastic pollution.

2.4.5 ACTING AS A RESPONSIBLE BUSINESS

Reducing the carbon footprint of the Group's activities

The Group is committed to cutting its own carbon emissions by 50% in the period 2019 to 2030 by focusing on the energy required for its premises, IT, air travel and its fleet of cars. At the end of 2023, the Group was on course to achieve the target with a reduction of 34% from 2019 levels. Over several years, the Group has been increasing the share of renewable electricity in its total energy consumption through Guarantees of Origin and Power Purchase Agreements (PPA), which cover all the Group's corporate centre buildings and the SG network in France. The share of green energy in Group electricity consumption was 68% in 2023. Beyond energy supply, the Real Estate Division is working with all sites in France and abroad to improve the Group's building energy efficiency and successfully obtained building environmental performance certifications, including BREEAM and HQE.

At end-2023, the Group was pushing further ahead with its commitment to rid the workplace of single-use plastics, targeting a total ban by end-2025. At the end of 2023, major headway in the initiative was achieved in France.

Responsible sourcing

The Sourcing Function integrates ESG elements into how it fulfils its role. Societe Generale's responsible sourcing policy has been bolstered in recent years to consistently take environmental and social factors into account in procurement. In 2022, the French National Ombudsman (*Médiation des entreprises*) and National Procurement Council (*Conseil national des achats*) renewed the Group's Responsible Sourcing and Supplier Relations certification for three years. Furthermore, the Group also achieved its target in 2023 for expenditure in the SSE (Social and Solidarity Economy) for EUR 14 million.

External recognition

Societe Generale Group has won a raft of plaudits for its ESG commitments and sustainable finance. In 2023 Societe Generale was awarded "Bank for Sustainability" by the International Financial Review (IFR). In a back-to-back win in 2023, Societe Generale was acclaimed by Euromoney for having the World's Best Bank Transition Strategy and by Global Finance as the Best Investment Bank for Sustainable Financing. It was also awarded the distinction of Best SME Bank in Africa by Global Finance.

In France, Societe Generale is accredited by *"Engagement Jeunes"* for its commitment to young people.

On the real estate side, Sogeprom, the Group's real estate development subsidiary, was named by *Grand Paris Aménagement*, a public development grouping for the greater Paris region, as the developer with the best CSR offering and the best response to tackling CSR challenges.

Boursorama was certified a B Corp in March 2023. This certification attests that Boursorama meets the B Lab® independent body's stringent standards in terms of social and environmental impact, transparency and responsibility. Committed to pursuing its CSR approach, BoursoBank intends to simplify banking, give its clients more spending power and take an active and responsible part in their environmental transition.

Group's extra-financial ratings

Societe Generale's commitment to sustainability is recognised by extra-financial ratings agencies. The Group again rated highly in 2023 across the board and across the three Environmental, Social and Governance segments, reflecting the depth of its commitment and the quality of its actions to promote sustainability.

Extra-financial ratings agency Sustainalytics upped the Group's rating this year to 19.6, placing the Group in the "Low Risk" category defined by the agency.

2.5 SIGNIFICANT NEW PRODUCTS OR SERVICES

2.5.1 SOCIETE GENERALE ASSURANCES AND TIKEHAU CAPITAL LAUNCH AN INNOVATIVE INVESTMENT SOLUTION CONTRIBUTING TO THE REDUCTION OF GREENHOUSE GAS EMISSIONS

Press release, 7 February 2023

Societe Generale Assurances and Tikehau Capital, alternative asset manager, announce a partnership for the launch of SG Tikehau Dette Privée. This unit-linked support, unprecedented on the French market, offers individual investors the opportunity to finance selected French and European unlisted companies while supporting the reduction of their greenhouse gas emissions.

An alternative source of financing to traditional bank loans and bond issuances on the financial markets, private debt is a source of financing increasingly used by unlisted companies to support their growth. Initially reserved for institutional investors, this investment strategy is now accessible to individual investors through this innovative support.

The support makes it possible to invest in the debt of French and European SMEs and medium-sized companies with a strong territorial footprint, to support them in their development (growth, acquisition, international deployment, etc.).

By only financing companies making a commitment to reduce their greenhouse gas emissions, SG Tikehau Dette Privée presents an ambitious low-carbon strategy, aligned with the objectives set by the Paris Climate Agreement(1).

In addition, in order to have a concrete influence on the environmental policy of companies:

- each financed company must commit to a decarbonisation trajectory based on the SBTi(2) reference methodology proposing a concrete application of the Paris Agreement.

Throughout the financing period, an independent audit will annually assess compliance with this trajectory and, depending on the results, will adjust the financing conditions granted to the Company.

Distributed today by Societe Generale Private Banking France, this Article 8 Unit of Account (SFDR)(3) will be available for 24 months on Life Insurance policies insured by Societe Generale Assurances. SG Tikehau Dette Privée is an FCPR(4) offering easy access to institutional quality assets from EUR 5,000 with a risk level of 4 out of 7 (SRI(5)). Its lifespan is ten years, but the capital invested in unit-linked support is available at any time thanks to liquidity provided by Societe Generale Assurances.

“We are very pleased with this partnership with Societe Generale, which underlines our pioneering position in private debt and sustainable financing. It is essential that the asset management sector plays its role in directing French savings towards the financing of companies and the real economy. Contributing to the achievement of the objectives set by the Paris Agreement is a priority of our roadmap: it is important for Tikehau Capital to take part in the launch of innovative solutions promoting the reduction of greenhouse gas emissions by companies while providing them with financing to support their growth” says Antoine Flamarion, co-founder of Tikehau Capital.

“Relying on the expertise of Tikehau Capital, Societe Generale Assurances continues to enrich its savings offer. This innovative and liquid investment solution will allow our clients to invest in a selection of around fifty companies and marks a new stage in our desire to democratise access to real assets. The launch of this unique support is, moreover, a new illustration of our desire to take concrete action in favor of ecological transition and regional development. Our development ambitions are strong, given the resolutely committed positioning of this offer in favor of reducing greenhouse gas emissions” adds Philippe Perret, Chief Executive Officer of Societe Generale Assurances.

(1) International treaty on climate change mitigation and adaptation aimed at limiting global warming to below 2 °C, preferably 1.5 °C, above pre-industrial levels.
(2) Science-Based Target initiative (SBTi) is aimed at companies and has set itself the objective of piloting “ambitious climate action” by offering them to make their transition to a low-carbon economy a competitive advantage.
(3) The support promotes environmental and social characteristics (“Article 8”) within the meaning of European Regulation (EU) 2019/2088 known as Sustainable Finance Disclosure (SFDR).
(4) Mutual Fund for Risk Investment managed by Tikehau Investment Management, a management company of the Tikehau Capital group, and exclusively accessible within Unit-Linked (UC) life insurance policies.
(5) Synthetic Risk Indicator.

2.5.2 SG TEAMS UP WITH HELLO WATT TO FACILITATE THE ENERGY RENOVATION OF ITS CUSTOMERS' HOMES

Press release, 13 February 2023

To meet the support and financing needs of its individual customers, SG is launching a new system, in partnership with Hello Watt[(1)], to facilitate the energy renovation of their property.

SG has partnered with Hello Watt to develop end-to-end, free support, from the study of the energy project to the financing of the works, including the management of aid as well as the carrying out of the works with a network of certified artisans.

Customers can thus, through their SG adviser or directly on the SG x Hello Watt platform, be put in touch with a Hello Watt renovation expert to:

- receive a technical and economic study identifying the relevant renovation works for their accommodation, their sizing and their profitability;
- benefit from a network of certified and audited professionals to carry out the work;
- entrust the management of State premiums and administrative procedures to this expert;
- and monitor the reduction of their post-work energy consumption directly in the Hello Watt application.

At the same time, the SG advisor offers its clients green financing solutions such as the Expresso Développement Durable loan. This is a reduced rate loan, simple, fast and scalable, to finance work promoting energy savings in their main, secondary or rental residence.

"Thanks to this partnership with Hello Watt, we offer individuals an innovative and integrated offer for the energy renovation of housing, complementary to our financing offers. SG thus confirms its ambition to support the ecological transition and the sustainable development of its customers and regions" says Véronique Loctin, CSR Director of the SG network in France.

"We are delighted to be able to provide SG customers with all of Hello Watt's expertise in energy renovation and self-consumption solar, in a context where energy prices will continue to rise sharply, and where colander energy sources are gradually becoming prohibited for rental" adds Sylvain Le Falher, Co-founder and CEO of Hello Watt.

2.5.3 CASH SERVICES, THE NEW ATM SERVICE BRAND

Press release, 15 February 2023

At the end of 2023, BNP Paribas, Crédit Mutuel Alliance Fédérale and Societe Generale will launch Cash Services, a complete range of local banking services common to the four banking brands: BNP Paribas, Crédit Mutuel, CIC and SG.

This ATM modernisation and pooling project will be operated by 2SF (Société des Services Fiduciaires), the new company common to these banking groups.

Cash Services will be gradually rolled out to all ATMs from Q4 2023 until the end of 2025, whether they are located in bank branches or in other public spaces (shopping centres, train stations, etc.).

Cash Services will be a service brand specific to ATMs and easily identifiable for customers of the four brands.

Cash Services will guarantee all customers of partner banking brands free access to an expanded range of services to meet four objectives:

- considerably strengthen the local offer for customers of the four brands (up to three times) while maintaining the environment and all the services of their bank: the possibility of withdrawing or depositing banknotes and coins, to deposit checks, to consult its balance or to publish an original bank account certificate, etc.;
- sustainably perpetuate the self-service banking to which the French are attached, in both urban and rural areas; testifying to the territorial and relational commitment of the four participating brands;
- respond to the new expectations and new needs of individual, professional and corporate customers, in particular through the modernisation of the ATM;
- reduce the environmental footprint of automats thanks to the optimisations carried out on the geographical locations of automats, particularly in urban centers or with latest generation equipment that consumes less energy.

Key items:

- a unique alliance for the vitality of all territories, rural and urban;
- a large-scale ATM modernisation project serving the customers of four major brands;
- 1st project in France of this scale – between three major French banking groups;
- 99% of the metropolitan population has a "cash withdrawal" service less than 15 minutes away by car.

(1) Specialist in energy renovation, member of the French Tech Green20 program and supported by the Ministry of Ecological Transition.

2.5.4 CITIZEN CAPITAL AND SB FACTORY LAUNCH CITIZEN CIS, THE FIRST INDEPENDENT IMPACT CONTRACT FUND

Press release, 14 March 2023

Impact investment pioneer Citizen Capital is partnering with SB Factory, an expert firm in social innovation, to finance innovative projects led by social and environmental operators, as part of the innovative impact contracts scheme. The fund, endowed with EUR 14 million, is subscribed by the European Investment Fund and SG as well as several foundations, families and private individuals.

The Impact Contract is a partnership between the public and private sectors designed to finance social and environmental projects that respond to a public policy issue such as mental health, sustainable integration into employment to combat recidivism, food waste or waste management, etc. Thanks to the raising of private funds and the involvement of multiple stakeholders, these contracts allow the large-scale development of solutions as close as possible to the needs of the territories, which can contribute to improve public policies.

AN APPROACH FOCUSED ON AVOIDED COSTS TO THE COMMUNITY

Currently endowed with EUR 14 million, Citizen CIS will finance projects labeled by the State aiming at predefined impact objectives and measured by an independent evaluator, on the following three themes: Equal opportunities with the Ministry of the Economy, Innovation for employment with the Ministry of Labour and Circular Economy with Adème.

This new funding channel allows the State to develop an approach focused on results and avoided costs for the community rather than on means. The Citizen CIS fund will increase the social and environmental impact of around ten projects through unit investments of up to EUR 1.5 million.

"The fund offers subscribers the opportunity to participate in very high-impact projects in a logic of capital preservation. By benefiting from the reimbursement of their investment, subscribers will be able to reinvest in another project and thus multiply the impact of the euro invested. It is a new path between philanthropy and traditional investment," explains Laurence Méhaignerie, President of Citizen Capital.

The CIS fund is the sixth fund managed by Citizen Capital, whose "pioneering" mission since 2008 is to finance and support projects with a strong social or environmental impact. The co-founders of SB Factory, Pauline Heuzé and Marion de la Patellière stress that "Impact Contracts create a unique space for exchange between project leaders, financiers, public payers and evaluators, they are an accelerator of innovation for the public authorities".

POOLING THE BEST SKILLS TO SOLVE SOCIETAL PROBLEMS

Citizen CIS is subscribed by a dozen financiers, including the European Investment Fund, SG, the Nexity Foundation, the Indosuez Foundation and the Sycamore Foundation as well as several families and entrepreneurs, including Cédric Sellin, entrepreneur and investor, who considers that "The CIS fund has the very rare opportunity to invent a new partnership model between social and environmental operators, the public sector and the investment world. Its success will be an opportunity to pool the best skills of each actor to solve large-scale societal problems. For me, investing is a risk worth it in the hope of a better world for future generations."

"For 25 years, we have been supporting social economy actors who act directly in the territories. Our investment in the Citizen CIS fund is an important step in our commitment. We are convinced that impact contracts are an effective lever for public transformation. This fund is thus a formidable accelerator of initiatives with impact on the ground," explains Marie-Christine Ducholet, Director of the SG network in France.

2.5.5 SOCIETE GENERALE PARTNERS WITH WORLD-LEADING START-UPS TO BOOST SUSTAINABLE AND POSITIVE IMPACT FINANCE

Press release, 4 April 2023

Eleven new Sustainability-focused start-ups joined Societe Generale's flagship Global Markets Incubator (GMI) dedicated to developing ground-breaking solutions for the financial industry. From a selection pool of over 140 applicants, these start-ups are addressing some of the finance industry's biggest ESG concerns, including carbon emissions quantification, impact tracking and measurement, Voluntary Carbon Markets (VCM) and Biodiversity.

Hacina Py, Group Chief Sustainable Officer, explains: "We are proud to welcome within our GMI's programme these promising start-ups focused on positive impact, which is at the heart of Societe Generale's ambitions. This cohort reflects the importance of innovation as a leverage for sustainable finance to the benefits of our business and our clients."

Aspiration, Emmi, BeZero Carbon, Enmacc, Regrow, Net Purpose, Simpl, Greenscope, YvesBlue, Arboretica and allcolibri will participate in a six-month programme to rapidly advance, test, deploy and expose their products and services to Societe Generale's business environment. The Bank initially launched the GMI programme in 2018 to boost start-ups collaborations, mix expertise and deliver innovative solutions to capital markets.

This year, the Group doubled the number of participants and welcomed its first Sustainability-focused cohort, in support of its offering for corporate, financial institution and private investor clients, who will benefit from innovative solutions adapted to their ESG goals.

Isabelle Millat, Head of Sustainability for Global Markets, adds: "In the global markets industry, innovation is crucial to offer new solutions to our clients, customised to their needs that evolve very quickly, specifically regarding ESG concerns. GMI is a powerful accelerator to answer these needs."

Following the programme, successful companies will see their solutions implemented across the bank or exposed to clients, as Societe Generale supports them on their path to growth. Partnerships with upcoming start-ups provide an exciting opportunity to collaborate in effective ways to support positive impact finance in these key areas:

FINANCIAL CARBON METRICS

Corporate carbon footprint is currently at the heart of investment decisions. A growing number of companies now reports their greenhouse gas (GHG) emissions and assesses their contribution to climate change risks. Data remain still often complex, non-standardised or incomplete data, and Societe Generale's role is to help investors evaluate the progress that companies make to achieve carbon emissions reduction and deliver an impact.

- With Emmi.

VOLUNTARY CARBON MARKETS (VCM)

The Voluntary Carbon Market (VCM) is gaining importance in the transition to net zero to offset non-abatable emissions by offering for example opportunities to develop nature-based solutions projects. The market, however, faces several challenges, like certification methodologies, liquidity and price transparency. Some project developers also still lack access to finance due to market opacity and a low investor risk appetite.

- With Aspiration, BeZero Carbon, Enmacc.

IMPACT INVESTING AND FINANCING

The search for positive social and environmental impacts is at the heart of the decisions of a growing number of investors or lenders, who aim to accelerate the transition of companies.

Leveraging its own deep sectorial expertise, Societe Generale has strong expectation from these collaborations to allow rapid progress in the areas of risk management, analytics, insights generation and distribution, across all asset classes in listed and private markets.

- With Net Purpose, Simpl, Greenscope, YvesBlue, Arboretica, allcolibri.

BIODIVERSITY

While net zero commitments represent a big step forward in the decarbonation trajectories, it is also important to bear in mind the major challenges of preserving biodiversity and ecosystems. Societe Generale can take concrete actions in favour of biodiversity through dedicated banking solutions and looks to further develop its offering by proposing innovative services.

- With Regrow.

Antoine Connault, Head of Global Markets Incubator, explains: "Whether the challenge is climate change, positive impact or governance-related matters, the GMI's programme offers a very exciting opportunity to work with top-of-the-class companies and develop out-of-the-box thinking. We look forward to building strong partnerships through the programme!"

2.5.6 SOCIETE GENERALE AND LEMONWAY ARE PARTNERING TO SUPPORT THE GROWTH OF B2B MARKETPLACES OF EUROPEAN LARGE CORPORATES

Press release, 11 April 2023

Societe Generale, one of the leading European banking groups, and Lemonway, a cross-European payment institution licensed by the ACPR, are signing off a commercial agreement to provide payment services to large West European Corporates that launch their B2B marketplaces. Those two key actors with complementary approaches commit themselves to serve a fast-growing market with requirement not yet fully covered.

Numerous companies accelerate their digital transformation, becoming crucial to satisfy customer needs and ensuring their B2B revenue growth. In this context, the launch of B2B marketplace allows to improve the payment experience, to sustain globalisation, to create value and optimise the commercialisation and distribution of e-commerce.

Societe Generale keeps on supporting its clients in their digital transformation by associating with Lemonway. As an expert in this sector, Lemonway proposes a modular and turnkey solution for their B2B marketplaces. It includes payment solutions and other strategic services such as identity check, payment account opening and monitoring flows for beneficiaries. Thus, B2B marketplaces actors will be able to manage complex transaction flows, applying with highest regulatory standard. The technical implementation of this partnership will be soon effective in eight European countries (France, Italy, Spain, Belgium, Netherlands, United Kingdom, Switzerland and Germany).

This innovating partnership uses Lemonway expertise concerning third party account payment, combined with the strength and security of Societe Generale in terms of cash management.

Trustful banking partner for its clients' growth, Societe Generale completes its e-commerce panel of solutions, through investments or active partnerships. Lemonway consolidates its position towards western european large corporates.

"Societe Generale is proud to announce its commercial partnership with Lemonway, whose expertise and tailor-made approach perfectly match with our DNA. This partnership enables us to accompany their clients in their digital transformation by proposing payment solutions always more comprehensive and innovating, in adequation with large corporates specific needs for their B2B marketplaces. It illustrates the Societe Generale long-time strategy to cooperate with fintechs to innovate to serve our clients" – Alexandre Maymat, Head of Global Transaction and Payment Services at Societe Generale.

"Lemonway is proud of associating with an international bank like Societe Generale. Its service-oriented approach for corporates combined with our payment expertise for third party payments perfectly matches with fast-growing market needs. Together we propose to B2B marketplaces a secured and compliant payment experience that enables our clients to accelerate their development" – Antoine Orsini, Chief Executive Officer at Lemonway.

2.5.7 SG LAUNCHES THE SOLAR PACK TO SUPPORT ITS CORPORATE AND INSTITUTIONAL CUSTOMERS FROM END TO END IN THE INSTALLATION OF PHOTOVOLTAIC PANELS

Press release, 27 April 2023

To meet the economic and environmental challenges of companies, associations and local authorities customers, SG Bank is launching the Solar Pack: a solution for the installation of photovoltaic panels. The customer, accompanied by the diagnosis to the realisation of his project, can thus use or resell the electricity generated.

As a partner in its clients' energy transition, the Bank offered them a solution to measure their carbon footprint in 2022. Today, with the Solar Pack, SG supports them in the installation of photovoltaic panels and advises them throughout the duration of the project:

- the Bank identifies the need and estimates the feasibility of the project. Thus, the project managers will use a new tool, resulting from the partnership between SG and namR, a startup specialised in the production of data on buildings and their environment. The tool is based on enriched, precise and usable data (concerning the terrain, the sunshine rate, the materials, the building, etc.) to provide an overall and realistic vision of the project;
- in order to carry out an in-depth study, SG puts the client in touch with partners, selected after a rigorous process, recognised for their expertise and the quality of their services: Apex Energies, Legendre Energie and Sunopée (Léon Grosse Énergies Renouvelables);
- finally, the SG project manager can offer an Environmental and Social loan to finance the implementation of the operation.

The Solar Pack, which embodies one of the Bank's ambitions to support the ecological transition of regions and their ecosystems, allows customers to act on:

- the reduction of the carbon footprint related to the electricity consumption of their buildings, which is in line with the objectives of the NLCS (National Low Carbon Strategy);
- the valuation of their real estate assets;
- securing part of their energy bill thanks to the two possible valuations of photovoltaic electricity: total or partial self-consumption, or injection into the grid to resell their production;
- the compliance of their buildings with all the regulations in force (Tertiary Decree, etc.).

"In line with the ambition of SG, the Solar Pack responds responsibly and innovatively to the expectations of our companies, associations and local authorities customers, who want concrete support in their environmental issues. Thanks to the expertise of our partners, recognised in the field of solar and data, we advise our clients in their CSR approach and the implementation of their energy transition projects," says Véronique Loctin, CSR Director of the SG Network in France.

2.5.8 FRANFINANCE LAUNCHES FRANFIPAY, AN INNOVATIVE MEDIUM TERM CREDIT OFFER THROUGH E-COMMERCE CHANNELS

Press release, 8 June 2023

In order to meet the new challenges of e-commerce, Franfinance, a specialist consumer credit subsidiary of Societe Generale, announces the launch of Franfipay, an innovative fully digital and secure financing solution, accessible by individuals via the site of merchant partners from Franfinance. Franfipay is now one of the fastest solutions on the market for financing online purchases over a period of up to 60 months and for amounts from EUR 100 to EUR 30,000.

Long-term financing, the key to the continued development of e-commerce

In its 2022 e-commerce report, the FEVAD (Federation of e-commerce and distance selling) reveals that more than 10,000 merchant sites were created in 2022. The study also indicates that the number of transactions carried out on the internet and the price of the average basket spent online increased by 6.5% and 6.9% respectively compared to 2021. "Consumers expect from e-commerce the same financing facilities as those available in stores for capital goods (large household appliances, home improvement, etc.). Long-term financing is the *sine qua non* condition for the continued development of e-commerce. Our new Franfipay long-term financing offer is the ideal response to this challenge because it allows e-merchants to offer assigned credit from their website, which meets the strictest regulatory requirements, with remote subscription, to enable their customers to finance their purchases online", explains Frédéric Jacob-Peron, Managing Director of Franfinance.

FRANFIPAY, AN INNOVATIVE FINANCING SOLUTION TO INCREASE THE CONVERSION RATE OF ONLINE SALES

With the ambition of becoming the benchmark for long-term e-commerce credit, Franfinance provides Franfipay e-merchants with all the tools to enable them to offer financing adapted to the baskets of their customers:

- payment facilities in three and four instalments free of charge, for amounts less than EUR 4,000, with implementation in the customer journey of e-commerce sites simplified thanks to the use of API-type technologies;
- a long term credit offer with financing for online purchases over a period of more than four months and up to 60 months; and for amounts from EUR 1,000 to EUR 30,000. Subscription is done in a few minutes and consumers will be able to receive a firm and definitive answer within a short time (on average within 24 working hours and within a maximum of 48 hours). The entire course is completely dematerialised and completely secure.

Co-constructed with Franfinance partners and compatible with all e-commerce sites, Franfipay limits the risk of fraud (in particular through the use of facial recognition) and also the risk of non-payment.

Finally, the installation of the solution is quick, the simple customer journey adapts to the colors of the merchant site to preserve the customer experience.

This initiative is part of a broader strategy of the Societe Generale Group to build a complete and innovative offer for e-merchants.

2.5.9 SOCIETE GENERALE TAKES A PARTICIPATION IN POLESTAR CAPITAL CIRCULAR DEBT FUND TO ACCELERATE ITS SUPPORT TO THE CIRCULAR ECONOMY

Press release, 29 June 2023

Polestar Capital announces the acquisition of a stake by Societe Generale Amsterdam in Polestar Capital Circular Debt Fund, the sole debt fund in Europe dedicated to the circular economy. This participation and related commercial partnership will support innovation and help scale up circular economy projects and solutions.

The Polestar Capital Circular Debt Fund (PCDF), launched in 2022 and based in the Netherlands, provides non-dilutive funding to companies with circular economy principles at their core. It targets fast-growing markets addressed by circular models in areas such as biomass waste, biomolecules, plastics pollution processing, and sustainable construction and man-built environment.

Financing circular economy projects, though urgently required, remains a challenge because of applicable regulation, exposure to new technologies and new markets, and the relatively small scale of investments. This partnership aims to establish a continuity of financing solutions for circular ventures, with a first level of debt support provided by PCDF early on and a smooth transition to Societe Generale for their next stages of development.

Marie-Aimée Boury, Head of Impact Based Finance at Societe Generale Corporate & Investment Banking says: "Supporting the circular economy is crucial in the fight against climate change and biodiversity loss. It also builds long term resilience and cost-effectiveness into our clients' business models and across their value chains. We're very happy to partner with Polestar Capital whose expertise will accelerate our involvement in this new market segment and support our clients in their positive impact transformation."

Jan-Willem König, CEO of Polestar Capital adds: "The fund finances innovative circular breakthrough technologies that require relatively large sums of capital and that take time to realise positive cashflows. Financing such companies is complex within the context of traditional credit processes and banking regulations. In the meantime, we don't have the luxury to be patient in scaling sustainable circular technologies, as we need to reduce our emissions and pollution rather sooner than later.

We are therefore very pleased with the combined investment of Societe Generale in the fund, as well our partnership for the mutual financing of the further upscaling of circular innovators. This combination allows us to already support circular companies in a phase not yet suitable for traditional bank financing, but also connects the borrowers of the fund with a partner that may finance the roll-out of their circular technology. We believe the partnership is an important step for the further acceleration of the transition to a circular economy, in the Netherlands and beyond."

2.5.10 SOCIETE GENERALE AND BROOKFIELD PARTNER TO LAUNCH A EUR 10 BILLION PRIVATE DEBT FUND

Press release, 11 September 2023

Global partnership brings large-scale private capital to investment grade market while giving investors access to high quality real asset credit opportunities.

Societe Generale and Brookfield Asset Management today announced a strategic partnership to originate and distribute high-quality private credit investments through a private investment grade debt fund. The initial fund is targeting a total of EUR 10 billion over the next four years and will launch with EUR 2.5 billion of seed funding at inception.

The fully integrated vehicle with origination and distribution capabilities, will provide issuers with tailored investment grade financing options and investors with differentiated high-quality investment opportunities. In particular, the fund is expected to meet the needs of insurance companies with investment-grade products tailored to meet their ratings and duration requirements.

Founded on a strong and long-standing relationship between Societe Generale and Brookfield, the partnership will leverage both companies' origination capabilities, deep operating expertise, and real asset knowledge, as well as strong institutional relationships to bring additional value to their respective clients and shareholders. It will also allow Societe Generale and Brookfield to significantly increase their footprint in financing the global economy over time by providing large scale commitments with differentiated forms of capital.

Slawomir Krupa, CEO of Societe Generale, said: "We are delighted by this partnership, which provides an entirely new answer to the growing demand for private debt and will have a positive impact on the real economy while simultaneously scaling up Societe Generale's origination and distribution capabilities. This pioneering approach represents a unique alignment of interests between two leading players in their respective fields."

Bruce Flatt, CEO of Brookfield, commented: "We're excited to bring our own capital and our institutional client capital to unlock a tremendous opportunity within the investment grade market to support critical industries that underpin the global economy. We look forward to being a partner of choice for borrowers looking for bespoke scale capital and to institutions seeking exposure to investment grade private credit."

The seed fund will focus on two strategies: one for real assets credit across the power, renewables, data, midstream and transportation sectors, and another one for fund finance. The partnership is expected to develop over time across strategies and investment structures, leveraging Societe Generale's and Brookfield's wide origination capabilities and deep relationships with institutional investors as well as insurance and credit syndication clients.

2.5.11 SOCIETE GENERALE AND EIT INNOENERGY JOIN FORCES TO ACCELERATE THE SUCCESSFUL LAUNCH OF NEW INDUSTRIAL CHAMPIONS AND BOOST THE ENERGY TRANSITION

Press release, 5 September 2023

IT InnoEnergy, the leading innovation engine in sustainable energy, today announced the entry of Societe Generale into its pool of strategic investors: EIT InnoEnergy secures over EUR 140 million in private placement round. InnoEnergy and Societe Generale also signed today a strategic long-term cooperation agreement.

The aim of this strategic partnership is to help accelerate the development of InnoEnergy's current portfolio of 200 startups and support its strategy of large industrial actors building such as Verkor, GravitHy, Holosolis or FertigHy. Societe Generale will support them in their growth by providing valuable access to its full range of financing and advisory services and to its own eco-system of clients and investors.

InnoEnergy currently has a portfolio of 200 companies, three of which are unicorns, on track to generate EUR 110 billion in revenue and save 2.1 G tonnes of CO_2e accumulatively by 2030. Collectively, these companies have raised EUR 9.7 billion in investment to date.

Karine Vernier, CEO of EIT InnoEnergy France said: "The objectives of the private placement have been delivered. New strategic players have joined InnoEnergy's outstanding cap table, several shareholders have reinvested, and altogether we have secured sufficient fresh financial resources to double our on-going impact. The accelerated energy transition in Europe and in the world, and an increased re-industrialisation ambition in the western world are unique opportunities for InnoEnergy, its portfolio companies, and our trusted ecosystem partners. We have geared up for the journey ahead. We are in a mission since 2010, and we continue delivering."

Demetrio Salorio, Head of Global Banking and Advisory at Societe Generale said: "Societe Generale is pleased to invest in InnoEnergy and support the development of its eco-system of startups and industrial projects. Financing emerging leaders developing innovative and responsible solutions, such as InnoEnergy, is key for Europe's reindustrialisation and sustainable growth. This is a strong testimony of Societe Generale's commitment to sustainable finance."

EIT InnoEnergy operates at the centre of the energy transition and is the leading innovation engine in sustainable energy. It brings the technology, business model innovation and skills required to accelerate the green deal, progress towards Europe's decarbonisation and re-industrialisation goals, whilst also improving energy security. Ranked as the most active investor in the energy sector in 2022 by Pitchbook, InnoEnergy backs innovations across a range of areas which include energy storage, transport and mobility, renewables, energy efficiency, hard to abate industries, smart grids and sustainable buildings and cities, amongst others.

Societe Generale, one of Europe's leading financial services groups and a major player in the economy for over 150 years, is committed to supporting its clients in the energy transition through dedicated financial solutions and is dedicated to contributing to sustainable finance with EUR 300 billion by 2025.

2.5.12 SOCIETE GENERALE ISSUES A FIRST DIGITAL GREEN BOND ON A PUBLIC BLOCKCHAIN

Press release, 4 December 2023

On 30 November 2023, Societe Generale issued its first digital green bond as a Security Token directly registered by SG-FORGE[(1)] on the Ethereum public blockchain with increased transparency and traceability on ESG data. Security tokens have been fully subscribed by two top tier institutional investors, AXA Investment Managers and Generali Investments, through a private placement.

This transaction is the first digital green bond issued by Societe Generale to leverage blockchain's differentiating functionalities. This digital format enables increased transparency and traceability as well as improved fluidity and speed in transactions and settlements.

This inaugural operation is structured as a EUR 10m senior preferred unsecured bond with a maturity of three years. An amount equivalent to the net proceeds of this bond will be exclusively used to finance or refinance Eligible Green Activities, as defined in the Sustainable and Positive Impact Bond framework[(2)] of Societe Generale. The Societe Generale Group has been a recurrent issuer of Positive Impact Bonds since its inaugural issuance in the format in 2015.

This is also a first step towards using blockchain as a data repository and certification tool for issuers and investors to foster transparency on ESG and impact data on a global scale.

This digital green bond issue includes two key innovations which will be developed further:

- information on the carbon footprint linked to the digital bond infrastructure is available 24/7 in open access directly in the bond's smart contract.

  This enables issuers and investors to measure the carbon emissions of their securities on the financial infrastructure. This innovation is a new service granted by SG-FORGE and follows the publication of its first full lifecycle carbon footprint report on Security Tokens;
- a new option opened to investors to settle securities on-chain through the EUR CoinVertible, the digital asset issued by SG-FORGE in April 2023, complementing traditional cash settlement solutions. While Central Bank Digital Currencies (CBDC) solutions are being experimented, this panel of settlement methods demonstrates the large capabilities of SG-FORGE in providing full spectrum of on-chain services.

This transaction is a new illustration of the innovative services developed by Societe Generale on digital instruments. It also contributes to enrich the Group's debt capital markets capabilities to meet corporate and institutional clients' demand for digital assets including ESG considerations.

The issuance of this bond demonstrates Societe Generale's commitment to drawing on its financial structuring expertise and on SG-FORGE's technological capabilities to contribute to building an innovative sustainable bond market.

(1) Societe Generale-FORGE (SG-FORGE) is a regulated subsidiary of the Societe Generale Group licensed as an investment firm and authorised to provide MiFID 2 investment services under the supervision of ACPR and registered as a Digital Asset Service Provider (DASP) with the AMF. SG-FORGE provides Digital Assets structuring, issuing, exchange and custody services.

(2) Link to Societe Generale "Sustainable and Positive Impact Bond" framework.

2.6 ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

ASSETS

(In EUR m)	31.12.2023	31.12.2022 R
Cash, due from central banks	223,048	207,013
Financial assets at fair value through profit or loss	495,882	427,151
Hedging derivatives	10,585	32,971
Financial assets at fair value through other comprehensive income	90,894	92,960
Securities at amortised cost	28,147	26,143
Due from banks at amortised cost	77,879	68,171
Customer loans at amortised cost	485,449	506,635
Revaluation differences on portfolios hedged against interest rate risk	(433)	(2,262)
Insurance and reinsurance contracts assets	459	353
Tax assets	4,717	4,484
Other assets	69,765	82,315
Non-current assets held for sale	1,763	1,081
Investments accounted for using the equity method	227	146
Tangible and intangible fixed assets	60,714	33,958
Goodwill	4,949	3,781
TOTAL	**1,554,045**	**1,484,900**

LIABILITIES

(In EUR m)	31.12.2023	31.12.2022 R
Due to central banks	9,718	8,361
Financial liabilities at fair value through profit or loss	375,584	304,175
Hedging derivatives	18,708	46,164
Debt securities issued	160,506	133,176
Due to banks	117,847	133,011
Customer deposits	541,677	530,764
Revaluation differences on portfolios hedged against interest rate risk	(5,857)	(9,659)
Tax liabilities	2,402	1,645
Other liabilities	93,658	107,315
Non-current liabilities held for sale	1,703	220
Insurance contracts related liabilities	141,723	135,875
Provisions	4,235	4,579
Subordinated debts	15,894	15,948
Shareholders' equity, Group share	65,975	66,970
Non-controlling interests	10,272	6,356
TOTAL	**1,554,045**	**1,484,900**

The balances of 2022 have been restated (R) due to the retrospective initial application of IFRS 17 “Insurance contracts” and IFRS 9 “Financial instruments” by the insurance subsidiaries.

As at 31 December 2023, the Group's consolidated balance sheet totalled EUR 1,554.0 billion, i.e., an increase of EUR 69.1 billion (+4,7%) compared to 31 December 2022 (EUR1,484.9 billion).

2.6.1 MAIN CHANGES IN THE CONSOLIDATION SCOPE

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

The main changes to the consolidation scope at 31 December 2023, compared with the scope applicable at the closing date of 31 December 2022, are as follows:

- **the disposal of Societe Generale Congo:** the Group sold its entire interest in SG Congo, its Congolese subsidiary, on 23 December 2023. The disposal resulted in a EUR 0.3 billion reduction in the Group's total balance sheet.
- **the LeasePlan acquisition by ALD:** on 22 May 2023, following the approval by ALD's Board of Directors and the relevant regulatory authorities, ALD acquired 100% of LeasePlan for a total of EUR 4,897 million. The amount is subject to additional cash consideration of up to EUR 235 million, notably depending on the achievement of targets related to LeasePlan's regulatory ratios.

Societe Generale remains the majority shareholder of the new combined entity following the completion of the LeasePlan acquisition. The new entity has been called Ayvens since 16 October 2023. Societe Generale holds 52.59% of the entity (the Group's voting interest was 68.97% at 31 December 2023 owing to double voting rights).

After the full completion of the transaction, Ayvens will continue to be fully consolidated by the Group.

At 31 December 2023, subject to any purchase price allocation and/or acquisition price adjustment within a one-year period from the acquisition date, the Group recognised goodwill of EUR 1,396 million.

As a result of the allocation of LeasePlan's purchase price, the assessment of the entity's identifiable assets acquired, and liabilities assumed at fair value led the Group to revise upwards the value of LeasePlan's net assets by EUR 230 million.

LEASEPLAN'S PURCHASE PRICE ALLOCATION

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

(1) Amount after elimination of intragroup transactions.
(2) Other equity instruments issued.

On 22 March 2023, the Group announced that ALD had entered into an agreement to sell its subsidiaries in Ireland, Portugal, and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and the Czech Republic. These disposals were initiated to fulfil the commitments made by ALD in relation to the clearance conditions issued by the European Commission for the acquisition of LeasePlan by ALD, to address concentration risk in the countries involved At 31 December 2023, the Group had completed these disposals.

2.6.2 CHANGES IN MAJOR CONSOLIDATED BALANCE SHEET ITEMS

Cash, due from central banks and due to central banks increased respectively by EUR 16.0 billion (+7.7%) and EUR 1.4 billion (+16.2%) compared to 31 December 2022. The increase in assets is mainly due to the growth of cash due from the US Reserve Federal Bank and the French central bank *Banque de France*.

Financial assets at fair value through profit or loss increased by EUR 68.7 billion (+16.1%) compared to 31 December 2022. This evolution is the result of an increase in securities purchased under resale agreements for EUR +36.3 billion and an upward trend on bonds and other debt securities related to the trading portfolio and financial assets which must be measured at fair value through profit or loss for EUR +13.4 billion and EUR +13.0 billion, respectively.

Financial liabilities at fair value through profit or loss increased by EUR 71.4 billion (+23.5%) compared to 31 December 2022. This evolution is mainly due to increases in securities sold under repurchase agreements for EUR 34.3 billion, in financial liabilities measured at fair value through profit and loss using the fair value option (mainly structured bonds) issued by the group for EUR 25.5 billion and in interest rate instruments related to trading for EUR 14.9 billion respectively.

Hedging derivatives decreased by EUR 22.4 billion on the asset side (-67.9%) and by EUR 27.5 billion on the liability side (-59.5%) compared to 31 December 2022. The change is related to the decrease in fair value of hedging instruments, mainly interest rate swaps.

Due from banks at amortised cost increased by EUR 9.7 billion (+14.2%) compared to 31 December 2022, due to the growth in current accounts in France and in reverse repo transactions.

Customer loans at amortised cost decreased by EUR 21.2 billion (-4.2%) compared to 31 December 2022, mainly explained by an EUR 7.6 billion decline in overdrafts on current accounts, and an EUR 16.0 billion decline in customer loans due economic and financial circumstances dampening loan production.

Debt securities issued rose by EUR 27.3 billion (+20.5%) compared to 31 December 2022, which can be mainly explained by the increase in Interbank certificates and negotiable debt instruments for EUR 20.4 billion.

Customer deposits increased by EUR 10.9 billion (+2.1%) compared to 31 December 2022, mainly related to the acquisition of LeasePlan.

Due to banks decreased by EUR 15.2 billion (-11.4%) compared to 31 December 2022. This decrease can be mainly explained by the drop in term deposits and borrowings for EUR -19.9 billion.

Other assets decreased by EUR 12.5 billion (-15.2%) and **other liabilities** decreased by EUR 13.6 billion (-12.7%) compared to 31 December 2022, mainly due to a ddecline in the guarantee deposits paid and received.

Insurance contracts related liabilities increased by EUR 5.8 billion (+4.3%) compared to 31 December 2022, related to the increase in the valuation of financial assets underlying the insurance contracts with direct participation features.

Tangible and intangible fixed assets rose by EUR 26.7 billion (+78.8%) compared to 31 December 2022, linked to the purchase of LeasePlan which has caused an EUR +23.8 billion increase in Assets leased by specialised financing companies.

The **Group shareholders' equity** amounted to EUR 66 billion at 31 December 2023 *vs.* 67 billion at 31 December 2022. This variation was attributable primarily to the following factors:

- Net income group share for 2023: EUR 2.5 billion
- Distribution of dividends: EUR -1.4 billion
- Remuneration, issuance and redemption of equity instruments: EUR -1,3 billion
- Unrealised or deferred capital gains and losses: EUR -0,4 billion.

The EUR 3.9 billion rise in **non-controlling interest** is mainly due to the decrease in the holding percentage in ALD from 75.94% at 31 December 2022 to 52.59% at 31 December 2023. After taking into account the non-controlling interest (EUR 10 billion), the Group shareholders' equity totalled EUR 76 billion at 31 December 2023.

2.7 FINANCIAL POLICY

The objective of the Group's financial policy is to optimise the use of shareholders' equity in order to maximise short- and long-term return for shareholders, while maintaining a level of capital ratios (Common Equity Tier 1, Tier 1 and Total Capital ratios) consistent with the market status of Societe Generale and the Group's target rating.

Since 2010, the Group has launched a major realignment programme, strengthening capital and focusing on the rigorous management of scarce resources (capital and liquidity) and proactive risk management in order to apply the regulatory changes related to the implementation of new Basel 3 regulations.

2.7.1 GROUP SHAREHOLDERS' EQUITY

Group shareholders' equity totalled EUR 66.0 billion at 31 December 2023. Net asset value per share was EUR 71.45 and net tangible asset value per share was EUR 62.71 using the new methodology disclosed in Chapter 2 of this Universal Registration Document, on page 42.

Book capital includes EUR 9.1 billion in deeply subordinated notes.

At 31 December 2023, Societe Generale possessed, directly or indirectly, 6.7 million Societe Generale shares, representing 0.84% of the capital (excluding shares held for trading purposes).

Under the liquidity contract implemented on 22 August 2011 with an external investment services provider, Societe Generale acquired 1,145,812 shares in 2023, with a value of EUR 26.4 million and sold 1,145,812 shares with a value of EUR 26.4 million. The liquidity contract was temporarily suspended from 2 January to 17 February 2023, and later from 7 August to 22 September 2023 during the share buyback periods.

The information concerning the Group's capital and shareholding structure is available in Chapter 7 of this Universal Registration Document (p 705).

2.7.2 SOLVENCY RATIOS

As part of its capital management, the Group ensures that its solvency level is consistently compatible with its strategic targets and regulatory obligations.

The Group also ensures that its Total Capital Ratio (Common Equity Tier 1 + hybrid securities recognised in additional Tier 1 and Tier 2) provides a sufficient safety buffer for unsecured senior lenders.

The phased-in Common Equity Tier 1 (CET1) ratio stood at 13.1%[(1)] at 31 December 2023, compared to 13.5% at 31 December 2022.

The leverage ratio, calculated according to the CRR2 rules in force since June 2021, stood at 4.3% at 31 December 2023.

At end-2023, the Tier 1 ratio was 15.6%[(2)] and the Total Capital Ratio stood at 18.2%[(2)], *i.e.*, above the regulatory requirements.

The TLAC (Total Loss-Absorbing Capacity) ratio of RWA was 31.9% with the option of Senior Preferred Debt limited to 2.5% of RWA. Furthermore, the TLAC of the leverage ratio stood at 8.7% at end-2023. At 31 December 2023 the MREL (Minimum Requirement of own funds and Eligible Liabilities) ratio of RWA was 33.7%, and 9.2% of the leverage ratio.

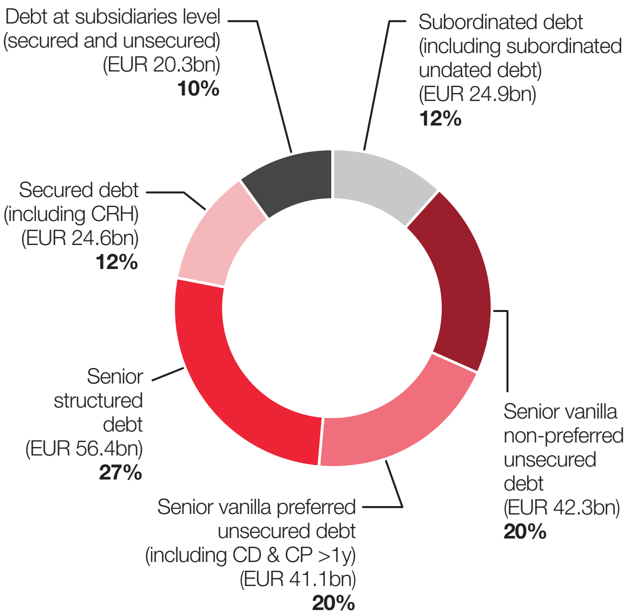
(1) Including a +6 basis-point impact in respect of the phase-in of IFRS 9. Excluding this impact, the CET1 ratio was 13.1%.

2.7.3 GROUP DEBT POLICY

The Group's debt policy is based on two principles:

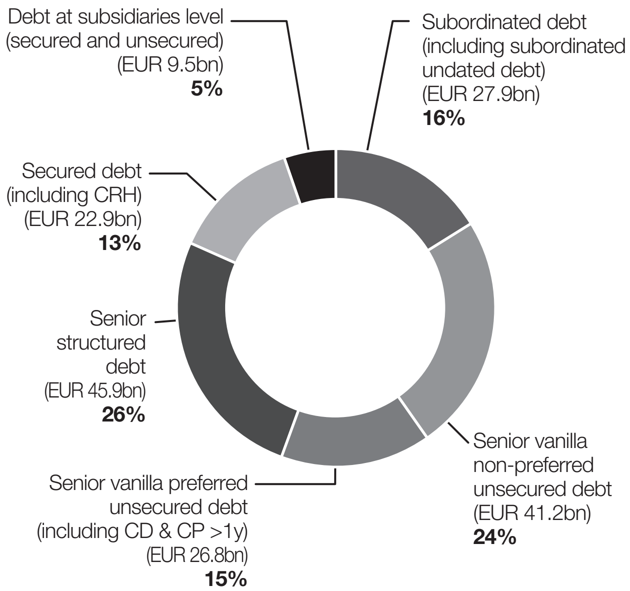
- maintaining an active policy of diversifying Societe Generale Group's sources of refinancing to guarantee its stability;
- and adopting a Group refinancing structure to ensure consistency in the maturities of its assets and liabilities.

GROUP LONG-TERM DEBT AT 31 DECEMBER 2023: EUR 209.6 BILLION*



* *Group short-term and long-term debt totalled EUR 257.9 billion at 31 December 2023, of which EUR 12.9 billion issued by conduits (short term), and EUR 54.8 billion related to senior structured issues of small denomination (below EUR 100,000), predominantly distributed to retail clients.*

GROUP LONG-TERM DEBT AT 31 DECEMBER 2023: EUR 174.2 BILLION *



* *Group short-term and long-term debt totalled EUR 220.3 billion at 31 December 2022, of which EUR 12.5 billion issued by conduits (short term), and EUR 43.5 billion related to senior structured issues of small denomination (below EUR 100,000), predominantly distributed to retail clients.*

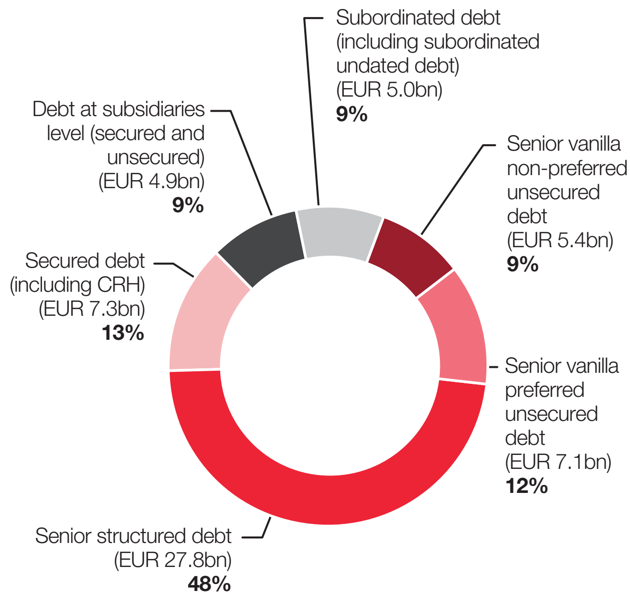
At 31 December 2023, liquidity raised under the 2023 long-term financing programme amounted to EUR 57.5 billion in senior and subordinated debt. Liquidity raised at parent company level amounted to EUR 52.6 billion at 31 December 2023.

The long-term issuance programme breaks down as follows: EUR 3 billion in subordinated undated Additional Tier 1 debt, EUR 1.2 billion in subordinated Tier 2 debt, EUR 5.4 billion in senior vanilla non-preferred unsecured notes, EUR 7.1 billion in senior vanilla preferred unsecured issues, EUR 27.8 billion in senior structured issues, and EUR 7.3 billion in secured issues. At subsidiary level, a total of EUR 4.9 billion was raised at 31 December 2023.

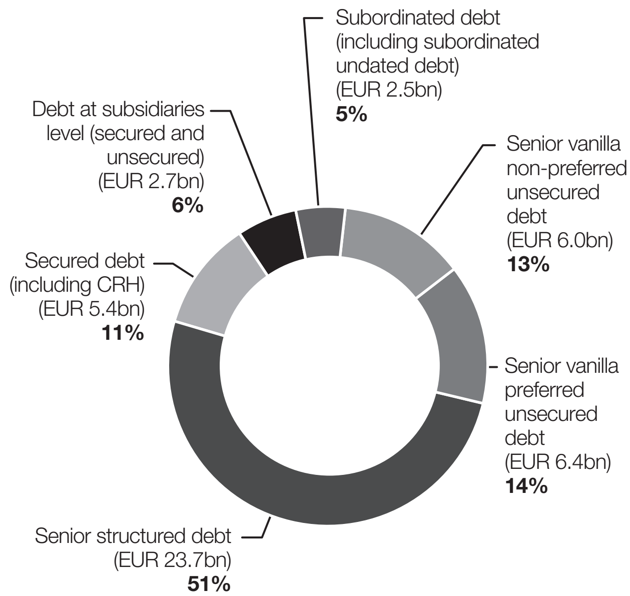
These resources were complemented by:

- funding *via* securities lending and borrowing transactions and securities sold under repurchase agreements measured at fair value through P&L totalling EUR 181.6 billion at 31 December 2023, compared with EUR 154.5 billion at 31 December 2022 (see Note 3.1 to the consolidated financial statements), which are not included in this graph. Societe Generale Group's debt policy is designed not only to ensure financing for the growth of the businesses' commercial activities and renew debt, but also to maintain repayment schedules that are compatible with the Group's ability to access the market and ensure its future growth;
- securitisations and other securitised issues (EUR 8.8 billion at end-2023 *vs.* EUR 6.7 billion at end-2022).

2023 FINANCING PROGRAMME: EUR 57.5 BILLION



2022 FINANCING PROGRAMME: EUR 46.8 BILLION



2.7.4 LONG-TERM RATINGS, SHORT-TERM RATINGS, COUNTERPARTY RATINGS AND CHANGES OVER THE FINANCIAL YEAR

Below is a summary of Societe Generale’s counterparty ratings and senior long-term and short-term ratings at 31 December 2023:

	FitchRatings	Moody’s	R&I	Standard & Poor’s
Long-term/short-term counterparty assessment	A(dcr)/F1	A1(CR)/P-1(CR)	n/a	A/A-1
Long-term senior preferred rating	A (Positive)	A1 (Stable)	A (Stable)	A (Stable)
Short-term senior rating	F1	P-1	n/a	A-1

Fitch revised the outlook on the Group's long-term rating from ‘stable’ to ‘positive’ on 3 July 2023.

2.8 MAJOR INVESTMENTS AND DISPOSALS

The group maintained a targeted acquisition and disposal policy, in line with its strategy focused on its core businesses and the management of scarce resources.

Business division	Description of investments
2023	
International Retail, Mobility and Leasing Services	Acquisition of LP Group B.V., holding company of LeasePlan Corporation N.V., one of the world's leading leasing companies.
Global Banking and Investor Solutions	Acquisition of a minority stake in EIT InnoEnergy, an investment company which is the main driver of innovation in Europe in sustainable energy.
French Retail, Private Banking and Insurance	Acquisition of a majority stake in PayXpert, a fintech specialised in payment service.
2022	
	No major investment finalised in 2022.
2021	
International Retail, Mobility and Leasing Services	Acquisition of Fleetpool, a leading German car subscription company.
International Retail, Mobility and Leasing Services	Acquisition of Banco Sabadell's subsidiary (Bansabadell Renting) specialised in long-term renting and the signing of an exclusive white label distribution agreement with Banco Sabadell.
International Retail, Mobility and Leasing Services	Acquisition by ALD of a 17% stake in Skipr, a start-up specialised in mobility as a service.

Business division	Description of disposals
2023	
International Retail, Mobility and Leasing Services	Disposal of three ALD subsidiaries (Ireland, Norway and Portugal) and three subsidiaries of LeasePlan Corporation N.V. (Czech Republic, Finland and Luxembourg) in connection with the acquisition of LP Group B.V.
International Retail, Mobility and Leasing Services	Disposal of SG's stake in Société Générale Congo.
International Retail, Mobility and Leasing Services	Disposal of Société Générale's stake in ALD Automotive in Russia.
2022	
International Retail, Mobility and Leasing Services	Disposal of Societe Generale Group's and Sogecap's entire stakes in Rosbank and two joint ventures co-held with Rosbank (Societe Generale Strakhovanie LLC and Societe Generale Strakhovanie Zhizni LLC).
Corporate Centre	Sale of a 5% stake in Treezor to MasterCard, reinforcing an industrial partnership.
International Retail, Mobility and Leasing Services	Disposal of a minority stake in Schufa, a credit rating agency in Germany.
2021	
Global Banking and Investor Solutions	Disposal of Lyxor, a European asset management specialist.

2.9 PENDING ACQUISITIONS AND MAJOR CONTRACTS

2.9.1 FINANCING OF THE MAIN ONGOING INVESTMENTS

Ongoing investments will be financed using the Group's usual sources of funding.

2.9.2 PENDING ACQUISITIONS AND DISPOSALS

Societe Generale signed agreements to divest the totality of Societe Generale Group's shares in its local African subsidiaries: Société Générale de Banques en Guinée Équatoriale, Société Générale Burkina Faso, Banco Société Générale Moçambique, Société Générale Mauritanie and Société Générale Chad, currently owned by Societe Generale Group at 57.2%, 52.6%, 65%, 100% and 67.92%, respectively.

The disposal of Société Générale Chad has been effective since January 2024. The completion of the remaining transactions, which could take place in 2024, is subject to the approval of the entities' governance bodies, the usual conditions precedent and the validation of the relevant financial and regulatory authorities.

Progress is well under way for the creation of the AllianceBernstein joint venture in the cash equities and equity research business. Final documentation with a revised structure to accelerate the finalisation of the transaction was signed on 2 November 2023. On the transaction completion date, the joint venture will be organised under two separate legal entities, focusing respectively on North America, and on Europe and Asia. These two entities will be subsequently combined pending the necessary regulatory approval. This change is not expected to have a significant impact on the anticipated net contribution for the Group as reported in the previous press release. The impact on capital is estimated at less than 10 basis points at the transaction completion date, which is expected during the first half of 2024. The transaction remains fully aligned with the strategic priorities of our Global Banking and Investor Solutions franchise.

2.10 PROPERTY AND EQUIPMENT

The gross book value of the Societe Generale group's tangible operating fixed assets amounts to EUR 83 billion as at 31 December 2023. This comprises land and buildings (EUR 5.3 billion), right of use (EUR 3.6 billion), assets leased by specialised financing companies (EUR 67.4 billion), investment property (EUR 0.7 billion) mainly related to insurance activities) and other tangible assets (EUR 5.9 billion).

The net book value of the tangible operating assets and investment property amounts to EUR 57.1 billion, representing only 3.7% of the consolidated balance sheet as at 31 December 2023.

Owing to the nature of the businesses of Societe Generale, property and equipment are not material at Group level.

2.11 POST-CLOSING EVENTS

None.

2.12 STATEMENT ON POST-CLOSING EVENTS

Since the end of the last financial period, no significant change in the financial performance of the Group occurred other than those described in the present Universal Registration Document filed with the AMF on 11 March 2023.

2.13 INFORMATION ABOUT GEOGRAPHIC LOCATIONS AND ACTIVITIES AS AT 31 DECEMBER 2023

The article L. 511-45 of the Monetary and Financial Code modified by Order No. 2014-158 of 20 February 2014, require credit institutions to communicate information about the locations and activities of their entitites included in their consolidation scope, in each State or territory.

Societe Generale publishes below the information relative to staff and the financial information by countries or territories.

The list of locations is published in the Note 8.4 of the notes to the consolidated financial statements.

Country	Staff (*)	NBI (*)	Earnings before corporate tax (*)	Corporate tax (*)	Deferred corporate tax (*)	Other taxes (*)	Subventions (*)
Algeria	1,653	192	86	(25)	3	(6)	-
Australia	76	48	8	(5)	1	(1)	-
Austria	235	47	19	(3)	(2)	(1)	-
Belarus	-	1	1	(0)	0	-	-
Belgium	645	213	114	(41)	11	(1)	-
Benin	122	26	11	(2)	(2)	(1)	-
Bermuda[1]	-	5	5	-	-	-	-
Brazil	451	105	58	(11)	(19)	(3)	-
Bulgaria	38	7	5	(0)	0	-	-
Burkina Faso	284	46	6	(3)	2	(4)	-
Cameroon	655	150	58	(23)	2	(3)	-
Canada	585	42	25	(5)	(0)	(0)	-
Cayman Islands[2]	-	-	-	-	-	-	
Chad	207	31	2	(2)	0	(2)	-
Chile	41	3	(0)	-	0	(0)	-
China	250	61	23	(3)	(0)	(0)	-
Colombia	32	(0)	(2)	(0)	(3)	(0)	-
Congo	-	28	5	(3)	(0)	(1)	-
Côte d'Ivoire	1,515	371	191	(40)	(1)	(6)	-
Croatia	60	15	11	(2)	(0)	(0)	-
Czech Republic	8,012	1,551	826	(140)	(4)	(55)	-
Denmark	276	80	38	(0)	(7)	-	-
Equatorial Guinea	230	22	7	1	-	(1)	-
Estonia	14	3	2	(0)	-	(0)	-
Finland	125	50	31	(4)	0	-	-
France	54,234	10,106	(1,597)	110	(139)	(1 317)	-
French Polynesia	265	68	36	(19)	0	(1)	-
Germany	3,305	1,335	594	(165)	(42)	(4)	-
Ghana	530	92	44	(20)	(0)	(0)	-
Gibraltar	38	17	3	-	(0)	-	-
Greece	266	44	25	0	(3)	(0)	-
Guernsey	56	36	12	(1)	(0)	-	-
Guinea	296	95	55	(17)	(2)	(2)	-
Hong Kong	1,027	588	198	(26)	(1)	(1)	-
Hungary	245	41	24	(4)	(0)	(1)	-
India[3]	11,680	134	142	(58)	1	(2)	-
Ireland	441	164	152	(14)	(2)	(0)	-
Isle of Man	-	-	-	-	-	-	-
Italy	2,509	1,129	633	(98)	(65)	(3)	-

Country	Staff (*)	NBI (*)	Earnings before corporate tax (*)	Corporate tax (*)	Deferred corporate tax (*)	Other taxes (*)	Subventions (*)
Japan	230	220	74	(25)	2	(5)	-
Jersey	182	32	12	(2)	0	-	-
Latvia	22	4	2	(1)	-	-	-
Lithuania	12	5	4	(1)	(0)	-	-
Luxembourg	1,415	928	604	(54)	17	(24)	-
Madagascar	1,055	86	40	(9)	0	(5)	-
Malaysia	16	0	(1)	-	0	-	-
Mauritania	169	36	7	(1)	0	(1)	-
Mauritius	-	-	0	-	-	-	-
Mexico	300	48	26	(21)	5	(0)	-
Monaco	296	132	59	(17)	-	(1)	-
Morocco	4,020	545	227	(85)	(6)	(26)	-
Netherlands	2,622	(361)	(543)	(17)	172	(1)	-
New Caledonia	344	80	41	(16)	(5)	(0)	-
Norway	141	53	24	0	(7)	-	-
Peru	32	4	2	(2)	1	-	-
Poland	728	148	89	(15)	(2)	(3)	-
Portugal	401	69	37	(7)	(2)	(0)	-
Romania	8,885	795	431	(69)	(3)	(17)	-
Russian Federation	54	21	17	(3)	(1)	(0)	-
Saudi Arabia	5	(0)	0	(0)	(0)	(0)	-
Senegal	920	133	54	(16)	(0)	(5)	-
Serbia	32	12	9	(2)	1	(0)	-
Singapore	222	153	5	(2)	(0)	(0)	-
Slovakia	181	44	27	(6)	(1)	(0)	-
Slovenia	15	5	4	(1)	(0)	(0)	-
South Africa	-	0	-	-	-	(0)	-
South Korea	103	109	39	1	(12)	(3)	-
Spain	1,166	464	253	(61)	(4)	(4)	-
Sweden	351	103	47	(8)	0	(0)	-
Switzerland	599	276	66	(13)	0	(0)	-
Taiwan	44	25	1	(1)	(3)	(2)	-
Thailand	-	(0)	(1)	-	-	-	-
Togo	29	8	3	(1)	-	(0)	-
Tunisia	1,359	160	63	(29)	1	(5)	-
Turkey	279	141	119	(0)	(38)	(0)	-
Ukraine	45	19	17	(3)	(1)	(0)	-
United Arab Emirates	64	33	15	-	-	(0)	-
United Kingdom	3,486	1,721	754	(197)	10	(11)	-
United States	1,980	1,906	649	(162)	(60)	(9)	-
TOTAL	**122,200**	**25,105**	**5,128**	**(1,470)**	**(209)**	**(1,537)**	**-**

* ***Staff:*** *Full-time equivalent (FTE) as at closing date. Staff members of entities accounted for by the equity method and entities removed during the year are excluded.*

NBI: *net banking income by territorial contribution to the consolidated statement, in millions of euros, before elimination of intra-group reciprocal transactions. Net income from companies accounted for by the equity method is directly recorded in the earnings before tax, there is no contribution from them.*

Earning before tax: *Earning before tax by territorial contribution to the consolidation statement, in millions of euros, before elimination of intra-group reciprocal transactions.*

Corporate taxes: *Such as presented in the consolidated statement in accordance with the IFRS standards and by distinguishing the current taxes of the deferred taxes, in millions of euros.*

Other taxes: *Other taxes include among others payroll taxes, the C3S, the contribution to the SRF, CET taxes and local taxes. The data arise from the consolidated reporting. and from Management Report, in millions of euros.*

Public subsidies received: *Non-matching or non-refundable subsidies granted by a public entity on a one-off or renewable basis to complete a clearly defined project.*

(1) *Income from the entity located in Bermuda is taxed in France.*

(2) *Income from the entity located in Cayman Islands is taxed in the United States.*

(3) *Most of the staff located in India is assigned to a shared services centre, the re-invoicing income of which is recorded in general and administrative expenses and not in NBI.*

3

CORPORATE GOVERNANCE

3.1 BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

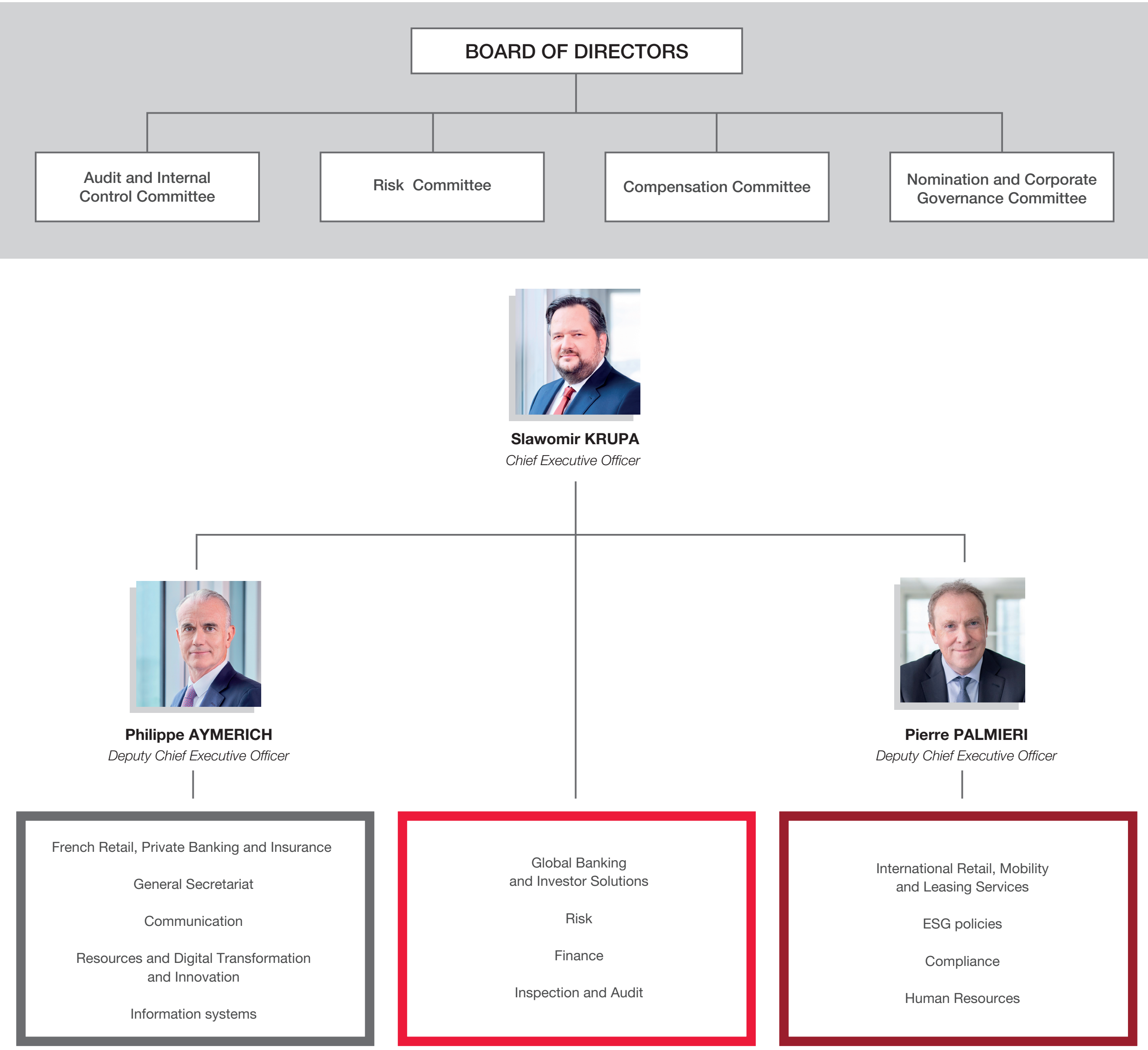
3.1.1 GOVERNANCE

Purpose

The Board of Directors reviewed the Bank's purpose in 2019 following the introduction of French Act No. 2019-486 on 22 May 2019, referred to as the Pacte Law and defined the new purpose as "Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions". From a formal standpoint, it was decided not to include the purpose in the By-laws. However, at its Extraordinary General Meeting of 2020, Societe Generale modified its By-laws to specify that the Board determines the Company's strategy and supervises its implementation in accordance with its corporate interests, taking into account the social and environmental stakes of its activity (see Chapter 5). In May 2021, the first sentence of the preamble of the Board of Directors' internal rules was also modified to take account of this change.

Presentation of the organisation

(At 1 January 2024)



The composition of the Board of Directors is presented on page 79 of this report on corporate governance. The internal rules of the Board of Directors, which define the Board of Directors' powers, are provided in this Universal Registration Document, on pages 168 - 188. The Board of Directors' work is presented on pages 97 - 99.

The composition of General Management and of the Executive Committee is presented in the corresponding sections of this report (see pages and 109 - 110 and 111 - Presentation of the members of the General Management and Group Executive Committee).

The duties of the Group's Cross-functional Committees, Risk Committee and the main Business Committees are described in section 3.1.4 on page 112.

The powers of the Board of Directors and of its various Committees, along with the report on their work, are presented on pages 97 and following, and notably cover:

- the role of the Chairman and the report on his activities, page 97;
- the Audit and Internal Control Committee, page 101;
- the Risk Committee, page 103;
- the Compensation Committee, page 104 ;
- the Nomination and Corporate Governance Committee, page 105.

Information regarding the non-voting Director's role and a report on his activities appear on page 106.

Organisation of the governance

On 15 January 2015, the Board of Directors decided that, in accordance with Article L. 511-58 of the French Monetary and Financial Code (*Code monétaire et financier*), the offices of Chairman and Chief Executive Officer would be separated following the General Meeting of 19 May 2015. At that date, Lorenzo Bini Smaghi became Chairman of the Board of Directors, and Frédéric Oudéa remained Chief Executive Officer until the General Meeting of 23 May 2023. In 2019, Mr. Oudéa's term of office was renewed until the Annual General Meeting held on 23 May 2023. Lorenzo Bini Smaghi was reappointed Chairman of the Board of Directors, following the renewal of his term of office as a Director at the Annual General Meeting held on 17 May 2022, for a term equal to that of his term of office as a Director, *i.e.*, until the Annual General Meeting called to approve the financial statements for the 2025 financial year.

As Frédéric Oudéa's term of office as Chief Executive Officer expired on 23 May 2023 and given his wish not to renew his term of office, the Board of Directors' meeting held on 23 May 2023 appointed Slawomir Krupa as Chief Executive Officer following his appointment as a Director by the Annual General Meeting held on the same day.

Slawomir Krupa is assisted by two Deputy Chief Executive Officers – Philippe Aymerich, whose term of office was renewed on 23 May 2023, and Pierre Palmieri, who was appointed on 23 May 2023.

As Chief Executive Officer, Slawomir Krupa directly supervises the Risk function, in addition to the Inspection & Audit and Finance Departments, and the Global Banking and Investor Solutions businesses.

Philippe Aymerich, Deputy Chief Executive Officer, supervises the Group's non-HR resources, the General Secretariat, Communications, French Retail, Private Banking & Insurance businesses.

Pierre Palmieri, Deputy Chief Executive Officer, supervises the Compliance Control function, Corporate Social Responsibility, Human Resources, and the International Retail Banking and Mobility and Leasing Services businesses.

Statement on the corporate governance regime

Societe Generale refers to the AFEP-MEDEF Corporate Governance Code for listed companies (hereinafter the "AFEP-MEDEF Code"). The document is available on the *https://hcge.fr* website. In accordance with the "comply or explain" principle, Societe Generale states that it applies all recommendations from the AFEP-MEDEF Code, with the exception of recommendation 23.1 governing the termination of a Chief Executive Officer's employment contract due to his exceptional length of service with the company (24 years) and the related benefits (described on page 121)

A set of internal rules amended on 7 February 2024 (hereinafter referred to as the "internal rules") governs the functioning of the Board of Directors and its Committees. The Company's internal rules appears on pages 168 - 188 and By-laws appear in the Universal Registration Document (see Chapter 7.4 / By-laws).

3.1.2 BOARD OF DIRECTORS

Presentation of the Board of Directors

(At 1 January 2024)

15
Number of Directors
(including 3 Directors elected by the employees)(1)

92%
Proportion of independent Directors

50%
Representation by women(2)

9
Number of nationalities(3)

56
Average age

5 years
Average time on the Board

14
Number of meetings in 2023

98%
Average attendance in 2023

(1) Two represent employees and one represents employee shareholders.
(2) In accordance with legislation and the AFEP-MEDEF Code, the three Directors representing the employees are excluded from the calculation.
(3) Taking into account Directors with several nationalities.

At 1 January 2024, the Board of Directors comprised 15 members: 13 Directors appointed at the General Meeting (including the Director representing the employee shareholders appointed at the General Meeting following the submission of the employee shareholders) and two Directors representing the employees and elected directly by the latter.

The Board of Directors appointed Jean-Bernard Lévy as Non-voting Director from 18 May 2021 for a period of two years. One of his tasks is to assist the Board of Directors in relation to its energy transition remit. At the recommendation of the Chairman and as approved unanimously by the Nomination and Corporate Governance Committee, the Board of Directors, at its meeting of 13 April 2023, decided, in accordance with Article 7 of the Company's By-laws to renew his term as non-voting Director for two years until 18 May 2025 and to extend his remit to include the full scope of corporate social responsibility topics, in addition to the energy transition. The new version of the Board of Directors' internal rules takes into account this decision. See page 106 for details of the remit of the Non-voting Director and page 106 for a report on the execution of this remit.

A representative of the Social and Economic Committee attends the Board of Directors' meetings, but does not have voting rights.

The term of office for Directors appointed by the General Meeting is four years. These offices expire at staggered intervals. The term of office of the two Directors elected directly by the employees is now four years following approval by the General Meeting of Shareholders on 23 May 2023 of a change in the By-laws to align their terms of office with the four-year term held by the other Directors. This change will simplify the management of elections and ensure that appointments within the Board of Directors are staged at more appropriate intervals.

The term of office of Annette Messemer will expire in 2024 and the Board of Directors, acting on the recommendation of the Nomination and Corporate Governance Committee, proposes that her term be renewed.

Annette Messemer, who has been an independent Director since May 2020, a member of the Risk Committee since May 2020, a member of the Compensation Committee since May 2023, and who was a member of the Audit and Internal Control Committee between May 2020 and May 2023, will be proposed for a second term of office. Annette Messemer, a German citizen, is 59 and brings to the Board of Directors extensive banking and financial experience.

If the General Meeting approves this proposal, the Board of Directors will continue to comprise 50% women (6/12), 92% independent Directors (11/12) excluding the three Directors representing employees, and 47% Directors who are foreign nationals (out of the 15 Directors sitting on the Board of Directors, 9 nationalities are represented, including Directors with several nationalities).

Presentation of the Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS, CHANGES IN 2023

In May 2023, the General Meeting appointed four new Directors: Slawomir Krupa, Béatrice Cossa-Dumurgier, Ulrika Ekman and Benoît de Ruffray.

Directors	Gender	Age(1)	Nationality	Initial year of appointment	End of term of office (GM)	Number of years on the Board(2)	Independent Director	Member of a Board Committee	Number of Directorships in listed companies	Number of shares
Lorenzo BINI SMAGHI Chairman of the Board of Directors Director	M	67	Italian	2014	2026	10	Yes	-	1	2,174
Slawomir KRUPA Chief Executive Officer Director	M	49	French/ Polish/ American	2023	2027	1	No	-	1	45,000 286(7)
William CONNELLY Director	M	65	French	2017	2025	7	Yes	Chairman of the CR(3) CONOM(4)	3	2,173
Jérôme CONTAMINE Director	M	66	French	2018	2026	6	Yes	Chairman of the COREM(6) CACI(5)	2	1,069
Béatrice COSSA-DUMURGIER Director	F	50	French	2023	2027	1	Yes		3	1,000
Diane CÔTÉ Director	F	60	Canadian	2018	2026	6	Yes	CACI(5) CR(3)	1	1,000
Ulrika EKMAN Director	F	61	Swedish/ American	2023	2027	1	Yes	CR(3) CACI(5)	1	600
France HOUSSAYE(8) Director	F	56	French	2009	2024	15	No	COREM(6)	1	-
Annette MESSEMER Director	F	59	German	2020	2024	4	Yes	CR(3) COREM(6)	4	2,000
Henri POUPART-LAFARGE Director	M	54	French	2021	2025	3	Yes	Chairman of the CONOM(4)	2	1,000
Johan PRAUD(8) Director	M	38	French	2021	2024	3	No	-	1	-
Lubomira ROCHET Director	F	46	French/ Bulgarian	2017	2025	7	Yes	CONOM(4)	3	1,000
Benoît de RUFFRAY Director	M	57	French	2023	2027	1	Yes	CONOM(4) COREM(6)	3	1,500
Alexandra SCHAAPVELD Director	F	65	Dutch	2013	2025	11	Yes	Chairman of the CACI(5) CR(3)	2	3,069
Sébastien WETTER(8) Director	M	52	French	2021	2025	3	No	CACI(5)	1	3,384 7,815(7)
Jean-Bernard LÉVY Non-voting Director	M	68	French	2021	2025				Not applicable	

(1) At 1 January 2024.
(2) At the date of the next General Meeting, to be held on 22 May 2024.
(3) Risk Committee.
(4) Nomination and Corporate Governance Committee.
(5) Audit and Internal Control Committee.
(6) Compensation Committee.
(7) Via Societe Generale Actionnariat (Fonds E).
(8) Directors representing employees.

EXPIRATION OF THE TERMS OF OFFICE OF THE DIRECTORS APPOINTED AT THE GENERAL MEETING[1]

Directors	GM 2024	GM 2025	GM 2026	GM 2027
Lorenzo BINI SMAGHI			x	
Slawomir KRUPA				x
William CONNELLY		x		
Jérôme CONTAMINE			x	
Béatrice COSSA-DUMURGIER				x
Diane CÔTÉ			x	
Ulrika EKMAN				x
Annette MESSEMER	x			
Henri POUPART-LAFARGE		x		
Lubomira ROCHET		x		
Benoît de RUFFRAY				x
Alexandra SCHAAPVELD		x		
Sébastien WETTER		x		

(1) The terms of office of the Directors elected by the employees expire at the end of the General Meeting to be held in 2024.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2023

Board of Directors

Directors	Departure	Appointment	Reappointment
Slawomir KRUPA		23 May 2023	
Béatrice COSSA-DUMURGIER		23 May 2023	
Ulrika EKMAN		23 May 2023	
Benoît de RUFFRAY		23 May 2023	
Frédéric OUDÉA	23 May 2023		
Kyra HAZOU	23 May 2023		
Gérard MESTRALLET	23 May 2023		
Juan Maria NIN GÉNOVA	23 May 2023		
Committees			
Audit and Internal Control Committee			
Alexandra SCHAAPVELD (Chairwoman)			23 May 2023
Jérôme CONTAMINE			23 May 2023
Diane CÔTÉ			23 May 2023
Ulrika EKMAN		23 May 2023	
Sébastien WETTER		23 May 2023	
Kyra HAZOU	23 May 2023		
Annette MESSEMER	23 May 2023		
Risk Committee			
William CONNELLY (Chairman)			23 May 2023
Diane CÔTÉ			23 May 2023
Ulrika EKMAN		23 May 2023	
Annette MESSEMER			23 May 2023
Alexandra SCHAAPVELD			23 May 2023
Kyra HAZOU	23 May 2023		
Juan Maria NIN GÉNOVA	23 May 2023		
Compensation Committee			
Jérôme CONTAMINE (Chairman)			23 May 2023
France HOUSSAYE			23 May 2023
Annette MESSEMER		23 May 2023	
Benoît de RUFFRAY		23 May 2023	
Gérard MESTRALLET	23 May 2023		
Juan Maria NIN GÉNOVA	23 May 2023		
Nomination and Corporate Governance Committee			
Henri POUPART-LAFARGE (Chairman)			23 May 2023
William CONNELLY			23 May 2023
Benoît de RUFFRAY		23 May 2023	
Lubomira ROCHET			23 May 2023
Gérard MESTRALLET	23 May 2023		

At 1 January 2024, 11 Directors were members of one or more Committees of the Board of Directors.

DIVERSITY AND COMPLEMENTARITY IN THE BOARD OF DIRECTORS' COMPOSITION

The composition of the Board of Directors is designed to achieve a balance between experience, expertise and independence and to secure gender balance and diversity within its ranks. As such, the Board of Directors observes the following benchmarks:

- compliance with the 40% gender parity rate;
- minimum 30% target of non-French Directors on the Board;
- skills matrix.

As part of its recruiting process, the Board of Directors arranges the necessary training programmes and assessments to ensure that Directors are competent and active, that they attend meetings and are involved.

The Board of Directors ensures that the guidelines laid down by the European Banking Authority and the European Central Bank regarding fit and proper person procedures are strictly upheld.

The Board of Directors ensures that its composition is balanced in terms of age as well as professional and international experience. The Nomination and Corporate Governance Committee reviews these objectives each year through an annual assessment, the results of which are on page 106 of the present report on corporate governance. The Board of Directors also ensures the regular renewal of its members and strictly applies the recommendations of the AFEP-MEDEF Code regarding the independence of its members.

In addition to specific appraisals, the composition of the Board is one of the areas reviewed each year during the assessment of the Board.

Experienced and complementary group of Directors

Expertise and experience in the financial world, and the management of large international companies form the criteria underpinning the selection of the Directors. Furthermore, the Board of Directors ensures that it has technological and digital transformation expertise among its ranks. Each year, the Nomination and Corporate Governance Committee and the Board of Directors review the existing balance in the Board of Directors' composition. A review of the Directors' expertise underscores the complementary nature of their profiles, particularly in relation to Corporate Social Responsibility (CSR – see the skills matrix below). Their profiles address the entire spectrum of the Bank's businesses and the risks associated with its business.

Directors' expertise

The matrix below illustrates the Directors' main areas of expertise and experience. Their biographies can be found on pages 88 and following.

As of 2024, mobility-related skills will be appraised to make greater allowance for the weight of mobility in the Group's business.

BOARD OF DIRECTORS	CSR	GOVERNANCE, CORPORATE MANAGEMENT, SHAREHOLDER RELATIONS, STRATEGY	FINANCE, ACCOUNTING	REGULATORY, LEGAL, COMPLIANCE	INTERNATIONAL	IT, INNOVATION, DIGITAL	BANK, INSURANCE	RISK	INTERNAL CONTROL, AUDIT	MARKETING, CUSTOMER SERVICES	NON-FINANCIAL ACTIVITIES	CYBERSECURITY	MOBILITY ACTIVITIES
Lorenzo BINI SMAGHI	●	●	●	●	●		●	●	●		●	●	●
Slawomir KRUPA	●	●	●	●	●	●	●	●	●	●	●	●	●
William CONNELLY	●	●	●	●	●	●	●	●	●	●	●	●	
Jérôme CONTAMINE	●	●	●	●	●	●		●	●		●	●	
Béatrice COSSA-DUMURGIER	●	●	●	●	●	●	●	●	●	●	●	●	●
Diane CÔTÉ	●	●	●	●	●	●	●	●	●			●	
Ulrika EKMAN	●	●	●	●	●		●	●	●	●	●	●	
France HOUSSAYE	●	●		●			●	●		●			
Annette MESSEMER	●	●	●	●	●		●	●	●	●	●	●	
Henri POUPART-LAFARGE	●	●	●	●	●	●		●	●	●	●	●	●
Johan PRAUD	●			●			●	●		●			
Lubomira ROCHET	●	●	●		●	●	●			●	●	●	
Benoît de RUFFRAY	●	●	●		●	●		●	●	●	●	●	●
Alexandra SCHAAPVELD	●	●	●	●	●		●	●	●	●	●	●	
Sébastien WETTER	●		●	●	●	●	●	●	●	●		●	
Jean-Bernard LÉVY (NON-VOTING DIRECTOR)	●	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Balanced representation of women and men on the Board of Directors

At 1 January 2024, the Board of Directors comprised seven women and eight men, *i.e.* 47% women, or 50% if the Director representing employee shareholders and the two Directors representing employees are excluded from the calculation, in accordance with the provisions of Articles L. 225-23 and L. 225-27 of the French Commercial Code.

The Board of Directors ensures a balanced representation of men and women among the 13 members appointed by the General Meeting of Shareholders (7 women out of 13).

The Board of Directors also makes sure that a balanced representation of men and women exists on its Committees. At 1 January 2024, each Committee comprised different genders.

The Audit and Internal Control Committee is chaired by a woman.

Sound balance in the ages and length of tenure of the Directors

At 1 January 2024, the average age of the Directors was 56:

- three Directors are less than 50;
- six Directors are between 50 and 60;
- four Directors are between 60 and 65;
- two Directors are between 66 and 70.

This balanced breakdown ensures that members have both the experience and the time available to devote to the Board's work. The desired objective is to preserve the balance between the different age brackets of Board of Director members.

By the next General Meeting, the average length of tenure on the Board of Directors will be five years. This should be weighed up against the four-year term of office rule and the practice by the Board of Directors of factoring in the independence aspect, *i.e.* an independent Director cannot be reappointed if they have been a Director for more than twelve years. If the renewal submission is approved at the General Meeting, the average age will be 56.

Composition suited to the Group's international dimension

Nine different nationalities are represented on the Board of Directors, which includes Directors with several nationalities.

All Board members apart from the Directors representing employees possess international experience, either because they have occupied a position outside France during their career, or because they have held one or more Directorships in non-French companies.

The aim of the Board of Directors is to ensure that at least one-third of its members appointed at the General Meeting are non-French citizens and, furthermore, to include persons whose nationalities embody the Group's European dimension. At 1 January 2024, seven out of 12 Directors (*i.e.* 58%) were non-French nationals, excluding employee Directors.

MORE THAN 92% OF DIRECTORS WERE INDEPENDENT AT 1 JANUARY 2024

In accordance with the AFEP-MEDEF Code and based on the report of its Nomination and Corporate Governance Committee, the Board of Directors reviewed the situation of each of its members at 1 January 2024 in respect of the independence criteria defined in the aforementioned Code.

It reviewed the status of the business relationships existing between the Directors or the companies they manage with Societe Generale or its subsidiaries. The review may concern both client and supplier relationships.

The Board specifically focused on the banking and advisory relationships between the Group and the companies in which its Directors are also executive officers to assess whether the nature and extent of these relationships could possibly affect the independence of Directors' decision-making. The assessment is based on a multi-criteria review integrating several parameters, such as the Company's overall debt and liquidity, the ratio of bank debt to overall debt, the amount of Societe Generale's commitments and the extent of these commitments compared to total bank debt, advisory mandates held, and other commercial relationships.

It concentrated primarily on William Connelly, who is Chairman of the Supervisory Board of Aegon Ltd. and Chairman of Amadeus IT Group SA, Henri Poupart-Lafarge, who is Chairman and CEO of Alstom, Benoît de Ruffray, who is Chairman and CEO of Eiffage and Béatrice Cossa-Dumurgier, who is a Director of Casino and Chief Operating Officer of Believe.

In the four cases, the Committee ascertained that the nature of the economic, financial and other relationships between the Directors, the groups they manage or chair and Societe Generale did not impact the findings of their independence review conducted in 2023. Societe Generale's role in financing the debt of their groups appeared to be compatible with the Committee's assessment criteria, *i.e.* less than 5% of the banking and non-banking debt. They are therefore deemed to be independent.

In light of these assessments, only four Directors are considered not to be independent: Slawomir Krupa, the Director representing employee shareholders and the two Directors representing employees.

At 1 January 2024, the number of independent Directors was therefore 11, *i.e.* 92% of the Board's members, based on the AFEP-MEDEF Code's calculation rule that excludes the two employee representatives and the employee shareholder representative.

The percentage is well above the Board of Directors' requirement to observe the minimum target of 50% independent Directors recommended in the AFEP-MEDEF Code.

The Board of Directors, acting on the recommendation of the Nomination and Corporate Governance Committee, reviewed the situation of the independent Director whose term of office will be proposed for renewal at the General Meeting of 22 May 2024. Annette Messemer's activities are compliant with the AFEP-MEDEF Code's independence criteria.

If the General Meeting approves the proposal, the Board of Directors will continue to be comprised as follows:

- the percentage of women on the Board of Directors will be 47% (7 out of 15) or 50% (6 out of 12) if, in accordance with legislation and the AFEP-MEDEF Code, the Director representing employee shareholders and the two Directors representing employees are excluded from the calculation; or 46% women (6 out of 13), excluding only the two Directors representing employees;
- the independence rate will be 92% (11 out of 12) if, in accordance with the AFEP-MEDEF Code, the three employee Directors are excluded from the calculation;
- 7 out of 15 Directors will be foreign nationals, *i.e.* the percentage of non-French Board of Director members will be 47% if the employee Directors are included, and 7 out of 12 will be foreign nationals, *i.e.* the percentage of international members will be 58% if the three employee Directors are excluded from the calculation.

The Board of Directors has therefore made certain that, as composed, it possesses all the necessary skills to function properly and to carry out its brief of defining the strategy of Societe Generale Group and ensuring that it is implemented.

DIRECTORS' SITUATION IN RESPECT OF THE AFEP-MEDEF CODE'S INDEPENDENCE CRITERIA

	Company employee, executive officer or Director(2) status over the past five years	Existence or otherwise of cross-directorships	Existence or otherwise of significant business relationships	Existence of close family ties with a corporate officer	Not a Statutory Auditor for the Company during the past five years	Not a Director for the Company for more than twelve years	Representative of major shareholders
Lorenzo BINI SMAGHI(1)	✓	✓	✓	✓	✓	✓	✓
Slawomir KRUPA	×	✓	✓	✓	✓	✓	✓
William CONNELLY	✓	✓	✓	✓	✓	✓	✓
Jérôme CONTAMINE	✓	✓	✓	✓	✓	✓	✓
Béatrice COSSA-DUMURGIER	✓	✓	✓	✓	✓	✓	✓
Diane CÔTÉ	✓	✓	✓	✓	✓	✓	✓
Ulrika EKMAN	✓	✓	✓	✓	✓	✓	✓
France HOUSSAYE	×	✓	✓	✓	✓	×	✓
Annette MESSEMER	✓	✓	✓	✓	✓	✓	✓
Henri POUPART-LAFARGE	✓	✓	✓	✓	✓	✓	✓
Johan PRAUD	×	✓	✓	✓	✓	✓	✓
Lubomira ROCHET	✓	✓	✓	✓	✓	✓	✓
Benoît de RUFFRAY	✓	✓	✓	✓	✓	✓	✓
Alexandra SCHAAPVELD	✓	✓	✓	✓	✓	✓	✓
Sébastien WETTER	×	✓	✓	✓	✓	✓	✓

NB: ✓ means the independence criterion has been met and × means the independence criterion has not been met.

(1) The Chairman receives neither variable compensation nor attendance fees/compensation for his term as Director, nor securities, nor any compensation contingent on the performance of Societe Generale or the Group.

(2) In a company that the Company consolidates, the parent company of the Company or a company consolidated by said parent company.

The Nomination and Corporate Governance Committee ensured that Jean-Bernard Lévy, the non-voting Director, also met independence criteria.

CONSCIENTIOUS DIRECTORS

In 2023, Lorenzo Bini Smaghi chaired all 14 of the Board of Directors' meetings.

The Directors' attendance rates at Board of Directors' and Committee meetings are very high. The average attendance rate per meeting is:

- 98% for the Board of Directors (CA) (97% in 2022);
- 100% for the Audit and Internal Control Committee (CACI) (100% in 2022);
- 97% for the Risk Committee (CR) (100% in 2022);
- 92% for the Nomination and Corporate Governance Committee (CONOM) (89% in 2022); and
- 94% for the Compensation Committee (COREM) (97% in 2022).

	CA		CACI		CR		CONOM		COREM	
Attendance in 2023	**Number of meetings**	**Attendance rate**	**Number of meetings**	**Attendance rate**	**Number of meetings**	**Attendance rate**	**Number of meetings**	**Attendance rate**	**Number of meetings**	**Attendance rate**
Lorenzo BINI SMAGHI	14	100%								
Frédéric OUDÉA[1]	7	100%								
Slawomir KRUPA[2]	7	100%								
William CONNELLY	14	100%			11	100%	9	90%		
Jérôme CONTAMINE	14	100%	11	100%					8	100%
Béatrice COSSA-DUMURGIER[2]	7	100%								
Diane CÔTÉ	14	100%	11	100%	11	100%				
Ulrika EKMAN[2]	7	100%	5	100%	4	100%				
Kyra HAZOU [1]	7	100%	6	100%	7	100%				
France HOUSSAYE	14	100%							8	100%
Annette MESSEMER	13	93%	6[1]	100%	11	100%			3[2]	100%
Gérard MESTRALLET[1]	6	86%					5	83%	3	60%
Juan María NIN GÉNOVA[1]	5	71%			5	71%			5	100%
Henri POUPART-LAFARGE	14	100%					9	90%		
Johan PRAUD	14	100%								
Lubomira ROCHET	14	100%					10	100%		
Benoît de RUFFRAY[2]	7	100%					4	100%	3	100%
Alexandra SCHAAPVELD	14	100%	11	100%	11	100%				
Sébastien WETTER	14	100%	5[2]	100%						
Number of meetings held in 2023	14		11		11		10		8	
Average attendance rate *(%)*	**98%**		**100%**		**97%**		**92%**		**94%**	

(1) Until 23 May 2023.
(2) From 23 May 2023.

AVAILABILITY OF DIRECTORS

The Board of Directors ensured the availability of Directors by applying the rules set out in the AFEP-MEDEF Code and the rules of the ECB:

- any Director who is an executive officer of the Company may not hold more than three directorships;
- any Director who is not an executive officer of the Company may not hold more than four directorships.

The Committee examined in particular the situation of Béatrice Cossa-Dumurgier who is not a corporate officer of Believe but holds key roles. As announced during the General Meeting of 23 May 2023, Béatrice Cossa-Dumurgier will only act as Director for two companies on the date of the next General Meeting as she will not be reappointed as Director at Casino.

DIRECTORS AND A NON-VOTING DIRECTOR BOUND BY STRINGENT ETHICS RULES

Each Director is required to comply with the ethics rules laid down in the Internal Rules, in particular with respect to:

Regulations relating to insider trading

EXTRACT OF ARTICLE 5 OF THE INTERNAL RULES

5.5. Each Director must comply with the provisions of the rules on market abuse, in particular those relating to the communication and the use of insider information concerning Societe Generale shares, debt securities and derivative instruments or other financial instruments related to the Societe Generale share (hereinafter referred to as "Financial Instruments"). Each Director must also comply with these same rules governing the Financial Instruments of Societe Generale's subsidiaries or listed investments or companies on which he/she may possess inside information as a result of his/her place on the Board of Directors of Societe Generale.

5.6. Directors shall abstain from trading on Societe Generale Financial Instruments during the 30 calendar days preceding the publication of Societe Generale's quarterly, interim and annual results, as well as on the day of said publication.

They shall refrain from carrying out speculative or leveraged transactions on Societe Generale Financial instruments or those of a listed company controlled directly or indirectly by Societe Generale within the meaning of Article L. 233-3 of the French Commercial Code ("code de commerce").

They shall inform the Secretary to the Board of Directors of any difficulty they may have in complying with the above.

5.7. In accordance with regulations in force, Directors and persons closely associated with them must report the transactions carried out on Societe Generale Financial Instruments to the French Financial Markets Authority ("Autorité des Marchés Financiers" / AMF).

A copy of this report must also be sent to the Secretary to the Board of Directors.

Management of conflicts of interest

ARTICLE 8 OF THE INTERNAL RULES

8.1. The Director shall inform the Secretary to the Board of Directors by letter or email of any conflict of interest, including a potential conflict, in which he/she may be directly or indirectly involved. They shall refrain from participating in any discussion and from taking decisions on such matters.

8.2. The Chairman is in charge of handling conflict of interest situations involving members of the Board of Directors. Where appropriate, he/she refers the matter to the Nomination and Corporate Governance Committee. Where conflicts arise that could affect him personally, he/she refers the matter to the Chairman of the Nomination and Corporate Governance Committee.

Where necessary, the Chairman may request a Director subject to a conflict of interest to refrain from attending the deliberation.

8.3. The Director shall inform, by letter or email, the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new corporate officer position, including his/her participation in a Committee in a company not belonging to a group of which he/she is Director or officer, in order to enable the Board of Directors, based on the recommendation of the Nomination and Corporate Governance Committee, to decide where appropriate that such an appointment would be inconsistent with the directorship in Societe Generale.

8.4. Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in Articles 5.8 and 8.1: (i) upon taking office, (ii) each year in response to the request made by the Secretary to the Board of Directors when preparing the Universal Registration Document, (iii) at any time upon request by the Secretary to the Board of Directors and (iv) within ten (10) working days following the occurrence of any event that renders the previous statement made by him/her inaccurate, in whole or in part.

8.5. In accordance with Article L. 511-53-1 of the French Monetary and Financial Code, Societe Generale and the entities of the Societe Generale group keep up to date and at the disposal of the ACPR the appropriate documentation concerning all loans granted by Societe Generale or an entity of the Group to each Director and their related parties. In addition to legal provisions, where applicable, in respect of regulated agreements requiring prior authorisation from the Board of Directors in which the interested party does not take part, an internal procedure in the Group dedicated to loans granted to these persons is established and reviewed by the Nomination and Corporate Governance Committee; its effective implementation is subject to internal controls and to an information of the Board of Directors when anomalies are identified.

EXTRACT OF ARTICLE 21 OF THE INTERNAL RULES: NON-VOTING DIRECTOR

The non-voting Director attends meetings, executive sessions and seminars of the Board of Directors and may participate in the meetings of the specialised committees in an advisory capacity. […] He is subject to the same rules of ethics, confidentiality, conflicts of interest and professional conduct ("déontologie") as the Directors.

In 2023, no conflict of interest situation existed which resulted in a Director being requested to refrain from attending a meeting.

DIRECTORS REQUIRED TO HOLD A SIGNIFICANT NUMBER OF SOCIETE GENERALE SHARES

The Board of Directors meeting of 6 April 2023, acting on the recommendation of the Nomination and Corporate Governance Committee, amended Article 19 of the Internal Rules in order to increase the number of Societe General shares that must be purchased as an investment in the Company from 1,000 to 2,000. The obligation to acquire 1,000 shares during the first 12 months of appointment was maintained. Directors appointed by the General Meeting must therefore hold a minimum of 600 shares after six months in office and at least 1,000 shares after one year in office. At 1 March 2024, all Directors complied with these rules. The Chairman of the Board of Directors holds 2,174 Societe Generale shares. The new obligation to hold 2,000 shares must be complied with before March of the year during which the office expires.

Each Director is prohibited from hedging his/her shares. The Directors representing employees are not subject to any obligation regarding the holding of shares, pursuant to Article L. 225-25 of the French Commercial Code.

The Chairman of the Board of Directors and the Chief Executive Officers are bound by specific obligations (see page 161).

Presentation of the members of the Board of Directors and of the Non-voting Director

Date of birth:
29 November 1956

Nationality: Italian

Year of first appointment:
2014

Term of office expires: 2026

Holds 2,174 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Lorenzo BINI SMAGHI

Chairman of the Board of Directors
Independent Director

Biography

Lorenzo Bini Smaghi holds a degree in Economic Sciences from the *Université Catholique de Louvain* (Belgium) and a Ph.D in Economic Sciences from the University of Chicago. He began his career in 1983 as an economist in the Research Department of the Bank of Italy. In 1994, he was appointed Head of the Policy Division of the European Monetary Institute. In October 1998, he took up the position of Director-General of International Financial Relations in the Italian Ministry of Economy and Finance. He was Chairman of SACE from 2001 to 2005. From June 2005 to December 2011, he was a member of the Executive Board of the European Central Bank. From 2012 to 2016, he served as Chairman of the Board of Directors of SNAM (Italy). From 2016 to April 2019, he was Chairman of the Board of Directors of Italgas (Italy). He has been Chairman of the Board of Directors of Societe Generale since 2015.

Other offices currently held

None.

Other offices and positions held in other companies in the past five years

- *Chairman of the Board of Directors:*
  Italgas (Italy) (from 2016 to 2019).
- *Director:*
  Tages Holding (Italy) (from 2014 to 2019).

Date of birth: 18 June 1974

Nationality: French/Polish/American

Year of first appointment: 2023

Term of office expires: 2027

Holds 45,000 shares directly and 286 shares *via* Societe Generale Actionnariat (Fonds E)

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Slawomir KRUPA

Chief Executive Officer

Biography

Slawomir Krupa is a graduate of the Paris *Institut d'Études Politiques*. He joined the Societe Generale Group in 1996 and began his career as an inspector at the General Inspection. In 1999, he left the Group to found and manage an e-finance start-up in eastern Europe. He returned to the Group in 2002 in the General Inspection department where he was made a member of its management team in 2005. In 2007, he joined the Corporate and Investment Banking division.

He was named Director of Strategy and Development in 2007, Head of Central and Eastern Europe, Middle-East and Africa (CEEMEA) in 2009, and Deputy Director of Financing in 2012 for which he supervised in particular the primary markets business, securitisation and leveraged financing, while maintaining his regional responsibilities, which were extended in 2013 to include Private Banking, Asset Management, and Securities.

He was named CEO of SG Americas Inc. in January 2016, as well as Head of the America region. In January 2021, he was appointed Head of Global Banking and Investor Solutions. He was appointed Chief Executive Officer in May 2023.

Other offices currently held

None.

Other offices and positions held in other companies in the past five years

- *Chairman and Chief Executive Officer:*
SG Americas Inc.*. (United States) (from 2016 to 2019), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2019).
- *Chairman of the Board of Directors:*
SG Americas Inc.* (United States) (from 2019 to 2021), SG Americas Securities LLC* (United States) (from 2016 to 2019), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2021), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2021).
- *Director:*
SG Americas Inc.* (United States) (from 2016 to 2021), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2021), SG Equipment Finance* (United States) (from 2016 to 2021), Lyxor Asset Management Inc.** (United States) (from 2016 to 2021), Lyxor Asset Management Holding Corp.** (United States) (from 2016 to 2021), SG Forge (from 2022 to December 2023)*.

* *Societe Generale Group.*
** *Societe Generale Group until December 2021.*

Date of birth:
3 February 1958

Nationality: French

Year of first appointment:
2017

Term of office expires: 2025

Holds 2,173 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

William CONNELLY

Company Director
Independent Director
Chairman of the Risk Committee and member of the Nomination and Corporate Governance Committee

Biography

William Connelly is a graduate of Georgetown University in Washington (US). From 1980 to 1990, he worked as a banker at Chase Manhattan Bank in the US, Spain and the United Kingdom. From 1990 to 1999, he worked at Barings and later at ING Barings as Head of Mergers and Acquisitions in Spain, following which he was appointed Head of Corporate Finance for Western Europe. From 1999 to 2016, he was responsible for various positions in the Investment Banking Division at ING Bank N.V. (Netherlands). His last positions were Global Head of Corporate and Investment Banking and member of the Executive Committee, as well as Chief Executive Officer of ING Real Estate B.V. (ING Bank subsidiary).

Other offices currently held

In non-French listed companies:

- *Chairman of the Board of Directors:*
  Aegon Ltd. (Bermuda) (member since 2017 and Chairman since 2018).
- *Chairman of the Board of Directors:*
  Amadeus IT Group (Spain) (Director since 2019) and Chairman (since 2021).

Other offices and positions held in other companies in the past five years

- *Director:*
  Singular Bank (formerly Self Trade Bank SA) (Spain) (from 2019 to April 2023).

Date of birth:
23 November 1957

Nationality: French

Year of first appointment:
2018

Term of office expires: 2026

Holds 1,069 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Jérôme CONTAMINE

Company Director
Independent Director
Chairman of the Compensation Committee and member of the Audit and Internal Control Committee

Biography

Jérôme Contamine is a graduate of France's *École Polytechnique*, ENSAE and *École Nationale d'Administration*. After spending four years as an auditor at the *Cour des Comptes* (the head body for auditing the use of public funds in France), he held various operating positions at Total. He was Chief Financial Officer of Veolia Environnement from 2000 to 2009, Director of Valeo from 2006 to 2017 and Director of TotalEnergie from 2020 to May 2023. He served as Chief Financial Officer of Sanofi from 2009 until 2018.

Other offices currently held

In French unlisted companies:

- *Chairman:*
  Sigatéo (since 2018).

In non-French listed companies:

- *Director:*
  Galapagos N.V. (Belgium) (since 2022).

Other offices and positions held in other companies in the past five years

- *Director and Member of the Audit Committee:*
  TotalEnergies (from 2020 to May 2023).

Date of birth:
14 November 1973

Nationality: French

Year of first appointment:
2023

Term of office expires: 2027

Holds 1,000 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Béatrice COSSA-DUMURGIER

Independent Director

Biography

Béatrice Cossa-Dumurgier is a graduate of France's *École Polytechnique* (1997) and *Corps des Ponts et Chaussées* (2000), and also holds a Master of Science from Massachusetts Institute of Technology (Boston, 2000). She began her career at McKinsey in France and the US, before joining the French Ministry of Finance in 2000, first in the Treasury Department and later in the *Agence des Participations de l'État* (French State Investment Agency). She joined the BNP Paribas group in 2004 and held various strategic, operational and executive positions until 2019, the last being Chief Executive Officer of the online brokerage subsidiary and member of the Domestic Markets Executive Committee. In 2019, she joined BlaBlaCar as Chief Operating Officer, CEO of BlaBlaBus and as a member of the Executive Committee. She has been Chief Operating Officer of Believe since September 2022. She is an independent member of the Board of Directors of the Casino group and has been a member of its Audit Committee since 2021. She is also an independent Director of Peugeot Invest and a member of its Audit, Governance, Nominations and Compensation Committees since May 2022.

Other offices currently held

In French listed companies:

- *Director:*
  Casino (since 2021), Peugeot Invest (since 2022).

Other offices and positions held in other companies in the past five years

- *Deputy Chief Executive Officer:*
  BNP Paribas Personal Investors (France)
  (from 2016 to 2019).
- *Chairman of the Board of Directors:*
  Sharekhan (subsidiary of BNP Paribas Personal Investors) (India) (from 2016 to 2019).
- *Director:*
  SNCF Mobilité (France) (from 2017 to 2019),
  SPAC Transition (from 2021 to September 2023).

Date of birth:
28 December 1963

Nationality: Canadian

Year of first appointment:
2018

Term of office expires: 2026

Holds 1,000 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Diane CÔTÉ

Independent Director
Member of the Audit and Internal Control Committee and of the Risk Committee

Biography

Diane Côté is a graduate of Ottawa University, where she majored in Finance and Accounting. From 1992 to 2012, she performed key functions in the Audit, Risk and Finance Divisions of diverse insurance companies (Prudential, Standard Life and Aviva) in Canada and the United Kingdom. From 2012 until 1 February 2021, she was Chief Risk Officer and member of the Executive Committee of the London Stock Exchange Group (LSEG).

Other offices currently held

In non-French unlisted companies:

- *Director:*
  X-Forces Enterprises (United Kingdom) (since 2021),
  Pay UK Ltd. (United Kingdom) (since 2022),
  ACT (Netherlands) (since 2022).

Other offices and positions held in other companies in the past five years

- *Director:*
  LCH SA (from 2019 to 2021).

Date of birth:
6 October 1962
Nationality:
Swedish/American
Year of first appointment:
2023
Term of office expires: 2027
Holds 600 shares
Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Ulrika EKMAN

Independent Director
Member of the Audit and Internal Control Committee and of the Risk Committee

Biography

Ulrika Ekman holds a J.D. From the New York University School of Law, an M.A. in History from New York University and a B.S. in Foreign Service from Georgetown University. She was a partner in the US and international law firm Davis Polk LLP, where she represented clients in complex domestic and cross-border transactions across a wide range of sectors, including mergers, acquisitions, spin-offs, disposals and restructurings (1990-2004). Ulrika Ekman was a member of the Management Committee of Greenhill & Co, a leading independent investment bank that provides financial advisory services for mergers, acquisitions, restructurings, financing and fundraising to companies, institutions and governments from its multiple offices across five continents (2004-2012), and an independent member of the Board of Directors of Greenhill & Co., where she chaired the Nomination and Governance Committee and sat on the Compensation Committee from 2021 to 2023.

Other offices currently held

In non-French unlisted companies:

- *Manager:*
  Riga Properties LLC (United States) (since 2019).

Other offices and positions held in other companies in the past five years

- *Director:*
  Greenhill & Co. (United States) (from 2021 to December 2023).

Date of birth: 27 July 1967
Nationality: French
Year of first appointment:
2009
Term of office expires: 2024
Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

France HOUSSAYE

Director elected by the employees
Head of External Business Opportunities, Regional Commercial Department, Rouen (Normandy)
Member of the Compensation Committee

Biography

Societe Generale employee since 1989.

Other offices currently held

None.

Other offices and positions held in other companies in the past five years

None.

Date of birth: 14 August 1964

Nationality: German

Year of first appointment: 2020

Term of office expires: 2024

Holds 2,000 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Annette MESSEMER

Independent Director
Member of the Risk Committee and of the Compensation Committee

Biography

Annette Messemer holds a Ph.D in Political Science from the University of Bonn (Germany), a Master in International Economics from the Fletcher School at Tufts University (US) and a degree from *SciencesPo* Paris. She began her career in investment banking at JP Morgan in New York in 1994 and subsequently worked in Frankfurt and London. She left JP Morgan as Senior Banker in 2006 to join Merrill Lynch as member of the German subsidiary's Executive Committee. In 2010, she was appointed to the Supervisory Board of WestLB by the German Ministry of Finance before joining Commerzbank in 2013, where she was a member of the Group's Executive Committee and Head of the Corporate and Institutional Clients department until June 2018.

Other offices currently held

In French listed companies:

- *Director:*
  Savencia SA (since 2020), Imerys SA (since 2020), Vinci SA (since April 2023).

In non-French unlisted companies:

- *Member of the Supervisory Board:*
  Babbel AG (Germany) (since 2021).

Other offices and positions held in other companies in the past five years

- *Director:*
  Essilor International SAS (from 2018 to 2020), Essilorluxottica SA (from 2018 to 2021).

Date of birth: 10 April 1969

Nationality: French

Year of first appointment: 2021

Term of office expires: 2025

Holds 1,000 shares

Professional address:
48, rue Albert Dhalenne
93400 Saint-Ouen-sur-Seine

Henri POUPART-LAFARGE

Chairman and Chief Executive Officer of Alstom
Independent Director
Chairman of the Nomination and Corporate Governance Committee

Biography

Henri Poupart-Lafarge is a graduate of France's *École Polytechnique*, *École Nationale des Ponts et Chaussées* and of Massachussetts Institute of Technology (MIT). He began his career in 1992 at the World Bank in Washington D.C. before moving to the French Ministry of the Economy and Finance in 1994. He joined Alstom in 1998 as Head of Investor Relations and was in charge of Management Control. In 2000, he was appointed Chief Financial Officer of Transmission and Distribution at Alstom, a position he held until 2004. He was Chief Financial Officer of Alstom from 2004 until 2010, and became President of Alstom Grid from 2010 to 2011. On 4 July 2011, he became Chairman of Alstom Transport, before being appointed Chairman and CEO. He has been Chairman and CEO of Alstom since 1 February 2016.

Other offices currently held

In French listed companies:

- *Chairman and Chief Executive Officer:*
  Alstom (since 2016).

Other offices and positions held in other companies in the past five years

- *Director:*
  Transmashholding (Russia) (from 2012 to 2019).

Date of birth:
9 November 1985

Nationality: French

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Johan PRAUD

Logistics manager

Biography

Societe Generale employee since 2005.

Other offices currently held

None.

Other offices and positions held in other companies in the past five years

None.

Date of birth: 8 May 1977

Nationality: French/ Bulgarian

Year of first appointment: 2017

Term of office expires: 2025

Holds 1,000 shares

Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Lubomira ROCHET

Partner at JAB Holding Company
Independent Director
Member of the Nomination and Corporate Governance Committee

Biography

Lubomira Rochet is a graduate of *École Normale Supérieure* and *SciencesPo* in France, and of the College of Europe in Bruges, Belgium. From 2003 to 2007, she was Head of Strategy at Sogeti (Capgemini). In 2008 she moved to Microsoft where she was Head of Innovation and Start-ups in France until 2010. She joined Valtech in 2010 and was appointed Chief Executive Officer in 2012. Lubomira Rochet was Chief Digital Officer and member of the Executive Committee of L'Oréal from 2014 until 2021. She has been a Partner at JAB Holding Company LLC since 2021.

Other offices currently held

In French unlisted companies:

- *Director:*
  Alan (since 2021).

In non-French listed companies:

- *Director:*
  Keurig Dr Pepper (since 2021), Coty* (since January 2023)

In non-French unlisted companies:

- *Director:*
  Bally*, Espresso House*, Gardyn*, NVA Petcare*, Panera*, Prêt A Manger*, The Branch Tech US* (formerly You & Mr Jones) (since 2021), Independence Pet Group* (United States) (since 2022), Pinnacle Pet Group* (United Kingdom) (since 2022).

Other offices and positions held in other companies in the past five years

- *Director:*
  Founders Factory Ltd.** (United Kingdom) (from 2016 to 2021), Krispy Kreme Doughnuts* (from 2021 to December 2023).

* *JAB Holding Company.*
** *L'Oréal Group.*

Date of birth: 4 June 1966
Nationality: French
Year of first appointment: 2023
Term of office expires: 2027
Holds 1,500 shares
Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Benoît de RUFFRAY

Chairman and Chief Executive Officer of Eiffage
Independent Director
Member of the Compensation Committee and the Nomination and Corporate Governance Committee

Biography

Benoît de Ruffray is a graduate of *École Polytechnique* and *École Nationale des Ponts et Chaussées* and also holds a Master's degree from Imperial College London. He began his career in 1990 upon joining the Bouygues group. After leading major international projects, he became Head of Latin America in 2001. From 2003 to 2007, he was Chief Executive Officer of Dragages Hong Kong, and later, in 2008, Deputy CEO of Bouygues Bâtiment International. He became CEO of Soletanche Freyssinet (Vinci Group) in 2015. Benoît de Ruffray was appointed Chairman and Chief Executive Officer of Eiffage on 18 January 2016.

Other offices currently held

In French listed companies:

- *Chairman and Chief Executive Officer:*
  Eiffage* (since 2016).
- *Director:*
  Eiffage* (since 2015), Getlink (since 2023).

In French unlisted companies:

- *Chairman:*
  Eiffage Énergie Systèmes-Participations* (since 2017), Financière Eiffarie (SAS)* (member since 2015 and Chairman since 2018), Goyer* (since 2019).

Other offices and positions held in other companies in he past five years

- *Chairman:*
  Eiffage Infrastructures* (from 2019 to 2022), Eiffage Énergie Systèmes-Régions France* (from 2017 to April 2023), Eiffage Énergie Systèmes-Télécom* (from 2017 to April 2023), Eiffarie (SAS)* (from 2018 to December 2023).
- *Chairman of the Board of Directors:*
  Eiffage Énergie Systèmes-Clemessy* (from 2017 to April 2023).
- *Director:*
  APRR* (from 2015 to June 2023), AREA* (from 2015 to June 2023).
- *Non-voting member of the Supervisory Board:*
  Aéroport de Toulouse-Blagnac* (from 2020 to June 2023).

* *Eiffage group.*

Date of birth: 5 September 1958
Nationality: Dutch
Year of first appointment: 2013
Term of office expires: 2025
Holds 3,069 shares
Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Alexandra SCHAAPVELD

Company Director
Independent Director
Chairwoman of the Audit and Internal Control Committee and member of the Risk Committee

Biography

Alexandra Schaapveld holds a degree in Politics, Philosophy and Economics from the University of Oxford (UK) and has a Master in Development Economics from Erasmus University Rotterdam (Netherlands). She began her career with the ABN AMRO Group in the Netherlands, where she held various positions in the Investment Banking Division from 1984 to 2007. In particular, she was in charge of covering the bank's major corporate clients. In 2008, she moved to the Royal Bank of Scotland Group where she was appointed Head of Investment Banking for Western Europe.

Other offices currently held

In non-French listed companies:

- *Director:*
  3I PLC (United Kingdom) (since 2020).

Other offices and positions held in other companies in the past five years

- *Member of the Supervisory Board:*
  Vallourec SA (from 2010 to 2020), FMO (Netherlands) (from 2012 to 2020), Bumi Armada Berhad (Malaysia) (from 2011 to May 2023).

Date of birth: 10 July 1971
Nationality: French
Holds 3,384 shares
7,815 *via* Societe Generale Actionnariat (Fonds E)
Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Sébastien WETTER

Banker managing Societe Generale's coverage of international financial institutions
Global Chief Operating Officer for the Financial Institutions coverage teams

Biography

Sébastien Wetter holds a Master degree in Fundamental Physics and graduated from the Lyons Business School (EM Lyon). He began his career at Societe Generale in 1997 in the Strategy and Marketing Division of Societe Generale's retail bank. Working in the Group's Organisation Consulting Department from 2002, he performed a range of roles in the Corporate & Investment Banking arm and helped roll out the Group-wide participatory Innovation programme. At the end of 2005, he joined the Commodities Market Department as Chief Operating Officer holding a global remit, before becoming Head of Business Development in 2008. From 2010 until 2014, he served as General Secretary in the Group's General Inspection and Audit Division. In 2014, he joined the Sales Division of the Corporate & Investment Bank arm where he held a number of positions: Head of marketing for major French and international clients, then in 2016, Global Chief Operating Officer responsible for the sales teams covering financial institutions. Since the beginning of 2020, he has been a banker managing Societe Generale's relationship with international financial institutions.

Other offices currently held

None.

Other offices and positions held in other companies in the past five years

None.

Date of birth: 18 March 1955
Nationality: French
Year of first appointment: 2021
Term of office expires: 2025
Professional address:
Tours Societe Generale
17, cours Valmy
CS 50318
92972 La Défense cedex

Jean-Bernard LÉVY (Non-voting Director)

Non-voting Director

Biography

Jean-Bernard Lévy is a graduate of France's *École Polytechnique* and *Télécom Paris Tech*. From 1978 to 1986, he worked as an engineer at France Télécom. From 1986 to 1988, he was technical advisor to the Cabinet of Gérard Longuet, who was at the time Deputy Minister for the Postal and Telecommunications Service. In 1988, he joined Matra Marconi Space as Head of Telecommunication Satellites, a position he held until 1993. From 1993 to 1994, he was appointed Director of the Cabinet of Gérard Longuet, then French Minister for Industry, Postal and Telecommunications Service and Foreign Trade. He subsequently held the positions of Chairman and Chief Executive Officer of Matra Communication from 1995 to 1998. From 1998 to 2002, he was Chief Executive Officer and later Managing Partner responsible for Corporate Finance at Oddo et Cie. He joined Vivendi in August 2002 as Chief Executive Officer. He chaired Vivendi's Management Board from 2005 to 2012. He was both Chairman and Chief Executive Officer of Thalès from December 2012 until November 2014. He held the positions of Chairman and Chief Executive Officer of EDF from November 2014 until November 2022.

Other offices currently held

In French listed companies:

- *Director:*
  Forvia (formerly Faurecia SA) (since 2021).

In French unlisted companies:

- *Chairman:*
  JBL Consulting & Investment (since January 2023).
- *Director:*
  Tehtris (since January 2023).

Other offices and positions held in other companies in the past five years

- *Chairman of the Board of Directors:*
  Edison S.p.À* (Italy) (from 2014 to 2019).
- *Chairman and Chief Executive Officer:*
  EDF* (from 2014 to 2022).
- *Chairman of the Supervisory Board:*
  Framatome* (from 2018 to 2022).
- *Director:*
  Dalkia* (from 2014 to 2022), EDF Renouvelables* (from 2015 to 2022), Edison S.p.A* (Italy) (from 2019 to 2022), EDF Energy Holdings* (United Kingdom) (from 2017 to 2022).

* *EDF Group.*

The Chairman of the Board of Directors

ROLE OF CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors appointed Lorenzo Bini Smaghi as Chairman of the Board of Directors following the separation on 19 May 2015 of the offices of Chairman of the Board of Directors and Chief Executive Officer. Following the Combined General Meeting of 17 May 2022 when Lorenzo Bini Smaghi's appointment as Director was renewed, the Board of Directors unanimously voted to reappoint him as Chairman of the Board of Directors.

The duties of the Chairman are set out in Article 9 of the Internal Rules (see page 173).

DISTINCTION BETWEEN THE ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chairman is asked to perform specific, limited assignments which are unlikely to encroach on the Chief Executive Officer's powers under law. To this end, the Chairman and the Chief Executive Officer consult each other pursuant to Article 9.8 of the Internal Rules.

REPORT ON THE ACTIVITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS FOR 2023

In 2023, the Chairman of the Board devoted at least three days a week to Group business. He chaired all Board meetings and executive sessions. He also attended nearly every Committee meeting. Alongside the Chairman of the Nomination and Corporate Governance Committee, he oversaw collective and individual assessments of Board members. He met Directors individually. The Chairman held several meetings with the ECB. He also took part in keynote speeches on finance and the macro-economy in Europe and the United States. The Chairman made statements to the media on several occasions and met with clients, investors and shareholders. In order to prepare for the General Meeting, he organised meetings with the main shareholders and proxies. Last, the Chairman participated in a roadshow to showcase the Group's governance system to investors. He performed part of his work using videoconference facilities.

The Chairman devoted several days to visiting Group entities. Following the merger with Crédit du Nord, he travelled to Marseilles and Lille to meet regional SGRF managers. He also exchanged views with employees, notably with our young talent.

The Board of Directors' expertise

The Internal Rules of Societe Generale's Board of Directors define its organisation and operating procedures. It was updated on 7 February 2024.

The Board of Directors deliberates on any matter falling within its legal and regulatory powers and must devote sufficient time to performing its tasks.

The Board of Directors has the power to act in the areas mentioned in Article 1.2 of the Internal Rules on page 168 which provides a non-exhaustive guide to the Board of Directors' brief.

Functioning of the Board of Directors

The Internal Rules govern the functioning of the Board of Directors.

Each Director receives the information required to carry out their duties and in particular to prepare each Board of Directors meeting. The Directors are also given useful information, including critical information, on significant events for the Company. Each Director attends training sessions to enable them to perform their duties.

The Board of Directors' work

In 2023, the Board held 14 meetings, compared with 18 in 2022, the average length of which was three hours. The average attendance rate of Directors per meeting was 98%, compared with 97% in 2022. In addition to these meetings, the Board of Directors also held several conference calls to discuss topical issues. It held one strategy seminar and two strategy meetings, notably in May 2023 to prepare for the Capital Markets Day (CMD) event.

Three Directors' meetings without the presence of Chief Executive Officers (executive sessions) were also held. These concerned assessment of the General Management, succession plans, in particular relating to the Chief Executive Officer, the organisation of the Company, the compensation of Executives and strategic directions.

BOARD OF DIRECTORS AND CSR

At its meeting on 18 January 2024, the Board of Directors refined the way in which it is organised to handle CSR-related topics. It examined the latest recommendations of the AFEP-MEDEF Code on CSR subjects, which were published on 20 December 2022, and deemed that it was compliant with all of those recommendations. Concerning recommendation number 16 which provides that CSR-related topics are subject to preparatory work by a specialised Committee of the Board of Directors, the Nomination and Corporate Governance Committee and then the Board of Directors meeting of 12 January 2023 decided that it is possible for a company like Societe Generale without a dedicated or combined CSR Committee to comply with this recommendation by organising itself in such a way that CSR topics are comprehensively prepared by a specialised Committee, which may differ in expertise according to the CSR subject in question.

The Board of Directors amended its Internal Rules on 13 April 2023 to reflect more precisely the way in which it applies the recommendations of the AFEP-MEDEF Code on CSR topics published on 20 December 2022.

Corporate Social Responsibility (CSR), particularly as it relates to climate, is decided at full Board level on the basis of a proposition from General Management which is reviewed by the non-voting Director. The proposition is first reviewed by the Risk Committee for risk aspects, the Compensation Committee for compensation aspects pertaining to the Chief Executive Officers, and the Nomination and Corporate Governance Committee for governance questions (including internal governance of the Group).

The Risk Committee monitors CSR-related risks on a quarterly basis and also reviews the results of all climate stress tests.

The Audit and Internal Control Committee reviews all financial and non-financial communication documentation relating to CSR, *i.e.*, duty of care, declaration of extra-financial performance and, from 2024, Sustainability report, before they are submitted to the Board of Directors for approval. In relation to the application of the national provisions transposing the CSRD, the Board of Directors' Internal Rules were amended on 07 February 2024 to specify that it is the role of the Audit and Internal Control Committee to carry out the following in particular:

a) monitor the process implemented to determine the information to be published in accordance with the standards for the communication of information on Sustainability/non-financial subjects;

b) oversee a selection process for Sustainability Auditors and issue a recommendation in this regard to the Board of Directors;

c) ensure the independence of the Sustainability Auditors;

d) approve permitted services that can be provided by each Sustainability Auditor other than those relating to Sustainability auditing;

e) report on the non-financial information certification role performed by the Sustainability Auditors;

f) monitor the controls on non-financial information carried out by the Sustainability Auditors.

The Compensation Committee submits to the Board of Directors the selected CSR criteria for the remuneration of corporate officers.

The Nomination and Corporate Governance Committee prepares discussion material to enable the Board of Directors to deal optimally with CSR issues. Using the Directors' skills matrix (see page 83), it examines the Board's skills requirements each year in terms of expertise and the various CSR-related topics. It draws the necessary conclusions concerning the recruitment processes in place and the training on offer. In 2023, training was organised for every Director.

Each of the topics covered by the Committees is subsequently discussed by the Board of Directors at their meetings.

In addition to helping to define strategy, the non-voting Director assists all the Board's Committees when they discuss CSR-related issues. In this regard, at its meeting on 13 April 2023, the Board of Directors decided to extend its remit to cover CSR as a whole and not only the energy transition.

In addition, the Board of Directors' Internal Rules provide that files submitted to the Board of Directors must contain information on social and environmental objectives for consideration where necessary.

As was the case in 2023, the Board of Directors will submit its climate strategy, the related measures for implementation and the CSR strategy as an agenda item to the General Meeting of Shareholders to be held on 22 May 2024.

Last, as part of its brief relative to investors, the Chairman will present the major planks of the CSR policy, in addition to the key points of Group governance, and will discuss them with investors.

As is the case every year, the Board of Directors closed the annual, interim and quarterly financial statements, and examined the budget.

During 2023, the Board of Directors continued to monitor the Group's liquidity profile and its capital trajectory in light of regulatory requirements.

It devoted time to several follow-up points on ECB recommendations, particularly in respect of the SREP. It reviewed its Internal Rules on several occasions.

The Board of Directors will work to continue strengthening its compliance plan and to promote compliance with the rules and the upholding of integrity as fundamental components of the corporate culture.

At its meeting of 15 December 2023, the Board of Directors ensured that the implementation of the diversity targets laid down for governance bodies at the Board meeting of 4 November 2020. It also set the gender diversity target for 2026, namely to put at least 35% of women in senior management bodies. This diversity policy is described in Chapter 3.1.5, "Diversity Policy in Societe Generale".

During 2023, the work of the Board of Directors notably involved organising the transition of management from Frédéric Oudéa to Slawomir Krupa, the appointment of new Deputy CEOs, and the presentation of the new internal organisation (creation of an Executive Committee, financial communication on three pillars).

Following an in-depth strategic review, the Board of Directors approved the strategy presented by Slawomir Krupa at the Capital Markets Day event.

It approved the closing of the acquisition of LeasePlan by ALD and oversaw its integration.

It also oversaw the merger with Alliance Bernstein.

Last, the Board of Directors allocated a significant portion of its time to the retail banking activity (merger of the Societe Generale and Crédit du Nord networks, development of BoursoBank).

The Board addressed the following main topics in 2023:

Corporate social responsibility (CSR) strategy Climate risks	Capital Markets Day Budget and financial trajectory	Alliance Bernstein
Duty of Care plan	SREP	Transformation of the France networks (BDDF, Crédit du Nord)
Information systems and IT security, particularly cybersecurity	ICAAP/ILAAP	ALD/LeasePlan: Creation of Avyens
Innovation	Resolution and recovery plans	BoursoBank
Human Resources	Universal Registration Document and Extra-Financial Performance Statement	SGEF
Assessment of the Group-wide Culture & Conduct programme	Modern Slavery Act passed in the UK and Australia	GTPS
Compliance	General Meeting	Africa
Remediation plans, in particular anti-corruption initiatives, sanctions and embargoes	Operational resilience plan Outsourcing policy	Client satisfaction
Risk appetite	Audit plan	BRD

The Board of Directors was informed of regulatory changes and their consequences for the Group's organisation and its business. The Board of Directors regularly reviewed the Group's risk status. It approved the Group's risk appetite. It approved the ICAAP and the ILAAP, as well as the Group's overall market risk limits. It also reviewed the Annual Reports on internal control communicated to the French Prudential Supervisory and Resolution Authority (ACPR), as well as the responses to follow-up letters following ACPR and ECB inspections.

It also assessed the performances of the Chief and Deputy Chief Executive Officers and determined their compensation, as well as that of the Chairman. It established performance share plans.

The members discussed the policy in place with respect to gender equality in the workplace and equal pay.

The Board decided on the allocation of compensation to Directors (see page 107) and to the Non-voting Director.

The Board of Directors prepared and approved the resolutions to be submitted to the Annual General Meeting.

Each year, the Board of Directors carries out an assessment to review its own functioning process and composition. The assessment is carried out every three years by an external consulting firm and, for the other years, is based on interviews and surveys conducted by the Nomination and Corporate Governance Committee. This year the assessment was carried out internally, as was the case in 2021. In 2022, it was carried out by an external firm, and the process will be repeated in 2025. The conclusions of the 2023 review are set out in the assessment section of this report (see page 106).

Similarly, and as is the case every year, the Board of Directors discussed the succession plans for General Management. These plans distinguish between successions occurring at the end of a term of office and unexpected successions. They are prepared by the Nomination and Corporate Governance Committee.

Meeting on 7 February 2024, the Board of Directors approved the propositions presented by the Compensation Committee regarding the Chief Executive Officers' quantitative and qualitative targets. Overall, the general principles governing the global compensation structure have not changed (see Chapter 3.1.6).

In 2023, the Board continued to apply the working method adopted in 2020 involving systematically calling on one of the Directors to table strategic or cross-business discussions after a presentation from General Management, where necessary. This process enhanced the substantive nature of the work performed and gives added weight to each individual Director's involvement. Since 18 May 2021, the Board of Directors has also had the benefit of Jean-Bernard Lévy's insight in his capacity as Non-voting Director. At the Board of Directors' meeting of 13 April 2023, his term of office was renewed for a further two years until 18 May 2025. One of his tasks is to assist the Board of Directors in relation to its CSR role, for which his compensation was adjusted accordingly.

The Board of Directors observed that no new agreement had been signed during the year ended 31 December 2023, directly or by any other intermediary, between, on the one hand, any of the corporate officers or any of the shareholders holding a fraction of voting rights exceeding 10% of Societe Generale and, on the other hand, Societe Generale or another company controlled by Societe Generale in accordance with Article L. 233-3 of the French Commercial Code (see the corresponding Statutory Auditors' report in section 3.2). Excluded from this assessment were agreements on ordinary operations and concluded under normal conditions.

The Board of Directors' Committees

The Board of Directors was assisted by four Committees in 2023:

- the Audit and Internal Control Committee;
- the Risk Committee (and its corollary, the US Risk Committee);
- the Compensation Committee;
- the Nomination and Corporate Governance Committee.

If required, the Board of Directors may also create one or more *ad hoc* Committees in addition to these four Committees.

AUDIT AND INTERNAL CONTROL COMMITTEE

5 Number of Directors

83% Proportion of independent Directors[(1)]

60% Representation by women

11 Number of meetings in 2023

100% Average attendance in 2023

RISK COMMITTEE

5 Number of Directors

100% Proportion of independent Directors

80% Representation by women

11 Number of meetings in 2023

97% Average attendance in 2023

COMPENSATION COMMITTEE

4 Number of Directors

75% Proportion of independent Directors[(1)]

50% Representation by women

8 Number of meetings in 2023

94% Average attendance in 2023

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

4 Number of Directors

100% Proportion of independent Directors

25% Representation by women

10 Number of meetings in 2023

92% Average attendance in 2023

(1) The Committee comprises one employee Director, who is not an independent Director pursuant to the AFEP-MEDEF Code.

Each Committee comprises at least four members. None of the Directors is a member of more than two Committees. Each Committee comprises at least one member of either sex.

One employee Director participates in the Compensation Committee and the other participates in the Audit and Internal Control Committee. One Director sits on both the Risk Committee and the Compensation Committee.

In 2018, it was decided to extend the Risk Committee to include the members of the Audit and Internal Control Committee when it sits as the US Risk Committee. On 13 April 2023, the US Risk Committee Charter was amended to restrict its membership solely to the members of the Risk Committee and the Chair of the Audit and Internal Control Committee. The members of the US Risk Committee are as follows: William Connelly (Chairman), Diane Côté, Ulrika Ekman, Annette Messemer and Alexandra Schaapveld.

Béatrice Cossa Dumurgier will become a member from April 2024 and in the meantime will be invited to attend as a guest.

The Chairpersons of the Risk Committee and the Audit and Internal Control Committee meet with the ECB and the US Federal Reserve at least once a year to provide an overview of the Committees' activities.

The Chairman of the Compensation Committee met the ECB once.

The US Risk Committee met in New York in January 2023 and again in January 2024.

The duties of the Board of Directors' four Committees are set out in the corresponding charters which comprise the appendices of the Internal Rules (see page 179 and following).

AUDIT AND INTERNAL CONTROL COMMITTEE

At 1 January 2024, the Audit and Internal Control Committee comprised five Directors, four of whom are independent Directors (Diane Côté, Ulrika Ekman, Alexandra Schaapveld and Jérôme Contamine) and one employee (Sébastien Wetter). The Committee is chaired by Alexandra Schaapveld.

All members hold or have held positions as a banker, Chief Financial Officer, auditor, M&A lawyer or member of a bank's management committee. Accordingly, they are highly qualified in the financial and accounting fields, and in evaluating the statutory audit of financial statements.

Article 2: Role

Without prejudice to the detailed list of missions referred to in Article 5, the Audit and Internal Control Committee's mission is to monitor questions concerning the preparation and control of accounting, financial and sustainability information, as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems. It conducts the procedure for selecting the Statutory Auditors for the certification of the accounts and the selection of the Statutory Auditors and/or an independent third-party body for the certification of sustainability information. It approves the services provided by the Statutory Auditors other than the certification of the accounts and the services provided by the Statutory Auditors and/or independent third-party bodies other than the certification of sustainability information.

The Audit and Internal Control Committee charter can be found on page 180.

Activity Report of the Audit and Internal Control Committee for 2023

The Committee met 11 times in 2023 (ten times in 2022). The attendance rate was 100%, compared with 100% also in 2022.

The Committee examined the draft annual, interim and quarterly accounts prior to their presentation to the Board and submitted its opinion on them to the Board. It approved the corresponding financial communication. The Committee also examined the Declaration of Extra-Financial Performance (DEFP) and the Duty of Care plan.

At each account closing period, the Committee interviewed the Statutory Auditors without the presence of management before attending a presentation of the accounts by the Finance Division. Early in the year, the Statutory Auditors gave a detailed presentation of Key Audit Matters. The Chief Executive Officer attended the meetings dedicated to each account closing and discussed the quarter's significant events with the Committee.

The heads of the internal control functions (audit, risk, compliance) and the Chief Financial Officer reported to the Committee at each meeting The Committee reviewed the annual report on internal control.

Each quarter, it holds meetings with the Head of the General Inspection and Audit Division at which members of management are not in attendance.

It devoted several agenda items to internal control issues and to monitoring remediation plans following inspections by supervisors, including the US Federal Reserve, the Financial Conduct Authority, the European Central Bank and the French Banking and Insurance Supervisory Authority (ACPR in French). The Committee conducted a quarterly review of work dedicated to bringing permanent control to the required level and regularly assessed the work performed by the General Inspection and Audit Department. It was briefed on significant compliance-related incidents. It holds quarterly meetings with the Head of the General Inspection and Audit Division without members of management being present.

Prior to 23 May 2023, all Committee members took part in the work performed by the US Risk Committee, which serves as a Risk Committee and oversees audits of US-based businesses.

It reviewed the work schedule for the General Inspection and Audit Department, and followed up audit procedure recommendations.

It examined the Group's draft replies to follow-up letters from the ACPR, as well as replies to the ECB.

The Committee dealt with the following main issues throughout the year:

- review of disposals and acquisitions carried out in 2023;
- GDPR risks;
- provisioning policy;
- registration of Societe Generale as a Securities-Based Swap Dealer with the SEC;
- control of outsourced activities;
- overview of services provided by the Statutory Auditors other than the certification of the financial statements;
- review of 2023 audit fees and the 2024 budget provided by the joint Statutory Auditors;
- Universal Registration Document;
- governance and internal control of anti-money laundering/ countering the financing of terrorism (AML-CFT);
- MARK (Global Markets) and swapdealer activity controls;
- presentation of the CSRD;
- monitoring the integration of LeasePlan;
- controls on start-ups;
- appointment/appraisal/compensation of the Head of the General Inspection and Audit Division;
- presentation of the results of the Internal Control Certification (I2C) process;
- presentation of the Company and consolidated reports on the Group's financial security system;
- market integrity (separation of proprietary banking activities, US and European regulations on derivatives, market abuse, indices and benchmarks, best execution and transactions by staff);
- customer protection.

The Committee travelled to New York in January 2023 and January 2024 and met the heads of control functions and the heads of the various businesses.

It discussed the audit programme and the budget for Statutory Auditors' fees for 2024.

It reviewed the Board's Internal Rules on topics that concern it and in particular its charter, including the update in February 2024 of its tasks in the context of the transposition of the CSRD.

Request for proposal procedure implemented to replace the Statutory Auditors

The engagements of Statutory Auditors Deloitte & Associés and Ernst & Young et Autres expire at the end of the General Meeting of Shareholders convened on 22 May 2024 to approve the financial statements for the 2023 financial year.

According to the rules pertaining to mandatory audit firm rotation of Statutory Auditors under European Union audit legislation, in particular the provisions of Article 17 of (EU) Regulation No. 537/2014 of 16 April 2014 relating to the specific requirements applicable to the legal review of the financial statements of public interest entities (PIEs) and the provisions of Article L. 821-45 (formerly Article L. 823-3-1) of the French Commercial Code relating to the maximum length of engagements, the engagements of Deloitte & Associés and Ernst & Young et Autres as the Company's Statutory Auditors cannot be renewed.

Consequently, two new Statutory Auditors will be proposed for appointment at the General Meeting of 22 May 2024. In accordance with Article 16 of (EU) Regulation No. 537/2014 of 16 April 2014 and Article L. 821-40 (formerly L. 823-1) of the French Commercial Code, a selection process involving a request for proposal was conducted independently by the Audit and Internal Control Committee.

The process began at the meeting of the Audit and Internal Control Committee of 4 February 2020, after which the candidates having had submitted their proposals were interviewed. At the end of this process, the Audit and Internal Control Committee presented the different options to the Board of Directors and subsequently recommended the proposal of KPMG S.A. and PricewaterhouseCoopers for appointment as Statutory Auditors at the General Meeting, pointing out that the Group would benefit from the technical expertise and experience in France and abroad of these two firms.

The Company's Board of Directors followed the recommendation and during its meeting of 14 January 2021 decided that it would submit the appointment of KPMG S.A. and PricewaterhouseCoopers from 1 January 2024 for the approval at the General Meeting of Shareholders of 22 May 2024. The Board of Directors later confirmed its choice at its meeting of 18 January 2024 based on the confirmation by the Audit and Internal Control Committee of its recommendation on 17 January 2024.

Selection process implemented to appoint the first Sustainability Auditors

Public interest entities (PIEs), such as Societe Generale, have an obligation to publish Sustainability information (the "**Sustainability Report**") in a section of their Management Report, as provided by (EU) Directive No. 2022/2464 of 14 December (Corporate Sustainability Reporting Directive - "**CSRD**"), transposed into French law, and applicable from 2025 for the 2024 financial year, under which at least one Sustainability Auditor must be appointed (Articles L. 821-41 and L. 822-18 of the French Commercial Code) during the Shareholders Meeting of 22 May 2024 in order to verify and ensure the reliability of this information. The Sustainability Auditor may be a Statutory Auditor or an independent third party. The minimum legal duration of the term of office of the Sustainability Auditor is the same as that of the Statutory Auditors, *i.e.* six fiscal years. Nevertheless, a three-fiscal year tenure is allowed for the first and second Sustainability Auditor appointments.

The Sustainability Auditor selection process began in November 2023. For the initial period, and insofar as no independent third party with international geographical coverage and expertise in the financial sector compatible with the entities and activities of the Group was identified, the General Management advised that the Audit Committee refrain from selecting an independent third party and instead consider only statutory audit firms for the position of Sustainability Auditor. To this end, preliminary discussions were held in November 2023 to seek expressions of interest from the main Statutory Auditor firms.

During its meeting of 17 January 2024, the Audit and Internal Control Committee decided to recommend to the Board of Directors that KPMG S.A and PricewaterhouseCoopers be proposed at the General Meeting for appointment as Statutory Auditors in charge of certifying consolidated sustainability information, pointing out that this supplementary appointment of the proposed Statutory Auditors as Sustainability Auditors would be beneficial, firstly in meeting the requirement to assess Sustainability information in terms of its interaction with the financial statements and secondly, that the international geographical coverage and expertise of these firms in the financial sector makes them highly compatible with the entities and activities of the Group. In any event, no other global Statutory Auditor firm wished to apply for the position given the incompatibility rules impacting this engagement.

At the end of this process, the Audit and Internal Control Committee presented the different options to the Board of Directors and then issued its recommendation. The latter was followed by the Board, which decided at its meeting of 18 January 2024 to submit the appointment of KPMG S.A and PricewaterhouseCoopers as Sustainability Auditors for approval at the General Meeting of Shareholders of 22 May 2024 for an initial term of office of three years starting from 1 January 2024.

RISK COMMITTEE

At 1 January 2024, the Risk Committee comprised five independent Directors: Diane Côté, Ulrika Ekman, Annette Messemer, Alexandra Schaapveld and William Connelly. The Committee is chaired by William Connelly. Béatrice Cossa Dumurgier will join the Risk Committee from April 2024. Until that time, she will be invited to attend the Committee meetings as a guest, in her capacity as a Director.

All members hold or have held positions as a banker, Chief Financial Officer, auditor, M&A lawyer or member of a bank's management Committee. Accordingly, they are highly qualified in the financial and accounting fields, and in risk assessment.

Article 2 of the Risk Committee Charter: Role

The Risk Committee prepares the Board of Directors' work on the Group's global strategy and appetite for risks of all kinds[(1)], both current and future, and assists it when the controls reveal difficulties in their implementation

The Risk Committee Charter can be found on page 182.

Activity Report of the Risk Committee for 2023

The Risk Committee met 11 times during the year (ten times in 2022). The members' attendance rate was 97%, compared with 100% in 2022.

At each meeting the Committee performed an in-depth review of the risks and their consequences from both a prudential and an accounting perspective.

At each meeting, the Chief Risk Officer reports to the Risk Committee on changes in the risk environment and on key events. The Committee reviews documents relating to risk appetite (the risk appetite statement and the risk appetite framework) and prepares the ground for ICAAP and ILAAP decisions. It regularly receives risk dashboards of all kinds, including for reputational and compliance risks. It also receives operational dashboards. It carries out regular follow up of the implementation of SREP recommendations. It specifically reviewed the following:

- risk limits (including market risk limits);
- Group recovery plan;
- Group resolution plan;
- Group cost recovery mechanism;
- climate and environmental risks;
- liquidity risk;
- interest rate risk;
- exchange rate risk;
- credit risk;
- market risk;
- operational risk;
- dispute management;
- incorporation of risk into the pricing of products and services;
- incorporation of risk into the compensation policy;
- new products;
- cyber resilience;
- data quality;
- transformation of the France networks (BDDF, Crédit du Nord);
- correspondent banking within the Group;
- MARK activities;
- performance and assessment of the compliance, audit and risk functions.

In 2023, the Committee devoted several agenda items to the transformation of the France networks (BDDF, Crédit du Nord) and to climate and environmental risks. It was briefed on the main disputes, including tax disputes. It reviewed the Risk Department's organisation. It also conducted a review of the Compliance Department. It examined risk areas specific to regulatory projects. It also prepared the Board's work on the recovery and resolution plans. It issued an opinion to the Compensation Committee on the risks involved in the compensation of regulated employees, namely market professionals and others.

The Committee travelled to New York in January 2024 and met the heads of control functions and the heads of the various business lines.

The Committee held six meetings acting in its capacity as the US Risk Committee. It approved the risk appetite of the US operations. It also performed other tasks required under US law such as the supervision of liquidity risk and the approval of risk policies. It carried out the remediation work requested by the US Federal Reserve in respect of risk management. The Committee received training on business developments in the US and on regulatory changes impacting the US Risk Committee's activity. The US Risk Committee Charter is appended to the Board of Directors' Internal Rules (see page 186).

The Committee reviewed the topics of the Internal Rules that concern it, in particular the composition of the US Risk Committee and the method for assessing risks related to the Group's CSR strategies following the new CSR recommendations of the AFEP-MEDEF Code published on 20 December 2022.

(1) The typology of risks is mentioned in the Group Risk Appetite Statement.

COMPENSATION COMMITTEE

At 1 January 2024, the Compensation Committee comprised four Directors, including three independent Directors (Jérôme Contamine, Benoît de Ruffray and Annette Messemer) and one Director representing employees (France Houssaye). The Committee is chaired by Jérôme Contamine, who is an independent Director.

Its members possess the skills needed to assess compensation policies and practices, including those relating to the Group's risk management.

Article 2 of the Compensation Committee Charter: Role

The Compensation Committee prepares the decisions of the Board of Directors concerning compensation, especially those related to the compensation of the Chairman of the Board of Directors and the Chief Executive Officers, as well as of persons that have an impact on the risk and the management of risks in the Company.

The Compensation Committee Charter can be found on page 184.

Activity Report of the Compensation Committee for 2023

The Compensation Committee met eight times during the year. The members' attendance rate was 94%, compared with 97% in 2022.

The Chief Executive Officer was involved in the Compensation Committee's work, but was excluded from deliberations when they directly concerned his own remuneration. The Chairman also took part in the Committee's deliberations.

The Committee dealt with the following main issues throughout the year:

- guidance on the compensation policy;
- compensation of corporate officers, including Directors;
- gender equality in the workplace;
- compensation policy of GBIS (Global Banking and Investor Solutions);
- compensation policy applied to the regulated employee population;
- public report on the compensation policies and practices applicable to regulated employees;
- impact of the introduction of the Capital Requirements Directive (CRD V);
- supplementary incentive payments;
- compliance with the compensation policy;
- quantitative and qualitative objectives for 2023 of the executive officers;
- the compensation section of this chapter on corporate governance and the annual report on compensation policies;
- review of the compensation of the Group's Chief Risk Officer, Head of Compliance and Head of Audit;
- allocation of performance shares;
- monitoring of share ownership and holding obligations of executive officers.

It approved the resolutions submitted to the General Meeting concerning compensation.

The Committee analysed and reviewed the equity ratio and benchmarked corporate officers' compensation in relation to CAC 40 groups and a panel of eleven European banks with comparable characteristics to Societe Generale, *i.e.* Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Credit Suisse, Deutsche Bank, Intesa, Nordea, Santander, UBS and UniCredit.

ING has replaced Credit Suisse since 2023.

The Committee prepared the work of the Board of Directors on the conditions of Frédéric Oudéa's exit package and the end of Diony Lebot's tenure. It proposed the conditions applicable to new corporate officers.

The Committee prepared the executive officers' assessment reports. It submitted recommendations to the Board on the annual targets of the executive officers.

In accordance with CRD V and its transposition into French law, the Compensation Committee ensured that the Group's compensation policies comply with the regulations and are aligned with the Group's risk management strategy and shareholders' equity targets.

The Committee reviewed the principles of the compensation policy applicable in the Group, in particular concerning employees whose activities have a significant impact on the Group's risk profile, in accordance with the regulations in force. It devoted several meetings to this issue and to ensuring that the structure submitted for regulated employees complies with the new rules in force. It took particular care to ensure that the compensation policy effectively took into account the risks generated by the businesses and that employees complied with risk management policies and professional standards. The Risk Committee issued an opinion on this matter and on the two committees which share a member (Annette Messemer). The Committee also relied on work performed by external and internal control bodies. The Chairman of the Risk Committee and the heads of the Risk and Compliance Departments gave presentations to the Committee so it could fully appreciate the risk and compliance issues. Last, it reviewed the Annual Report on Compensation. The compensation policy is described in detail on pages 114 and following. In this regard, the Internal Rules of the Board of Directors were amended on 2 August 2023 to clarify the fact that when the Compensation Committee prepares decisions for the Board on the compensation policy applicable to regulated employees, it consults with the Chief Risk Officer, the Head of Compliance and the Head of Inspection and Audit, and furthermore takes into account the opinion of the Risk Committee, all of which is included in the opinion it provides to the Board of Directors. Where necessary, it also consults the Chairman of the Risk Committee.

The Committee submitted the share allocation plans to the Board.

The Committee reviewed the amendments made to the Internal Rules in response to the latest recommendations by the AFEP-MEDEF Code on CSR topics published on 20 December 2022.

At its meeting of 11 January 2024, the Compensation Committee issued a favourable opinion on the proposal by the Nomination and Corporate Governance Committee to recommend to the Board of Directors that it submit for the approval of the General Meeting of Shareholders of 22 May 2024 an increase in the overall annual amount of the Directors' compensation from EUR 1.7 million to EUR 1.835 million for the year beginning 1 January 2024 and for subsequent years until decided otherwise.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

At 1 January 2024, the Nomination and Corporate Governance Committee comprised four independent Directors:

Lubomira Rochet, William Connelly, Henri Poupart-Lafarge and Benoît de Ruffray. It is chaired by Henri Poupart-Lafarge.

Its members possess the skills needed to assess nomination and corporate governance policies and practices.

The identification, selection and succession of the members of the Board of Directors are subject to a procedure.

Article 2 of the Nomination and Corporate Governance Committee Charter: Role

The Nomination and Corporate Governance Committee prepares the decisions of the Board of Directors regarding the selection of Directors, the appointment of Chief Executive Officers, succession plans, the composition of management bodies and the proper functioning of the Board of Directors, in particular the application of the governance rules described in the Internal Rules.

The Nomination and Corporate Governance Committee Charter can be found on page 185.

Activity Report of the Nomination and Corporate Governance Committee for 2023

The Nomination and Corporate Governance Committee met ten times in 2023. The members' attendance rate was 92%, compared with 89% in 2022.

During 2023, the Chairman of the Board of Directors participated in all of those meetings. The Chief Executive Officer was invited to certain meetings.

The Committee was informed of the work carried out in relation to the governance of the subsidiaries.

It reviewed the document on adherence to current agreements.

Having obtained the opinion of the Compensation Committee, it recommended to the Board of Directors that it submit for the approval of the General Meeting of Shareholders of 22 May 2024 an increase (+8%) in the overall annual amount of the Directors' compensation from EUR 1.7 million to EUR 1.835 million for the year beginning 1 January 2024 and following years, until decided otherwise.

It observed that the last increase had been implemented in 2018, with no subsequent change since, even though the number of Directors receiving compensation had increased from 12 to 13 since the Annual Meeting of 18 May 2021. The proposed increase also aims to take into account the increase in the average annual number of meetings by the Board of Directors and its Committees during the three-year periods from 2015 to 2017 (45), 2018 to 2020 (52) and 2021 to 2023 (53). This increase is in line with the policy adopted by the Board of Directors following its evaluation for the 2023 financial year, which requires that each Director (with the exception of the Chairman and the Chief Executive Officer) be a member of at least one Board of Directors Committee. Last, the increase is lower than the increase (+10%) in the average basic salary at Societe Generale in France since 2018.

Before issuing its opinion, the Compensation Committee verified that the proposed new overall annual compensation amount payable to the Directors was in line with levels observed in other French and European financial companies of comparable size and complexity.

The Committee reviewed the compensation of the Non-voting Director as amended on 13 April 2023 by the Board of Directors at the recommendation of the Nomination and Corporate Governance Committee.

Last, the Committee prepared the Board of Directors' work on workplace gender equality in the company.

The Committee discussed the organisation of the General Management and the structure of the Group.

It ensured that procedures recommended by the European Central Bank on the appointment of the Chief Risk Officer and the Head of Compliance were being complied with. As provided for in Article 17.6 of the Internal Rules, Article 3 of the Committee's Charter was amended during the Board of Directors meeting of 2 November 2023 in order to specify that the Chairperson of the Committee may invite the heads of the control, audit, risk and compliance functions and the Head of Human Resources to present observations to the Committee, including when the General Management is not present.

The Committee prepared the resolutions for the General Meeting. It examined the draft amendments to the Board of Directors' Internal Rules. In light of the fact that one of the Directors would have their tenure renewed in 2024, it ensured that the Board's composition would remain balanced. As is the case each year, it ensured that the AFEP-MEDEF Code in relation to Director independence was being complied with. It decided to hire an external firm to help it recruit a Director to replace Alexandra Schaapveld whose tenure will not be renewed in 2025 because she will have been a Director for 12 years, and therefore will no longer be considered an independent Director.

It reviewed the composition of the Committees, including that of the US Risk Committee, which was modified to henceforth only include the members of the Risk Committee and the Chairperson of the Audit and Internal Control Committee, excluding the other members of this latter Committee.

When preparing the succession plans for General Management, the Nomination and Corporate Governance Committee relies on work carried out internally by the Chief Executive Officer and, where necessary, by external consultants. These succession plans make a distinction between unexpected successions and those that have been prepared ahead over the medium and long term.

The Chairman of the Committee, liaising with the Chairman of the Board of Directors, managed the internal appraisal procedure of the Board (see below), which was implemented internally.

The Nomination and Corporate Governance Committee prepared the conditions for the distribution of the compensation awarded to Directors. It proposed at the Board of Directors meeting of 13 April 2023 that the compensation awarded (Article 18.3 of the Internal Rules) to the members of the US Risk Committee be revised down from EUR 200,000 to EUR 160,000 given the observed decrease in the number of meetings per year (six in 2023 compared with ten in 2022) and the decrease in the number of members of this Committee, which henceforth includes the Chairperson of the Audit and Internal Control Committee and excludes the other members of this Committee.

It proposed at the Board of Directors meeting of 13 April 2023 that Article 19 of the Internal Rules be amended to include, in addition to the requirement for Directors to acquire 1,000 shares of the Group within 12 months of their appointment, that they increase this number of shares to 2,000 by the end of their first term of office at the latest.

In view of the Committee's recommendation to renew the term of office of the non-voting Director and to extend his remit to include the full scope of CSR topics, the Committee also recommended to the Board of Directors at its meeting of 13 April 2023 that it review the compensation of the non-voting Director, as provided for in Article 21 of the Internal Rules, to bring it into line with the average compensation paid to Directors pursuant to Article 18 of the Internal Rules, after deduction of the amount allocated in respect of the US Risk Committee and with the exception of compensation paid to Committee Chairs.

It oversaw an amendment to the Internal Rules of the Board of Directors on 13 April 2023 specifying that in the event of a proposed change in the overall compensation for Directors, the Nomination and Corporate Governance Committee would propose the compensation amount and related distribution to the Board of Directors and the Compensation Committee would issue an opinion on that proposal.

It prepared the Board of Directors' review of the present report on corporate governance.

It prepared the Board of Directors' decision on the implementation of the Group's diversity targets within the governing bodies, which were approved by the Board of Directors (see 3.1.5 page 113).

The Committee reviewed the amendments made to the Internal Rules in response to the latest recommendations by the AFEP-MEDEF Code on CSR topics published on 20 December 2022. Concerning recommendation number 16 which provides that CSR-related topics be subject to preparatory work by a specialised Committee of the Board of Directors, the Nomination and Corporate Governance Committee and then the Board of Directors meeting of 12 January 2023 decided that it is possible for a company like Societe Generale without a dedicated or combined CSR Committee to comply with this recommendation by organising itself in such a way that CSR topics are comprehensively prepared by a specialised Committee, which may differ in expertise according to the CSR subject in question.

Non-voting Director

In 2023, the Board of Directors was assisted by a non-voting Director whose remit was to assist it with the implementation of its CSR policy, including the energy transition.

REPORT OF THE ACTIVITIES OF THE NON-VOTING DIRECTOR

In 2023, the non-voting Director took an active role in the items on the agenda of the Board of Directors and of the Risk Committee on CSR and the energy transition. He helped prepare these meetings with the General Management, the Risk Department and the CSR Department. In January 2023 and September 2023, he gave a presentation to the Board, recapping his observations on climate transition, the progress made by the Bank in this respect and the Board of Directors' role. He also reviewed the discussions with the ECB on climate stress tests.

Appraisal of the Board of Directors and its members

Each year, the Board of Directors devotes part of a meeting to discussing its composition and functioning, either based on an appraisal performed by a specialised external consultant every three years, or, for the other years, based on interviews and surveys conducted by the Nomination and Corporate Governance Committee.

In both cases, the anonymous responses are summarised in a document that serves as a basis for the Board of Directors' discussions.

For 2023, the appraisal was conducted internally based on a questionnaire and interviews. It covered the composition and collective functioning of the Board and included an individual appraisal of each Director. It was conducted on the basis of interview guidelines approved by the Nomination and Corporate Governance Committee and individual and separate interviews with the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee. For the individual appraisals, each Director was invited to give their opinion on the contribution of each of the other Directors. The individual appraisal procedure also applies to the Chairman of the Board of Directors and the interaction between the Chairman and the Directors.

The results of the appraisal were prepared by the chairpersons and then discussed by the Nomination and Corporate Governance Committee and the Board of Directors. The individual appraisals are not discussed by the Board of Directors. Each member was informed of the results of their appraisal by the Chairman of the Nomination and Corporate Governance Committee.

This process took place between July 2023 and January 2024.

The assessment of the functioning and organisation of the Board of Directors was positive.

The assessment of the composition of the Board of Directors was also positive but with a need to strengthen banking experience.

The holding of meetings and interaction with the general management were considered positive.

Progress was made on the following areas in relation to previous years, namely:

- the strategy;
- CSR;
- risk and internal control;
- Culture & Conduct;
- remediation;
- compensation.

However, further progress is required in relation to:

- sales, marketing and client satisfaction;
- the banking business environment;
- technology and innovation;
- the Group's internal organisation and HR.

The Committees were highly appreciated.

The pace of training was rated positively, although members expect changes regarding content.

The main lessons learned:

a) the theme with the highest expectations was human resources;

b) the sales strategy/client satisfaction/integration of CSR in the strategy are themes that need further development;

c) expectations are high in relation to IT and cybersecurity;

d) the seminar format was appreciated when discussing strategy. The Board also wishes to keep a closer watch on certain strategic decisions;

e) training should be more operational and make more use of benchmarking.

Last, Board members again expressed their appreciation of a lead speaker, selected by the Directors, giving presentations on matters being tabled by the Board.

The Nomination and Corporate Governance Committee submitted an opinion on the results of the appraisal at the Board of Directors' meeting of 18 January 2024. The latter validated these results and took decisions on strategies to address the expectations that were expressed, notably in respect of the way CSR work is organised (see page 97).

Training

Nine training sessions were held in 2023. A customised integration programme is systematically organised for each incoming Director.

Board members received training on the following subjects in 2023:

- counterparty risks;
- ICAAP/ILAAP;
- protection of the individual client base (MIFID, etc.);
- consumer lending;
- MARK products;
- internal organisation of the Bank and legal structure of the Group;
- CSR (two training sessions);
- management of credit risk.

This cycle will be continued in 2024, particularly for retail banking, cybersecurity and artificial intelligence.

The annual seminar and certain themes developed during Board meetings also aim to provide additional training, particularly on the regulatory and competitive environment.

Compensation of Company Directors

The General Meeting of 23 May 2023 allocated a total of EUR 1,700,000 for the annual remuneration. The full amount was paid to the Directors in respect of 2023.

The rules governing the breakdown of this remuneration between the Directors are defined in Article 18 of the Internal Rules of the Board of Directors (see page 177).

In 2018, the amount of allocated compensation was reduced by a sum equal to EUR 200,000 earmarked for distribution between the members of the Risk Committee and the members of the Audit and Internal Control Committee for their work as the US Risk Committee. On 13 April 2023, the Board of Directors decided to amend Article 18.3 of its Internal Rules to revise down this compensation for the members of the US Risk Committee from EUR 200,000 to EUR 160,000 given the observed decrease in the number of meetings per year (six in 2023 compared with ten in 2022) and the decrease in the number of members of this Committee, which henceforth includes the Chairperson of the Audit and Internal Control Committee but not the other members of this Committee. This amount is distributed in equal portions between the members of the US Risk Committee, except for the Chairman of the Risk Committee, who receives two portions. The balance is then reduced by a lump sum of EUR 130,000 distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

The balance is divided into 50% fixed, 50% variable. The number of fixed portions per Director is six.

Additional fixed portions are awarded as follows:

- Chairman of the Audit and Internal Control Committee or the Risk Committee: four portions;
- Chairman of the Nomination and Corporate Governance Committee or the Compensation Committee: three portions;
- member of the Nomination and Corporate Governance Committee or the Compensation Committee: a half portion;
- member of the Audit and Internal Control Committee or the Risk Committee: one portion.

Fixed shares may be reduced in proportion to the actual attendance when the attendance over the year is below 80%.

The variable portion of the compensation is divided up at the end of the year, in proportion to the number of meetings or working meetings of the Board of Directors and of each of the Committees which each Director has attended.

Neither the Chairman of the Board of Directors nor the Chief Executive Officer receives any compensation as Director.

The compensation awarded to the non-voting Director falls under another category and is paid from a separate budget. The rules governing this type of compensation are contained in Article 21 of the Internal Rules of the Board of Directors (see page 178). It is equal to the average remuneration paid to Directors, after deduction of the amount allocated in respect of the US Risk Committee and with the exception of compensation paid to Committee Chairpersons. This compensation takes into account his/her attendance. It is determined following a review by the Compensation Committee.

Having obtained a favourable opinion from the Compensation Committee on 11 January 2024 on the proposal of the Nomination and Corporate Governance Committee, the Board of Directors decided to submit for the approval of the General Meeting of Shareholders of 22 May 2024 an increase (+8%) in the overall annual amount of the Directors' compensation from EUR 1.7 million to EUR 1.835 million for the year beginning 1 January 2024 and following years, until decided otherwise.

It observed that the last increase had been made in 2018, with no change made since then, even though the number of Directors receiving compensation had increased from 12 to 13 since the Annual Meeting of 18 May 2021. The proposed increase also aims to take into account the increase in the average annual number of meetings by the Board of Directors and its Committees during the three-year periods from 2015 to 2017 (45), 2018 to 2020 (52) and 2021 to 2023 (53). This increase is lower than the rise in the average basic salary (+10% since 2018).

Before issuing its opinion, the Compensation Committee verified that the proposed new overall annual compensation amount payable to the Directors was in line with levels observed in other French and European financial companies of comparable size and complexity.

The Committee reviewed the compensation of the non-voting Director as amended on 13 April 2023 by the Board of Directors at the recommendation of the Nomination and Corporate Governance Committee.

Last, the Committee prepared the Board of Directors' work on workplace gender equality in the Company.

3.1.3 GENERAL MANAGEMENT

(At 1 January 2024)

Organisation of General Management

General Management manages the Company and acts as its representative with respect to third parties. It comprises the Chief Executive Officer, Slawomir Krupa, who is assisted by two Deputy Chief Executive Officers:

- Philippe Aymerich, who has been in office since 14 May 2018 and was reappointed on 23 May 2023, supervises the Group's non-HR resources, the General Secretariat, Communications, the French Retail Banking businesses, including ITIM, Private Banking & French Insurance;
- Pierre Palmieri, who has been in office since 23 May 2023, supervises the Compliance Control function, Corporate Social Responsibility, Human Resources, and the International Retail Banking, Mobility and Leasing Services businesses.

Limitations imposed on the powers of the Chief Executive Officer and the Deputy Chief Executive Officers

The Company By-laws and the Board of Directors do not impose any special restrictions on the powers of the Chief Executive Officer or Deputy Chief Executive Officers, who exercise these powers in accordance with the applicable laws and regulations, By-laws, Internal Rules and guidelines decided by the Board of Directors.

Article 1 of the Internal Rules (see page 168) defines the cases in which prior approval by the Board of Directors is required; for example, in the case of strategic investment projects exceeding a specific amount.

Presentation of the members of the General Management

Date of birth: 18 June 1974

Nationality: French/Polish/American

Holds(1) 45,000 shares directly and 286 shares *via* Societe Generale Actionnariat (Fonds E)

Professional address:
Tours Societe Generale,
17, cours Valmy
CS 50318
92972 La Défense cedex

Slawomir KRUPA

Chief Executive Officer

Biography

See his biography under Presentation of the members of the Board of Directors and of the Non-voting Director on page 88

Other offices currently held

None

Other offices and positions held in other companies in the past five years

- *Chairman and Chief Executive Officer:* SG Americas Inc.*. (United States) (from 2016 to 2019), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2019),
- *Chairman of the Board of Directors:* SG Americas Inc.* (United States) (from 2019 to 2021), SG Americas Securities LLC* (United States) (from 2016 to 2019), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2021), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2021).
- *Director:* SG Americas Inc.* (United States) (from 2016 to 2021), SG Americas Securities Holdings LLC* (United States) (from 2016 to 2021), SG Equipment Finance* (United States) (from 2016 to 2021), Lyxor Asset Management Inc.**. (United States) (from 2016 to 2021), Lyxor Asset Management Holding Corp.** (United States) (from 2016 to 2021), SG Forge* (from 2022 to December 2023).

* *Societe Generale Group.*
** *Societe Generale Group until December 2021.*

(1) In respect of the Societe Generale share ownership and holding obligations, the Board of Directors at its meeting of 23 May 2023 decided to maintain the minimum shareholding thresholds of each of the Chief Executive Officers, which it had previously increased at its meeting of 13 March 2019. These numbers are indicated in the paragraph "Societe Generale share ownership and holding obligations".

Date of birth: 12 August 1965

Nationality: French

Holds[1] 42,057 shares directly and 9,963 shares *via* Societe Generale Actionnariat (Fonds E)

Philippe AYMERICH

Deputy Chief Executive Officer

Biography

Philippe Aymerich is a graduate of France's *École des Hautes Études Commerciales* (HEC). He joined Societe Generale in 1987, first in the Inspection Division where he performed audit and advisory work in a range of areas until 1994, at which time he was appointed Chief Inspector. In 1997, he moved to Societe Generale Corporate & Investment Banking where he was appointed Deputy Managing Director of SG Spain, in Madrid. From 1999 until 2004, he served in New York, first as Deputy Chief Operating Officer and later, from 2000, as Chief Operating Officer for SG Americas' Corporate & Investment Banking arm. In 2004, he was appointed Head of the Automotive, Chemicals & General Industries Group in the Corporate & Institutions Division. In December 2006, he was appointed Deputy Chief Risk Officer for Societe Generale Group. He was appointed Chief Executive Officer of Crédit du Nord in January 2012. He has been Deputy Chief Executive Officer of Societe Generale since May 2018.

Other offices currently held

In French unlisted companies:

- *Chairman of the Board of Directors:* BoursoBank* (since 2018), Franfinance* (since 2019), Sogécap (since May 2023).

In non-French unlisted companies:

- *Director:* EPI (European Payments Initiative) (Belgium), permanent representative of Societe Generale since May 2023.

Other offices and positions held in other companies in the past five years

- *Chairman of the Board of Directors:* Crédit du Nord* (from 2018 to 2020).
- *Director:* EPI (European Payments Initiative) (Belgium), permanent (representative of Societe Generale (from 2020 to 2021).
- *Member of the Board of Directors:* PJSC Rosbank (from 2020 to 2022).

* *Societe Generale Group.*

Date of birth: 11 November 1962

Nationality: French

Year of first appointment: 2023

Term of office expires: 2027

Holds[1] 80,739 shares directly and 3,823 *via* Societe Generale Actionnariat (Fonds E)

Professional address: Tours Societe Generale, 17, cours Valmy CS 50318 92972 La Défense cedex

Pierre PALMIERI

Deputy Chief Executive Officer

Biography

Pierre Palmieri is a graduate of the *École Supérieure de Commerce* in Tours. He began his career at Societe Generale Corporate and Investment Banking in 1987 in the Export Finance Department before heading the Finance Engineering team from 1989. He joined the Agence Internationale team in 1994, where he created the global Commodity Finance business line. He was appointed Global Head of Structured Commodity Finance in 2001. In 2006, he created and co-headed the Natural Resources and Energy Financing global business line. He was appointed Deputy Head of Global Finance in 2008 and was Head of Global Finance from 2012 to 2019. In 2019, his responsibilities were extended to cover all Global Banking and Advisory activities, a role he held until May 2023.

Other offices currently held

In French listed companies:

- *Chairman of the Board of Directors:* ALD* (since May 2023).

Other offices and positions held in other companies in the past five years

- *Director:* Societe Generale Luxembourg* (from 2012 to 2019).
- *Member of the Supervisory Board:* Societe Generale Marocaine de Banques* (Morocco) (from 2022 to October 2023).

* *Societe Generale Group.*

(1) In respect of the Societe Generale share ownership and holding obligations, the Board of Directors at its meeting of 23 May 2023 decided to maintain the minimum shareholding thresholds of each of the Chief Executive Officers, which it had previously increased at its meeting of 13 March 2019. These numbers are indicated in the paragraph "Societe Generale share ownership and holding obligations".

3.1.4 GOVERNANCE BODIES

Group Executive Committee

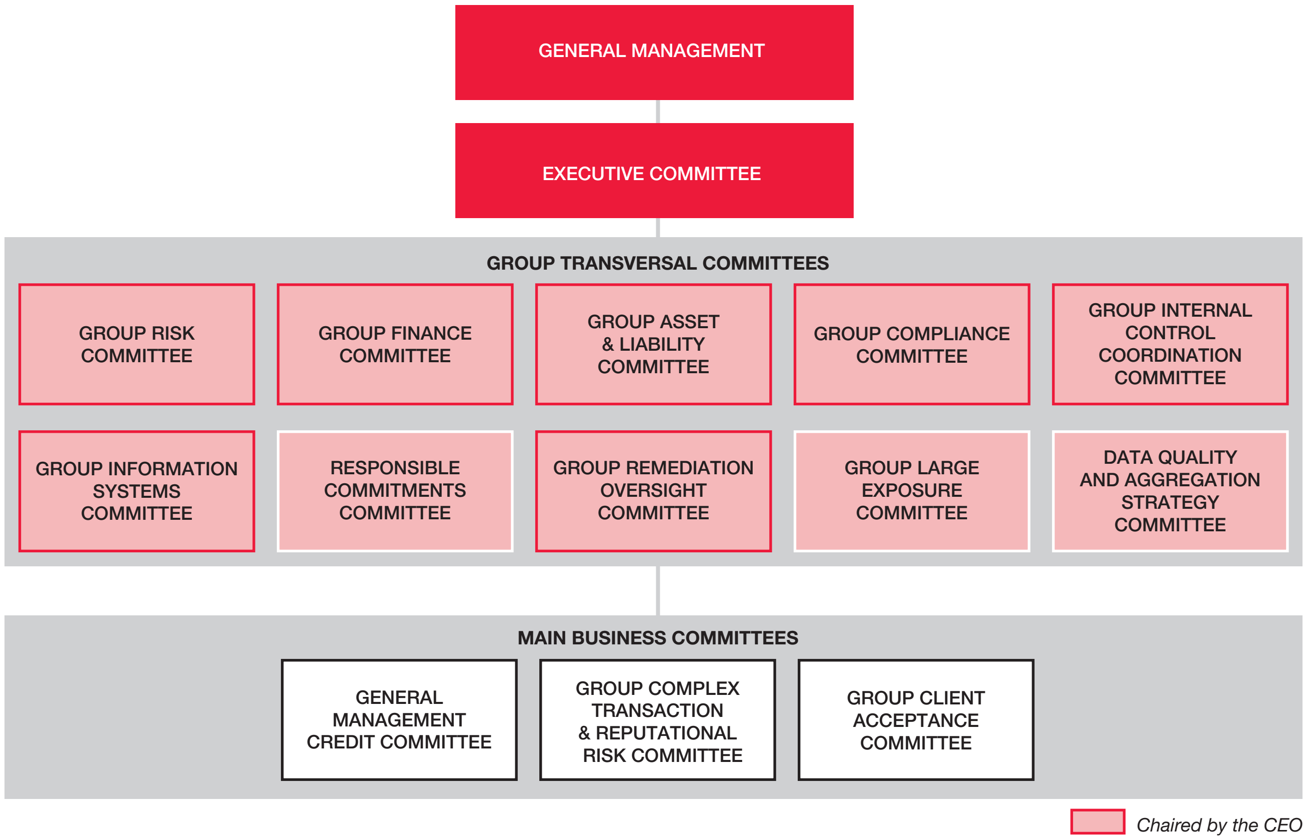
The Executive Committee ("Exco") is Societe Generale's senior management governance body. It assists General Management in the oversight and management of the Group's business, operations, functions, and affairs.

The Group Executive Committee has the following members:

- Slawomir KRUPA, Chief Executive Officer;
- Philippe AYMERICH, Deputy Chief Executive Officer;
- Pierre PALMIERI, Deputy Chief Executive Officer;
- Anne-Christine CHAMPION, Co-Head of Global Banking and Investor Solutions;
- Anne-Sophie CHAUVEAU-GALAS, Group Chief Human Resources Officer;
- Marie-Christine DUCHOLET, Head of the SG French Retail Banking Network;
- Claire DUMAS, Group Chief Financial Officer;
- Alexandre FLEURY, Co-Head of Global Banking and Investor Solutions;
- Delphine GARCIN-MEUNIER, Head of Mobility and International Retail Banking & Financial Services;
- Stéphane LANDON, Group Chief Risk Officer;
- Laura MATHER, Group Chief Operating Officer;
- Laetitia MAUREL, Group Chief Communication Officer;
- Grégoire SIMON-BARBOUX, Group Chief Compliance Officer.

The Group Executive Committee is composed of members nearly all with at least 20 years of experience in the Bank's businesses, and who are all proven in their area of expertise. The composition of the Group Executive committee reflects a gender balance, with 7 women and 6 men out of its 13 members.

Main Committees



In addition to the Group-level committees chaired by General Management, there are also other committees chaired by the Group heads of Service Units that review Group-level topics and complement the risk management framework established by General Management.

From a more transversal cross-business perspective, the Group governance has evolved and was strengthened the last few years. In this respect, the Governance Program carried out in 2022/2023 enabled the Group to (1) strengthen the robustness of our executive Governance with the implementation of a formalized and harmonized comitology and a committee steering system, (2) restructure the Group's procedural framework within the SG code and (3) strengthen the review process of Societe Generale's legal structure.

3.1.5 DIVERSITY, EQUALITY AND INCLUSION POLICY AT SOCIETE GENERALE

General Management submits the Diversity and Inclusion policy to the Board of Directors on an annual basis. The policy reflects Societe Generale's determination to recognise the full array of talent within its ranks and to combat all forms of discrimination involving beliefs, age, disability, parenthood status, ethnic origin, nationality, gender identity, sexual orientation, membership of a political, religious, trade union or minority organisation, or any other characteristic that may give rise to discrimination. Over the past few years the Group has significantly strengthened its commitments in this regard by signing new non-discrimination charters involving men and women, the LGBT+ community, parenthood, amongst others.

With regard to the Board of Directors, Societe Generale is committed to respecting the 40% gender diversity rate. In addition, the Board of Directors ensures that each Committee includes men and women and that their chairs are divided between the genders.

At the end of 2020, the Group set a gender equality target of putting at least 30% women in senior managerial positions by 2023, ensuring that both business units and functions meet the target, as well as implementing a proactive policy to increase the number of international profiles.

These targets applied at three levels: one set for the Strategy Committee which included General Management and the head of Business Units and Services Units, one for the Management Committee (CODIR) and one for the main Group senior managers (called "Key Group Positions").

Following the introduction of the new Group management team in 2023, these targets henceforth apply to the Top 250, which comprises the Executive Commitee, CODIR and other Key Group Positions.

The target was met at 31 December 2023. The percentage of women in the Top 250 increased to 31% (vs. 27% at 31 December 2022), with:

- 30% women in CODIR (including the Executive Committee) vs. 27% at 31 December 2022.
- 32% women in other Key Group Positions (excluding CODIR) vs. 26% at 31 December 2022.

A fresh target was set at the Capital Markets Day event in September 2023 **to have more than 35% women in the Top 250 by the end of 2026**.

Progress made in reaching this fresh target of 35% will be the focus of close attention. Forward-looking analysis will be also maintained for annual succession plans involving the Top 250.

To achieve the objectives laid down by the Group:

- robust governance has been implemented with a new DE&I Committee that replaced the one introduced in 2021, in addition to a new sponsor at General Management level;
- every DE&I Committee member will henceforth co-sponsor one of the Group's five priority areas, namely gender, disability, diversity of origin (socio-economic and socio-cultural), intergenerational issues, and the inclusion of LGBT+ persons;
- the notion of equity was integrated into the approach to ensure that it is taken into account throughout the employee's career life cycle;
- compulsory e-learning for HR teams and recruitment managers introduced in France in 2022 was also rolled out at international level in 2023;
- additional questions were added to the annual employee survey to better pinpoint and address DE&I issues.

The action plans that have been in place since 2021 will continue in 2024 and will be strengthened, notably by:

- conducting ongoing sessions to raise awareness about gender bias and stereotyping to all employees;
- setting up working groups for each of the Group's five priority areas comprising representatives from each of the regions where the Group operates;
- the allocation of EUR 100 million in 2024 and 2025 to reduce the pay gap between men and women, *i.e.*, around 1% of the Group's total payroll.

Every member of the Management Committee is also assessed on their diversity targets.

Each year, General Management submits a progress report to the Board of Directors on the full range of these issues in and outside France comprising:

- all Group-wide diversity and inclusion initiatives rolled out;
- the results achieved at the end of each period. The report lists the percentages of women and international profiles in key positions (Top 250), as well as the corresponding diversity action plans in succession plans and high leadership potential talent pools. Where appropriate, the report also addresses the reasons why the targets were not met, and discloses the measures being taken to rectify the situation.

And to comply with the objectives of the French Rixain Act to accelerate economic and professional equality between men and women for Societe Generale SA France (SGPM), the results at 31 December 2023, which were published on **1 March 2024**, are as follows:

- Percentage of women and men in **senior managerial positions**: **36% women and 64% men**;
- Percentage of women and men in **senior management bodies** (Executive Committee): **54% women and 46% men**.

3.1.6 REMUNERATION OF GROUP SENIOR MANAGEMENT

Policy governing remuneration of the Chairman of the Board of Directors and the Chief Executive Officers, subject to shareholders' approval

The policy governing remuneration of the Chairman of the Board of Directors and the Chief Executive Officers, presented below, was approved by the Board of Directors on 1 March 2024, following the recommendations of the Compensation Committee.

The principles defined in the *ex ante* policy approved by the General Meeting of Shareholders of 23 May 2023 were maintained.

The main change involves the reintroduction of the CET 1 ratio as a performance criterion to take into account the targets presented during the Capital Markets Day event of 18 September 2023 and for financial communication purposes.

In accordance with Article L. 22-10-8 of the French Commercial Code (*Code de commerce*), the remuneration policy detailed below is subject to the approval of the General Meeting. If it is rejected, the remuneration policy approved by the General Meeting of 23 May 2023 will remain in effect.

The General Meeting must give its approval prior to payment of the variable components of remuneration (annual variable remuneration and long-term incentives) or any exceptional components.

By virtue of the second paragraph of Article L. 22-10-8 (III) of the French Commercial Code, the Board of Directors reserves the right to deviate from the approved remuneration policy in certain exceptional circumstances, provided that such action is temporary, in the Company's best interests and necessary to ensure its viability or long-term survival. The latter could in particular be made necessary by a major event affecting either the activity of the Group or one of its areas of activity, or the economic environment of the Bank. The Board of Directors will decide on the adjustments that should be made to the remuneration policy in light of any such exceptional circumstances based on the Compensation Committee's recommendation and, where appropriate, the advice of an independent consultancy firm. For example, the Board could adjust or modify the criteria or conditions governing the calculation or payment of variable remuneration. Any such adjustments will be temporary.

GOVERNANCE OF DECISIONS THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICERS

The governance framework in respect of the remuneration of the Chairman of the Board and the Chief Executive Officers and the decision-making process is designed to ensure that their remuneration is in line with both the shareholders' interests and the Group's strategy.

The process for defining, reviewing and implementing the remuneration policy of the Chairman of the Board and the Chief Executive Officers is, for its part, designed to avoid any conflict of interests and ensure compliance with regulations and the risk strategy:

- **Composition and functioning of the Compensation Committee:** the Committee is composed of at least three Directors, including one elected by the employees. At least two-thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Code(1) Its composition ensures that it is both independent and competent to judge whether the remuneration policies and practices are appropriate in view of the Company's risk, equity and liquidity management. The **Risk and Compliance Divisions** are involved in the development of remuneration policies; the Risk Committee provides an opinion on the remuneration policy's alignment with the Company's risk management strategy. The financial indicators used for the Chief Executive Officers' variable remuneration targets are determined and assessed using information provided by the Group Finance Department. The Chief Executive Officer is excluded from the Compensation Committee's deliberations when they directly concern his own remuneration;
- **Independent evaluation:** the Compensation Committee bases its work on studies conducted by the independent firm of Willis Towers Watson. These studies are based on companies listed on the CAC 40 index as well as a panel of comparable benchmark European banks (Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Deutsche Bank, ING, Intesa, Nordea, Santander, UBS and UniCredit)(2). They assess:
  - the competitiveness of the overall remuneration of the Chairman of the Board and the Chief Executive Officers compared with a panel of peers,
  - Societe Generale's results compared to the criteria defined by the Group to assess the Chief Executive Officers' performance,
  - and the correlation between the Chief Executive Officers' performance and their remuneration;
- **Internal and external audit:** the compliance of the decisions and information serving as the basis for decisions regarding the remuneration of the Chairman of the Board and Chief Executive Officers is regularly audited by either the Internal Audit Division or external auditors;

(1) The AFEP-MEDEF Code does not include employees when calculating the percentage of independent Directors in the committees.

(2) The sample of comparable benchmark European banks, as adjusted by the Board of Directors of 2 August 2023, applicable following the merger of UBS and Credit Suisse in June 2023.

- **Multi-stage approval:** the Compensation Committee submits its proposals to the Board of Directors for approval once the Risk Committee has checked that the remuneration policy is aligned with a sound and efficient risk management strategy. The Board's decisions then form the subject of a binding annual vote at the Shareholders' General Meeting.

The remuneration and employment conditions for the Group's employees are also taken into account as part of the decision-making process when defining and implementing the policy applicable to the Chairman of the Board of Directors and Chief Executive Officers.

The Compensation Committee reviews the Company remuneration policy as well as the remuneration policy for regulated employees (as defined under banking regulations) on an annual basis.

It monitors the remuneration of the Chief Risk Officer, the Chief Compliance Officer and the Head of the Inspection and Audit Division. It receives all information necessary for such purposes, in particular the Annual Report sent to the European Central Bank. It submits a policy proposal to the Board of Directors for performance share awards and prepares the Board's decisions on the employee savings plan.

Accordingly, any change in the policy and terms of employee remuneration is flagged to the Board of Directors which validates the principles set out therein at the same time as any change in the remuneration policy governing corporate officers so that it may make decisions affecting the officers by taking into account the remuneration conditions of the Group's employees.

Details of the Compensation Committee's work in 2023 appear on page 104.

POSITION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICERS

Lorenzo Bini Smaghi was appointed Chairman of the Board of Directors on 19 May 2015. His appointment was renewed on 17 May 2022 for the same duration as his term of office as Director (*i.e.* four years). He does not have an employment contract.

Slawomir Krupa was appointed Chief Executive Officer on 23 May 2023, succeeding Frédéric Oudéa, whose term as Chief Executive Officer ended on the same day. The functions of the Chairman and of the Chief Executive Officer remain separate in accordance with Article 511-58 of the French Monetary and Financial Code.

In light of Slawomir Krupa's seniority in the Bank at the time of his appointment, the Board of Directors decided to suspend his employment contract for the duration of his term of office, considering that said suspension would not impede the ability to dismiss him as Chief Executive Officer at any time. It should be noted that under no circumstances may the combination of severance pay and any non-competition clause due in respect of the termination of corporate office, as well as any other severance pay linked to the employment contract (notably severance pay) exceed the threshold recommended by the AFEP-MEDEF Code of two years' annual fixed and variable remuneration. This limit corresponds to the amount of the fixed and annual remuneration attributed for the two years preceding the termination. The conditions governing Slawomir Krupa's terminated employment contract and notably the notice periods are provided under the collective bargaining agreement for the French banking sector. A summary of the rights associated with the Slawomir Krupa's suspended employment contract is shown on page 121.

The appointment of Philippe Aymerich, Deputy Chief Executive Officer since 14 May 2018, was renewed on 23 May 2023. Pierre Palmieri was appointed Deputy Chief Executive Officer on 23 May 2023. The employment contracts held by Philippe Aymerich and Pierre Palmieri have been suspended for the duration of their terms of office. The collective bargaining agreement for the French banking sector governs any termination of employment contracts, and in particular the requisite notice periods.

The term of office of Diony Lebot, Deputy Chief Executive Officer since 14 May 2018, ended on 23 May 2023, when her Societe Generale employment contract resumed in its entirety.

The Chairman of the Board of Directors and Chief Executive Officers are appointed for a term of four years and may be removed from office at any time.

They are not bound to the Group by any service agreement.

Specific information on the positions of the Chairman of the Board and Chief Executive Officers can be found in the table on page 160. The benefits and conditions applicable to the Chairman of the Board and Chief Executive Officers once they leave the Group are described on page 119.

REMUNERATION PRINCIPLES

The purpose of the remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officers is to ensure that the Group's top-level positions attract the most promising candidates and to cultivate motivation and loyalty on a lasting basis, while also ensuring appropriate compliance and risk management, in accordance with the principles laid down by the Group's Code of Conduct.

The policy takes into account all remuneration components as well as any other benefits granted so as to cover the entirety of the Chief Executive Officers' compensation. It ensures an appropriate balance between these various elements in the general interests of the Group.

Variable remuneration, which is based on certain performance criteria, is designed to recognise the existence of the Group's strategy and promote its Sustainability in the interests of shareholders, clients and staff alike.

Performance is assessed on an annual and multi-annual basis, taking into account both Societe Generale's intrinsic performance as well as its performance compared to the market and its competitors.

In accordance with the pay for performance principle, non-financial aspects are taken into account in addition to financial performance criteria when calculating variable remuneration and long-term incentives; such non-financial aspects include in particular issues of corporate social responsibility and compliance with the Group's leadership model.

Furthermore, the Chairman of the Board's and Chief Executive Officers' remuneration complies with:

- the French Commercial Code; and
- AFEP-MEDEF Code recommendations.

Lastly, when remuneration is received in the form of shares or share equivalents, Chief Executive Officers are forbidden from using any hedging or insurance strategies, whether over the vesting or holding periods.

REMUNERATION OF THE NON-EXECUTIVE CHAIRMAN

Lorenzo Bini Smaghi's annual gross remuneration was set at EUR 925,000 in May 2018 for his term of office. This remuneration remained unchanged when his term as Director and Chairman was renewed at the General Meeting of 17 May 2022.

He does not receive remuneration in his capacity as Director.

To ensure his total independence when fulfilling his duties, he does not receive variable compensation, securities or any compensation contingent on the performance of Societe Generale or the Group.

He has been provided with company accommodation for the performance of his duties in Paris.

REMUNERATION OF GENERAL MANAGEMENT

Balanced remuneration taking into account the expectations of the various stakeholders

The remuneration of the Chief Executive Officers breaks down into the following two components:

- **fixed remuneration (FR)** rewards experience and responsibility, taking into account market practices. It accounts for a significant proportion of overall remuneration and serves as the basis for calculating annual variable remuneration and long-term incentives;
- **variable remuneration (VR) comprises two components:**
  - **annual variable remuneration (AVR)** rewards both financial and non-financial performance over the year; its payment is partially deferred over time and subject to presence and performance conditions, and
  - **long-term incentives (LTI)** aim to align the Chief Executive Officers' focus with shareholders' interests, and to provide the former with an incentive to deliver long-term performance. Vesting of LTIs is subject to a condition of continued presence and is based on the Group's financial and non-financial performance as measured against both internal and external criteria.

Pursuant to CRDV, and as approved by the General Meeting in May 2014, the total variable remuneration component (*i.e.* annual variable remuneration plus long-term incentives) is capped at 200% of fixed remuneration[1].

Fixed remuneration

SLAWOMIR KRUPA

Annual fixed remuneration for Slawomir Krupa, Chief Executive Officer, decided by the Board of Directors on 8 March 2023 and approved by the General Meeting of 23 May 2023, was EUR 1,650,000 as of his appointment by the Board of Directors of 23 May 2023. This remuneration remains unchanged.

DEPUTY CHIEF EXECUTIVE OFFICERS

Annual fixed remuneration for Philippe Aymerich, Deputy Chief Executive Officer, such as decided by the Board of Directors on 8 March 2023 and approved by the General Assembly on 23 May 2023, has been EUR 900,000 since his term of office was renewed on 23 May 2023. This remuneration remains unchanged. His annual fixed remuneration had remained unchanged at EUR 800,000 since his appointment as Deputy Chief Executive Officer in May 2018.

Annual fixed remuneration for Pierre Palmieri, Deputy Chief Executive Officer, decided by the Board of Directors on 8 March 2023 and approved by the General Meeting of 23 May 2023, was EUR 900,000. This remuneration remains unchanged.

Annual variable remuneration

MAIN PRINCIPLES

At the beginning of each year, the Board of Directors defines the evaluation criteria that will be used to calculate the Chief Executive Officers' annual variable remuneration in respect of the financial year.

The target annual variable remuneration is set at 120% of annual fixed remuneration for the Chief Executive Officer and at 100% of annual fixed remuneration for the Deputy Chief Executive Officers.

The target annual variable remuneration is 65% based on financial criteria and 35% on non-financial criteria.

Financial criteria: 65%	Non-financial criteria: 35%
Financial criteria based on annual financial performance. Indicators and target achievement levels are set in advance by the Board of Directors and are primarily based on the respective budget targets for the Group.	**Non-financial criteria** based essentially on the achievement of key targets in relation to the Group's CSR targets, its strategy, operational efficiency, risk management and regulatory compliance.

Financial portion

At its meeting of 1 March 2024 and at the recommendation of the Compensation Committee, the Board of Directors decided to reintroduce the CET 1 ratio as a performance criterion to take into account the targets presented during the Capital Markets Day event of 18 September 2023 and for financial communication purposes.

Accordingly, the financial performance is measured on the Group's scope and based on three indicators with an equal weighting:

- Return on Tangible Equity (ROTE);
- Cost-to-income ratio; and the
- Core Tier 1 ratio.

Covering both financial and operational aspects, these indicators are directly tied to the Group's strategy and reflect compliance with the predefined budgets. The Board of Directors excludes from its calculations any components it deems exceptional.

- compliance with the budgetary target equates to an achievement rate of 100% of the target variable;
- the budgetary target is structured around three points that are defined *ex ante* by the Board of Directors corresponding to an achievement rate of 125% (upper limit), an achievement rate of 90% (intermediate limit) and a 50% achievement rate (low limit) below which the achievement rate is considered zero.

The achievement rate of each target is defined on a straight-line basis between these limits.

Each of the financial performance criteria is capped at 125% of its target weighting. As such, the maximum financial portion is capped at 81.25% of the target annual variable remuneration, with the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

Non-financial portion

Each year, the Board of Directors sets non-financial targets for the following financial year, as recommended by the Compensation Committee. The non-financial targets include quantifiable targets defined *ex ante* by the Board of Directors and more qualititative targets, notably attaining the execucution of milestones imposed by certain strategic projects.

(1) *After application of the discount rate for variable remuneration awarded as instruments deferred for five years or more, pursuant to Article L. 511-79 of the French Monetary and Financial Code, where applicable.*

The Board of Directors decided to set the non-financial criteria of Chief Executive Officers with an equal weighting of CSR criteria compared with the weighting of 2023 (*i.e.* 20%), a reinforced weighting of 7.5% on common targets for General Management (*vs.* 5% in 2023), in addition to specific targets for the Chief Executive Officer and Deputy Chief Executive Officers weighted at 7.5%.

The **CSR targets** will apply to all Chief Executive Officers. They are divided into four themes, all of which include quantifiable targets:

- improving the client experience: measured based on the change in NPS for the main activities;
- developing the Group's priorities as a responsible employer, measured through compliance with commitments to promote women to senior managerial positions and ensure international profiles for senior management bodies, and with commitments for an improved employee engagement rate;
- rolling out the CSR strategy presented during the Capital Markets Day event of 18 September 2023 with reinforced governance and compliance with alignment targets compatible with commitments made by the Group with regard to the energy and environmental transition;
- implementing the European Corporate Sustainability Reporting Directve (CSRD) and the ECB's recommendations on CSR and climate change issues.

Weighted at 7.5%, the **common targets** for General Management will concern:

- regulatory compliance: the quality of the relationships with supervisory bodies and implementation of ECB recommendations.

The specific targets weighted at 7.5% of the annual variable remuneration will be as follows in 2024:

For Slawomir Krupa, the Chief Executive Officer:

- good governance and continued implementation of the strategy presented at the Capital Markets Day event.

For Philippe Aymerich, Deputy Chief Executive Officer specifically in charge of supervising the Group's non-HR resources, the General Secretariat, Communication, and French Retail, Private Banking and Insurance:

- achievement of commercial and client satisfaction targets for the SG Network ("SGRF") activities,
- execution of the 2024 component of the strategic roadmap for IT systems;
- attainment of 2024 targets for BoursoBank, Private Banking and Insurance activities.

For Pierre Palmieri, Deputy Chief Executive Officer specifically in charge of supervising the Compliance Department, CSR, Human Resources, and International Retail Banking, Mobility and Leasing Services:

- continued deployment of the post-acquisition strategy for the Ayvens activities;
- compliance with the 2024 milestones for the Africa, Mediterranean Basis and Overseas France perimeter, notably for disposals and the rollout of the new operating model;
- continued work on the decarbonisation of activities and financing the energy transition.

The achievement of non-financial targets is assessed using key indicators, which, depending the situation, may be based on reaching milestones or on qualitative evaluation by the Board of Directors. These indicators are defined in advance by the Board of Directors. The achievement rate can be anywhere between 0 and 100%. In the event of exceptional performance, the achievement rate of some quantifiable non-financial targets can be increased to 120% by the Board of Directors, bearing in mind that the overall non-financial target achievement rate may not exceed 100%.

The maximum non-financial portion is capped at 35% of the target annual variable remuneration, the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

The Board of Directors reviews the financial and non-financial performance criteria each year.

SUMMARY OF THE CRITERIA FOR ANNUAL VARIABLE REMUNERATION

		General management
		Weight
Financial targets – 65%	**Indicators**	
For the Group	ROTE	21.7%
	Cost-to-income ratio	21.7%
	CET 1 ratio	21.7%
TOTAL FINANCIAL TARGETS		**65.0%**
Non-financial targets – 35%		
CSR		20.0%
Regulatory compliance		7.5%
Specific scope of responsibility		7.5%
TOTAL NON-FINANCIAL OBJECTIVES		**35.0%**

VESTING AND PAYMENT OF ANNUAL VARIABLE REMUNERATION

With a view to strengthening the correlation between remuneration and the Group's risk appetite targets and aligning them with shareholders' interests, the vesting of at least 60% of the annual variable remuneration is deferred for five years, *pro rata*. This concerns both cash payments and awards of shares or share equivalents subject to the achievement of long-term Group profitability and equity targets; the amounts awarded are reduced if targets are not met. The Board of Directors reviews the target achievement rates ahead of the definitive vesting of deferred variable remuneration. A one-year holding period applies after each definitive vesting date of payments in shares or share equivalents.

The value of the variable portion granted in shares or share equivalents is calculated on the basis of a share price set by the Board of Directors in March of each year and corresponding to the trade-weighted average of the twenty trading days prior to the Board Meeting. The portion of annual variable remuneration granted as share equivalents entitles the beneficiary to payment of a sum equivalent to any dividend payments made over the compulsory holding period. No dividends are paid during the vesting period.

If the Board deems that a decision taken by the Chairman of the Board of Directors and the Chief Executive Officers has particularly significant consequences for the Company's results or image, it may decide not only to reconsider payment of the deferred annual variable remuneration in full or in part (*malus clause*), but also to recover, for each award, all or part of the sums already distributed over a six-year period (clawback clause).

Last, the vesting of the deferred annual variable remuneration is also subject to a condition of presence throughout the Chief Executive Officer's current term of office. The only exceptions to this condition are as follows: retirement, death, disability, incapacity to carry out duties or removal from office due to a strategic divergence with the Board of Directors. Once the Chief Executive Officer's current term of office comes to an end, this condition of presence no longer applies. However, if the Board concludes that a decision a Chief Executive Officer took during their term of office has had particularly significant consequences for the Company's results or image, it may decide to apply either the *malus* or the clawback clause.

CAP

Annual variable remuneration is capped at 140% of annual fixed remuneration for the Chief Executive Officer and at 116% for the Deputy Chief Executive Officers.

Long-term incentives

MAIN PRINCIPLES

Chief Executive Officers are awarded long-term[1] incentives consisting of shares or share equivalents to involve them in the Company's long-term progress and align their interests with those of the shareholders.

In order to comply with the AFEP-MEDEF Code's recommendations, at its meeting held each year to approve the financial statements for the previous year, the Board of Directors decides whether to award any Societe Generale shares or share equivalents to each of the Chief Executive Officers. The fair value of the award upon granting is proportional to the other components of their remuneration and is set in line with practices from previous years. Said fair value is based on the share's closing price on the day before the Board Meeting. The Board of Directors cannot award Chief Executive Officers long-term incentives when they leave office.

VESTING AND PAYMENT OF LONG-TERM INCENTIVES

The long-term incentive plan applicable to each of the Chief Executive Officers would have the following features:

- shares or share equivalents with vesting periods of five years, followed by a one-year holding period, thus increasing the total indexing period to six years;
- definitive vesting subject to a condition of presence throughout the vesting period, as well as performance conditions.

The performance conditions governing vesting of LTIs are as follows:

- for 33.33% of the LTI award, the relative performance of the Societe Generale share, as measured by the increase in Total Shareholder Return (TSR) compared with that for 11 comparable European banks[2] over the full vesting period. Consequently, the full number of shares or share equivalents will only vest if Societe Generale's TSR falls in the first quartile of the sample panel. If it falls slightly above the median value, the vesting rate will be 50% of the total number of shares or share equivalents granted. No shares or share equivalents will vest if the TSR performance is below the median value (the complete vesting chart is shown below);
- for 33.33% of the LTI award, the Group's future profitability;
- for 33.33% of the LTI award, CSR performance related to implementing trajectories compatible with the Group's commitments to aligning its lending portfolios with the Paris Agreement; the Board of Directors will determine the target for awards made in 2025 in respect of 2024;
- if the Group is not profitable in the year preceding the definitive vesting of long-term incentives, no payment will be made, regardless of the Societe Generale share performance, the Group's CSR performance, and achievement of the Group's future profitability target;
- the Board of Directors reviews the satisfaction of the performance conditions ahead of the vesting of any long-term incentives.

Definitive vesting is subject to a condition of presence in the Group as an employee or in an executive position throughout the vesting period. However, and subject to the faculty for the Board of Directors to decide to make an exception under special circumstances:

- in the event of death, disability or incapacity, the shares or share equivalents will be retained and full payments made;
- if a beneficiary retires or leaves due to a change of control, the shares or share equivalents will be retained and full payments made, provided the Board of Directors is satisfied that the performance conditions have been met;
- if a beneficiary leaves the Group due to changes in its structure or organisation, or due to their term of office not being renewed (except where the Board deemed their performance to be inadequate), payments will be made on a *pro rata* basis according to the time spent in office compared to the overall vesting period, provided the Board of Directors is satisfied that the performance conditions have been met.

Lastly, a "malus" clause also applies to the beneficiaries' long-term incentives. Accordingly, if the Board deems that a decision made by the Chief Executive Officers has had particularly significant consequences on the Company's results or image, it may decide to reconsider payment of the long-term incentives in full or in part.

(1) The main features of the annual long-term incentive plan applicable to Group employees (including Chief Executive Officers) appear on page 118 and following.

(2) The panel is selected on the date of the Board of Directors' meeting at which the award is decided. For example, the panel for the 2023 LTI awarded in 2024 comprised: Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Deutsche Bank, ING, Intesa, Nordea, Santander, UBS and UniCredit.

The complete vesting chart based on the relative performance of the Societe Generale share is shown below:

SG Rank	Ranks 1*-3	Rank 4	Rank 5	Rank 6	Ranks 7-12
As a % of the maximum number awarded	100%	83.3%	66.7%	50%	0%

(1) The highest rank in the panel.

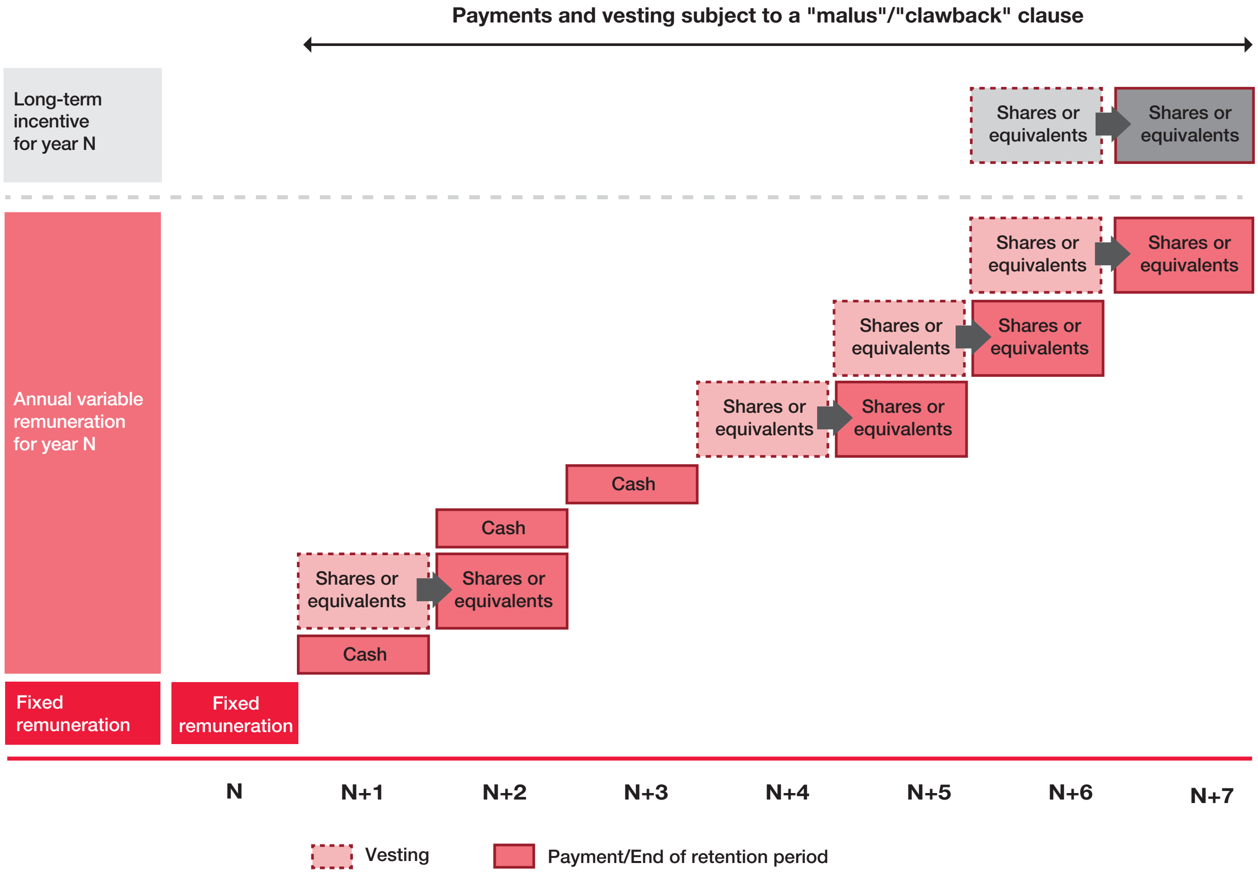
CAP

The total amount of long-term incentives awarded (as valued under IFRS) is capped at 100% of annual fixed remuneration for the Chief Executive Officer and the Deputy Chief Executive Officers.

This cap applies in addition to the cap on the definitive vesting value of shares or payment value of share equivalents. Said value is capped at an amount corresponding to a multiple of the net asset value per Societe Generale Group share at 31 December of the year in respect of which the LTIs were awarded.

In compliance with current regulations, the total variable component (*i.e.* annual variable remuneration plus long-term incentives) is in all events capped at 200% of the fixed component.

TOTAL REMUNERATION – TIMING OF PAYMENTS



POST-EMPLOYMENT BENEFITS: PENSION, SEVERANCE PAY, NON-COMPETE CONSIDERATION

Pension

SUPPLEMENTARY "ARTICLE 82" PENSION SCHEME

The Company set up a supplementary defined contribution "Article 82" pension scheme for Management Committee members that took effect on 1 January 2019. Slawomir Krupa, Philippe Aymerich and Pierre Palmieri are eligible for this pension scheme.

Under the scheme, the Company pays a yearly contribution into an individual Article 82 pension account opened in the name of the eligible beneficiary, calculated on the portion of their fixed remuneration exceeding four annual French Social Security ceilings. The accumulated rights will be paid at the earliest on the date on which the beneficiary draws their French state pension.

The rate set for the Company's contribution is 8%.

As required by law, the yearly contributions are subject to a performance condition, *i.e.* they will only be paid in full if the achievement rate of the variable remuneration performance conditions for that same year allow for payment of at least 80% of the target annual variable remuneration. No contribution will be paid for performance awarded less than 50% of the target annual variable remuneration. For performance awarded between 80% and 50% of the target annual variable remuneration, the contribution paid for the year is calculated on a straight-line basis.

VALMY PENSION SAVINGS SCHEME (FORMERLY IP-VALMY SCHEME)

The Deputy Chief Executive Officers and the Chief Executive Officer are still entitled to the defined contribution supplementary pension scheme to which they contributed as employees prior to becoming Chief Executive Officers.

This defined contribution scheme (the Épargne Retraite Valmy, *i.e.* Valmy pension savings scheme) was set up in 1995 in line with Article 83 of the French General Tax Code and amended on 1 January 2018. The scheme is compulsory for all employees with more than six months' seniority in the Company and allows them to save for their retirement. Upon retirement, their savings are converted into life annuities. Total contributions correspond to 2.25% of the employee's remuneration, capped at four annual French Social Security ceilings, of which the Company pays 1.75% (*i.e.* EUR 3,079 based on the 2023 annual French Social Security ceiling). This scheme is insured with Sogécap.

SENIOR MANAGEMENT SUPPLEMENTARY PENSION

No further rights were awarded after 31 December 2019.

Until 31 December 2019, Slawomir Krupa, Philippe Aymerich and Pierre Palmieri were entitled to the senior management supplementary pension scheme from which they had benefited as employees.

As required by law, the annual increase in supplementary pension benefits was subject to a performance condition for the Chief Executive Officers.

This supplementary scheme, which was introduced in 1991 and satisfied the requirements of Article L. 137-11 of the French Social Security Code, applied to top-level executives appointed after this date.

The scheme, which was revised on 17 January 2019, was permanently closed on 4 July 2019 and no further rights were awarded after 31 December 2019, pursuant to Order No. 2019-697 of 3 July 2019 in respect of corporate supplementary pension schemes. The Order prohibited the affiliation of any new beneficiaries to schemes under which pension rights are conditional upon the beneficiary still working for the Company when they reach retirement, as well as the award of such conditional pension rights to any existing beneficiaries for periods worked after 2019.

The total rights accumulated when existing beneficiaries draw their pension will therefore consist of the sum of their rights frozen at 31 December 2018 and the minimum rights constituted between 1 January 2019 and 31 December 2019. These rights will be reassessed according to the change in value of the AGIRC point between 31 December 2019 and the date on which the beneficiary draws their pension. Such rights are conditional upon the beneficiary still working at Societe Generale when they reach retirement. They are pre-financed with an insurance company.

Sums payable upon leaving the Group

The conditions governing the departure of the Chief Executive Officer or the Deputy Chief Executive Officers from the Group are defined in accordance with market practices and comply with the AFEP-MEDEF Code.

NON-COMPETE CLAUSE

As is standard practice for financial institutions, the Chief Executive Officers Slawomir Krupa, Philippe Aymerich and Pierre Palmieri have signed a non-compete clause in favour of Societe Generale, valid for a period of twelve months from the date on which they leave office. This clause prohibits them from accepting a General Management position in or sitting on the Executive Committee of a credit institution, in France or abroad, whose securities are admitted to trading on a regulated market, or a General Management position in a credit institution in France. In exchange, they may continue to receive their gross fixed monthly salary over said twelve-month period.

The Board of Directors alone can waive said clause within fifteen days of the date on which the Chief Executive Officer in question leaves office. In such a case, no sum will be payable to the Chief Executive Officer in this respect.

If the departing officer breaches their non-compete clause, they will be required to pay forthwith a sum equal to twelve months' fixed remuneration. Societe Generale will in such circumstances be released from its obligation to pay any financial consideration and may furthermore claim back any consideration that may have already been paid since the breach.

In accordance with Article 25.4 of the AFEP-MEDEF Code, no payments will be made under the non-compete to any Chief Executive Officer leaving the Company within six months of drawing their pension or beyond the age of 65.

SEVERANCE PAY

The Chief Executive Officers are entitled to severance pay in respect of their positions.

The conditions governing their severance pay are as follows:

- severance pay will only be owed in the event of non-voluntary departure from the Group, confirmed as such by the Board of Directors. No severance pay will be owed in the event of serious misconduct, resignation or non-renewal of a Chief Executive Officer's appointment for any reason;
- severance pay will be contingent upon an overall achievement rate for the annual variable remuneration targets of at least an average of 60% over the three years prior to the Chief Executive Officer leaving office (or over the duration of their term of office if less than three years);
- the sum paid will represent two years' fixed remuneration, in line with the AFEP-MEDEF Code's recommendation, *i.e.* two years' fixed remuneration plus variable remuneration;
- no severance pay will be owed to the Chief Executive Officer or a Deputy Chief Executive Officer if they leave office within six months of drawing their French state pension, or if they are entitled to a full state pension upon their departure (in accordance with Article 26.5.1 of the AFEP-MEDEF Code);
- in accordance with Article 26.5.1 of the AFEP-MEDEF Code, the Board of Directors reviews the Company's situation and the performance of each Chief Executive Officer ahead of any decisions on severance pay, in order to confirm that neither the Company nor the Chief Executive Officer is failing to perform.

Under no circumstances may the severance pay and non-compete clause combined exceed the cap recommended in the AFEP-MEDEF Code (*i.e.* two years' fixed plus annual variable remuneration including, where applicable, any other severance payments provided for under an employment contract – in particular any contractual redundancy pay). This cap is calculated on the basis of the fixed and annual variable remuneration awarded over the two years preceding severance.

OTHER BENEFITS FOR CHIEF EXECUTIVE OFFICERS

The Chief Executive Officers each have their own company car, which is available for private as well as professional use, and collective death/disability and health insurance plans under the same terms as those applicable to employees.

Exceptional variable remuneration

Societe Generale does not generally award exceptional variable remuneration to its Chief Executive Officers. However, in light of legislation requiring prior approval of all aspects of the remuneration policy, the Board of Directors reserves the right to pay additional variable remuneration if warranted in certain highly specific situations, for example, due to the corresponding impact on the Company, or the level of commitment and challenges involved. Grounds for such remuneration would need to be given and said remuneration would be set in accordance with the general principles of the AFEP-MEDEF Code on remuneration, as well as with the recommendations of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF).

It would be paid on the same terms as the annual variable remuneration, *i.e.* partially deferred over a period of three years, and subject to the same vesting conditions.

In compliance with current regulations, the total variable component (annual variable remuneration, long-term incentives and any exceptional variable remuneration) is in any event capped at 200% of the fixed component.

SUSPENSION OF THE CHIEF EXECUTIVE OFFICER'S EMPLOYMENT CONTRACT AND RELATED RIGHTS

The Chief Executive Officer holds a permanent employment contract with Societe Generale SA. In light of Slawomir Krupa's seniority in the Bank at the time of his appointment as Chief Executive Officer on 23 May 2023, the Board of Directors decided to suspend his employment contract for the duration of his term of office, considering that said suspension would not lead to concurrent benefits under his term of office and his suspended employment contract.

Slawomir Krupa does not receive any remuneration under his suspended employment contract.

Moreover, throughout the suspension of his employment contract, Slawomir Krupa will not acquire seniority and will no longer benefit from collective profit-sharing and incentive schemes or from the employee savings plans applicable in the Company.

At the end of his term as Chief Executive Officer, Slawomir Krupa will once again be eligible for the rights attached to his employment contract, arising in particular from the public policy rules of labour law and those set out in the Bank's Collective Bargaining Agreement, and more particularly:

- should Slawomir Krupa complete his career within the Company, he would receive retirement benefits under the scheme applicable to all employees;
- depending on the reason for termination, Slawomir Krupa would be eligible for any severance pay due on termination of the employment contract, in accordance with the legislation and agreements in force and applicable to all the Company's employees.

In accordance with the remuneration policy, the combined severance pay and non-compete consideration due at the end of the term of office, together with any other compensation provided for under the employment contract (in particular any contractual redundancy pay), may not exceed the cap recommended in the AFEP-MEDEF Code, *i.e.* two years' fixed plus annual variable remuneration. This cap is calculated on the basis of the fixed and annual variable remuneration awarded over the two years preceding severance.

APPOINTMENT OF A NEW CHAIRMAN OF THE BOARD OF DIRECTORS OR CHIEF EXECUTIVE OFFICER

As a rule, the remuneration components and structure described in this remuneration policy also apply to any new Chairman of the Board of Directors or Chief Executive Officer appointed whilst said policy remains in effect, according to their remit and experience. The same principle will also apply to all other benefits granted to the Chairman of the Board of Directors or the Chief Executive Officers (*e.g.* supplementary pension, health and disability insurance, etc.).

The Board of Directors is therefore responsible for setting the fixed remuneration of the incoming Chairman of the Board or that of the Chief Executive Officers in light of these conditions, and in line with the remuneration awarded to the existing Chairman and Chief Executive Officers and in accordance with the practices of comparable European financial institutions.

Lastly, should the incoming Chairman of the Board or Chief Executive Officer be selected from outside the Societe Generale Group, they may be awarded a hiring bonus designed to act as compensation for any remuneration they may have forfeited upon leaving their previous employer. This bonus would vest on a deferred basis and would be conditional upon the satisfaction of performance conditions similar to those applicable to the officers' deferred variable remuneration.

DIRECTORS' REMUNERATION

Following the opinion of the Compensation Committee on 11 January 2024 on the proposal of the Nomination and Corporate Governance Committee, the Board of Directors decided to submit for the approval of the General Meeting of Shareholders of 22 May 2024 an 8% increase in the overall annual amount of the Directors' compensation from EUR 1.7 million to EUR 1.835 million for the year beginning 1 January 2024 and for subsequent years, until decided otherwise.

It observed that the last increase had been made in 2018, with no ensuing change, even though the number of Directors receiving compensation had increased from 12 to 13 following the Annual Meeting of 18 May 2021. The proposed increase also aims to take into account the increase in the average annual number of meetings by the Board of Directors and its Committees (excluding seminars and training sessions) during the three-year periods from 2015 to 2017 (45), 2018 to 2020 (52) and 2021 to 2023 (53). Lastly, this increase is less than the average salary increase (+10%) since 2018.

Before issuing its opinion, the Compensation Committee verified that the proposed new overall annual compensation amount payable to the Directors was in line with levels observed in other French and European financial companies of comparable size and complexity.

The Chairman of the Board and the Chief Executive Officer do not receive any remuneration as Board members.

The rules governing this remuneration and its breakdown between the Directors are defined under Article 18 of the Internal Rules of the Board of Directors (page 177) and are cited on page 107.

Total remuneration and benefits for the Chairman of the Board of Directors and Chief Executive Officers paid in or awarded in respect of 2023

Information submitted to the approval of the shareholders pursuant to Article L. 22-10-34(I) of the French Commercial Code.

The Chairman of the Board's and Chief Executive Officers' remuneration for 2023 complies with the remuneration policy approved by the General Meeting of 23 May 2023.

The remuneration policy, the performance criteria used to establish the annual variable remuneration and the terms governing the attribution of long-term incentives are defined in accordance with the principles set out at the beginning of this chapter.

RESOLUTIONS PASSED AT THE GENERAL MEETING OF 23 MAY 2023

At the General Meeting of 23 May 2023, Resolutions 9 to 12 regarding the Chairman of the Board's and Chief Executive Officers' remuneration paid in or awarded in respect of 2022 were adopted by majorities of 93.50% (for the resolution regarding the Chairman of the Board) and between 92.96% and 93.70% (for the resolution regarding the Chief Executive Officers). Resolution 8 regarding the application of the remuneration policy for 2022, including in particular the regulatory pay ratios, was approved by a majority of 95.14%.

Resolutions 5 and 6 concerning the remuneration policy applicable to the Chairman of the Board of Directors and Chief Executive Officers over the coming years, were adopted by majorities of 93.66% (for the resolution regarding the Chairman of the Board) and 78.73% (for the resolution regarding the Chief Executive Officers).

The Board of Directors noted that the vote on the 6th resolution on the *ex ante* remuneration policy for the Chief Executive Officer and the Deputy Chief Executive Officers was slightly below 80%. Accordingly, it asked the Compensation Committee (COREM) to prepare a report on the reasons for the opposing votes in order to draw the relevant conclusions. The Compensation Committee analysed the expectations of the voting consulting firms and shareholders; the findings were presented to and discussed by the Board of Directors on 2 August 2023.

The COREM observed that several explanations were provided:

- the new Chief Executive Officer's fixed remuneration;
- the conditions governing the departure of Frédéric Oudéa;
- the new Deputy Chief Executive Officers' fixed remuneration;
- lowering the cap on LTIs to 100% of the fixed remuneration.

The Compensation Committee observed that these concerns are highly varied in nature and have not been ranked by the proxies.

Considering the long-term incentives awarded to Frédéric Oudéa in respect of previous years, the Board of Directors has decided that for each award, the shares not yet vested will vest in proportion to the time that has lapsed between the award date and the expiry date of Frédéric Oudéa's term of office as Chief Executive Officer, *i.e.* 23 May 2023. All the other conditions laid down in the remuneration policy remain in force, in particular the performance conditions and schedule. This position meets the expectations generally expressed by the proxies and AMF.

However, the Compensation Committee is aware that the conditions governing the departure of Frédéric Oudéa were covered in two successive communications on the corporate website and acknowledges that the shareholder information may have been difficult to access. In the future, the Compensation Committee will ensure that shareholders have easy access to a single file with the relevant information.

Considering the remuneration of the new General Management following the new Chief Executive Officer's appointment on 23 May 2023, the Board of Directors noted that it has given careful consideration to the subject and based its decision on a great many parameters and criteria. Accordingly, the Board of Directors proposed to increase the fixed remuneration from EUR 1.3 million to 1.65 million. This proposal is justified by various contextual considerations that should be taken into account as a whole:

- the proposed level of remuneration is simply updates the remuneration awarded to Frédéric Oudéa, which had remained unchanged since 2011;
- the updated remuneration exactly matches the change in the annual base mean remuneration of Societe Generale SA employees in France over the same period;
- the proposed remuneration is tailored to the profile of Slawomir Krupa, who was Head of the Group's Corporate and Investment Bank and based in the United States since 2021;
- this decision is based on an extensive analysis of the remuneration of bank executives in Europe.

The Compensation Committee based its work on a study by the independent consultancy firm Willis Towers Watson on a panel of 11 European banks (Barclays, BBVA, BNP Paribas, Crédit Agricole, Credit Suisse(1), Deutsche Bank, Intesa, Nordea, Santander, UBS and UniCredit).

According to this study, this remuneration is still considerably less than the benchmark and in the first quartile of the market:

- in 2022, the average fixed remuneration for a CEO was EUR 2.4 million,
- the median fixed remuneration for a CEO was EUR 2.5 million, and
- the fixed remuneration for a CEO in the first quartile was EUR 2 million.

Accordingly, the Board of Directors concluded that the Compensation Committee had followed the best practices in setting the remuneration for General Management. In particular, it complied with the recommendations of the AFEP-MEDEF Code, which sets the benchmark for Societe Generale in terms of governance. The Board of Directors will ensure that shareholders have access to all the relevant information and explanations on the remuneration policy for the Chief Executive Officers.

(1) The sample of comparable benchmark European banks applicable before the merger of UBS and Credit Suisse in June 2023.

REMUNERATION OF THE NON-EXECUTIVE CHAIRMAN

Lorenzo Bini Smaghi's annual remuneration was set at EUR 925,000 in May 2018 and will remain unchanged for the duration of his term of office. This remuneration remained unchanged when his term of office as Director and as Chairman was renewed at the General Meeting of 17 May 2022.

Lorenzo Bini Smaghi receives neither remuneration in his capacity as Director, nor variable remuneration, nor long-term incentives.

He is provided with company accommodation for the performance of his duties in Paris.

The amounts paid during 2023 are shown in the table on page 134.

REMUNERATION OF GENERAL MANAGEMENT

The remuneration policy for the Chief Executive Officers ensures the payment of balanced remuneration, taking into account the expectations of the various stakeholders.

Fixed remuneration for 2023

As Chief Executive Officer from 1 January to 23 May 2023, Frédéric Oudéa received annual fixed remuneration of EUR 1,300,000. This remuneration was paid to him on a *pro rata* basis until 23 May 2023 inclusive.

The two Deputy Chief Executive Officers received annual remuneration of EUR 800,000. Philippe Aymerich and Diony Lebot received this fixed remuneration on a *pro rata* basis until 23 May 2023 inclusive.

Regarding the General Management from 23 May to 31 December 2023:

- as the new Chief Executive Director, Slawomir Krupa's annual fixed remuneration was set at EUR 1,650,000 as of his appointment by the Board of Directors on 23 May 2023. It was paid on a *pro rata* basis as of his appointment as Chief Executive Officer by the Board of Directors on 23 May 2023;
- the fixed remuneration of the two Deputy Chief Executive Officers was EUR 900,000. It was paid on a *pro rata* basis as of their appointment as Chief Executive Officers by the Board of Directors on 23 May 2023.

The fixed remuneration set out above was approved at the General Meeting of 23 May 2023.

Annual variable remuneration for 2023

PERFORMANCE CRITERIA AND ASSESSMENT FOR 2023

At its meeting of 23 May 2023, authorised by the General Meeting, the Board of Directors defined the evaluation criteria for annual variable remuneration for 2023, 65% of which is contingent on the achievement of financial targets, and 35% on the achievement of non-financial targets.

Financial portion

The achievement of financial targets is weighted at 65% of the target annual variable remuneration, the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

In respect of General Management in place until 23 May 2023, the financial criteria applicable to the Chief Executive Officer comprised exclusively Group performance-based criteria and, for the Deputy Chief Executive Officers, 60% were based on Group performance and 40% on remits involving specific responsibilities.

In respect of General Management after 23 May 2023, the financial criteria were based solely on Group performance.

The financial criteria for the Group were the return on tangible equity (ROTE) and the cost-to-income (C/I) ratio, each with an equal weighting. In addition to these two criteria, the Core Equity Tier 1 ratio was used as a variable financial remuneration threshold criterion. Accordingly, if a minimum level defined *ex ante* by the Board of Directors is not achieved, the achievement rate of each of the financial criteria is reduced to a lower threshold, below which it will be deemed zero. If this level is reached, the achievement rate of each of the financial criteria could be 100%.

The financial indicators for remits involving specific responsibilities were gross operating income, Return on Normative Equity (RONE) and the cost-to-income ratio of the individual supervisory remit, with an equal weighting for each indicator.

Covering both financial and operational aspects, these indicators are directly tied to the Group's strategy. These reflect compliance with the predefined budgets. The Board of Directors excludes from its calculations any components it deems exceptional:

- compliance with the budgetary target equates to an achievement rate of 100%;
- for each performance target, the budgetary target is guided by:
  - a high point defined *ex ante* by the Board of Directors and allowing for an achievement rate of 125%,
  - a low point defined *ex ante* by the Board of Directors corresponding to an achievement rate of 50% and below which the achievement rate is considered zero.

The achievement rate of each target is defined on a straight-line basis between these limits.

Each of the financial performance criteria is capped at 125% of its target weighting. As such, the maximum financial portion is capped at 81.25% of the target annual variable remuneration, with the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

Non-financial portion

Given the specific features of the 2023 financial year, with the renewal of General Management, the Board of Directors defined non-financial targets in accordance with this particular situation.

During the period from 1 January 2023 to 23 May 2023, 35% of the annual variable remuneration with targets that include a CSR component.

During the period from 23 May 2023 to 31 December 23, the non-financial targets were divided between CSR targets (20% weighting), common targets for General Management (5% weighting), and specific targets for the Chief Executive Officer and Deputy Chief Executive Officers (10% weighting).

Attainment of the non-financial targets is assessed based on key indicators that may be quantified either based on meeting milestones or based on a qualitative evaluation by the Board of Directors. These indicators are defined in advance by the Board of Directors. The achievement rate can be anywhere between 0 and 100% of the maximum non-financial portion. In the event of exceptional performance, the achievement rate of some quantifiable non-financial targets can be increased to 120% by the Board of Directors, bearing in mind that the overall non-financial target achievement rate may not exceed 100%.

The maximum non-financial portion is capped at 35% of the target annual variable remuneration, the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

2023 ANNUAL VARIABLE REMUNERATION TARGETS ACHIEVEMENT

The achievement rates for each target, as approved by the Board of Directors at its meeting of 7 February 2024, are set out in the table below.

		S. Krupa		P. Aymerich				P. Palmieri		F. Oudéa		D. Lebot	
				Period 01.01.2023-23.05.2023		Period 23.05.2023-31.12.2023				Period 01.01.2023-23.05.2023			
		Weight	**Achievement rate**	**Weight**	**Achievement rate**	**Weight**	**Achievement rate**	**Weight**	**Achievement rate**	**Weight**	**Achievement rate**	**Weight**	**Achievement rate**
Financial targets 65%[1]													
For the Group	ROTE	32.5%	**32.5%**	19.5%	**19.5%**	32.5%	**32.5%**	32.5%	**32.5%**	32.5%	**32.5%**	19.5%	**19.5%**
	C/I ratio	32.5%	**28.7%**	19.5%	**17.2%**	32.5%	**28.7%**	32.5%	**28.7%**	32.5%	**28.7%**	19.5%	**17.2%**
Individual remits[2]	GOI			8.7%	**3.9%**							8.7%	**5.4%**
	C/I ratio			8.7%	**4.2%**							8.7%	**6.4%**
	RONE			8.7%	**4.4%**							8.7%	**8.7%**
TOTAL FINANCIAL TARGETS		**65.0%**	**61.2%**	**65.0%**	**49.1%**	**65.0%**	**61.2%**	**65.0%**	**61.2%**	**65.0%**	**61.2%**	**65.0%**	**57.2%**
% achievement of financial targets		94.2%		86.9%				94.2%		94.2%		88.0%	
Non-financial targets 35%													
CSR		**20.0%**	**17.8%**			**20.0%**	**17.8%**	**20.0%**	**17.8%**				
Common targets		5.0%	**4.6%**			5.0%	**4.6%**	5.0%	**4.6%**				
Individual remits[2]		10.0%	**9.5%**	35.0%	**28.0%**	10.0%	**8.0%**	10.0%	**9.5%**	35.0%	**26.3%**	35.0%	**26.3%**
TOTAL NON-FINANCIAL TARGETS		**35.0%**	**31.8%**	**35.0%**	**28.0%**	**35.0%**	**30.3%**	**35.0%**	**31.8%**	**35.0%**	**26.3%**	**35.0%**	**26.3%**
% achievement of non-financial targets		90.9%		84.0%				90.9%		75.0%		75.0%	
OVERALL 2023 TARGET ACHIEVEMENT RATE		**93.0%**		**85.9%**				**93.0%**		**87.5%**		**83.5%**	

Note: In this table, rates have been rounded for presentation purposes.

ROTE: Return on tangible equity.

C/I ratio: Cost-to-income ratio.

GOI: Gross operating income.

RONE: Return on normative equity.

(1) *Subject to the application of the Core Equity Tier 1 ratio criterion (variable financial remuneration threshold criterion). This criterion has been met (see page 125).*

(2) *The individual remits of the Chairman of the Board of Directors and the Chief Executive Officers are described in the Governance section, page 108; the individual remits before 23 May 2023 are recapped on page 125.*

As a result, the annual variable remuneration awarded for 2023 was as follows:

- EUR 1,110,492 for Slawomir Krupa, corresponding to financial performance of 94.2% and non-financial performance assessed by the Board of Directors at 90.9%;
- EUR 741,738 for Phillipe Aymerich, corresponding to financial performance of 86.9% and non-financial performance assessed by the Board of Directors at 84.0%;
- EUR 504,769 for Pierre Palmieri, corresponding to financial performance of 94.2% and non-financial performance assessed by the Board of Directors at 90.9%;
- EUR 542,088 for Frédéric Oudéa, corresponding to financial performance of 94.2% and non-financial performance assessed by the Board of Directors at 75.0%;
- EUR 265,186 for Diony Lebot, corresponding to financial performance of 88.0% and non-financial performance assessed by the Board of Directors at 75.0%.

The amount of the annual variable remuneration for each Chief Executive Officer corresponds to the target permitted annual variable remuneration (120% of fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers), adjusted on a *pro rata* basis where applicable, multiplied by the overall target achievement rate.

Achievement of financial targets in 2023

The Group's reported annual net income was EUR 2.5 billion, bolstered by the very strong performance of Global Banking and Investor Solutions and International Retail Banking, while reflecting a sharp drop in French Retail Banking's interest margin and impacts arising from the integration of LeasePlan into Ayvens. Reported ROTE was 4.2% for 2023.

Against this background, the Group's underlying ROTE (excluding exceptional items) achieved the budgetary target set at the start of the year, which partly anticipated the drop in net interest margins communicated at that time.

The Group's reported cost-to-income ratio was 73.8% (67.5% in underlying terms excluding the contribution to the Single Resolution Fund *vs.* a guidance of 66 to 68%), with stable operating expenses at +0.3% compared to 2022 at a constant scope. The underlying cost-to-income ratio excluding the contribution to the Single Resolution Fund was at the higher end of the guidance given to the market.

To ensure consistency with the respective remits of the Deputy Chief Executive Officers assessed before 23 May 2023, the assessment was carried out based on the former business segment groupings, which was adjusted in the third quarter of 2023 as detailed in the financial communication.

French Retail Banking businesses did not achieve budgetary targets, due in particular to the sharp decline in the net interest margin. International Retail Banking achieved budgetary targets overall, including with respect to consumer credit.

Financial Services, including insurance activities and excluding consumer finance activities, met budgetary targets in terms of RONE but not in terms of GOI and the cost-to-income ratio.

Last, on 31 December 2023, the Group's Common Equity Tier 1 ratio was 13.1%, *i.e.* about 340 basis points above the regulatory requirement of 9.77% at 31 December 2023, and above the level required for the vesting of the financial portion of the annual variable remuneration for Chief Executive Officers.

The results of the financial targets assessment are summarised in the table on page 124.

Achievement of non-financial targets in 2023

2023 was a year of transition and transformation characterised by several major developments in our businesses, the creation of our new Retail Bank in France, and the creation of Ayvens. Moreover, the exceptional momentum of BoursoBank, the strength of the Global Banking and Investor Solutions franchises, and the performance of our international banking activities across all regions are all grounds for satisfaction.

- **Regarding the assessment of the non-financial targets of the Chief Executive Officers for the period from 1 January to 23 May 2023**

The targets and assessment results are summarised in the table below.

	Weight in the total	Weighted achievement rate[(1)]
Non-financial targets		
F. Oudéa		
▪ Ensuring the proper functioning of governance and a smooth managerial transition until 23 May 2023		
▪ Helping to secure strategic projects scheduled for completion in H1 2023		
	35.0%	**26.3%**
P. Aymerich		
▪ Vision 2025: securing the information systems transfers of March and May 2023		
▪ Continuing to develop BoursoBank and to consolidate systems in Africa		
	35.0%	**28.0%**
D. Lebot		
▪ For ALD, finalising the acquisition of LeasePlan		
▪ For ESG, continuing efforts to align the portfolio and to execute the operationalisation programme		
	35.0%	**26.3%**

(1) *Weighted by the respective weight of each criterion.*

Having received the Compensation Committee's recommendations, the Board of Directors took into account the following matters when assessing achievement of the non-financial targets:

- **Regarding Frédéric Oudéa, Chief Executive Officer until 23 May 2023**

Regarding **the proper functioning of governance and the managerial transition**, the Board of Directors first highlighted the successful handover to the new Chief Executive Officer. The Board of Directors noted certain improvements made in terms of internal governance, while pointing out that the governance in place and the steering of ALM could still be perfected. Similarly, the management and governance of data and information systems quality required further improvements. As a result, the Board considered this target partially met.

Regarding **the securing of strategic projects scheduled for completion in H1 2023**, the Board of Directors noted that the key strategic stages of the Vision 2025 project and the acquisition of LeasePlan were on track. It deemed the target partially met, especially with respect to cost reduction. It also took into account the revision of financial targets announced for the scope resulting from the merger between ALD and LeasePlan. As a result, the Board considered this target partially met.

- **Regarding Philippe Aymerich, Deputy Chief Executive Officer in charge of supervising the retail banking network in France and abroad, BoursoBank and ITIM.**

The Board of Directors considered that **the information systems transfers associated with the merger of the Societe Generale networks in France** (Vision 2025 project) were carried out successfully. However, its assessment also looked at the declining commercial performance, revenue and impact of Retail Banking's ALM management on the activity's overall performance during the year. The Board of Directors gave a very positive assessment of **BoursoBank's development**, which continued throughout the year.

Regarding **African entities**, the Board gave a positive assessment of measures taken with respect to the operational model and the information systems.

As a result, the Board considered these targets partially met.

- **Regarding Diony Lebot, Deputy Chief Executive Officer until 23 May 2023 in charge of supervising ALD, SGEF, ASSU and CSR**

Regarding the **finalisation of the acquisition of LeasePlan**, the Board noted that the transactional process, antitrust remediation actions, and administrative and regulatory stages were completed in line with the milestones set, but considered the target partially met considering the revision of financial targets and of certain strategic targets announced for the scope resulting from the merger between ALD and LeasePlan.

Regarding the **ESG target for efforts to align the portfolio and to execute the operationalisation programme**, the Board acknowledged the progress made in defining alignment targets on the sectors with the highest CO_2 emissions identified by the NZBA (Net Zero Banking Alliance), and in developing the plan to provide training and establish ESG culture for all Group employees. The Board also considered the ECB's expectations, which highlight the considerable efforts yet to be made. As a result, the Board considered this target partially met.

- **The assessment of the non-financial targets of the Chief Executive Officers from 23 May to 31 December 2023**

The targets and assessment results are summarised in the table below.

Indicator	Description	Weight in the total	Weighted achievement rate[(1)]
CSR collective targets – 20%			
■ **Client experience**	■ Improving the cliclient experience: measured based on the change in NPS for the main activities	5.0%	4.0%
■ **Responsible employer**	■ Developing the Group's priorities as a responsible employer: measured through compliance with commitments to promote women to seats on management bodies and an improved employee engagement rate	5.0%	4.3%
■ **Extra-financial ratings**	■ Positioning in terms of extra-financial ratings	5.0%	5.0%
■ **Incorporating CSR considerations into the businesses**	■ Incorporating CSR considerations into the strategy of all Group businesses and implementing trajectories compatible with the Group's commitment to the energy and environmental transition.	5.0%	4.5%
		20.0%	**17.8%**
Financial targets – 5%			
■ The quality of the relationships with supervisory bodies;		2.5%	2.3%
■ Improving the efficiency of the Corporate Divisions.		2.5%	2.3%
		5.0%	**4.6%**
Individual specific targets – 10%			
S. Krupa			
■ Implementing and operating the new governance, continuing to carry out strategic projects and the markets' perception.		10.0%	
		10.0%	**9.5%**
P. Aymerich			
■ Governing French Retail Banking's ALM function, meeting the 2023 milestones of the 2025 Vision project, and continuing to develop BoursoBank		10.0%	
		10.0%	**8.0%**
P. Palmieri			
■ Securing the integration of LeasePlan in the first few months, meeting the 2023 milestones for the AFMO scope, in particular regarding disposals, and addressing CSR challenges		10.0%	
		10.0%	**9.5%**

(1) Weighted by the respective weight of each criterion; percentages have been rounded for presentation purposes.

The CSR targets are divided into four themes, all of which include quantifiable targets. Having received the Compensation Committee's recommendations, the Board of Directors took into account the following information when assessing the non-financial targets.

- **The Board's assessment of the Chairman of the Board of Directors' and Chief Executive Officers' collective CSR targets**

The quality of the client experience, measured by the change in Net Promoter Score (NPS) for the Group's main activities, was mixed within the Group in 2023. The Board noted continued improvements in Global Banking and Investor Solutions, while International Retail Banking and Mobility and Leasing Services (MIBS) entities received varying assessments depending on the markets and types of customers, and customer satisfaction was down in the French networks due to major transformation.

As for **the responsible employer target**, the Board of Directors noted the progress made in promoting diversity in the Group with the achievement of the target of 30% women in senior management by the end of 2023. Women make up 54% of the Executive Committee, 31% of the Management Committee, and 32% of Group Key Persons. International employees made up 33% of the Management Committee and 29% of Group Key Persons.

The Board of Directors noted a relatively stable employee engagement rate despite the Group's robust transformation.

The Board of Directors observed that the **positioning of the main extra-financial ratings** (S&P Global CSA, Sustainalytics and MSCI) remained aligned with or even surpassed expectations in 2023:

- the S&P CSA rating was 69/100 and ranked the Bank among the top decile of banks worldwide;
- the Sustainalytics rating for 2023 was 19.6/100, an improvement on 2022. Societe Generale was ranked among the Top 16% (1st quartile) of banks worldwide;
- this year, the MSCI rating went from AAA to AA, aligned with our peers, and included a 10/10 score for the environmental component.

The Board of Directors observed that **ESG considerations continued to be successfully integrated** into the businesses' strategic roadmaps, especially in order to prepare for the Capital Markets Day event of September 2023. The ESG training schedule for employees was followed and the goal to define alignment targets on the sectors with the highest CO_2 emissions identified by the NZBA (the nine sectors covered out of the 12 sectors recommended by the alliance) was achieved.

The Board of Directors considered that the Group upheld and even exceeded its undertaking to implement **trajectories compatible with its commitments to the energy and environmental transition**.

On 31 December 2023, the Group had already raised a contribution to sustainable finance of more than EUR 250 billion, ahead of its target of EUR 300 billion between end-2021 and end-2025.

The target related to the commitment of reducing the Group's overall exposure to the oil and gas extraction sector by 2025 was exceeded (45.8% reduction at end-2023 compared with 2019). Moreover, the Group has since then announced new, even more proactive reduction targets (-80% by 2030 compared with 2019, with an intermediate -50% stage by 2025).

The target of reducing the Group's own CO_2 emissions (-20% CO_2 emissions between 2019 and end-2023) has also been achieved, in line with the public commitment to halve carbon emissions by the end of 2030 compared with 2019.

- **Regarding the common targets for the Chief Executive Officers**

As for the **quality of relationships with supervisory bodies**, the Board of Directors noted the new approach adopted by the new General Management, in particular the creation of a quarterly Remediation Oversight Committee and a Remediation Committee to ensure the quality of answers provided to the regulator. Along with this new governance, the quality and quantity of the dedicated workforce was strengthened.

In order to assess the achievement of the target of **improving the efficiency of the Corporate Divisions**, the Board of Directors considered in particular the continued performance of the Human Resources Department and the Compliance Division in supporting the Group's major transformation projects and in implementing programmes designed to meet the expectations of regulators, the progress made by the Finance Department on its operational efficiency projects, and the successful execution of projects to control IT costs and support the Group's digital transformation by the Corporate Resources and Innovation Division.

- **The Board's assessment of the targets for each Chief Executive Officer's specific remit**

- **Assessment of the specific targets for Slawomir Krupa, Chief Executive Officer from 23 May 2023**

In its assessment, the Board of Directors considered in particular the quality of interactions between the new General Management and the Board in defining the Group's new strategy and preparing for the Capital Markets Day (CMD) of 18 September 2023. It also positively assessed **changes in governance** over recent months. The Board of Directors noted the quality of the work performed by the Chief Executive Officer in the area of **investor relations**, ahead of and after the CMD, while factoring in some investors' concerns regarding the Group's financial trajectory, following the CMD, with respect to the share performance over this period.

The Board considered these targets almost completely met.

- **Assessment of the specific targets for Philippe Aymerich, Deputy Chief Executive Officer**

The Board of Directors noted the **overhaul of SGRF's ALM management** on the business side, the improved efficiency of the related governance, and the optimisation of management decisions. The Board considered that the milestones for the third year of the **Vision 2025 project**'s implementation were met. At the same time, the Board wished to consider changes in the network's commercial performance over this period, which was adversely affected by the environment and context of the transformation. Lastly, the Board also considered the **continued development of BoursoBank** during the year, with a redefined growth strategy as part of its strategic planning process.

The Board considered the targets partially met.

- **Assessment of the specific targets for Pierre Palmieri, Deputy Chief Executive Officer from 23 May 2023**

Regarding the **integration of LeasePlan**, the Board of Directors first noted that a new governance aligned with regulatory requirements had been established. It responded positively to the swift revision of financial targets and of certain strategic targets announced for the scope resulting from the merger of ALD and LeasePlan, as well as the launch of Ayvens, the new brand.

Regarding **AFMO**, the Board noted the effective execution of the disposal plan.

As for **CSR**, in addition to the positive points raised with regard to the collective targets, the Board noted the quality of the contribution to the CSR strategy announced as part of Capital Markets Day.

The Board considered these targets almost completely met.

ANNUAL VARIABLE REMUNERATION FOR 2023 AND RECORD OF FIXED AND ANNUAL VARIABLE REMUNERATION AWARDED TO CHIEF EXECUTIVE OFFICERS IN PREVIOUS YEARS

	Reminder of 2021 fixed + annual variable remuneration			Reminder of 2022 fixed + annual variable remuneration			2023 fixed + annual variable remuneration			
(In EUR)	Fixed rem.	Annual variable rem.	Fixed and annual variable rem.	Fixed rem.	Annual variable rem.	Fixed and annual variable rem.	Fixed rem.	Annual variable rem.	as % of fixed rem.	Fixed and annual variable rem.
S. Krupa(1)	NA	NA	NA	NA	NA	NA	994,583	1,110,492	112%	2,105,075
P. Aymerich	800,000	883,384	1,683,384	800,000	848,424	1,648,424	860,278	741,738	86%	1,602,016
P. Palmieri(1)	NA	NA	NA	NA	NA	NA	542,500	504,769	93%	1,047,269
F. Oudéa(2)	1,300,000	1,740,258	3,040,258	1,300,000	1,566,513	2,866,513	516,392	542,088	105%	1,058,480
D. Lebot(2)	800,000	910,432	1,710,432	800,000	849,528	1,649,528	317,778	265,186	83%	582,963

(1) The term of S. Krupa as Chief Executive Officer and the term of P. Palmieri as Deputy Chief Executive Officer began on 23 May 2023.
(2) The term of F. Oudéa as Chief Executive Officer and the term of D. Lebot as Deputy Chief Executive Officer ended on 23 May 2023.

Note: Gross remuneration in EUR, as calculated upon award.

VESTING AND PAYMENT OF VARIABLE REMUNERATION FOR 2023

The Board of Directors has defined the following vesting and payment conditions for annual variable remuneration:

- 40% of the total amount awarded vests in March 2024 (provided it is approved by the General Meeting of 24 May 2024); half of this, converted into share equivalents, is subject to a one-year holding period;
- 60% of the total amount awarded remains unvested and is deferred over five years on a *pro rata* basis; three-fifths of this portion is awarded as shares or share equivalents, subject to two performance conditions: Group profitability and Core Tier One levels. A one-year holding period applies after each definitive vesting date of payments in shares or share equivalents.

The amount of variable remuneration granted in shares or share equivalents is converted based on a share price determined each year by the Board of Directors in March and corresponding to the trade-weighted average over the last twenty trading days prior to the Board Meeting.

Furthermore, if the Board of Directors deems that a decision taken by the Chairman of the Board of Directors and the Chief Executive Officers has particularly significant consequences for the Company's results or image, it may decide not only to reconsider payment of the deferred annual variable remuneration in full or in part (*malus* clause), but also to recover, for each award, all or part of the sums already distributed over a six-year period (clawback clause).

Vesting of the deferred annual variable remuneration is also subject to a condition of presence throughout the Chief Executive Officer's current term of office. The only exceptions to this condition are as follows: retirement, death, disability, incapacity to carry out duties or removal from office due to a strategic divergence with the Board of Directors.

Once the Chief Executive Officer's current term of office comes to an end, this condition of presence no longer applies. However, if the Board of Directors concludes that a decision a Chief Executive Officer took during their term of office has had particularly significant consequences for the Company's results or image, it may decide to apply either the *malus* or the clawback clause.

The portion of annual variable remuneration granted as share equivalents entitles the beneficiary to payment of a sum equivalent to any dividend payments made over the compulsory holding period. No dividends are paid during the vesting period.

Any remuneration received by Deputy Chief Executive Officers in respect of their duties as Directors within Group companies is deducted from their variable remuneration. The Chief Executive Officer does not receive any remuneration for Directorships.

ANNUAL VARIABLE REMUNERATION – DEFERRED PORTION PERFORMANCE CONDITIONS

Cumulative terms	Proportion of the unvested award	Trigger level/Cap 100% achievement rate
Group profitability	100%	Group profitability for the year preceding vesting > 0
Equity levels (CET 1 ratio)	100%	CET1 ratio for the year preceding vesting > minimum threshold set

ANNUAL VARIABLE REMUNERATION PAID IN FINANCIAL YEAR 2023

In 2023, the Chief Executive Officers received annual variable remuneration in respect of financial years 2019, 2020, 2021 and 2022, as previously approved by the General Meetings of 19 May 2020 (Resolutions 10 to 14), 18 May 2021 (Resolutions 10 to 14), 17 May 2022 (Resolutions 10 to 12) and 23 May 2023 (Resolutions 10 to 12) respectively. For deferred payments subject to performance conditions, the Board of Directors reviewed the conditions at its meeting of 7 February 2023 and was satisfied that they had been met. Details of the overall sums, individual amounts paid, the applicable performance conditions and the level of their achievement are given in the tables from page 134, and in Table 2 page 150.

LONG-TERM INCENTIVES FOR FINANCIAL YEAR 2023

In accordance with the remuneration policy for Chief Executive Officers, approved by the Board of Directors of 23 May 2023, the Board of Directors decided, at its meeting of 7 February 2024 (subject to the approval of the General Meeting on 22 May 2024, in accordance with Article L. 22-10-34 (II) of the French Commercial Code), to implement an incentives plan for financial year 2023 as follows:

- the total amount of long-term incentives awarded (as valued under IFRS) is capped at 100% of annual fixed remuneration;
- the award value is expressed according to IFRS. The corresponding number of shares or share equivalents was calculated on the basis of the Societe Generale share's book value at 6 February 2024;
- the vesting period for shares or share equivalents is five years, followed by a one-year holding period, thus increasing the total indexing period to six years;
- definitive vesting is subject to a condition of presence throughout the vesting period, as well as performance conditions;
- the performance conditions governing vesting of LTIs are as follows:
  - for 33.33% of the LTI award, the relative performance of the Societe Generale share, as measured by the increase in Total Shareholder Return (TSR) compared with that for 11 comparable European banks[1] over the full vesting period. Consequently, the full number of shares or share equivalents will only vest if Societe Generale's TSR falls in the first quartile of the sample panel. If it falls slightly above the median value, the vesting rate will be 50% of the total number of shares or share equivalents granted. No shares or share equivalents will vest if the TSR performance is below the median value (the complete vesting chart is shown below),
  - for 33.33% of the LTI award, the Group's future profitability,
  - for 33.33% of the LTI award, CSR performance related to implementing trajectories compatible with the Group's commitments to aligning its lending portfolios with the Paris Agreement;

Regarding the Group's future profitability, the Board of Directors of 7 February 2024 decided that this condition would be measured by Group ROTE for the 2026-2028 period, *i.e.* over the three years preceding the vesting of the long-term incentives:

- the ROTE for 2026 matches the target indicated to the market at the Capital Markets Day event in September 2023, making up 50% of the condition;
- the ROTE to be achieved in 2027 and 2028 will be equal to that of 2026 or the amount set by the Board of Directors based on the new targets announced to the market before 1 January 2027. Each year counts for 25% of the condition;
- upper and lower target limits define the achievement rate, which may not exceed 100%.

Regarding the CSR condition related to implementing trajectories compatible with the Group's commitments to aligning its lending portfolios with the Paris Agreement, the target defined by the Board of Directors of 7 February 2024 is a 60% reduction in exposure to the oil and gas production sector by 31 December 2028 compared with the exposure on 31 December 2019. The vesting would be 100% if the target is reached. If the target is not reached, the vesting would be nil.

- If the Group is not profitable in the year preceding the definitive vesting of long-term incentives, no payment will be made, regardless of the Societe Generale share performance, the Group's CSR performance, and achievement of the Group's future profitability target.
- The Board of Directors reviews the satisfaction of the performance conditions ahead of the vesting of any long-term incentives.

LONG-TERM INCENTIVES FOR FINANCIAL YEAR 2023 – PERFORMANCE CONDITIONS

		Trigger level		Cap	
Criteria[(1)]	**Proportion of the unvested award**	**Performance**	**% of vesting of the initial award**	**Performance**	**% of vesting of the initial award**
Relative performance of the Societe Generale share	33.33%	Positioning Ranked 6th in Panel	50%[(2)]	Positioning Ranked 1st-3rd in Panel	100%[(2)]
Reduction in exposure to the oil and gas production sector	33.33%	60% reduction	100%	60% reduction	100%
Group ROTE for the 2026, 2027 and 2028	33.33%	85% of the target level	0%	105% of the target level	100%

(1) *Subject to Group profitability in the year preceding the definitive vesting of the long-term incentives.*
(2) *The complete vesting chart is shown below.*

(1) *The panel is selected on the date of the Board of Directors' meeting at which the award is decided. For example, the panel for the 2023 LTI awarded in 2023 comprised: Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Deutsche Bank, ING, Intesa, Nordea, Santander, UBS and UniCredit.*

The complete vesting chart based on the relative performance of the Societe Generale share is shown below:

SG Rank	Ranks 1*-3	Rank 4	Rank 5	Rank 6	Ranks 7-12
% of the maximum number awarded	100%	83.3%	66.7%	50%	0%

** The highest rank in the panel.*

The 2024 peer panel comprises the following financial institutions: Barclays, BBVA, BNP Paribas, Crédit Agricole SA, Deutsche Bank, ING, Intesa, Nordea, Santander, UBS and UniCredit.

The final payment value for the shares or share equivalents will be capped at EUR 75 per share/share equivalent, *i.e.* approximately 1.2 times the net asset value per Societe Generale Group share at 31 December 2023.

Definitive vesting is subject to a condition of presence in the Group as an employee or in an executive position throughout the vesting period. However, and subject to the faculty for the Board of Directors to decide to make an exception under special circumstances:

- in the event of death, disability or incapacity, the shares will be retained and full payments made;
- if a beneficiary retires or leaves due to a change of control, the shares will be retained and full payments made, provided the Board of Directors is satisfied that the performance conditions have been met;
- if a beneficiary leaves the Group due to changes in its structure or organisation, or due to their term of office not being renewed (except where the Board deemed their performance to be inadequate), payments will be made on a *pro rata* basis according to the time spent in office compared to the overall vesting period, provided the Board of Directors is satisfied that the performance conditions have been met.

Lastly, a "malus" clause also applies to the beneficiaries' long-term incentives. Accordingly, if the Board deems that a decision made by the Chief Executive Officers has had particularly significant consequences on the Company's results or image, it may decide to reconsider payment of the long-term incentives in full or in part.

In compliance with current regulations, the total variable component (*i.e.* annual variable remuneration plus long-term incentives) is capped at the regulatory limit of 200% of the fixed component(1).

The table below indicates the book value of the long-term incentives and the maximum corresponding number of instruments for each of the Chief Executive Officers in respect of 2023:

			Long-term incentives for financial year 2023	
	Amount attributable in book value (IFRS)(1)	Maximum number of shares attributable(2)	Amount attributable in book value (IFRS)(1)	Maximum number of shares or share equivalents awarded(2)
Slawomir Krupa	N/A	N/A	EUR 690,180	50,674
Philippe Aymerich	EUR 518,865	38,054	EUR 570,000	41,850
Pierre Palmieri	N/A	N/A	EUR 391,806	28,767

(1) Based on the share price on the day preceding the Board of Directors' meeting of 7 February 2024, at which the LTIs were awarded.
(2) The number of instruments awarded corresponds to the total IFRS value of the award divided by the IFRS share value based on the share price on the day preceding the Board of Directors' meeting of 7 February 2024.

Pursuant to the applicable remuneration policy and the provisions of Article 26.5.1 of the AFEP-MEDEF Code, no long-term incentives may be awarded to Frédéric Oudéa or Diony Lebot for 2023 in light of the fact that their terms of office expired on 23 May 2023.

The Board of Directors deliberated on the allocation of performance shares at its meeting on 7 March 2024, pursuant to the powers conferred upon it by the AGM of 17 May 2022 (Resolution 22). The award represents less than 0.01% of the share capital.

LONG-TERM INCENTIVES PAID IN 2023

Payments for the long-term incentive plans awarded in 2017 in respect of 2016 (second instalment) and in 2019 in respect of 2018 (first instalment), for which vesting in March 2023 was subject to meeting targets in terms of Group profitability and the Societe Generale share's performance compared to a panel of peers were lost in full. The Board of Directors reviewed the performance conditions at its meeting of 7 February 2023 and observed that the minimum achievement rate of the condition regarding the relative performance of the Societe Generale share was not met, insofar as the share performance assessed in early 2023 placed Societe Generale in tenth place in the panel (see Table 7 page 154 and the tables from page 134).

(1) After application of the discount rate for variable remuneration awarded as instruments deferred for five years or more, pursuant to Article L. 511-79 of the French Monetary and Financial Code, where applicable.

POST-EMPLOYMENT BENEFITS: PENSION, SEVERANCE PAY, NON-COMPETE CONSIDERATION

Pension

Frédéric Oudéa terminated his employment contract by resigning when he was appointed Chairman and Chief Executive Officer in 2009. Accordingly, he is no longer entitled to any supplementary pension benefits from Societe Generale.

Details of the pension schemes for Slawomir Krupa and the Deputy Chief Executive Officers are supplied on page 119[(1)].

In accordance with French law, contributions to the Art. 82 supplementary defined contribution scheme are subject to a performance condition.

The table below sets out the vesting rate of pension benefits due in respect of the term of office period during 2023, based on the overall performance rate taken into account for the 2023 annual variable remuneration, as recognised by the Board of Directors on 7 February 2024.

	Overall 2023 target achievement rate	% vesting of Art. 82 pension plan contributions
Slawomir Krupa	93.0%	100%
Philippe Aymerich	85.9%	100%
Pierre Palmieri	93.0%	100%
Diony Lebot	83.5%	100%

The senior management supplementary pension scheme from which Slawomir Krupa and the Deputy Chief Executive Officers previously benefited has been closed to further contributions since 1 January 2020. Pension rights acquired prior to 1 January 2020 are contingent upon the beneficiaries still working at Societe Generale when they reach retirement.

Information on each Deputy Chief Executive Officer's contributions is given on page 134 and following.

Sums payable upon leaving the Group

The Chief Executive Officers are entitled to severance pay and a non-compete clause in respect of their positions[(2)].

The terms of these benefits are detailed on page 120.

For Slawomir Krupa, Philippe Aymerich, Pierre Palmieri and Diony Lebot, no payments were made in respect of such benefits in 2023.

It should be noted that in accordance with the applicable remuneration policy, **Frédéric Oudéa** was bound by a non-compete clause for a period of six months from the date on which he left office. The Board of Directors of 12 January 2023 decided that this clause should be strictly enforced, since Frédéric Oudéa did not meet the retirement conditions. Accordingly, he received his fixed monthly salary in 2023 throughout the application of this clause. The corresponding amount is indicated in the table on page 143. All conditions governing the departure of Frédéric Oudéa were reported in the Universal Registration Document published in March 2023 (page 120).

Regarding Diony Lebot, the Board of Directors of 23 May 2023 examined the implications of the end of the Deputy Chief Executive Officer's term of office. All conditions governing the end of Diony Lebot's term of office were published on the Societe Generale website (Decision of the Board of Directors of 23 May 2023 (in French), page 3; *https://www.societegenerale.com/sites/default/files/documents/2023-05/decision-du-ca-23-05-23-fr.pdf*).

OTHER BENEFITS FOR CHIEF EXECUTIVE OFFICERS

The Chief Executive Officers each have their own company car, which is available for private as well as professional use, and collective death/disability and health insurance plans under the same terms as those applicable to employees.

PAY RATIOS AND CHANGES IN REMUNERATION

In accordance with Article L. 22-10-9 of the French Commercial Code, the following report provides information on changes in the ratio between the remuneration paid to the Chairman of the Board and Chief Executive Officers and the mean and median remuneration of the Company's employees compared with the Group's performance over the past five financial years.

The parameters for these calculations were defined in accordance with the AFEP-MEDEF guidelines (updated in February 2021).

The following scope was used to calculate mean and median employee remuneration:

- "listed company" (Article L. 22-10-9 (I) paragraph 6 of the French Commercial Code): Societe Generale SA, including foreign branches;
- employees on permanent contracts and with at least one year's seniority at 31 December of the year in question.

This scope includes all the Bank's businesses using a balanced approach. Regarding the calculation for 2023 following the merger of the Societe Generale and Crédit du Nord networks, with the new retail bank in France as of 1 January 2023, the scope includes former employees of the Crédit du Nord Group.

This scope covers more than 80% of the Group's workforce in France.

(1) The pension related-party commitments for Philippe Aymerich and Diony Lebot, authorised by the Board of Directors on 3 May 2018 and 6 February 2019, were approved and subsequently amended and renewed at the General Meeting of 21 May 2019 (Resolutions 11 to 13).

(2) Related-party commitments for Frédéric Oudéa, approved by the General Meeting of 23 May 2017 and renewed further to amendment at the General Meeting of 21 May 2019, further to the Board of Directors' authorisation of 6 February 2019 (Resolution 9). Related-party commitments for Philippe Aymerich and Diony Lebot, authorised and renewed further to amendment at the General Meeting of 21 May 2019, further to the Board of Directors' authorisation of 3 May 2018 and 6 February 2019 (Resolutions 11 to 13).

The following components of gross remuneration were taken into account (excluding all employer's charges and contributions):

- for employees: base salary, bonuses and benefits for the year, annual variable remuneration and long-term incentives awarded in respect of the year (at their IFRS value when awarded, according to the method used when preparing the consolidated financial statements) and any profit-sharing awarded for the year;
- for the Chairman of the Board of Directors and the Chief Executive Officers: base salary, benefits in kind received over the year, annual variable remuneration and long-term incentives awarded in respect of the year (at their IFRS value when awarded, according to the method used when establishing the consolidated financial statements). The full details of their remuneration are given on page 148.

The calculation of employee remuneration for 2022 included the basic salary, bonuses and benefits for 2022, in addition to all variable components (annual variable remuneration, long-term incentives and profit-sharing) awarded in 2023 in respect of 2022. Note that, in the Universal Registration Document 2023, these components were estimated on the basis of the total amounts awarded in the previous financial year and adjusted by an estimated change coefficient.

In respect of 2023, the Chairman of the Board's and Chief Executive Officers' remuneration is calculated to reflect the change in the Group's governance during the year. In accordance with the AFEP-MEDEF guidelines, the remuneration is set out in such a way that a change in Chief Executive Officer does not affect the information's presentation. Accordingly, the remuneration presented for the Chief Executive Officer applies to the position and not to the person. It is calculated based on the remuneration of Frédéric Oudéa in his capacity as Chief Executive Officer from 1 January to 23 May 2023 and that of Slawomir Krupa for the period from 24 May to 31 December 2023. Similarly, the remuneration of Pierre Palmieri (whose term began on 23 May 2023) and of Diony Lebot (whose term ended on 23 May 2023) has been annualised for comparability purposes.

The calculation of employee remuneration for 2023 included the basic salary, bonuses and benefits for 2023, in addition to all variable components (annual variable remuneration, long-term incentives and profit-sharing) estimated on the basis of the total amounts awarded in the previous financial year and adjusted using an estimated change coefficient.

CHANGES IN EMPLOYEE REMUNERATION OVER THE PAST FIVE YEARS

(In thousands of euros)	2019	2020	2021	2022	2023	Change 2019-2023
Mean employee remuneration	**76.0**	**76.3**	**83.7**	**88.5**	**86.5**	
Change	+1.0%	+0.4%	+9.6%	+5.7%	-2.2%	+13.8%
Median employee remuneration	**54.4**	**55.7**	**59.1**	**61.0**	**63.5**	
Change	+0.0%	+2.5%	+6.1%	+3.1%	+4.2%	+16.9%

CHANGES IN REMUNERATION FOR THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICERS AND PAY RATIOS FOR THE PAST FIVE YEARS

(In thousands of euros)	2019	2020[4]	2021	2022	2023 Estimate	Change 2019-2023
Lorenzo Bini Smaghi, Chairman of the Board of Directors						
Remuneration	**979.4**	**979.5**	**979.5**	**972.5**	**973.8**	
Change	+3.2%	+0.0%	+0.0%	-0.7%	+0.1%	-0.6%
Ratio to mean employee remuneration	**13:1**	**13:1**	**12:1**	**11:1**	**11:1**	
Change	+2.2%	-0.4%	-8.8%	-6.1%	+2.4%	-12.6%
Ratio to median employee remuneration	**18:1**	**18:1**	**17:1**	**16:1**	**15:1**	
Change	+3.2%	-2.4%	-5.8%	-3.7%	-3.9%	-14.9%
Chief Executive Officer[1]						
Remuneration	**3,542.3**	**2,635.9**	**3,757.4**	**2,878.3**	**3,874,4**	
Change	+10.9%	-25.6%	+42.6%	-23.4%	+34.6%	+9.4%
Ratio to mean employee remuneration	**47:1**	**35:1**	**45:1**	**33:1**	**45:1**	
Change	+9.9%	-25.9%	+30.0%	-27.5%	+37.7%	-4.3%
Ratio to median employee remuneration	**65:1**	**47:1**	**64:1**	**47:1**	**61:1**	
Change	+10.9%	-27.4%	+34.3%	-25.7%	+29.2%	-6.2%
Philippe Aymerich, Deputy Chief Executive Officer						
Remuneration	**2,125.1**	**1,599.4**	**2,232.7**	**2,172.1**	**2,176.6**	
Change	+11.7%	-24.7%	+39.6%	-2.7%	+0.2%	+2.4%
Ratio to mean employee remuneration	**28:1**	**21:1**	**27:1**	**25:1**	**25:1**	
Change	+10.6%	-25.0%	+27.3%	-8.0%	+2.5%	-10.7%
Ratio to median employee remuneration	**39:1**	**29:1**	**38:1**	**36:1**	**34:1**	
Change	+11.7%	-26.5%	+31.5%	-5.7%	-3.8%	-12.8%
Pierre Palmieri[2] Chief Executive Officer as of 23 May 2023						
Remuneration	**-**	**-**	**-**	**-**	**2,387.4**	
Change	-	-	-	-	-	-
Ratio to mean employee remuneration	**-**	**-**	**-**	**-**	**28:1**	
Change					-	-
Ratio to median employee remuneration	**-**	**-**	**-**	**-**	**38:1**	
Change	-	-	-	-	-	-
Diony Lebot[3] Deputy Chief Executive Officer until 23 May 2023						
Remuneration	**2,103.8**	**1,629.8**	**2,245.4**	**1,654.9**	**1,472.2**	
Change	+12.4%	-22.5%	+37.8%	-26.3%	-11.0%	-30.0%
Ratio to mean employee remuneration	**28:1**	**21:1**	**27:1**	**19:1**	**17:1**	
Change	+11.3%	-22.8%	+25.7%	-30.3%	-9.0%	-39.3%
Ratio to median employee remuneration	**39:1**	**29:1**	**38:1**	**27:1**	**23:1**	
Change	+12.3%	-24.4%	+29.8%	-28.5%	-14.6%	-41.0%

(1) *F. Oudéa's term of office as Chief Executive Officer ended on 23 May 2023. Slawomir Krupa was appointed Chief Executive Officer on 23 May 2023.*
(2) *Pierre Palmieri was appointed Deputy Chief Executive Officer on 23 May 2023. His remuneration for 2023 has been annualised for comparability purposes.*
(3) *D. Lebot's term of office as Deputy Chief Executive Officer ended on 23 May 2023. Her remuneration for 2023 has been annualised for comparability purposes.*
(4) *The Chief Executive Officers waived 50% of their annual variable remuneration for 2020 based on the Board of Directors' evaluation. The waivers were included in the remunerations for 2020 presented in the table.*

GROUP PERFORMANCE OVER THE PAST FIVE YEARS(1)

In line with the new methodology for the preparation of financial statements, the C/I (cost-to-income) and ROTE (return on tangible equity) indicators are now presented on a reported (and not underlying) basis to ensure consistent financial communications. Since the Q3 2023 financial statements were closed, the Group no longer reports underlying indicators. The data history was adjusted for comparability purposes.

	2019	2020	2021	2022	2023	Change 2019-2023
Fully-loaded CET1	**12.7%**	**13.2%**	**13.6%**	**13.5%**	**13.1%**	
Change		*+0.5 pt*	*+0.4 pt*	*-0.1 pt*	*-0.4 pt*	*+0.4 pt*
C/I ratio	**71.9%**	**75.6%**	**68.2%**	**66.3%**	**73.8%**	
Change		*+3.7 pt*	*-7.4 pt*	*-1.9 pt*	*+7.5 pt*	*+1.9 pt*
ROTE	**6.2%**	**-0.4%**	**11.7%**	**2.5%**	**4.2%**	
Change		*-6.6 pt*	*+12.1 pt*	*-9.2 pt*	*+1.7 pt*	*-2.0 pt*
Net tangible asset value per share	**EUR 55.6**	**EUR 54.8**	**EUR 61.1**	**EUR 63.0**	**EUR 62.7**	
Change		*-1.5%*	*+11.5%*	*+3.1%*	*-0.5%*	*+12.7%*

(1) On a consolidated basis.

CET 1: Core Equity Tier 1 ratio.
C/I ratio: Cost-to-income ratio.
ROTE: Return on tangible equity.

DIRECTORS' REMUNERATION

The rules governing the breakdown of the annual sum allocated between Directors are laid down under Article 18 of the Internal Rules (see page 177) and appear on page 107.

The General Meeting of 23 May 2018 allocated a total of EUR 1,700,000 for the Directors' annual remuneration. The full amount was paid to the Directors in respect of 2023.

The breakdown of the total amount paid in respect of 2023 is shown in the table on page 151.

TOTAL REMUNERATION AND BENEFITS PAID IN OR AWARDED IN RESPECT OF 2023 TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS AND SUBMITTED TO THE SHAREHOLDERS FOR APPROVAL

In accordance with Article L. 22-10-34 (II) of the French Commercial Code, no variable components (*i.e.* annual variable remuneration and long-term incentives) or exceptional components of the 2022 remuneration can be paid until they have been approved by the General Meeting to be held on 22 May 2024.

TABLE 1

Lorenzo BINI SMAGHI, Chairman of the Board of Directors
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Fixed remuneration	EUR 925,000	Gross fixed remuneration paid in the financial year. Lorenzo Bini Smaghi's annual gross remuneration was set at EUR 925,000 in May 2018 and will remain unchanged for the duration of his term of office.	EUR 925,000
Annual variable remuneration	N/A	Lorenzo Bini Smaghi does not receive any variable remuneration.	N/A
Remuneration as a Director	N/A	Lorenzo Bini Smaghi does not receive any remuneration as a Director.	N/A
Value of benefits in kind	EUR 48,848	He is provided with accommodation for the performance of his duties in Paris.	EUR 48,848

TABLE 2

Slawomir KRUPA, Chief Executive Officer as of 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Fixed remuneration	EUR 994,583	Gross annual fixed remuneration as set by the Board of Directors of 8 March 2023, applicable upon his appointment as Chief Executive Officer on 23 May 2023, is EUR 1,650,000. This corresponds to the *pro rata* amount of the gross annual fixed remuneration paid in 2023 in respect of his term as Chief Executive Officer as of 23 May 2023.	EUR 994,583
Annual variable remuneration		Slawomir Krupa benefits from annual variable remuneration broken down into two sub-components: 65% is based on financial targets and 35% on non-financial targets. These components are detailed on page 123 of this Universal Registration Document. The target annual variable remuneration represents 120% of the fixed remuneration.	
o.w. annual variable remuneration payable in 2024	EUR 222,098 (nominal amount)	**Evaluation of 2023 performance** – In light of the financial and non-financial criteria defined by the Board of Directors and the achievement rates observed in financial year 2023, annual variable remuneration of EUR 1,110,492[1] was awarded. This corresponds to an overall target achievement rate of 93.0% (see page 124 of this Universal Registration Document). The variable remuneration awarded to Slawomir Krupa in respect of his duties as Chief Executive Officer in 2023 was calculated on a *pro rata* basis, given that his term began on 23 May 2023.	N/A
o.w. annual variable remuneration payable in subsequent years	EUR 888,394 (nominal amount)	■ Payment of all annual variable remuneration in respect of 2023 is subject to approval by the General Meeting to be held on 22 May 2024. ■ 40% of this annual variable remuneration will vest upon approval by the General Meeting of 22 May 2024. Half of this portion will be converted into Societe Generale share equivalents, paid after a one-year holding period. ■ 60% of this annual variable remuneration is conditional upon achievement of targets in terms of Group profitability and equity capital, as assessed over financial years 2024, 2025, 2026, 2027 and 2028. Three-fifths of this portion will be converted into Societe Generale share equivalents payable in four, five and six years. ■ The terms and conditions of vesting and payment in respect of this deferred remuneration are detailed on page 128 of this Universal Registration Document.	
Multi-annual variable remuneration	N/A	Slawomir Krupa did not receive multi-annual variable remuneration.	N/A
Exceptional remuneration	N/A	Slawomir Krupa did not receive any exceptional remuneration.	N/A
Value of options awarded during the financial year	N/A	Slawomir Krupa has not been awarded any stock options.	N/A

Slawomir KRUPA, Chief Executive Officer as of 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	EUR 690,180 (value according to IFRS 2 at 6 February 2024) This amount corresponds to an award of 50,674 share equivalents	The Chief Executive Officers are eligible for a long-term incentive plan entailing awards of shares or share equivalents in order to involve them in the Company's long-term progress and align their interests with those of the shareholders. The details of the plan in respect of 2023 approved by the Board of Directors at its meeting of 7 February 2024 are as follows: ■ awards capped at 100% of annual fixed remuneration; ■ award of shares or share equivalents with vesting periods of five years, followed by a one-year holding period, thus increasing the indexing period to six years; ■ award of the long-term incentive in respect of 2023 is conditional upon approval by the General Meeting to be held on 22 May 2024; ■ definitive vesting of the long-term incentive is subject to presence and performance conditions as detailed on page 129 of this Universal Registration Document.	N/A
Remuneration as a Director	N/A	N/A	N/A
Value of benefits in kind	EUR 15,449	Slawomir Krupa has a company car with a driver.	EUR 15,449
Severance pay	No amount due in respect of the financial year	The features of severance pay for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year
Non-compete consideration	No amount due in respect of the financial year	The characteristics of non-compete consideration for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year
Supplementary pension scheme	Contributions into supplementary Art. 82 pension scheme: EUR 71,081	A detailed description of the Deputy Chief Executive Officers' pension schemes is given on page 119. ■ Senior management supplementary pension scheme. (Scheme closed to further contributions since 31 December 2019; existing pension entitlements remain conditional upon the beneficiary working for Societe Generale until they retire). For example, based on a hypothetical retirement age of 62, the potential annuity rights allocated to Slawomir Krupa at 31 December 2019 represent an estimated yearly income of EUR 8k regardless of the condition of continued presence being met. ■ Supplementary "Article 82" pension scheme. In view of Slawomir Krupa's overall performance score of 93.0% for 2023, contributions to this scheme amounted to EUR 71,081 (contribution vesting rate: 100%). ■ Valmy pension savings scheme. Annual contribution paid by the Company: EUR 3,079.	Contributions into the Valmy pension savings scheme (for the term of office period in 2023): EUR 1,862
Death/disability insurance		Slawomir Krupa is covered by death/disability insurance with benefits and contribution rates aligned with those for employees.	Death/disability contributions (for the period of his term of office in 2023): EUR 8,262

(1) Nominal amount decided by the Board of Directors on 7 February 2023.

TABLE 3

Philippe AYMERICH, Deputy Chief Executive Officer
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Fixed remuneration	EUR 860,278	Gross fixed remuneration paid in 2023. The Board of Directors of 8 March 2023 decided to increase Philippe Aymerich's annual fixed remuneration from EUR 800,000 to EUR 900,000 as of 23 May 2023.	EUR 860,278
Annual variable remuneration		Philippe Aymerich benefits from annual variable remuneration broken down into two sub-components: 65% is based on financial targets and 35% on non-financial targets. These components are detailed on page 123 of this Universal Registration Document. The target annual variable remuneration represents 100% of the fixed remuneration.	■ Annual variable remuneration in respect of 2022, as approved by the General Meeting of 23 May 2023 (Resolution 11): EUR 169,685. The criteria used to calculate and pay annual variable remuneration are detailed in the chapter on remuneration of the Chairman of the Board of Directors and the Chief Executive Officers. Payment of 50% of the annual variable remuneration vested is deferred. ■ Deferred annual variable remuneration (see Table 2 page 150): ▪ for 2019: EUR 117,083, ▪ for 2020: EUR 47,216, ▪ for 2021: EUR 176,676 and EUR 171,404. ■ The above variable remuneration was approved by the General Meetings of: ▪ 19 May 2020 (Resolution 11), ▪ 18 May 2021 (Resolution 11), and ▪ 17 May 2022 (Resolution 11). ■ For deferred payments subject to performance conditions, the Board of Directors reviewed the conditions at its meeting of 7 February 2023 and was satisfied that they had been met. The applicable performance conditions and the level of their achievement are shown in Table 2, page 150.
o.w. annual variable remuneration payable in 2024	EUR 148,347 (nominal amount)	**Evaluation of 2023 performance** – In light of the financial and non-financial criteria defined by the Board of Directors and the achievement rates observed in financial year 2023, annual variable remuneration of EUR 741,738[1] was awarded. This corresponds to an overall target achievement rate of 85.9% (see page 124 of this Universal Registration Document).	
o.w. annual variable remuneration payable in subsequent years	EUR 593,391 (nominal amount)	■ Payment of all annual variable remuneration in respect of 2023 is subject to approval by the General Meeting to be held on 22 May 2024. ■ 40% of this annual variable remuneration will vest upon approval by the General Meeting of 22 May 2024. Half of this portion will be converted into Societe Generale share equivalents, paid after a one-year holding period. ■ 60% of this annual variable remuneration is conditional upon achievement of targets in terms of Group profitability and equity capital, as assessed over financial years 2024, 2025, 2026, 2027 and 2028. Three-fifths of this portion will be converted into Societe Generale shares transferable in four, five and six years. ■ The terms and conditions of vesting and payment in respect of this deferred remuneration are detailed on page 128 of this Universal Registration Document.	
Multi-annual variable remuneration	N/A	Philippe Aymerich did not receive multi-annual variable remuneration.	N/A
Exceptional remuneration	N/A	Philippe Aymerich did not receive any exceptional remuneration.	N/A
Value of options awarded during the financial year	N/A	Philippe Aymerich has not been awarded any stock options.	N/A

Philippe AYMERICH, Deputy Chief Executive Officer
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	EUR 570,000 (value according to IFRS 2 at 6 February 2024) This amount corresponds to an award of 41,850 shares	The Chief Executive Officers are eligible for a long-term incentive plan, entailing awards of shares or share equivalents, in order to involve them in the Company's long-term progress and align their interests with those of the shareholders. The details of the plan in respect of 2023 approved by the Board of Directors at its meeting of 7 February 2024 are as follows: ■ awards capped at 100% of annual fixed remuneration; ■ award of shares or share equivalents with vesting periods of five years, followed by a one-year holding period, thus increasing the indexing period to six years; ■ award of the long-term incentive in respect of 2023 is conditional upon approval by the General Meeting to be held on 22 May 2024; ■ definitive vesting of the long-term incentive is subject to presence and performance conditions as detailed on page 129 of this Universal Registration Document; ■ the award of shares was approved under Resolution 22 of the General Meeting of 17 May 2022 (Board of Directors' decision of 7 March 2024 on the award of performance shares); it represents less than 0.006% of the share capital.	EUR 0 The second instalment of the long-term incentives awarded in 2019 in respect of 2018, for which vesting in March 2023 was subject to meeting targets in terms of Group profitability and the Societe Generale share's performance compared to a panel of peers was lost in full (Societe Generale placed tenth in the peer panel ranking).
Remuneration as a Director	N/A	Philippe Aymerich did not receive any remuneration as a Director over the financial year.	N/A
Value of benefits in kind	EUR 4,555	Philippe Aymerich is provided with a company car.	EUR 4,555
Severance pay	No amount due in respect of the financial year	The features of severance pay for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year
Non-compete consideration	No amount due in respect of the financial year	The characteristics of non-compete consideration for Chief Executive Officers are detailed on page 120 of the Universal Registration Document	No amount paid in respect of the financial year

Philippe AYMERICH, Deputy Chief Executive Officer
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Supplementary pension scheme	Contributions into supplementary Art. 82 pension scheme: EUR 54,745	A detailed description of the Deputy Chief Executive Officers' pension schemes is given on page 119. ■ Senior management supplementary pension scheme. Scheme closed to further contributions since 31 December 2019; existing pension entitlements remain conditional upon the beneficiary working for Societe Generale until they retire. For example, based on a hypothetical retirement age of 62, the potential annuity rights allocated to Philippe Aymerich at 31 December 2019 represent an estimated yearly income of EUR 139k regardless of the condition of continued presence being met. ■ Supplementary "Article 82" pension scheme. In view of Philippe Aymerich's overall performance score of 85.9% for 2023, contributions to this scheme amounted to EUR 54,745 (contribution vesting rate: 100%). ■ Valmy pension savings scheme. Annual contribution paid by the Company: EUR 3,079.	Contributions into the supplementary Art. 82 pension scheme in respect of 2022, as approved by the General Meeting of 23 May 2023 (Resolution 11): EUR 50,836. Contributions into the Valmy pension savings scheme: EUR 3,079
Death/disability insurance		Philippe Aymerich is covered by death/ disability insurance with benefits and contribution rates aligned with those for employees.	Death/disability contributions: EUR 7,343

(1) Nominal amount decided by the Board of Directors on 7 February 2024.

TABLE 4

Pierre PALMIERI, Deputy Chief Executive Officer from 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Fixed remuneration	EUR 542,500	This corresponds to the *pro rata* amount of the gross annual fixed remuneration paid in 2023 in respect of his term as Deputy Chief Executive Officer as of 23 May 2023. Gross annual fixed remuneration as set by the Board of Directors of 8 March 2023, applicable upon his appointment as Deputy Chief Executive Officer on 23 May 2023, is EUR 900,000.	EUR 542,500
Annual variable remuneration		Pierre Palmieri benefits from annual variable remuneration broken down into two sub-components: 65% is based on financial targets and 35% on non-financial targets. These components are detailed on page 123 of this Universal Registration Document. The target annual variable remuneration represents 100% of the fixed remuneration.	
o.w. annual variable remuneration payable in 2024	EUR 100,954 (nominal amount)	**Evaluation of 2023 performance** – In light of the financial and non-financial criteria defined by the Board of Directors and the achievement rates observed in financial year 2023, annual variable remuneration of EUR 504,769[1] was awarded. This corresponds to an overall target achievement rate of 93.0% (see page 124 of this Universal Registration Document). The variable remuneration awarded to Pierre Palmieri in respect of his duties as Deputy Chief Executive Officer in 2023 was calculated on a *pro rata* basis, given that his term began on 23 May 2023.	N/A
o.w. annual variable remuneration payable in subsequent years	EUR 403,815 (nominal amount)	■ Payment of all annual variable remuneration in respect of 2023 is subject to approval by the General Meeting to be held on 22 May 2024. ■ 40% of this annual variable remuneration will vest upon approval by the General Meeting of 22 May 2024. Half of this portion will be converted into Societe Generale share equivalents, paid after a one-year holding period. ■ 60% of this annual variable remuneration is conditional upon achievement of targets in terms of Group profitability and equity capital, as assessed over financial years 2024, 2025, 2026, 2027 and 2028. Three-fifths of this portion will be converted into Societe Generale shares transferable in four, five and six years. ■ The terms and conditions of vesting and payment in respect of this deferred remuneration are detailed on page 128 of this Universal Registration Document.	
Multi-annual variable remuneration	N/A	Pierre Palmieri did not receive multi-annual variable remuneration.	N/A
Exceptional remuneration	N/A	Pierre Palmieri did not receive any exceptional remuneration.	N/A
Value of options awarded during the financial year	N/A	Pierre Palmieri has not been awarded any stock options.	N/A

Pierre PALMIERI, Deputy Chief Executive Officer from 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	EUR 391,806 (value according to IFRS 2 at 6 February 2024) This amount corresponds to an award of 28,767 shares	The Chief Executive Officers are eligible for a long-term incentive plan, entailing awards of shares or share equivalents, in order to involve them in the Company's long-term progress and align their interests with those of the shareholders. The details of the plan in respect of 2023 approved by the Board of Directors at its meeting of 7 February 2024 are as follows: ■ awards capped at 100% of annual fixed remuneration; ■ award of shares or share equivalents with vesting periods of five years, followed by a one-year holding period, thus increasing the indexing period to six years; ■ award of the long-term incentive in respect of 2023 is conditional upon approval by the General Meeting to be held on 22 May 2024; ■ definitive vesting of the long-term incentive is subject to presence and performance conditions as detailed on page 129 of this Universal Registration Document; The award of shares was approved under Resolution 22 of the General Meeting of 17 May 2022 (Board of Directors' decision of 7 March 2024 on the award of performance shares); it represents less than 0.004% of the share capital.	N/A
Remuneration as a Director	N/A	N/A	N/A
Value of benefits in kind	EUR 0	N/A	EUR 0
Severance pay	No amount due in respect of the financial year	The features of severance pay for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year
Non-compete consideration	No amount due in respect of the financial year	The characteristics of non-compete consideration for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year

Pierre PALMIERI, Deputy Chief Executive Officer from 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Supplementary pension scheme	Contributions into supplementary Art. 82 pension scheme: EUR 34,914	A detailed description of the Deputy Chief Executive Officers' pension schemes is given on page 119. ■ Senior management supplementary pension scheme. Scheme closed to further contributions since 31 December 2019; existing pension entitlements remain conditional upon the beneficiary working for Societe Generale until they retire. For example, based on a hypothetical retirement age of 62, the potential annuity rights allocated to Pierre Palmieri at 31 December 2019 represent an estimated yearly income of EUR 10k regardless of the condition of continued presence being met. ■ Supplementary "Article 82" pension scheme. In view of Pierre Palmieri's overall performance score of 93.0% for 2023, contributions to this scheme amounted to EUR 34,914 (contribution vesting rate: 100%). ■ Valmy pension savings scheme. Annual contribution paid by the Company: EUR 3,079.	Contributions into the Valmy pension savings scheme (for the term of office period in 2023): EUR 1,862
Death/disability insurance		Pierre Palmieri is covered by death/disability insurance with benefits and contribution rates aligned with those for employees.	Death/disability contributions (for the term of office period in 2023): EUR 4,357

(1) Nominal amount decided by the Board of Directors on 7 February 2024.

TABLE 5

Frédéric OUDÉA, Chief Executive Officer until 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Fixed remuneration	EUR 516,392	This corresponds to the *pro rata* amount of the gross annual fixed remuneration paid in 2023 in respect of his term as Chief Executive Officer, which expired on 23 May 2023. Gross annual fixed remuneration, set by the Board of Directors of 31 July 2014 and which has remained unchanged since, was EUR 1,300,000.	EUR 516,392
Annual variable remuneration		Frédéric Oudéa benefits from annual variable remuneration broken down into two sub-components: 65% is based on financial targets and 35% on non-financial targets. These components are detailed on page 123 of this Universal Registration Document. The target annual variable remuneration represents 120% of the fixed remuneration.	
o.w. annual variable remuneration payable in 2024	EUR 108,417 (nominal amount)	**Evaluation of 2023 performance** – In light of the financial and non-financial criteria defined by the Board of Directors and the achievement rates observed in financial year 2023, annual variable remuneration of EUR 542,088[1] was awarded. This corresponds to an overall target achievement rate of 87.5% (see page 124 of this Universal Registration Document). The variable remuneration awarded to Frédéric Oudéa in respect of his duties as Chief Executive Officer in 2023 was calculated on a *pro rata* basis, given that his term ended on 23 May 2023.	■ Annual variable remuneration in respect of 2022, as approved by the General Meeting of 23 May 2023 (Resolution 10): EUR 313,302. The criteria used to calculate and pay annual variable remuneration are detailed in the chapter on remuneration of the Chairman of the Board of Directors and the Chief Executive Officers. Payment of 50% of the annual variable remuneration vested is deferred. ■ Deferred annual variable remuneration (see Table 2, page page 150): ▪ for 2019: EUR 215,072, ▪ for 2020: EUR 98,925, ▪ for 2021: EUR 348,051 and EUR 337,691. ■ The above variable remuneration was approved by the General Meetings of: ▪ 19 May 2020 (Resolution 10), and ▪ 18 May 2021 (Resolution 10), and ▪ 17 May 2022 (Resolution 10). ■ For deferred payments subject to performance conditions, the Board of Directors reviewed the conditions at its meeting of 7 February 2023 and was satisfied that they had been met. The applicable performance conditions and the level of their achievement are shown in Table 2, page 150).
o.w. annual variable remuneration payable in subsequent years	EUR 433,671 (nominal amount)	■ Payment of all annual variable remuneration in respect of 2023 is subject to approval by the General Meeting to be held on 22 May 2024. ■ 40% of this annual variable remuneration will vest upon approval by the General Meeting of 22 May 2024. Half of this portion will be converted into Societe Generale share equivalents, paid after a one-year holding period. ■ 60% of this annual variable remuneration is conditional upon achievement of targets in terms of Group profitability and equity capital, as assessed over financial years 2024, 2025, 2026, 2027 and 2028. Three-fifths of this portion will be converted into Societe Generale shares equivalents payable in four, five and six years. ■ The terms and conditions of vesting and payment in respect of this deferred remuneration are detailed on page 128 of this Universal Registration Document.	
Multi-annual variable remuneration	N/A	Frédéric Oudéa did not receive multi-annual variable remuneration.	N/A
Exceptional remuneration	N/A	Frédéric Oudéa did not receive any exceptional remuneration.	N/A
Value of options awarded during the financial year	N/A	Frédéric Oudéa has not been awarded any stock options since 2009.	N/A

Frédéric OUDÉA, Chief Executive Officer until 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	N/A	No long-term incentive was awarded to Frédéric Oudéa in respect of the financial year, considering the non-renewal of his term of office, which ended on 23 May 2023.	EUR 0* * Payments of the long-term incentives awarded in 2017 in respect of 2016 (second instalment) and in 2019 in respect of 2018 (first instalment), for which vesting in March 2023 was subject to meeting targets in terms of Group profitability and the Societe Generale share's performance compared to a panel of peers, were lost in full (Societe Generale placed tenth in the peer panel ranking).
Remuneration as a Director	N/A	N/A	N/A
Value of benefits in kind	EUR 5,215	Frédéric Oudéa was provided with a company car.	EUR 5,215
Severance pay	No amount due in respect of the financial year	The end of Frédéric Oudéa's term of office as Chief Executive Officer did not give rise to any severance pay. The features of severance pay for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year

Frédéric OUDÉA, Chief Executive Officer until 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Non-compete consideration	EUR 650,004	**Features** Frédéric Oudéa was bound by a non-compete clause (regulated agreement authorised by the Board of 8 February 2017 and approved by the General Meeting of 23 May 2017 (Resolution 7)). Valid for six months from the date on which he left office as Chief Executive Officer, the clause prohibited him from accepting a position at the same level with any listed credit institution in Europe (defined as the European Economic Area, including the United Kingdom) or any credit institution whatsoever in France, whether listed or unlisted. In exchange, he could continue to receive his fixed salary. The Board of Directors alone could waive said clause, no later than on the day of leaving office. In such a case, the Chief Executive Officer would be free from any commitment and no sum would be payable to him in that respect. If the departing officer breaches their non-compete clause, they will be required to pay forthwith a sum equal to six months' fixed remuneration. Societe Generale will in such circumstances be released from its obligation to pay any financial consideration and may furthermore claim back any consideration that may have already been paid since the breach. Under no circumstances may the severance pay and non-compete clause combined exceed the cap recommended in the AFEP-MEDEF Code (*i.e.* two years' fixed plus annual variable remuneration). **Enforcement** The Board of Directors of 12 January 2023 examined the implications of the end of Chief Executive Officer Frédéric Oudéa's term of office on 23 May 2023, following his decision not to seek the renewal of his term in May 2023. The Board decided that the non-compete clause, which provided that Frédéric Oudéa may not be appointed Chief Executive Officer in a competing bank, should be strictly enforced, since Frédéric Oudéa did not meet the conditions to retire. Accordingly, Frédéric Oudéa received EUR 650,004 in respect of the non-compete clause.	EUR 650,004
Supplementary pension scheme	N/A	Frédéric Oudéa does not benefit from any supplementary pension scheme.	N/A
Death/disability insurance		Frédéric Oudéa is covered by death/disability insurance with benefits and contribution rates aligned with those for employees.	Death/disability contributions: EUR 5,398

(1) *Nominal amount decided by the Board of Directors on 7 February 2024.*

TABLE 6

Diony LEBOT, Deputy Chief Executive Officer until 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Fixed remuneration	EUR 317,778	This corresponds to the *pro rata* amount of the gross annual fixed remuneration paid in 2023 in respect of her term as Deputy Chief Executive Officer, which expired on 23 May 2023. Gross annual fixed remuneration, set by the Board of Directors of 3 May 2018 and which has remained unchanged since, was EUR 800,000.	EUR 317,778
Annual variable remuneration		Diony Lebot benefits from annual variable remuneration broken down into two sub-components: 65% is based on financial targets and 35% on non-financial targets. These components are detailed on page on page 123 of this Universal Registration Document. The target annual variable remuneration represents 100% of the fixed remuneration.	■ Annual variable remuneration in respect of 2022, as approved by the General Meeting of 23 May 2023 (Resolution 14): EUR 169,905. The criteria used to calculate and pay annual variable remuneration are detailed in the chapter on remuneration of the Chairman of the Board of Directors and the Chief Executive Officers. Payment of 50% of the annual variable remuneration vested is deferred. ■ Deferred annual variable remuneration (see Table 2, page 150): ▪ for 2019: EUR 112,861, ▪ for 2020: EUR 52,229, ▪ for 2021: EUR 182,086 and EUR 176,659. ■ The above variable remuneration was approved by the General Meetings of: ▪ 19 May 2020 (Resolution 14), ▪ 18 May 2021 (Resolution 14) and ▪ 17 May 2022 (Resolution 14). ■ For deferred payments subject to performance conditions, the Board of Directors reviewed the conditions at its meeting of 7 February 2023 and was satisfied that they had been met. The applicable performance conditions and the level of their achievement are shown in Table 2, page 150.
o.w. annual variable remuneration payable in 2024	EUR 53,037 (nominal amount)	**Evaluation of 2023 performance** – In light of the financial and non-financial criteria defined by the Board and the achievement rates observed in financial year 2023, annual variable remuneration of EUR 265,186[1] was awarded. This corresponds to an overall target achievement rate of 83.5% and is calculated based on the target annual variable remuneration (see page 124 of this Universal Registration Document). The variable remuneration awarded to Diony Lebot in respect of her duties as Deputy Chief Executive Officer in 2023 was calculated on a *pro rata* basis, given that her term ended on 23 May 2023.	
o.w. annual variable remuneration payable in subsequent years	EUR 212,149 (nominal amount)	■ Payment of all annual variable remuneration in respect of 2023 is subject to approval by the General Meeting to be held on 22 May 2024. ■ 40% of this annual variable remuneration will vest upon approval by the General Meeting of 22 May 2024. Half of this portion will be converted into Societe Generale share equivalents, paid after a one-year holding period. ■ 60% of this annual variable remuneration is conditional upon achievement of targets in terms of Group profitability and equity capital, as assessed over financial years 2024, 2025, 2026, 2027 and 2028. Three-fifths of this portion will be converted into Societe Generale shares transferable in four, five and six years. ■ The terms and conditions of vesting and payment in respect of this deferred remuneration are detailed on page 128 of this Universal Registration Document.	
Multi-annual variable remuneration	N/A	Diony Lebot does not receive multi-annual variable remuneration.	N/A
Exceptional remuneration	N/A	Diony Lebot did not receive any exceptional remuneration.	N/A
Value of options awarded during the financial year	N/A	Diony Lebot has not been awarded any stock options.	N/A

Diony LEBOT, Deputy Chief Executive Officer until 23 May 2023
Remuneration compliant with the policy approved by the General Meeting of 23 May 2023

Remuneration components put to the vote	Amounts awarded in respect of 2023	Description	Amounts paid in 2023
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	N/A	■ No long-term incentive was awarded to Diony Lebot in respect of the financial year.	EUR 0* * The second instalment of the long-term incentives awarded in 2019 in respect of 2018, for which vesting in March 2023 was subject to meeting targets in terms of Group profitability and the Societe Generale share's performance compared to a panel of peers was lost in full (Societe Generale placed tenth in the peer panel ranking).
Remuneration as a Director	N/A	Diony Lebot did not receive any remuneration as a Director over the financial year.	N/A
Value of benefits in kind	EUR 1,811	Diony Lebot is provided with a company car.	EUR 1,811
Severance pay	No amount due in respect of the financial year	The end of Diony Lebot's term of office on 23 May 2023 did not give rise to any severance pay. The features of severance pay for Chief Executive Officers are detailed on page 120 of this Universal Registration Document.	No amount paid in respect of the financial year
Non-compete consideration	No amount due in respect of the financial year	The end of Diony Lebot's term of office on 23 May 2023 did not give rise to any non-compete consideration.	No amount paid in respect of the financial year
Supplementary pension scheme	Contributions into supplementary Art. 82 pension scheme: EUR 19,830	A detailed description of the Deputy Chief Executive Officers' pension schemes is given on page 119. ■ Senior management supplementary pension scheme. Scheme closed to further contributions since 31 December 2019; existing pension entitlements remain conditional upon the beneficiary working for Societe Generale until they retire. For example, based on a hypothetical retirement age of 62, the potential annuity rights allocated to Diony Lebot at 31 December 2019 represent an estimated yearly income of EUR 167k regardless of the condition of continued presence being met. ■ Supplementary "Article 82" pension scheme. In view of Diony Lebot's overall performance score of 83.5% for financial year 2023, contributions to this scheme in respect of her term of office in 2023 amounted to EUR 19,830 (contribution vesting rate: 100%). ■ Valmy pension savings scheme. Annual contribution paid by the Company: EUR 3,079.	Contributions into the supplementary Art. 82 pension scheme in respect of 2022, as approved by the General Meeting of 23 May 2023 (Resolution 12): EUR 50,836. Contributions into the Valmy pension savings scheme (for the term of office period in 2023): EUR 1,216
Death/disability insurance		Diony Lebot is covered by death/disability insurance with benefits and contribution rates aligned with those for employees.	Death/disability contributions (for the term of office period in 2023): EUR 3,143

(1) Nominal amount decided by the Board of Directors on 7 February 2024.

Standard tables in accordance with AMF recommendations

TABLE 1

SUMMARY OF REMUNERATION AND STOCK OPTIONS, SHARES AND SHARE EQUIVALENTS AWARDED TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AND EACH OF THE CHIEF EXECUTIVE OFFICERS(1)

(In EUR)	Financial year 2022	Financial year 2023
Lorenzo BINI SMAGHI, Chairman of the Board of Directors		
Remuneration due for the financial year (detailed in Table 2)	972,479	973,848
Value of options awarded in respect of the financial year	0	0
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	0	0
TOTAL	**972,479**	**973,848**
Slawomir KRUPA, Chief Executive Officer from 23 May 2023		
Remuneration due for the financial year (detailed in Table 2)	N/A	2,120,524
Value of options awarded in respect of the financial year	N/A	0
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year(2)	N/A	690,180
TOTAL	**N/A**	**2,810,704**
Frédéric OUDÉA, Chief Executive Officer until 23 May 2023		
Remuneration due for the financial year (detailed in Table 2)	2,878,292	1,063,695
Value of options awarded in respect of the financial year	0	0
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	0	0
TOTAL	**2,878,292**	**1,063,695**
Philippe AYMERICH, Deputy Chief Executive Officer		
Remuneration due for the financial year (detailed in Table 2)	1,653,275	1,606,571
Value of options awarded in respect of the financial year	0	0
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	518,865	570,000
TOTAL	**2,172,140**	**2,176,571**
Pierre PALMIERI, Deputy Chief Executive Officer from 23 May 2023		
Remuneration due for the financial year (detailed in Table 2)	N/A	1,047,269
Value of options awarded in respect of the financial year	N/A	0
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	N/A	391,806
TOTAL	**N/A**	**1,439,075**
Diony LEBOT, Deputy Chief Executive Officer until 23 May 2023		
Remuneration due for the financial year (detailed in Table 2)	1,654,871	584,774
Value of options awarded in respect of the financial year	0	0
Value of shares or share equivalents awarded under the long-term incentive plan in respect of the financial year	0(3)	0
TOTAL	**1,654,871**	**584,774**

(1) *Remuneration expressed in EUR, gross, before tax.*
(2) *This plan is detailed in the chapter on remuneration of the Chairman of the Board of Directors and Chief Executive Officers, from page 122.*
(3) *Diony Lebot's term of office as Deputy Chief Executive Officer expired on 23 May 2023 and was not renewed. Accordingly, the long-term incentives for 2022 awarded by the Board of Directors of 7 February 2023 (subject to the renewal of her term of office) were cancelled.*

TABLE 2

SUMMARY OF THE REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND EACH OF THE CHIEF EXECUTIVE OFFICERS[1]

	Financial year 2022		Financial year 2023	
(In EUR)	**Amounts paid**	**Amounts due for the financial year**	**Amounts paid**	**Amounts due for the financial year**
Lorenzo BINI SMAGHI, Chairman				
▪ fixed remuneration	925,000	925,000	925,000	925,000
▪ non-deferred annual variable remuneration	0	0	0	0
▪ deferred annual variable remuneration	0	0	0	0
▪ exceptional remuneration	0	0	0	0
▪ remuneration as a Director	0	0	0	0
▪ benefits in kind[2]	47,479	47,479	48,848	48,848
TOTAL	**972,479**	**972,479**	**973,848**	**973,848**
Slawomir KRUPA, Chief Executive Officer as of 23 May 2023				
▪ fixed remuneration	N/A	N/A	994,583	994,583
▪ non-deferred annual variable remuneration[3]	N/A	N/A		222,098
▪ deferred annual variable remuneration[3]	N/A	N/A		888,394
▪ other remuneration paid[6]	N/A	N/A	560,234[7]	
▪ exceptional remuneration	N/A	N/A		
▪ remuneration as a Director	N/A	N/A		
▪ benefits in kind[4]	N/A	N/A	15,449	15,449
TOTAL	**N/A**	**N/A**	**1,570,226**	**2,120,524**
Frédéric OUDÉA, Chief Executive Officer until 23 May 2023				
▪ fixed remuneration	1,300,000	1,300,000	516,392	516,392
▪ non-deferred annual variable remuneration[3]	348,051	313,302	313,302	108,417
▪ deferred annual variable remuneration[3]	722,828[5]	1,253,211	999,739[5]	433,671
▪ exceptional remuneration	0	0	0	
▪ remuneration as a Director	0	0	0	
▪ benefits in kind[4]	11,779	11,779	5,215	5,215
TOTAL	**2,382,658**	**2,878,292**	**1,834,648**	**1,063,695**
Philippe AYMERICH, Deputy Chief Executive Officer				
▪ fixed remuneration	800,000	800,000	860,278	860,278
▪ non-deferred annual variable remuneration[3]	176,677	169,685	169,685	148,347
▪ deferred annual variable remuneration[3]	345,983[5]	678,739	512,379[5]	593,391
▪ other remuneration paid[6]	27,081	0	10,254	
▪ exceptional remuneration	0	0	0	
▪ remuneration as a Director	0	0	0	0
▪ benefits in kind	4,851	4,851	4,555	4,555
TOTAL	**1,354,592**	**1,653,275**	**1,557,151**	**1,606,571**
Pierre PALMIERI, Deputy Chief Executive Officer from 23 May 2023				
▪ fixed remuneration	N/A	N/A	542,500	542,500
▪ non-deferred annual variable remuneration[3]	N/A	N/A		100,954
▪ deferred annual variable remuneration[3]	N/A	N/A		403,815
▪ other remuneration paid[6]	N/A	N/A	269,668	-
▪ exceptional remuneration	N/A	N/A		
▪ remuneration as a Director	N/A	N/A		
▪ benefits in kind	N/A	N/A	-	-
TOTAL	**N/A**	**N/A**	**812,168**	**1,047,269**

(In EUR)	Financial year 2022 Amounts paid	Financial year 2022 Amounts due for the financial year	Financial year 2023 Amounts paid	Financial year 2023 Amounts due for the financial year
Diony LEBOT, Deputy Chief Executive Officer until 23 May 2023				
▪ fixed remuneration	800,000	800,000	317,778	317,778
▪ non-deferred annual variable remuneration(3)	182,086	169,905	169,905	53,037
▪ deferred annual variable remuneration(3)	347,973(5)	679,623	523,835	212,149
▪ other remuneration paid(6)	76,592	0	35,339	
▪ exceptional remuneration	0	0	0	
▪ remuneration as a Director	0	0	0	
▪ benefits in kind(4)	5,343	5,343	1,811	1,811
TOTAL	**1,411,993**	**1,654,871**	**1,048,668**	**584,774**

(1) Remuneration expressed in EUR, gross, before tax. The long-term incentives paid to Chief Executive Officers are detailed in Tables 1 and 7.
(2) Provision of company accommodation.
(3) The criteria used to calculate and pay annual variable remuneration are detailed in the chapter on remuneration of the Chairman of the Board of Directors and the Chief Executive Officers. Payment of 50% of the annual variable remuneration vested is deferred.
(4) Use of a company car.
(5) See table below for a detailed breakdown of the amounts paid.
(6) The amounts recorded under "Other remuneration paid" correspond to variable remuneration awarded for positions held prior to the beginning of the term of office as Chief Executive Officer and paid after the beginning of the term of office.
(7) The amount was paid in USD and converted into EUR. Moreover, Slawomir Krupa also received elements of remuneration and benefits in respect of his United States expatriate contract prior to taking office as Chief Executive Officer on 23 May 2023. The corresponding amount was EUR 333,350. It includes the balance of any account related to the expatriation, in particular the monthly fixed remuneration for May 2023 and paid leave, as well as gross benefits under the expatriate contract (mainly applicable to the period leading up to 23 May 2023).

BREAKDOWN OF DEFERRED ANNUAL VARIABLE REMUNERATION PAID IN 2023 TO THE CHIEF EXECUTIVE OFFICERS

(In EUR)	2019(1)	2020(2)	2021(3)	2021(4)		
Performance condition applicable and status of condition	**Underlying RGNI > 0 and CET1 ratio > 10.02% at 31.12.2022 Conditions met**	**Underlying RGNI > 0 and CET1 ratio > 9.02% at 31.12.2022 Conditions met**	**Underlying RGNI > 0 and CET1 ratio > 9.02% at 31.12.2022 Conditions met**	**N/A**	**Other deferred annual variable remuneration(5)**	**Total paid in 2023**
S. KRUPA	N/A	N/A	N/A	N/A	560,234(6)	560,234
F. OUDÉA	215,072	98,925	348,051	337,691	N/A	999,739
P. AYMERICH	117,083	47,216	176,676	171,404	10,254	522,634
P. PALMIERI	N/A	N/A	N/A	N/A	269,668	269,668
D. LEBOT	112,861	52,229	182,086	176,659	35,339	559,174

(1) Value of shares vested in March 2023 corresponding to the third instalment of the unvested portion of the annual variable remuneration for financial year 2019, the vesting of which was subject to meeting Group net income and CET 1 targets for 2022.
(2) Value of shares vested in March 2023 corresponding to the second instalment of the unvested portion of the annual variable remuneration for financial year 2020, the vesting of which was subject to meeting Group net income and CET1 targets for 2022.
(3) First instalment of the unvested portion of the annual variable remuneration for financial year 2021, granted in cash and not indexed, the vesting of which was subject to meeting Group net income and CET1 targets for 2022.
(4) Vested portion of the annual variable remuneration for 2021 indexed to the Societe Generale share price.
(5) The amounts indicated in the column marked "Other deferred annual variable remuneration" correspond to the remuneration paid in 2023 in respect of positions held prior to the beginning of the term of office as Chief Executive Officer.
(6) The amount was paid in USD and converted into EUR.

TABLE 3

REMUNERATION PAID TO NON-EXECUTIVE CORPORATE OFFICERS

(In EUR) Corporate officers (excl. Chief Executive Officer)	Remuneration paid in 2022 Balance for financial year 2021	Remuneration paid in 2022 Interim payment for financial year 2022	Remuneration paid in 2023 Balance for financial year 2022	Remuneration paid in 2023 Interim payment for financial year 2023	Attendance fees Balance for financial year 2022	Attendance fees Fixed remuneration for 2023*
BINI SMAGHI Lorenzo						
Attendance fees	-	-	-	-	-	-
Other remuneration	-	-	-	-	-	-
CONNELLY William						
Attendance fees	156,581	92,757	155,605	99,981	248,363	253,480
Other remuneration						
CONTAMINE Jérôme						
Attendance fees	94,024	57,723	93,968	60,678	151,691	143,993
Other remuneration						
COSSA-DUMURGIER Béatrice						
Attendance fees	-	-	-	-	-	38,251
Other remuneration						
COTE Diane						
Attendance fees	73,329	53,872	86,315	58,130	140,188	149,561
Other remuneration						
EKMAN Ulrika						
Attendance fees	-	-	-	-	-	77,205
Other remuneration						
HAZOU Kyra						
Attendance fees	90,791	55,035	86,839	58,130	141,875	72,357
Other remuneration						
HOUSSAYE France						
Attendance fees(1)	51,964	32,584	54,152	33,483	86,736	86,533
Societe Generale salary**					55,726	63,416
LEVY Jean-Bernard* **						
Attendance fees	6,583	-	-	-	-	-
Other remuneration						
MESSEMER Annette						
Attendance fees	90,791	53,872	86,315	56,768	140,188	141,708
Other remuneration						
MESTRALLET Gérard						
Attendance fees	72,111	39,424	82,282	43,589	121,706	51,726
Other remuneration						
NIN GENOVA Juan Maria						
Attendance fees	94,961	51,455	80,373	44,728	131,828	56,065
Other remuneration						
POUPART-LAFARGE Henri						
Attendance fees	49,089	28,467	52,308	33,483	80,775	98,770
Other remuneration						
PRAUD Johan						
Attendance fees(2)	40,960	26,677	43,264	25,353	69,941	67,699
Societe Generale salary**					29,900	34,039
ROCHET Lubomira						
Attendance fees	52,721	32,584	57,526	34,845	90,110	90,394
Other remuneration						
de RUFFRAY Benoît						
Attendance fees	-	-	-	-	-	55,888
Other remuneration						

	Remuneration paid in 2022		Remuneration paid in 2023		Attendance fees	
(In EUR) **Corporate officers (excl. Chief Executive Officer)**	**Balance for financial year 2021**	**Interim payment for financial year 2022**	**Balance for financial year 2022**	**Interim payment for financial year 2023**	**Balance for financial year 2022**	**Fixed remuneration for 2023***
SCHAAPVELD Alexandra						
Attendance fees	139,554	86,954	139,706	91,505	226,660	234,897
Other remuneration						
WETTER Sébastien						
Attendance fees	40,960	26,677	43,264	25,353	69,941	81,474
Societe Generale salary**					245,650	254,750
TOTAL (ATTENDANCE FEES)					**1,700,000**	**1,700,000**

* *The balance of the attendance fees for financial year 2023 was paid to Board members at the end of January 2024.*

** *Salary paid over the financial year.*

*** *Director until 18 May 2021.*

(1) *Paid to Societe Generale trade union SNB.*

(2) *Paid to Societe Generale trade union CGT.*

TABLE 4

SHARE PURCHASE OR SUBSCRIPTION OPTIONS AWARDED DURING THE FINANCIAL YEAR TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AND EACH OF THE CHIEF EXECUTIVE OFFICERS BY THE ISSUER AND ANY GROUP COMPANIES

The Board of Directors did not award any options in 2023.

TABLE 5

SHARE PURCHASE OR SUBSCRIPTION OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND EACH OF THE CHIEF EXECUTIVE OFFICERS

The last option plan expired in 2017.

TABLE 6

SHARES AWARDED TO THE CHAIRMAN OF THE BOARD OF DIRECTORS AND EACH OF THE CHIEF EXECUTIVE OFFICERS

Societe Generale performance shares awarded during the financial year to the Chief Executive Officers by the issuer and any Group companies.

(In EUR)	Award date	Reasons for award[1]	Number of shares awarded over the year	Value of the shares based on the method used in the consolidated financial statements	Date of assessment of performance condition	Vesting date	Performance conditions[2]
L. BINI SMAGHI	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S. KRUPA	N/A	N/A	N/A	N/A	N/A	N/A	N/A
F. OUDÉA	08.03.2023	Payment of the annual variable remuneration due in respect of financial year 2022	11,625	284,580	31.03.2025	01.10.2025	Yes
			11,625	274,699	31.03.2026	01.10.2026	Yes
		Long-term incentives due in respect of financial year 2022	0	N/A	N/A	N/A	N/A
			0	N/A	N/A	N/A	N/A
P. AYMERICH	08.03.2023	Payment of the annual variable remuneration due in respect of financial year 2022	6,296	154,126	31.03.2025	01.10.2025	Yes
			6,296	148,774	31.03.2026	01.10.2026	Yes
		Long-term incentives due in respect of financial year 2022	19,027	215,005	31.03.2027	01.04.2028	Yes
			19,027	211,009	29.03.2029	01.04.2030	Yes
P. PALMIERI	N/A	N/A	N/A	N/A	N/A	N/A	N/A
D. LEBOT	08.03.2023	Payment of the annual variable remuneration due in respect of financial year 2022	6,304	154,322	31.03.2025	01.10.2025	Yes
			6,304	148,964	31.03.2026	01.10.2026	Yes
		Long-term incentives due in respect of financial year 2022	0	N/A	N/A	N/A	N/A
			0	N/A	N/A	N/A	N/A

(1) The amounts of variable remuneration and long-term incentives were set at the Board Meeting of 7 February 2023. The corresponding performance shares were awarded at the Board Meeting of 08 March 2023.

(2) Vesting of the annual variable remuneration is subject to two conditions: Group net income and the Core Tier One ratio. Vesting of the long-term incentives is subject to a TSR condition as compared to a panel of peers, as well as CSR and profitability conditions. The performance conditions are further detailed on pages 129 of the 2023 Universal Registration Document.

TABLE 7

SHARES RECEIVED OVER THE FINANCIAL YEAR BY THE CHIEF EXECUTIVE OFFICERS

	Award date	Number of shares received over the year
L. BINI SMAGHI	N/A	N/A
S. KRUPA	N/A	N/A
F. OUDÉA	15.03.2017	0(1)
	13.03.2019	0(2)
	12.03.2020	10,340(3)
	11.03.2021	4,756(4)
P. AYMERICH	14.03.2018	493(5)
	13.03.2019	0(2)
	12.03.2020	5,629(3)
	11.03.2021	2,270(4)
P. PALMIERI	N/A	N/A
D. LEBOT	14.03.2018	1,699(5)
	13.03.2019	0(2)
	12.03.2020	5,426(3)
	11.03.2021	2,511(4)

(1) As the second instalment of the long-term incentive plan awarded in 2017 in respect of 2016; vesting was subject to targets in terms of Group profitability and the Societe Generale share's performance compared to a panel of peers. The corresponding instalment was lost in full, insofar as the minimum achievement rate regarding the relative performance of the Societe Generale share was not met. The share performance assessed in early 2023 placed Societe Generale in tenth place in the panel.

(2) As the first instalment of the long-term incentive plan awarded in 2018; vesting was subject to targets in terms of Group profitability and the Societe Generale share's performance compared to a panel of peers. The corresponding instalment was lost in full, insofar as the minimum achievement rate regarding the relative performance of the Societe Generale share was not met. The share performance assessed in early 2023 placed Societe Generale in tenth place in the panel.

(3) As deferred annual variable remuneration granted in 2020 in respect of financial year 2019 (presented in Table 2), the vesting of which was subject to meeting Group net income and CET 1 targets for 2022.

(4) As deferred annual variable remuneration granted in 2021 in respect of financial year 2020 (presented in Table 2), the vesting of which was subject to meeting Group net income and CET 1 targets for 2022.

(5) The shares recorded correspond to remuneration awarded for positions held prior to the beginning of the term of office as Chief Executive Officer.

Note: shares under the buyback programme.

SHARE EQUIVALENTS RECEIVED OVER THE FINANCIAL YEAR BY THE CHIEF EXECUTIVE OFFICERS

	Award date	Number of share equivalents awarded over the year	Amount paid (In EUR)
L. BINI SMAGHI	N/A	N/A	N/A
S. KRUPA	31.03.2018	973	25,383(1)(2)
	31.03.2020	4,249	110,841(1)(2)
	31.03.2023	16,254	424,010(1)(2)
F. OUDÉA	31.03.2022	12,144	337,691(3)
P. AYMERICH	31.03.2022	6,164	171,404(3)
P. PALMIERI	31.03.2023	10,046	269,668(1)
D. LEBOT	31.03.2022	6,353	176,659(3)

(1) The share equivalents recorded correspond to remuneration awarded for positions held prior to the beginning of the term of office as Chief Executive Officer

(2) The amounts were paid in USD and converted into EUR.

(3) Share equivalents received as deferred annual variable remuneration awarded in 2022 in respect of financial year 2021 (presented in Table 2).

TABLE 8

RECORD OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED

Information on subscription or purchase options.

The last option plan expired in 2017.

TABLE 9

SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED TO THE TOP TEN EMPLOYEES (OTHER THAN CORPORATE OFFICERS) AND OPTIONS EXERCISED BY THESE EMPLOYEES

Societe Generale did not implement any option plan during 2023.

The last option plan expired in 2017.

AUDITED I TABLE 10

Record of performance shares awarded.

INFORMATION ON PERFORMANCE SHARES AWARDED

Date of General Meeting	**17.05.2022**	**19.05.2020**	**19.05.2020**	**23.05.2018**	**23.05.2018**	**18.05.2016**	**18.05.2016**	**18.05.2016**
Date of Board Meeting	08.03.2023	10.03.2022	11.03.2021	12.03.2020	13.03.2019	14.03.2018	15.03.2017	18.05.2016
Total number of shares awarded	3,568,945	3,095,660	3,495,064	2,545,414	2,834,045	1,677,279	1,796,759	2,478,926
o.w. number awarded to corporate officers[(1)]	*86,504*	*137,605*	*216,596*	*164,205*	*166,389*	*46,472*	*45,871*	*62,900*
Slawomir KRUPA	-	-	-	-	-	-	-	-
Philippe AYMERICH[(2)]	50,646	39,417	61,117	46,035	37,889	2,815	2,857	3,626
Pierre PALMIERI	28,129	23,447	18,406	19,232	17,767	9,183	9,070	15,188
Frédéric OUDÉA	23,250	59,398	93,880	72,541	86,705	46,472	45,871	62,900
Diony LEBOT	12,608	38,790	61,599	45,629	41,795	7,277	5,986	4,860
Total number of beneficiaries	5,731	5,700	6,452	4,652	5,747	6,016	6,710	6,495
Vesting date	See table below	See table below	See table below	See table below	See table below	See table below	See table below	See table below
Holding period end date	See table below	See table below	See table below	See table below	See table below	See table below	See table below	See table below
Performance conditions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair value *(in EUR)*[(3)]	See table below	See table below	See table below	See table below	See table below	See table below	See table below	See table below
Number of shares vested at 31.12.2023	445	1,813	460,497	2,065,018	2,300,798	1,366,107	1,506,213	2,187,190
Total number of cancelled or lapsed shares	50,084	207,335	348,264	243,776	407,835	272,491	290,546	291,736
Performance shares outstanding at year-end	3,518,416	2,886,512	2,686,303	236,620	125,412	38,681	-	-

(1) For the Chief Executive Officers, see also Tables 6 and 7 above.

(2) Pierre Palmieri was appointed Deputy Chief Executive Officer on 23 May 2023. The number of shares recorded correspond to awards made in respect of previous positions held.

(3) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2023 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**17.05.2022**
Date of Board Meeting	08.03.2023
Total number of shares awarded	3,568,945

	Performance conditions	**Instalments**	**Vesting date**	**Holding period end date**	**Fair value** *(in EUR)(2)*
Sub-plan 1	Yes	N/A	31.03.2026	31.03.2026	23.97
Sub-plan 2	Yes	1st instalment	31.03.2026	01.10.2026	23.63
		2nd instalment	31.03.2027	01.10.2027	22.83
Sub-plan 3 and 7	Yes	1st instalment	31.03.2025	01.10.2025	24.48
			31.03.2026	01.10.2026	23.63
Sub-plan 4	Yes	N/A	31.03.2026	01.10.2026	23.63
Sub-plan 5	Yes	1st instalment	31.03.2027	01.10.2027	18.66
		2nd instalment	31.03.2028	01.10.2028	16.84
Sub-plan 6	Yes	1st instalment	31.03.2027	01.04.2028	11.30
		2nd instalment	29.03.2029	01.04.2030	11.09

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).

(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2022 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**19.05.2020**
Date of Board Meeting	10.03.2022
Total number of shares awarded	3,095,660

	Performance conditions	**Instalments**	**Vesting date**	**Holding period end date**	**Fair value** *(in EUR)(2)*
Sub-plan 1	Yes	N/A	31.03.2025	N/A	18.99
Sub-plan 2	Yes	1st instalment	31.03.2025	01.10.2025	18.38
		2nd instalment	31.03.2026	01.10.2026	17.42
Sub-plan 3 and 7	Yes	1st instalment	28.03.2024	01.10.2024	19.38
		2nd instalment	31.03.2025	01.10.2025	18.38
Sub-plan 4	Yes	N/A	31.03.2025	01.10.2025	18.38
Sub-plan 5	Yes	1st instalment	31.03.2026	01.10.2026	15.16
		2nd instalment	31.03.2027	01.10.2027	14.74
Sub-plan 6	Yes	1st instalment	31.03.2026	01.04.2027	9.48
		2nd instalment	31.03.2028	01.04.2029	9.14

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).

(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2021 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**19.05.2020**
Date of Board Meeting	11.03.2021
Total number of shares awarded	3,495,064

	Performance conditions	**Instalments**	**Vesting date**	**Holding period end date**	**Fair value** *(in EUR)(2)*
Sub-plan 1	Yes	N/A	28.03.2024	N/A	18.74
Sub-plan 2/3 and 7	Yes	1st instalment	31.03.2023	01.10.2023	19.07
		2nd instalment	28.03.2024	01.10.2024	18.07
Sub-plan 4	Yes	N/A	28.03.2024	01.10.2024	18.07
Sub-plan 5	Yes	1st instalment	31.03.2025	01.10.2025	20.14
		2nd instalment	31.03.2026	01.10.2026	19.36
Sub-plan 6	Yes	1st instalment	31.03.2025	01.04.2026	14.6
		2nd instalment	31.03.2027	01.04.2028	13.3

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).

(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2020 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**23.05.2018**
Date of Board Meeting	12.03.2020
Total number of shares awarded	2,545,414

	Performance conditions	**Instalments**	**Vesting date**	**Holding period end date**	**Fair value (in EUR)(2)**
Sub-plan 1	Yes	N/A	31.03.2023	N/A	11.26
Sub-plan 2/3 and 7	Yes	1st instalment	31.03.2022	01.10.2022	11.62
		2nd instalment	31.03.2023	01.10.2023	10.76
Sub-plan 4	Yes	N/A	31.03.2023	01.10.2023	10.76
Sub-plan 5	Yes	1st instalment	31.03.2024	01.10.2024	9.2
		2nd instalment	31.03.2025	01.10.2025	8.8
Sub-plan 6	Yes	1st instalment	31.03.2024	01.04.2025	6.3
		2nd instalment	31.03.2026	01.04.2027	5.9

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).

(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2019 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**23.05.2018**
Date of Board Meeting	13.03.2019
Total number of shares awarded	2,834,045

	Performance conditions	**Instalments**	**Vesting date**	**Holding period end date**	**Fair value** *(in EUR)(2)*
Sub-plan 1	Yes	N/A	31.03.2022	N/A	21.40
Sub-plan 2/3 and 7	Yes	1st instalment	31.03.2021	01.10.2021	22.32
		2nd instalment	31.03.2022	01.10.2022	20.93
Sub-plan 4	Yes	N/A	31.03.2022	01.10.2022	20.93
Sub-plan 5	Yes	1st instalment	31.03.2023	01.10.2023	10.86
		2nd instalment	29.03.2024	01.10.2024	11.35
Sub-plan 6	Yes	1st instalment	31.03.2023	01.04.2024	8.53
		2nd instalment	31.03.2025	01.04.2026	9.45

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).
(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2018 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**18.05.2016**
Date of Board Meeting	14.03.2018
Total number of shares awarded	1,677,279

	Performance conditions	**Instalments**	**Vesting date**	**Holding period end date**	**Fair value** *(in EUR)(2)*
Sub-plan 1	Yes	N/A	31.03.2021	N/A	39.18
Sub-plan 2	Yes	N/A	31.03.2020	01.10.2020	40.39
Sub-plan 3 and 7	Yes	1st instalment	31.03.2020	01.10.2020	40.39
		2nd instalment	31.03.2021	01.10.2021	38.59
Sub-plan 4	Yes	N/A	31.03.2021	01.10.2021	38.59
Sub-plan 5	Yes	N/A	31.03.2023	01.10.2023	39.17
Sub-plan 6	Yes	1st instalment	31.03.2022	01.04.2023	26.40
		2nd instalment	29.03.2024	31.03.2025	24.43

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).
(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2017 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**18.05.2016**
Date of Board Meeting	15.03.2017
Total number of shares awarded	1,796,759

	Performance conditions	Instalments	Vesting date	Holding period end date	Fair value *(in EUR)*(2)
Sub-plan 1	Yes	N/A	31.03.2020	N/A	41.05
Sub-plan 2	Yes	N/A	29.03.2019	30.09.2019	42.17
Sub-plan 3 and 7	Yes	1st instalment	29.03.2019	30.09.2019	42.17
		2nd instalment	31.03.2020	02.10.2020	40.33
Sub-plan 4	Yes	N/A	31.03.2020	02.10.2020	40.33
Sub-plan 5	Yes	N/A	31.03.2022	02.10.2022	43.75
Sub-plan 6	Yes	1st instalment	31.03.2021	01.04.2022	27.22
		2nd instalment	31.03.2023	01.04.2024	26.34

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).
(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

SUMMARY OF THE 2016 PERFORMANCE SHARE PLAN(1)

Date of General Meeting	**18.05.2016**
Date of Board Meeting	18.05.2016
Total number of shares awarded	2,478,926

	Performance conditions	Instalments	Vesting date	Holding period end date	Fair value *(in EUR)*(2)
Sub-plan 1	Yes	N/A	29.03.2019	N/A	29.55
Sub-plan 2	Yes	N/A	29.03.2018	30.09.2018	30.18
Sub-plan 3 and 7	Yes	1st instalment	29.03.2018	30.09.2018	30.18
		2nd instalment	29.03.2019	30.09.2019	28.92
Sub-plan 4	Yes	N/A	29.03.2019	30.09.2019	28.92
Sub-plan 5	Yes	N/A	31.03.2021	02.10.2021	32.76
Sub-plan 6	Yes	1st instalment	31.03.2020	01.04.2021	22.07
		2nd instalment	31.03.2022	01.04.2023	21.17

(1) Under the annual employee LTI plan and awards under the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including corporate officers).
(2) The performance shares are valued at their market value, taking into account a discount for non-transferability.

TABLE 11

POSITION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS IN 2023

	Term of office		Employment contract[4]		Supplementary pension scheme[1]		Compensation or benefits due or likely to become due as a result of leaving office or changing position[2]		Compensation payable under a non-compete clause[3]	
	start	**end**	**yes**	**no**	**yes**	**no**	**yes**	**no**	**yes**	**no**
L. BINI SMAGHI Chairman of the Board of Directors	2022[5]	2026		X		X		X		X
S. KRUPA, Chief Executive Officer	2023[6]	2027	X		X		X		X	
P. AYMERICH, Deputy Chief Executive Officer	2018[6]	2027	X		X		X		X	
P. PALMIERI, Deputy Chief Executive Officer	2023[6]	2027	X		X		X		X	
F. OUDÉA, Chief Executive Officer	2008[7]	2023		X		X	X		X[8]	
D. LEBOT, Deputy Chief Executive Officer	2018[8]	2023	X		X		X		X	

(1) Details of the supplementary pension schemes can be found on page 119.

(2) Details of the compensation or benefits due or likely to become due to Chief Executive Officers as a result of leaving office or changing position are provided on page 120.

(3) Details of non-compete consideration for the Chairman of the Board of Directors and the Chief Executive Officers are provided on page 120.

(4) The employment contracts of Slawomir Krupa, Philippe Aymerich, Pierre Palmieri and Diony Lebot have been suspended for the duration of their terms of office.

(5) Lorenzo Bini Smaghi was appointed Chairman of the Board of Directors on 19 May 2015. His appointment was renewed on 17 May 2022.

(6) Slawomir Krupa was appointed Chief Executive Officer on 23 May 2023. Philippe Aymerich was appointed Deputy Chief Executive Officer on 14 May 2018. His appointment was renewed on 21 May 2019 and again on 23 May 2023. Pierre Palmieri was appointed Deputy Chief Executive Officer on 23 May 2023.

(7) Frédéric Oudéa was appointed Chief Executive Officer in May 2008, and subsequently Chairman and Chief Executive Officer in May 2009, and again Chief Executive Officer on 19 May 2015. His appointment was renewed on 21 May 2019. His term of office expired on 23 May 2023. The Board of Directors during its meeting of 12 January 2023 examined the implications of the end of Chief Executive Officer Frédéric Oudéa's term of office on 23 May 2023, following his decision not to seek the renewal of his term in May 2023. The Board of Directors decided that the non-compete clause, which provided that F. Oudéa may not be appointed Chief Executive Officer in a competing bank, should be strictly enforced, since F. Oudéa did not meet the conditions to retire. Accordingly, F. Oudéa was paid EUR 650,004 under the non-compete clause (six months of fixed remuneration). The corresponding amount complies with the cap of two years' fixed and variable annual remuneration recommended by the AFEP-MEDEF Code and adopted by Societe Generale. The end of Frédéric Oudéa's term of office as Chief Executive Officer did not give rise to any severance pay. Frédéric Oudéa is not entitled to any supplementary pension benefits from Societe Generale.

(8) D. Lebot was appointed Deputy Chief Executive Officer as of 14 May 2018 and her appointment was renewed on 21 May 2019. Her term of office expired on 23 May 2023. The Board of Directors during its meeting of 23 May 2023 examined the implications of the end of Deputy Chief Executive Officer Diony Lebot's term of office. The term of Diony Lebot ended on 23 May 2023, when her Societe Generale employment contract resumed. As of 24 May 2023, Diony Lebot holds the position of advisor to the General Management. The end of Diony Lebot's term of office did not give rise to any severance pay or non-compete consideration. Benefits from the senior management supplementary pension scheme are contingent upon her still working at Societe Generale upon reaching retirement. The Board of Directors in February 2024 set the contribution made to the defined contribution supplementary scheme in respect of financial year 2023, based on the overall individual performance over the year and according to the usual performance evaluation schedule for corporate officers (see page 131).

Societe Generale share ownership and holding obligations

Pursuant to the AMF's recommendations and in order to align the interests of the Chief Executive Officers with those of the Company, the Chief Executive Officers have been required since 2002 to hold a minimum number of Societe Generale shares. Accordingly, at its meeting of 8 March 2023 and 23 May 2023, the Board of Directors fixed the following requirements:

- the Chief Executive Officer must hold 120,000 shares;
- the Deputy Chief Executive Officers must hold 60,000 shares.

Chief Executive Officers who were previously employees may hold shares either directly or indirectly through the Company savings plan.

Slawomir Krupa and Philippe Palmieri must acquire the requisite number of shares at the end of five years from taking office as Chief Executive Officer, and Philippe Aymerich must do the same at the end of five years from renewing his office as Deputy Chief Executive Officer. Until they hold the requisite number of shares, Chief Executive Officers must retain 50% of the vested shares awarded under Societe Generale share plans, as well as all shares resulting from the exercise of stock options, after deducting the cost of exercising said options and the corresponding social security charges and taxes.

The Board will review the minimum holding requirement when the Chief Executive Officers are proposed for re-election.

In addition, and in accordance with the law, the Chief Executive Officers are required to hold a certain percentage of the vested shares awarded under Societe Generale share plans or resulting from the exercise of stock options in a registered account until the end of their term of office. For shares awarded under share plans, the Board of Directors at its meeting of 15 March 2017 set this percentage at 5% of vested shares from the award in respect of 2017. This percentage was fixed in view of the regulatory requirement for a significant proportion of variable remuneration to be granted in the form of shares and the minimum holding requirements. For shares resulting from the exercise of stock options, the Board set the percentage at 40% of the capital gains realised on exercising the options, net of tax and any other compulsory deductions and less any capital gains used to finance the acquisition of the shares.

Chief Executive Officers are therefore required to hold a significant number of shares. They are prohibited from hedging their shares or options throughout the vesting and holding periods.

Each year, the Chief Executive Officers must provide the Board of Directors with all information enabling it to verify their compliance with these obligations.

In their statements to the Board, the Chief Executive Officers declared that they have not hedged their Societe Generale shares or Societe Generale Actionnariat (Fonds E) shares, and undertook not to do so in the future.

3.1.7 ADDITIONAL INFORMATION

Special conditions relating to shareholders at the General Meeting

The By-laws (see Chapter 7) define the conditions under which shareholders may participate in the General Meeting.

Pursuant to Article 14 of the Company By-laws, General Meetings are convened and deliberate according to the legal and regulatory provisions in force. They are convened at the Company's Head Office or in any other place in mainland France indicated in the Notice to attend the General Meeting. Such meetings are chaired by the Chairman of the Board or, in his absence, by a Director appointed for this purpose by the Chairman of the Board.

Regardless of the number of shares held, all shareholders whose shares are registered under the terms and at a date set forth by decree have the right, upon proof of their identity and status as a shareholder, to participate in General Meetings. They may, as provided for by the legal and regulatory provisions in force, personally attend the General Meetings, vote remotely or appoint a proxy. The intermediary registered on behalf of shareholders may participate in the General Meetings, as provided for by the legal and regulatory provisions in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless a shorter period is specified in the convening notice or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when stipulated in the Notice of Meeting and subject to the conditions provided therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval and under the terms set by the Board of Directors. Notice will be given in the preliminary Notice of Meeting and/or Notice to attend the meeting.

In all General Meetings, the voting right attached to the shares with a right of beneficial ownership is exercised by the beneficial owner.

Any shareholder may participate online in the General Meeting under the conditions indicated in the Notice of Meeting published in the Bulletin des Annonces Légales Obligatoires (French Government Gazette).

Information required by Article L. 22-10-11 of the French Commercial Code

Pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, Societe Generale must disclose and, where applicable, explain the following matters when they are likely to have an impact in case of a public tender or exchange offer.

To the best of its knowledge, Societe Generale does not have any specific measures likely to have an impact in case of a public tender or exchange offer. However, the information required by Article L. 22-10-11 of the French Commercial Code is listed below insofar as it has been included in the Universal Registration Document to satisfy other obligations:

1. share capital structure: this information appears in Chapter 7, "Share, share capital and legal information", section 7.2, "Information on share capital", under the heading "Breakdown of capital and voting rights over three years";
2. statutory restrictions on the exercise of voting rights and transfers of shares or the clauses of agreements brought to the Company's attention in application of Article L. 233-11: this information can be found in Chapter 7 "Shares, capital and legal information", sections 7.2.4 and "Existing agreements between Societe Generale and its subsidiaries" and 7.4, "By-laws", and more specifically in Articles 6 and 14;
3. direct or indirect holdings in the share capital of which Societe Generale is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code: this information appears in Chapter 7, "Share, share capital and legal information", section 7.2, "Information on share capital", under the heading "Breakdown of capital and voting rights over three years";
4. the list of holders of any securities bearing special control rights and the description of these: not applicable since the cancellation of the preference shares on 23 December 2009;
5. control mechanisms provided for under a potential employee share ownership plan, when the control rights are not exercised by the latter. Under the terms of the rules governing the Group's mutual fund, the voting rights attached to the Societe Generale shares included in the Fund's assets belong individually to the holders of fund units in proportion to the respective shares they hold. The Fund's Supervisory Board, which is composed of an equal number of unit-holding employee representatives and management representatives, exercises voting rights for fractional shares. In the event of a public purchase or exchange offer, the Supervisory Board decides whether or not to tender shares to the offer, based on the relative majority of the votes cast by the regular members present or replaced by a substitute member. If there is no relative majority, the decision is put to the vote of the unit holders who decide according to the relative majority of the votes cast;
6. shareholder agreements of which Societe Generale is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights: not concerned;
7. rules applicable to the appointment and replacement of members of the Board of Directors as well as to the amendment of the Company's By-laws: this information appears in Chapter 7, "Share, share capital and legal information", section 7.4, "By-laws", and more specifically in Articles 7 and 14;
8. powers of the Board of Directors regarding share issuances or buybacks: the delegations granted by the General Meeting to the Board of Directors in this respect appear in this Chapter 3, under section 3.1, under the present heading, in the subsection "List of outstanding delegations and their use in 2023 and early 2024 (until 7 February 2024)" and the information about share buybacks appears in Chapter 7, "Share, share capital and legal information", section 7.2 "Information on share capital", under the heading "Share buybacks";
9. agreements entered into by Societe Generale that are amended or terminated in case of a change of control of Societe Generale, unless this disclosure would, except in cases where disclosure is a legal obligation, would seriously undermine its interests: not concerned;
10. agreements providing for compensation for members of the Board of Directors or employees if they resign or are dismissed without real and serious grounds, or if their employment is terminated due to a public tender or exchange offer: this information appears inthis Chapter 3, under section 3.1, under the heading "Remuneration of Group Senior Management" for the Directors. Employees are not concerned.

LIST OF OUTSTANDING DELEGATIONS AND THEIR USE IN 2023 AND EARLY 2024 (UNTIL 7 FEBRUARY 2024)

Type of authorisation	Purpose of the authorisation granted to the Board of Directors	Validity of the delegation
Share buybacks	To buy Societe Generale shares	**Granted by:** AGM of 23 May 2023, 18th Resolution **For a period of:** 18 months **Start date:** 23 May 2023 **Expiry date:** 23 November 2024
Capital increase	To increase the share capital, maintaining pre-emptive subscription rights through the issue of ordinary shares and/or securities giving access to the share capital of Societe Generale and/or its subsidiaries.	**Granted by:** AGM of 17 May 2022, 18th Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024
	To increase the share capital, maintaining pre-emptive subscription rights through the incorporation of reserves, profits or premiums or any other item which may be incorporated in the share capital	**Granted by:** AGM of 17 May 2022, 18th Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024
	To increase the share capital with cancellation of pre-emptive subscription rights through the issue of ordinary shares and/or securities giving access to the share capital	**Granted by:** AGM of 17 May 2022, 19th Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024
	To increase the share capital, with cancellation of pre-emptive subscription rights in order to remunerate contributions in kind consisting of equity securities or securities giving access to the share capital	**Granted by:** AGM of 17 May 2022, 20th Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024
Capital increase in favour of employees	To increase the share capital, with cancellation of pre-emptive subscription rights through the issuance of ordinary shares or securities giving access to the share capital reserved for members of a Societe Generale company or Group savings plan	**Granted by:** AGM of 23 May 2023, 19th Resolution **For a period of:** 26 months **Expiry date:** 23 July 2025
Free allocation of shares	To allocate free shares, existing or to be issued, without pre-emptive subscription rights, to regulated and assimilated persons	**Granted by:** AGM of 17 May 2022, 22nd Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024
	To allocate free shares, existing or to be issued, without pre-emptive subscription rights, to employees other than regulated and assimilated persons	**Granted by:** AGM of 17 May 2022, 23rd Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024
Cancellation of shares	To cancel shares purchased as part of share buyback programmes	**Granted by:** AGM of 17 May 2022, 24th Resolution **For a period of:** 26 months **Expiry date:** 17 July 2024

Limit	Use in 2023	Use in 2024 (until 7 February)
10% of the total number of shares comprising the Societe Generale share capital on the date of the share buyback; the maximum number of shares held at any time may not exceed 10% of the Company's share capital.	Excluding the liquidity agreement: Societe Generale purchased 17,777,697 shares in order to cancel them. Societe Generale also purchased 1,724,707 shares in order to cover and honour the free share allocation plan for the benefit of employees and the Chairman of the Board of Directors and Chief Executive Officers. At 31 December 2023, no (0) shares were in the liquidity agreement's account.	Excluding the liquidity agreement: Societe Generale did not buy back any shares. At 7 February 2024, 17,000 shares were in the liquidity agreement's account.
Nominal EUR 345,3 million for shares, *i.e.*, 33% of the share capital at the date on which the authorisation was granted. *Note: this limit counts towards those set forth in Resolutions 19 to 23 of the AGM of 17 May 2022.* Nominal EUR 6 billion shares for debt securities giving access to the share capital *Note: this limit counts towards those set forth in Resolutions 19 to 21 of the AGM of 17 May 2022.*	None	
Nominal EUR 550 million.	None	None
Nominal EUR 104,640 million for shares, *i.e.*, 10% of the share capital at the date on which the authorisation was granted, being specified that the issue price of the shares will be equal to the weighted average of the closing prices of the three trading sessions on the Euronext Paris regulated market preceding the opening of the public offer, decreased by 10%. *Note: this limit counts towards those issues conducted pursuant to Resolutions 20 of the AGM of 17 May 2022. In addition, the issues conducted pursuant to Resolutions 19 and 20 count towards the total limit of nominal EUR 345.3 million set forth in Resolution 18 of 17 May 2022.* Nominal EUR 6 billion shares for debt securities giving access to the share capital *Note: this limit counts towards those issues conducted pursuant to Resolutions 18, 19 and 21 of the AGM of 17 May 2022.*	None	None
Nominal EUR 104,640 million for shares, *i.e.*, 10% of the share capital at the date on which the authorisation was granted. *Note: this limit counts towards those issues conducted pursuant to Resolutions 19 of the AGM of 17 May 2022. In addition, the issues conducted pursuant to Resolutions 19 and 20 count towards the total limit of nominal EUR 345.3 million set forth in Resolution 18 of 17 May 2022.*	None	None
Nominal EUR 15,154 million for shares, *i.e.* 1.5% of the capital at the date on which the authorisation was granted, being specified that (i) the discount offered is 20% of the average share prices on the Euronext regulated market during the twenty trading sessions preceding the date of the decision setting the opening date for subscriptions; and that (ii) the Board of Directors will be able to convert all or part of the discount into a free allocation of shares or securities giving access to the Company's share capital. *Note: this limit, in addition to the nominal amount of securities that may be issued, count towards that set forth in Resolution 18 of the AGM of 17 May 2022.*	Not used. *Note: on 24 July 2023, a capital increase of a nominal EUR 15,685,842.50 pursuant to Resolution 21 of the AGM of 17 May 2022, the limit of which was EUR 15,696,000.*	The Board approved the principle of the operation on 7 February 2024 for a nominal amount of EUR 15,154 million and for which the Chief Executive Officer received authorisation.
1.2% of the share capital on the authorisation date. *Note: this limit counts towards that set forth in Resolution 18 of the AGM of 17 May 2022, including a maximum of 0.1% of the capital for the Chief Executive Officers.* *Note: this 0.1% limit counts towards those of 1.2% and 0.5% set forth in Resolutions 22 and 23, respectively, of the AGM of 17 May 2022.*	Attribution on 8 March 2023 of 2,340,990 shares, *i.e.*, 0.29% of the market capitalisation on the attribution date, corresponding to 0.28% of the share capital on 17 May 2022.	None
0.5% of the share capital on the authorisation date. *Note: this limit counts towards that set forth in Resolution 18 of the AGM of 17 May 2022.*	Attribution on 8 March 2023 of 1,294,984 shares, *i.e.*, 0.16% of the market capitalisation on the attribution date, corresponding to 0.15% of the share capital on 17 May 2022.	None
10% of the total number of shares per 24-month period.	Reduction of the share capital on 1 February 2023 *via* the cancellation of 41,674,813 shares, and on 17 November 2023 *via* the cancellation of 17,777,697 shares.	None

Additional information about the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors

ABSENCE OF CONFLICTS OF INTEREST

To the best of the Board of Directors' knowledge:

- no potential conflicts of interest exist between the duties performed by the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors on behalf of Societe Generale and any other obligations or private interests. Where necessary, Article 14 of the Board of Directors' Internal Rules governs conflicts of interest for Directors;
- no arrangements or agreements have been entered into with a shareholder, customer, supplier or other party pursuant to which one of the aforementioned persons has been selected;
- no family relationship exists between the aforementioned persons;
- no restriction other than statutory restrictions shall be accepted by any of the aforementioned persons with regard to the disposal of their stake in Societe Generale's share capital.

ABSENCE OF A CRIMINAL RECORD

To the best of the Board of Directors' knowledge:

- neither the Chief Executive Officer, the Deputy Chief Executive Officers, nor any current member of the Board of Directors has been convicted of fraud over the past five years;
- neither the Chief Executive Officer, nor any Deputy Chief Executive Officer, nor any current member of the Board of Directors has been involved (as a member of the Board of Directors, Management Board or Supervisory Board, or as a manager) in any bankruptcy, receivership, liquidation proceedings or placement of a company under administration over the past five years;
- neither the Chief Executive Officer, nor any Deputy Chief Executive Officer, nor any current member of the Board of Directors, has been involved in an official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies);
- neither the Chief Executive Officer, nor any Deputy Chief Executive Officer, nor any current member of the Board of Directors has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in a managerial capacity or being involved in the conduct of the business or affairs of any issuer over the past five years.

3.1.8 ORDINARY AGREEMENTS AND REGULATED AGREEMENTS

Ordinary agreements

Following its meeting of 12 December 2019, the Board of Directors implemented pursuant to the provisions of Article L. 22-10-12 of the French Commercial Code, a procedure reviewed by the Nomination and Corporate Governance Committee to conduct regular reviews to ascertain whether the agreements involving ordinary operations concluded under normal conditions genuinely comply with these conditions.

The procedure may be viewed on the Company's website under the Board of Directors tab.

As a result of implementing of this procedure, an Assessment Report is drafted based on information received from the Business Units (BU) and the Services Units (SU). Where appropriate, the report specifies the agreements for which the BU or SU sought assistance from the Secretary of the Board of Directors or from General Management regarding their legal status as ordinary agreements concluded under normal conditions. Those persons having a direct or indirect interest in one of these agreements do not take part in assessing the agreements in which they have an interest. The Assessment Report for FY 2023 does not mention any such agreement. The Nomination and Corporate Governance Committee reviewed the report on 11 January 2024. At its meeting of 18 January 2024, the Board of Directors subsequently ensured that the assessment procedure in place was followed correctly and that it was effective, based on the Assessment Report previously reviewed by the Nomination and Corporate Governance Committee.

Regulated agreements

In accordance with the provisions of the Pacte Law, codified in Article L. 22-10-13 of the French Commercial Code, information relating to the agreements described in Article L. 225-38 of the French Commercial Code are available on the Company's website under the Board of Directors tab, at the latest when said agreements are signed, and may be consulted in the Universal Registration Document.

3.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

ERNST & YOUNG et Autres
Tour First
TSA 1444492037
Paris-La Défense Cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

DELOITTE & ASSOCIÉS
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S. au capital de € 2.188.160
572 028 041 R.C.S. Nanterre

SOCIETE GENERALE
Société Anonyme
17, cours Valmy
92972 Paris-La Défense

Annual General Meeting held to approve the financial statements for the year ended December 31, 2023

This is a translation into English of the statutory auditors' report on regulated agreements issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided for by the French Commercial Code and that the report does not apply to those related-party transactions described in IAS 24 or other equivalent accounting standards.

To the Annual General Meeting of Société Générale,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code (*code de commerce*) relating to the implementation during the year ended December 31, 2023, of agreements previously approved by the Annual General Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement (*Code de commerce*).

Agreements submitted to the approval of the Annual General Meeting

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year ended December 31, 2023, to be submitted to the approval of the Annual General Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements already approved by the Annual General Meeting

We inform you that we have not been advised of any agreement previously approved by the Annual General Meeting that remained in force during the year.

Paris-La Défense, March 11, 2024

The Statutory Auditors

ERNST & YOUNG et Autres

Micha Missakian and Vincent Roty

Deloitte & Associés

Maud Monin and Jean-Marc Mickeler

3.3 INTERNAL RULES OF THE BOARD OF DIRECTORS[1]

(Amended on 7 February 2024)

Preamble

The Board of Directors collectively represents all shareholders and acts in the corporate interest of Societe Generale (the "Company"), taking into consideration the social and environmental stakes of its activity. Each Director, regardless of the manner in which he/she was appointed, must act in the Company's corporate interest in all circumstances.

Societe Generale applies the AFEP-MEDEF Corporate Governance Code for listed companies.

As a credit institution listed on a regulated market, Societe Generale is subject to the provisions of the regulations, directives and other European texts applicable to the banking and financial sectors, the French Commercial Code (*Code de commerce*), the French Monetary and Financial Code (*Code monétaire et financier*) and the recommendations or guidelines of the European Banking Authority (the EBA) included in national law, the French Prudential Supervisory and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution* - ACPR) and the *Autorité des Marchés Financiers* (the AMF).

The purpose of these Internal Rules is to define the Board of Directors' organisation and operating procedures and to specify the rights and duties of its members (the "Internal Rules").

The Board of Directors ensures that Societe Generale has a solid governance system including, in particular, a clear organisation with shared responsibilities in a well-defined, transparent and consistent manner, effective procedures for the detection, management, monitoring and reporting of risks to which the Company is or could be exposed, an adequate internal control system, sound administrative and accounting procedures and compensation policies and practices enabling and promoting sound and effective risk management.

Article 1: Powers of the Board of Directors

1.1 The Board of Directors shall deliberate on any issue falling within its legal or regulatory powers and devote sufficient time to perform its missions.

1.2 The Board of Directors is competent to act in the following (non-exhaustive) areas:

a) Directions for the Group's activity

GENERAL ORIENTATIONS

The Board of Directors determines the orientations for the Group's activity, ensures their implementation by General Management and reviews them at least once a year; these orientations incorporate the values and the Code of Conduct of the Group, which it approves, as well as the main thrusts of the policy adopted with respect to social and environmental responsibility, human resources, information systems and organisation.

ORIENTATIONS IN RESPECT OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Multi-year social and environmental responsibility orientations are decided by the Board of Directors on the basis of a proposition from General Management which is reviewed by the non-voting Director (*censeur*). The proposition is previously reviewed: by the Risk Committee in respect of the risk aspects, the Compensation Committee with regard to the compensation aspects pertaining to the Chairman and Chief Executive Officers (*dirigeants mandataires sociaux*), and the Nomination and Corporate Governance Committee concerning governance questions (including internal governance of the Group). In addition, the Audit and Internal Control Committee reviews all financial and extra-financial communication documentation relating to social and environmental responsibility before it is submitted to the Board of Directors for approval.

General Management presents to the Board of Directors the manner in which it will implement this strategy, with an action plan and the time frames in which these actions will be rolled out. General Management informs the Board of Directors of the results obtained on an annual basis.

On climate, the strategy comprises a number of precise targets to be achieved over various time frames. The Board of Directors examines each year the results obtained and the opportunity, where appropriate, to adapt the action plan or modify the objectives notably in light of developments in the corporate strategy, technologies, shareholders' expectations and the economic viability of implementing them. This assessment is subject to preparatory work by the non-voting Director and each of the committees that have reviewed the Management Board's proposal on the multi-year strategic orientations in terms of social and environmental responsibility.

b) Strategic operations

- approves the plans for strategic transactions, in particular acquisitions or disposals, that may have a significant impact on the Group's earnings, its balance-sheet structure or its risk profile.

  This prior approval process concerns:

  - organic growth transactions of a unit amount higher than EUR 250 million and not already approved as part of the annual budget or the strategic plan,
  - external growth transactions of a unit amount higher than EUR 500 million or higher than EUR 250 million if these transactions do not fall within the development priorities approved in the strategic plan,
  - disposal transactions of a unit amount higher than EUR 250 million,
  - partnership transactions with a compensation (*soulte*) of an amount higher than EUR 250 million,
  - transactions substantially degrading the Group's risk profile.

The Chairman shall assess, on a case-by-case basis, the appropriateness of a referral to the Board of Directors to deliberate on a transaction that does not fall under the aforementioned circumstances.

During each Board of Directors' meeting, an update is made on the transactions concluded since the previous meeting, as well as on the main projects in progress and likely to be concluded before the next Board of Directors' meeting.

(1) *This document does not form part of Societe Generale's By-laws.*

c) Risk management and control

The Board of Directors:

- approves the overall strategy and appetite for risks of any kind(1) and controls the implementation, including for outsourced activities. To this end, it:
  - approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks to which the Group is or could be exposed,
  - ensures the adequacy and effectiveness of the risk management systems,
  - approves, each year, the Group Risk Appetite Statement and the Group Risk Appetite Framework. It approves the global risk limits,
  - approves the result of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP),
  - ensures the effectiveness of the corrective measures taken in the event of a failure and implements a specific process organising its information and, where applicable, its referral if risk limits are exceeded or in case of non-compliance with the action plans implemented in accordance with the rules described in the Group Risk Appetite Statement and the Group Risk Appetite Framework;
- approves the business continuity and operational resilience plans;
- draws up the preventive recovery plan that is communicated to the European Central Bank (ECB) and deliberates on any similar plan requested by another supervisory authority;
- draws up the elements necessary to establish the resolution plan communicated to the competent supervisory authorities;
- determines the guidelines and controls the implementation by the Effective Senior Managers(2) of the oversight systems in order to ensure effective and prudent management of the institution, in particular the separation of functions within the organisation of the Company and the prevention of conflicts of interest;
- has all relevant information on developments occurring in any type of risks to which the Company is exposed, including in relation to anti-money laundering and the financing of terrorism. To do so, it determines, where appropriate, with the assistance of its Committees, the volume, form and frequency of the information submitted to it;
- examines at least twice a year the activity and the results of the internal control, in particular compliance control based on the information sent to it for this purpose by the Effective Senior Managers and the heads of the second-level control and audit functions;
- approves the audit plan, as well as its amendments, after having been provided with a presentation by the Head of Inspection and Audit and with the recommendations of the Audit and Internal Control Committee;
- is the recipient of the annual report on internal control and discusses it;
- concerning anti-money laundering and terrorism financing (AML-FT), it:
  - regularly reviews the policy, risk classification, systems and procedures, and their effectiveness,
  - is informed, at least once a year, of the activity and results of the internal controls for AML-FT, for incidents and deficiencies, and the corrective measures taken,
  - approves the annual report on the internal control of AML-FT systems;
- ensures the implementation of a system to prevent and detect corruption and influence peddling. It receives all necessary information for this purpose;
- approves the IT strategy;
- approves the information system security policy, including cyber security;
- approves outsourcing policies, ensures their implementation and oversees the risks related to outsourced activities;
- approves the Group's investment services policy;
- examines, where necessary, the Group's draft responses to follow-up letters from supervisors;
- is informed of the "whistleblower" system in place and its development;
- examines compliance incidents and the corresponding action plans in accordance with regulations and the Group Risk Appetite Framework and the Group Risk Appetite Statement;
- approves the annual statement on modern slavery and human trafficking, reiterating key actions taken to prevent them, such statement is established under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018;
- carries out controls and checks which it deems appropriate relying on the Group's internal audit or external consultants.

d) Financial and extra-financial communication

The Board of Directors proposes to the General Meeting of Shareholders, on the recommendation of the Audit and Internal Control Committee, the candidates for the offices of Statutory Auditors and Sustainability Auditors(3).

The Board of Directors, after having been briefed by the Statutory Auditors, as necessary:

- closes the annual accounts and the annual consolidated accounts and ensures their accuracy and truthfulness, and monitors the quality of the information provided to the shareholders and the market;
- approves the management report, including the Extra-Financial Performance Statement and the Duty of Care Plan;
- controls the publication and communication process, the quality and reliability of the financial and extra-financial information to be published and communicated by the Company;
- approves the budget and the financial trajectory.

(1) The typology of risks is mentioned in the Group Risk Appetite Statement.
(2) The legal classification of "Effective Senior Managers" applies only within the context of the banking regulation falling within the remit of the ECB and the ACPR. For Societe Generale, at the date of the last amendment of the Internal Rules, they are the Chief Executive Officer and the Deputy Chief Executive Officers.
(3) The Sustainability Auditors for the certification of sustainability information are the Statutory Auditors and/or, as the case may be, an independent third-party body.

e) Governance

The Board of Directors:

- appoints the Chairman;
- where applicable, a "lead" Director;
- appoints the Chief Executive Officer and, on the latter's proposal, the Deputy Chief Executive Officer (s);
- appoints the Effective Senior Managers;
- sets any limitations on the powers of the Chief Executive Officer and, on the latter's proposal, of the Deputy Chief Executive Officer(s);
- establishes once a year the succession plan for the Chairman of the Board of Directors and the Chief Executive Officers;
- reviews the Group's internal governance system, ensuring a clear organisation with well-defined responsibilities that respect the independence of the control functions, and to this end familiarises itself with the Group's legal, organisational and operational structure and ensures its compatibility with the Group's strategy; it periodically evaluates its effectiveness;
- deliberates beforehand on changes to the Group's management structures and is informed of the main changes to its organisation;
- ensures that the Chairman of the Board of Directors and the Chief Executive Officers implement a non-discrimination and diversity policy, particularly with regard to the balanced representation of women and men in the Group's management bodies;
- ensures the existence of a selection and appointment procedure for holders of key functions and is informed of the appointment of the Heads of Business Units and Service Units. The Board of Directors is informed of their succession plan;
- deliberates at least once a year on its functioning and that of its Committees, on the skills, aptitudes and availability of its members and on the conclusions of their periodic assessment;
- regularly reviews the Internal Rules of the Board of Directors;
- prepares the corporate governance report presented to the General Meeting.

f) Relations with control functions

- ensures compliance with its internal control obligations, including compliance with banking and financial regulations on internal control and, in particular, reviews the internal control activity and its results at least twice a year;
- at least twice a year, devotes an item on its agenda to each of the internal control functions (risk, compliance, audit) and is briefed by the corresponding head. Moreover, it ensures their presence at the debates of the Board of Directors for matters that may fall within their remit. The Chief Risk Officer presents the risk dashboard to the Board of Directors at least four times a year.

  Where necessary, in the event of changes in the risks affecting or likely to affect the Company, the Chief Risk Officer, the Head of Compliance and the Head of Inspection and Audit may each report directly to the Board of Directors without referring to the Effective Senior Managers;
- gives its opinion prior to the appointment of the Head of Inspection and Audit, the Chief Risk Officer and the Head of Compliance;
- gives its opinion prior to the dismissal of the Head of Inspection and Audit and the Head of Compliance;
- gives its consent prior to the dismissal of the Chief Risk Officer;
- validates the Audit Charter;
- ensures the existence of normative documentation that is applicable within the Group and is regularly updated.

g) Compensation of corporate officers (*mandataires sociaux*) and wage policy (*politique salariale*)

The Board of Directors;

- proposes to the General Meeting of Shareholders the overall amount of the Directors' compensation and distributes this amount in accordance with Article 18 of these Internal Rules, based on the proposal of the Nomination and Corporate Governance Committee and after receiving the opinion of the Compensation Committee;
- determines, without prejudice to the powers of the General Meeting, the compensation of the Chairman of the Board of Directors and the Chief Executive Officers, in particular their fixed and variable compensation, including benefits in kind, awards of performance shares or any compensation instrument, as well as post-employment benefits. When it decides on the compensation of the Chairman of the Board of Directors and the Chief Executive Officers, it does so in their absence;
- regularly determines and reviews the principles of the compensation policy applicable in the Group, in particular with regard to:
  - **a.** the categories of personnel whose activities have a significant impact on the Group's risk profile and ensures that the internal control systems make it possible to verify that these principles comply with regulations and professional standards, and are consistent with the risk control objectives,
  - **b.** as well as employees who, in view of their overall income, are in the same compensation bracket as those whose professional activities have an impact on the Group's risk profile.

  As part of this process, it obtains the opinion of the Chief Risk Officer and the Head of Compliance;
- validates each year, after obtaining the recommendation of the Compensation Committee, the compensation of the heads of the internal control functions (Chief Risk Officer, Head of Compliance and Head of Inspection and Audit);
- deliberates once a year on the Company's policy with respect to gender and wage equality between men and women in the workplace;
- awards free performance shares, determines the identity of the beneficiaries and the number of shares awarded to each of them, and sets the conditions and criteria for the award of said shares;
- decides on the principle and terms of a capital increase reserved for members of one of the company savings plans in the Group, where applicable.

Article 2: Composition of the Board of Directors

2.1 The composition of the Board of Directors aims to achieve a balance between professional and international experience, skills and independence, while respecting gender equality, diversity and a balance in terms of age and length of service within the Board. The composition of the Board of Directors reflects the increasingly international scope of the Group's activities and of its shareholding through the presence of a significant number of Directors of foreign nationality.

2.2 As such, among the Directors appointed by the General Meeting, the Board of Directors ensures that at least 50% of the Directors are independent[(1)]. To this end, the Board of Directors, based on the report of its Nomination and Corporate Governance Committee, conducts an annual review of the situation of each of its members with regard to the independence criteria defined in the AFEP-MEDEF Code.

2.3 The Board of Directors verifies that the candidates proposed for renewal or appointment meet the conditions of competence and suitability and have sufficient time to perform their duties. The Board of Directors strives to comply with all conditions laid down by the European Banking Authority (EBA) and the European Central Bank (ECB) as part of the fit and proper assessments.

2.4 The candidates, who are proposed by the Board of Directors at the General Meeting, are previously selected by the Nomination and Corporate Governance Committee and have been interviewed as necessary.

2.5 The objectives set by the Board of Directors with regard to its composition and that of the Committees are reviewed each year by the Board of Directors and the Nomination and Corporate Governance Committee based on an annual assessment, the results of which are presented in the corporate governance report.

Article 3: Skills and abilities of the members of the Board of Directors

3.1 The members of the Board of Directors shall, at all times, be of good repute and have the knowledge, skills and experience necessary to perform their dutiesand, collectively, possess the knowledge, skills and experience necessary to understand the Company's activities, including the main risks to which it is exposed.

3.2 Each Director strives to improve his/her knowledge of the Company and its sector of activity on an ongoing basis.

Article 4: Availability of the members of the Board of Directors

4.1 The members of the Board of Directors shall devote sufficient time to the performance of their functions. Directors participate actively and assiduously in meetings of the Board of Directors and of the Committees.

4.2 Employee Directors are given fifteen hours' preparation time ahead of each meeting of the Board of Directors or of the Committee in question.

4.3 Under the conditions defined by the legislation in force, Directors may hold within any legal entity only one executive directorship and two non-executive directorships or four non-executive directorships. For the purpose of this rule, directorships held within the same group are considered to be a single directorship. The ECB mayauthorise a member of the Board of Directors to hold an additional non-executive directorship.

4.4 Any Director holding an executive directorship in the Group must seek the prior approval of the Board of Directors before accepting a position as corporate officer in a company; the Director must comply with the procedure set out in Article 8 "Conflicts of interest".

4.5 The Director shall promptly inform the Chairman of any change in the number of directorships held, including his/her presence on a Committee of a Board of Directors or of a Supervisory Board, as well as any change in professional responsibility.

Said Director shall let the Board of Directors decide whether he/she should continue to serve as a Director in the event of a significant change in his/her professional responsibilities or directorships.

Said Director undertakes to resign his/her directorship when he/she considers to no longer be capable of performing his/her duties on the Board of Directors and the Committees on which he/she sits.

The Universal Registration Document reports the attendance rate of Directors at meetings of the Board of Directors and of the Committees.

4.6 The Directors shall attend the General Meetings of Shareholders.

Article 5: Ethics of the members of the Board of Directors

5.1 The Director shall familiarise himself/herself with the general and specific duties incumbent on him/her, in particular in respect of legislation and regulations, the By-laws, the recommendations of the AFEP-MEDEF Code and the Internal Rules of the Board of Directors.

5.2 The Director shall remain independent in all circumstances in respect of his/her assessments, judgments, decisions and actions. The Director shall freely express his/heropinions, which may not be shared by the majority, on the topics discussed during the course of a meeting.

5.3 The Director undertakes not to seek, accept or receive any benefit or service likely tojeopardise his/her independence.

5.4 Each member of the Board of Directors is bound by a duty of care in respect of the possession, use and, where applicable, return of the tools, documents and information that are made available to them.

(1) Societe Generale applies the AFEP-MEDEF Code rule, which does not take into account Directors elected by employees and the Director representing employee shareholders in the calculation.

5.5 Each Director must comply with the provisions of the rules on market abuse, in particular those relating to the communication and the use of insider information concerningSociete Generale shares, debt securities and derivative instruments or other financial instruments related to the Societe Generale share (hereinafter referred to as "Financial Instruments"). Each Director must also comply with these same rules governing the Financial Instruments of Societe Generale's subsidiaries or listed investments or companies on which he/she may possess inside information as a result of his/her place on the Board of Directors of Societe Generale.

5.6 Directors shall abstain from trading onSociete Generale Financial Instruments during the 30 calendar days preceding the publication of Societe Generale's quarterly, interim and annual results, as well as on the day of said publication.

They shall refrain from carrying out speculative or leveraged transactions on Societe Generale Financial instruments or those of a listed company controlled directly or indirectly by Societe Generale within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*).

They shall inform the Secretary to the Board of Directors of any difficulty they may have in complying with the above.

5.7 In accordance with regulations in force, Directors and persons closely associated with them must report the transactions carried out on Societe Generale Financial Instruments to the French Financial Markets Authority (Autorité des Marchés Financiers/AMF).

A copy of this statement is also sent to the Secretary of the Board of Directors.

5.8 The Director informs the Chairman of the Board of Directors of any criminal conviction or civil judgment, administrative or disciplinary penalty, any indictment, incrimination and/or public sanction, in particular for fraud or giving rise to a prohibition to manage or administer a company imposed on him/her, as well as of any bankruptcy, receivership or liquidation order or an order placing a company under judicial administration in which he/she has been or is likely to be associated with or of which he/she is subject. The Director shall inform the Chairman of the Board of Directors of any dismissal for professional misconduct of which he/she is subject or of any revocation of a corporate office position (*mandat social*) which he/she holds. The Director shall also inform the Chairman of any legal, administrative or disciplinary proceedings brought against said Director in the event that said proceedings would potentially undermine compliance with the statutory requirements of integrity and good repute demanded of Directors.

Article 6: Confidentiality

6.1 Each Director and any person involved in the work of the Board of Directors are bound by an absolute obligation of confidentiality with regard to the content of the discussions and deliberations of the Board of Directors and its Committees, as well as the information and documents presented or communicated to them, in any form whatsoever.

6.2 They are prohibited from communicating any information that is not made public by the Company to anyone outside the Board of Directors.

6.3 They have a duty of care and a duty to inform.

Article 7: Duty of loyalty

7.1 Each Director owes a duty of loyalty towards the Company. Under no circumstances may a Director act in his/her own interests against the interests of the Company.

7.2 This loyalty implies in absolute terms that the Director does not act against the Company in the interests of a person or entity with which he/she may be related, for example as parent, shareholder, creditor, employee, corporate officer or permanent representative.

7.3 Said loyalty implies that Directors shall act transparently with regard to the members of the Board of Directors in order to ensure that the essential principle of collegiality of this body is respected.

Article 8: Conflicts of interest

8.1 The Director shall inform the Secretary to the Board of Directors by letter or email of any conflict of interest, including a potential conflict, in which he/she may be directly or indirectly involved. They shall refrain from participating in any discussion and from taking decisions on such matters.

8.2 The Chairman is in charge of handling conflict of interest situations involving members of the Board of Directors. Where appropriate, he/she refers the matter to the Nomination and Corporate Governance Committee. Where conflicts arise that could affect him personally, he/she refers the matter to the Chairman of the Nomination and Corporate Governance Committee.

Where necessary, the Chairman may request a Director subject to a conflict of interest to refrain from attending the deliberation.

8.3 The Director shall inform, by letter or email, the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new corporate officer position, including his/her participation in a Committee in a company not belonging to a group of which he/she is Director or officer, in order to enable the Board of Directors, based on the recommendation of the Nomination and Corporate Governance Committee, to decide where appropriate that such an appointment would be inconsistent with the directorship in Societe Generale.

8.4 Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in Articles 5.8 and 8.1: (i) upon taking office, (ii) each year in response to the request made by the Secretary to the Board of Directors when preparing the Universal Registration Document, (iii) at any time upon request by the Secretary to the Board of Directors and (iv) within ten (10) working days following the occurrence of any event that renders the previous statement made by him/her inaccurate, in whole or in part.

8.5 In accordance with Article L. 511-53-1 of the French Monetary and Financial Code, Societe Generale and the entities of the Societe Generale Group keep up to date and at the disposal of the ACPR the appropriate documentation concerning all loans granted by Societe Generale or an entity of the Group to each Director and their related parties. In addition to legal provisions, where applicable, in respect of regulated agreements requiring prior authorisation from the Board of Directors in which the interested party does not take part, an internal procedure in the Group dedicated to loans granted to these persons is established and reviewed by the Nomination and Corporate Governance Committee; its effective implementation is subject to internal controls and to an information of the Board of Directors when anomalies are identified.

Article 9: The Chairman of the Board of Directors

9.1 The Chairman convenes and chairs the Board of Directors' meetings. He determines the timetable and sets the agenda of the meetings. Heorganises and manages the work of the Board of Directors and reports on its activities at the General Meeting. He chairs the General Meetings of Shareholders.

9.2 The Chairman ensures the proper functioning of the Company's bodies and the implementation of the best corporate governance practices, notably with respect to the Committees set up within the Board of Directors, which he may attend without voting rights. He may submit questions to these Committees for their consideration.

9.3 He receives any useful information to perform his missions. He is regularly informed by the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, on significant events related to the life of the Group. He may request the disclosure of any information or document that may be of interest to the Board of Directors. For the same purpose, he may hear the Statutory Auditors and, after informing the Chief Executive Officer, any Group Senior Manager.

9.4 He may ask the Chief Executive Officer or any manager, and in particular the heads of the control functions, for any information likely to be of interest to the Board of Directors and its Committees in the performance of their mission.

9.5 He may hear the Statutory Auditors with a view to preparing the work of the Board of Directors.

9.6 He ensures that the Directors are in a position to fulfil their mission and ensures that they are properly informed.

9.7 He alone is authorised to speak on behalf of the Board of Directors, except in exceptional circumstances or when a specific role is entrusted to another Director.

9.8 He makes his best efforts to promote in all circumstances the values and the image of the Company. In consultation with General Management, he may represent the Group in its high-level relationships, in particular with large clients, regulators, major shareholders and public authorities, both domestically and internationally.

9.9 He is provided with the material resources necessary to perform his missions.

9.10 The Chairman has no executive responsibilities as said responsibilities are borne by General Management, which proposes and applies the Company's strategy within the limits defined by law and in compliance with the corporate governance rules and orientations set by the Board of Directors.

Article 10: The Secretary of the Board of Directors

10.1 Pursuant to Article 11 of the By-laws, the secretariat function of the Board of Directors shall be carried out by a member of management appointed by the Chairman as Secretary to the Board of Directors.

10.2 In the absence of the Secretary to the Board of Directors, the Chairman shall appoint a member of the Board of Directors or a third party to replace him.

10.3 The Secretary to the Board of Directors assists the Chairman in the performance of his missions, in particular the organisation of the work of the Board of Directors, planning the timetable and setting the agenda of the meetings of the Board of Directors.

10.4 The Secretary of the Board of Directors:

- ensures compliance with the procedures relating to the functioning of the Board of Directors,
- ensures with the assistance of General Management, that the files submitted to the Board of Directors are of good quality and are sent to the latter in a timely manner,
- is responsible for dispatching the work files sent to the Directors and ensures that they are complete and sent within the appropriate time frame in accordance with Article 11 of the Internal Rules,
- is responsible for the secure IT platform made available to the Directors,
- attends meetings, executive sessions and seminars of the Board of Directors,
- ensures the keeping of an attendance register, which is signed by the Directors participating in the meeting of the Board of Directors and which mentions the names of the Directors deemed present pursuant to Article 11 of the Internal Rules,
- is authorised to issue and certify as true copies or extracts of minutes,
- keeps the document on the status of requests made by the Board of Directors up to date;

10.5 The Secretary to the Board of Directors shall organise, in accordance with the guidelines of the Nomination and Corporate Governance Committee, the annual assessment of the work performed by the Board of Directors.

10.6 The Secretary to the Board of Directors shall organise, in conjunction with the Chairman, the preparation of the Annual General Meeting of Shareholders with the assistance of the General Secretariat.

10.7 He is at the disposal of the Directors for any request for information concerning their rights and duties, the functioning of the Board of Directors and the everyday operations of the Company.

10.8 The Secretary to the Board of Directors relies on the General Secretariat to perform his duties, notably in respect of the following matters:

- reviewing the legal and regulatory duties of the Board of Directors,
- gathering the necessary information related to corporate officers required by French or foreign regulations and the implementation of the corresponding procedures,
- calculating and paying Directors' compensation, and filling in the Single Tax Declarations Forms (*Imprimé Fiscal Unique/IFU).*

10.9 Secretarial services for each Committee are provided, under the supervision of the Chairman of each of the Committees, by the Secretary to the Board of Directors or a person designated by the latter.

Article 11: Meetings of the Board of Directors

11.1 Timetable, agenda, duration.

a) The Board of Directors meets as often as required by the corporate interest and at least eight times a year.

b) Except in exceptional circumstances, the planned dates of meetings are set no later than twelve months before the start of the year.

c) The planned agenda of the meetings of the Board of Directors for the year shall be set no later than 1 January.

d) The agenda of each meeting and the time devoted to each item are subject to prior approval by the Chairman.

e) In order to determine the agenda, priority is given to topics requiring a decision by the Board of Directors, in particular strategic points and risk management. The Chairman ensures that topics of informational purposes only are addressed either during seminars or during training sessions, where possible.

f) In order to determine the agenda, priority is given to topics requiring a decision by the Board of Directors, in particular strategic points and risk management. The Chairman ensures that topics of informational purposes only are addressed either during seminars or during training sessions, where possible.

11.2 Quorum.

a) In accordance with Article 11 of the By-laws, Board of Directors' decisions shall in all cases only be deemed valid where at least half of the members are present.

b) Directors who participate in a meeting of the Board of Directors by means of video conference or telecommunication facilities that enable their identification and guarantee their effective participation shall be deemed present for the purposes of calculating the quorum and the majority. To this end, the means chosen shall transmit at least the voice of the participants and comply with technical characteristics enabling the continuous and simultaneous transmission of deliberations.

This provision does not apply when a meeting of the Board of Directors is convened to carry out the preparation and closing of the annual accounts and annual consolidated accounts and draft the Management Report unless, after the last date on which these Internal Rules were amended, new legal provisions enter into force authorising in these cases participation in meetings of the Board of Directors by video conference or telecommunication means.

A Director who participates in a meeting by way of video conference or telecommunication facilities shall ensure that the deliberations remain confidential.

c) In accordance with the By-laws, every Director may give his/her proxy to another Director, but a Director may act as proxy for only one other Director and a proxy can only be given for one specific meeting of the Board of Directors.

11.3 Notification of Board meetings.

The persons authorised to issue a convening notice of a Board of Directors' meeting are defined in Article 10 of the By-laws.

Convening notices, which may be sent by the Secretary to the Board of Directors, are sent by letter, email or by any other means, including verbally.

The representative of the Central Social and Economic Committee attends the meetings of the Board of Directors under the conditions provided for by the regulations.

By decision of the Chairman, the Deputy Chief Executive Officers or other Group Senior Managers or, where relevant, external persons whose attendance is useful to the deliberations, may attend any or part of the meetings of the Board of Directors. These persons are subject to the same rules of ethics, confidentiality, loyalty and professional conduct (*déontologie*) as the Directors.

11.4 Preparation of the Board of Directors' files.

The files, which have been previously validated by General Management pursuant to the conditions laid down by the latter, are, except in an emergency, sent by the Secretary to the Board of Directors no later than seven calendar days before the meeting of the Board of Directors.

The files sent to the Board of Directors contain:

i. an indication specifying whether the file is sent for the purposes of debate, guidance or decision,

ii. the name of the member of General Management who validated it and the BU/SU in charge of drafting the document,

iii. where applicable, the legal or regulatory references justifying the meeting of the Board of Directors;

iv. a summary,

v. an indication specifying which points require the specific attention of the Board of Directors,

vi. information on the social and environmental issues to be taken into consideration by the Board of Directors, where applicable,

vii. the text of the draft decision of the Board of Directors, where applicable,

viii. relevant supporting documents provided as attachments.

A file template is available from the Secretary of the Board of Directors.

When a topic requires a formal opinion from the risk, compliance or audit function, said opinion must be the subject of a separate memorandum that is added as an attachment to the file. When preparing for the meeting, the Chairman of the Board of Directors may hear the heads of the control functions.

11.5 Holding of meetings.

In accordance with Article 11 of the By-laws, board meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director designated for this purpose at the beginning of the meeting.

At the beginning of the meeting, the Chairman of the meeting:

- mentions, where applicable, the name of the Director in charge of introducing a matter listed on the agenda,
- systematically indicates the nature of the conclusion after each item on the agenda is considered (for debate, guidance, or decision), and
- in the event of a request for approval by the Board of Directors, indicates whether a formal vote is required.

For each item on the agenda, the Chairman allows each Director sufficient time to express his/her opinion in accordance with the time allotted in the agenda.

In accordance with Article 11 of the By-laws, resolutions are adopted by a majority vote of the Directors present or represented. In the event of a tied vote, the Chairman holds the casting vote.

11.6 Minutes.

Each of the deliberations of the Board of Directors is reported in minutes drawn up by the Secretary to the Board of Directors. The minutes include a summary of the discussions and deliberations. They mention the questions raised or the reservations expressed by the participants, grouping them together by theme if possible. They specify the orientations or decisions adopted by the Board of Directors.

Each set of minutes of the Board of Directors is approved at a subsequent meeting of the Board of Directors.

The minutes are later transcribed in a special register pursuant to legislation in force.

11.7 Statement of requests from the Board of Directors.

When the Board of Directors makes requests, they are formalised in a document that contains an expected response date and, where applicable, the BU(s) or SU(s) concerned by each request.

This document is regularly updated and sent to the Board of Directors at each of its meetings.

It compiles the previous requests that have not yet received a response and mentions the requests that have received a response, indicating the date of said response.

Article 12: Executive session

The Directors meet at least twice a year to conduct an executive session, with the exception of Chief Executive Officers and Directors who have employee status.

The Chairman assesses whether the Chief Executive Officer can be requested to participate in all or part of an executive session, in view of the topic(s) addressed.

It is also the Chairman's role to assess, in view of the topics addressed, whether Directors with employee status may be convened to an executive session for all or part of this session, notably if the performances of the Chairman of the Board of Directors and the Chief Executive Officers are being assessed at this meeting.

This meeting is convened and chaired by the Chairman of the Board of Directors if he has the status of independent Director, failing which it is convened and chaired by the lead Director.

The meeting includes an agenda decided by the Chairman, who allows time to address various matters raised at the Directors' initiative.

Article 13: Seminar

13.1 The Board of Directors meets at least once a year during a seminar to conduct working sessions which may be held either on the Company premises or outside such premises. In addition to the members of the Board of Directors, the General Management, the Head of Strategy and the Chief Financial Officer participate in the seminar. The heads of the BUs and SUs attend, where appropriate.

13.2 The purpose of the seminar is notably to review the banking environment, the Group's main businesses and its competitive environment. Where applicable, a summary of the orientations focuses is drawn up and submitted for approval at the next Board meeting.

Article 14: Information provided to the Board of Directors

14.1 Resources.

The Chairman or the Chief Executive Officer shall provide each Director and non-voting Director with all the information and documents necessary for the performance of their duties; each Director is provided with computer equipment to facilitate access to them. All protective measures deemed necessary are taken to preserve the confidentiality, integrity and availability of information, and each member of the Board of Directors or any person who has received the documentation is responsible not only for the ressources and materials thus made available to them but also for their access.

14.2 Information received.

Effective Senior Managers shall inform the Board of Directors of all significant risks, risk management policies and changes made to them.

Meetings of the Board of Directors and the Committees are preceded by the online publication or availability in a timely manner of a file on the agenda items that require special analysis and prior thought whenever confidentiality considerations so permit.

Between meetings, Directors also receive all useful information, including critical information, about events or transactions significant for the Company. Notably, they receive press releases issued by the Company.

14.3 Information requested.

In order to contribute effectively to the meetings of the Board of Directors and to enable the latter to make an informed decision, each Director may request the Chairman or the Chief Executive Officer to supply all documents and information necessary for the performance of their missions when said documents and information are pertinent to decision-making and related to the powers of the Board of Directors.

Requests are sent to the Chairman, who directly relays them either to the Chief Executive Officer or through the Secretary to the Board of Directors.

When the Chief Executive Officer considers it preferable for confidentiality reasons, the said documents made available to the Director and to any person attending the meetings of the Board of Directors are consulted in the presence of the Secretary to the Board of Directors or of the relevant Group employee.

Article 15: Training of Directors

15.1 Training of all Directors.

The Company devotes the necessary human and financial resources to the training of the Directors, particularly in the banking and financial fields. Annual training is provided by the Company during which the members of the Board of Directors meet the managers who deal with the topics presented. The seminars mentioned in Article 13 are also an opportunity to supplement the Directors' training, particularly on subjects relating to changes in the environment of the Group's activity.

Two types of training are held each year:

- training related to the specifics of the bank's businesses, the regulations applicable to them (banking, prudential and financial), and
- training relating to risks, including emerging risks.

Several training sessions are held each year, with a number of hours adapted to the Directors' needs and with a minimum of five two-hour sessions.

Each Director may, upon being appointed and throughout his/her term of office, receive training on areas he/she deems necessary for the performance of the corporate officer position. He/she submits his/her request to the Secretary to the Board of Directors.

These training sessions are organised by the Company or by third parties, the cost of which is borne by the Company.

15.2 Training of employee Directors.

Training enables Directors to acquire and enhance knowledge and techniques necessary to perform their corporate officer position.

It focuses on the role and functioning of the Board of Directors, the rights and duties of the Directors and their responsibilities, and the organisation and activities of the Company.

Employee Directors receive 40 hours of training per year (which includes the training time dedicated to the entire Board of Directors).

The time spent on training is deducted from actual working time and remunerated as such on the scheduled payment date.

The Secretary to the Board of Directors reports on the following matters for approval of the Board of Directors during the first half of the year of the beginning of the term of office of each of the employee Directors:

- the content of the training programme after obtaining the opinion of the employee Director, and
- the entities in charge of providing the training.

At the end of the training session, the training centre selected by the Board of Directors must issue a certificate of attendance which the employee Director must deliver to the Secretary to the Board of Directors.

Article 16: Annual assessment

The Board of Directors performs an annual review of its functioning by way of an assessment. As part of this process, an annual assessment of each of the Directors is also carried out.

This assessment is performed every three years by a specialised external consultant.

In other years, this assessment is carried out based on:

- individual interviews with the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee; and
- questionnaires prepared by the Nomination and Corporate Governance Committee.

The Board discusses the views and opinions expressed in the review. It draws conclusions from the responses given to improve the conditions under which it prepares and organises its work and that of its Committees.

The findings of the review are made public in the assessment section of the corporate governance report.

Article 17: The Committees of the Board of Directors

17.1 In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which assess the topics within their missions and submit their opinions and recommendations to the Board of Directors. The Committees do not have decision-making power apart from the Audit and Internal Control Committee in respect of : on the one hand, the selection of Statutory Auditors for the mission of certifying the accounts and the selection of the Statutory Auditors and/or an independent third-party body for the certification of sustainability information and, on the other hand, the approvals of the services other than the certification of the accounts for each of the Statutory Auditors and of the services other than the certification of sustainability information for each of the Sustainability Auditors. Each file submitted mentions the nature of the decision to be taken by the Board of Directors.

17.2 These Committees are comprised of members of the Board of Directors who do not hold an executive function within the Company and who have suitable knowledge to perform the duties within the missions of the Committee in which they participate.

17.3 The Chairman of the Nomination and Corporate Governance Committee is appointed by the Board of Directors.

The Chairpersons of the other Committees are appointed by the Board of Directors on the recommendation of the Nomination and Corporate Governance Committee.

All Committee Chairpersons are appointed from among the independent Directors.

17.4 These Committees may decide, where appropriate, to involve other Directors without voting rights in their meetings.

17.5 They have the necessary resources to carry out their missions and act under the responsibility of the Board of Directors.

17.6 In the exercise of their respective powers, they may request any relevant information, hear the Chief Executive Officer, the Deputy Chief Executive Officers and the Group's management executives and, after informing the Chairman, request the performance ofexternal technical studies, at the Company's expense. They subsequently report on the information obtained and the opinions collected.

17.7 Each Committee defines its annual workprogramme which is approved by the Chairman of the Committee. The frequency and duration of Committee meetings must be such that they enable an in-depth review and discussion of each of the topics or dashboards falling within the competence of the Committees. The agendas and the duration devoted to each topic must receive prior approval from the Chairman. The agendas systematically indicate the nature of the conclusions expected from the Board of Directors (for debate, guidance or decision);

17.8 As for meetings of the Board of Directors, the timetable and agenda of Committee meetings are set by the Chairman of the Committee by 1 January at the latest, save in exceptional circumstances, with the ability to add meetings and items to the agenda of the meetings as necessary. The minimum number of meetings for each of the Committees is specified in their respective charters.

17.9 Four standing Committees exist:

- the Audit and Internal Control Committee,
- the Risk Committee,
- the Compensation Committee,
- the Nomination and Corporate Governance Committee.

The Risk Committee also sits as the US Risk Committee. A dedicated charter appended to these Internal Rules defines its purpose, composition, organisation and operation. The Chairman of the Risk Committee reports on its work to the Board of Directors, which validates it.

17.10 By decision of the Chairpersons of the Committees concerned, joint meetings between the Committees may beorganised on topics of common interest. These meetings are co-chaired by the Committee Chairpersons.

17.11 The Board may create one or more *ad hoc* Committees.

17.12 The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their missions for Group companies on a consolidated or sub-consolidated basis.

17.13 The secretarial services of each Committee are provided by the Secretary to the Board of Directors or a person appointed by the Secretary to the Board of Directors.

The Secretary of the Committee shall prepare the minutes of the meetings, which are filed in the archives specific to each Committee.

17.14 The Chairman of each Committee drafts a detailed report for the Board of Directors, stating the topics examined by the Committee, the questions discussed, and the recommendations made for the purposes of the decisions of the Board of Directors. A written record on the Committees' work is made available to the members of the Board of Directors.

Each Committee shall submit its opinion to the Board of Directors on the part of the Universal Registration Document dealing with the issues falling within its scope of activity and prepare an annual Activity Report for the Board of Directors' approval, to be inserted in the Universal Registration Document.

17.15 The missions, composition,organisation and functioning of each Committee are defined by a dedicated charter. These charters are appended hereto. The topics that may be dealt with jointly by the Risk Committee and the Audit and Internal Control Committee are indicated by an asterisk (*).

Article 18: Directors' compensation

18.1 The global amount of the Directors' compensation is set by the General Meeting. The Board of Directors may decide to only partially allocate it. It may decide to allocate a budget for specific missions or temporary workload increases for some members of the Board of Directors or of the Committees.

18.2 The Chairman and the Chief Executive Officer, when he/she is also a Director do not receive this compensation.

18.3 The amount of allocated compensation is reduced by a sum equal to EUR 160,000 to be distributed between the members of the Risk Committee and the Chairman of the Audit and Internal Control Committee sitting as the US Risk Committee. This amount is distributed in equal portions, except for the Chairman of the Risk Committee, who receives two portions.

The balance is then reduced by a lump sum of EUR 130,000 which is distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

18.4 The balance is divided into two portions: 50% fixed and 50% variable. The number of fixed portions per Director is 6. Additional fixed units are allocated as follows:

- the Chairman of the Audit and Internal Control Committee or of the Risk Committee: 4 portions,
- the Chairman of the Nomination and Corporate Governance Committee or of the Compensation Committee: 3 portions,
- member of the Nomination and Corporate Governance Committee or of the Compensation Committee: 0.5 portions,
- member of the Audit and Internal Control Committee or of the Risk Committee: 1 portion.

Fixed portions may be reduced in proportion to actual attendance when the attendance rate over the year falls below 80%.

18.5 The variable portion of the compensation is divided at the end of the year in proportion to the number of meetings or working meetings of the Board of Directors and of each of the Committees attended by each Director.

Executive sessions, work seminars and training sessions are not counted as meetings of the Board of Directors and do not give rise to any specific compensation.

Article 19: Personally-owned shares

Each Director appointed by the General Meeting (whether in his/her own name or as a permanent representative of a legal entity) must hold at least 2,000 Societe Generale shares. Each Director has a six month timeframe to hold the 600 shares provided for by the By-laws, followed by an additional six month timeframe to increase his/her holding to at least 1,000 shares. Later, the number of shares held by each Director must rise to 2,000 before the end of the month of February of the year his/her term of office expires. The Director representing employee shareholders appointed pursuant to Article L. 225-23 of the French Commercial Code is not bound by the terms of the present paragraph. In the event that a Director is co-opted, the duty to acquire 600 and subsequently 1,000 shares applies from the starting date of the co-optation without, however, this holding having to be increased to 2,000 shares at the date of the General Meeting of Shareholders convened to ratify said Director's appointment.

The Board of Directors sets a minimum number of shares that the Chief Executive Officers must hold in registered form until the end of their functions. This decision shall be reviewed at least each time their term of office is renewed. Until this shareholding objective is achieved, the Chief Executive Officers use for this purpose a portion of the exercise of options or performance share awards as determined by the Board of Directors. This information is included in the corporate governance report.

Each corporate officer is prohibited from hedging his/her shares.

Article 20: Directors' expenses

20.1 Directors' travel, accommodation, meals and mission expenses pertaining to the meetings of the Board of Directors, the Committees of the Board of Directors, the General Meeting of Shareholders or any other meetings related to the work of the Board of Directors or the Committees, are borne or reimbursed by Societe Generale upon delivery of receipts.

At least once a year, the Nomination and Corporate Governance Committee reviews the statement of Directors' expenses in respect of the previous year and issues proposals or recommendations where necessary.

20.2 Regarding the Chairman's expenses, the Company also bears the cost of expenses necessary for the performance of his/her tasks.

20.3 The Secretary to the Board of Directors receives and verifies the relevant supporting documents and ensures that the amounts due are paid for or reimbursed.

Article 21: Non-voting Director

The non-voting Director attends meetings, executive sessions and seminars of the Board of Directors and may participate in the meetings of the specialised Committees in an advisory capacity.

One of his tasks is to assist the Board of Directors on social and environmental responsibility and, more specifically, on energy transition. In addition to his role in defining strategy in this area, he assists all Committee meetings dealing with social and environmental responsibility topics.

He is subject to the same rules of ethics, confidentiality, conflicts of interest and professional conduct (*déontologie*) as the Directors.

The compensation of the non-voting Director is set by the Board of Directors upon the proposal from the Compensation Committee. It is equal to the average compensation paid to Directors pursuant to Article 18 of the Internal Rules after deducting the amount allocated under the US Risk Committee and with the exception of the compensation paid to Committee Chairpersons. Said compensation takes into account his attendance. His expenses may be reimbursed under the same conditions as those applying to the Directors.

LIST OF APPENDICES TO THE INTERNAL RULES OF THE BOARD OF DIRECTORS OF SOCIETE GENERALE

APPENDIX 1 CHARTER OF THE AUDIT AND INTERNAL CONTROL COMMITTEE OF SOCIETE GENERALE

ARTICLE 1 Content of the charter

The present charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this charter is governed by the Internal Rules, and the terms used are defined in the Internal Rules.

The topics that may be addressed jointly by the Audit and Internal Control Committee and the Risk Committee are indicated by an asterisk (*) in each of the charters.

ARTICLE 2 Role

Without prejudice to the detailed list of missions referred to in Article 5, the Audit and Internal Control Committee's mission is to monitor questions concerning the preparation and control of accounting, financial and sustainability information, as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems. It conducts the procedure for selecting the Statutory Auditors for the certification of the accounts and the selection of the Statutory Auditors and/or an independent third-party body for the certification of sustainability information. It approves the services provided by the Statutory Auditors other than the certification of the accounts and the services provided by the Statutory Auditors and/or independent third-party bodies other than the certification of sustainability information.

ARTICLE 3 Composition

The Audit and Internal Control Committee is comprised of at least four Directors who are appointed by the Board of Directors and who have appropriate financial, accounting, statutory audit or extra-financial expertise. At least two-thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

The heads of the control functions (risk, compliance, audit), the Chief Financial Officer and the Secretary General are present at all meetings, unless otherwise decided by the Chairman of the Committee.

The Statutory Auditors are invited to the meetings of the Audit and Internal Control Committee unless the Committee decides otherwise. They may also be consulted outside meetings and without the Chief Executive Officers and any employee of the Company being present.

Before the Committee reviews the closed financial statements, it meets the Statutory Auditors, without the Chief Executive Officers and any employee of the Company being present.

The relevant Chief Executive Officer in charge of supervising internal control is present at the meeting of the Committee when it examines the report on internal control.

From time to time, the Chief Executive Officers may also assist the work of the Committee at its request.

ARTICLE 4 Meetings

The Audit and Internal Control Committee meets as often as required by the corporate interest and at least four times a year.

ARTICLE 5 Missions

It is notably responsible for:

a) ensuring the monitoring of the process for the production of financial and extra-financial information in respect of social and environmental responsibility, notably inreviewing the quality and reliability of existing systems, making proposals for their improvement and ensuring that corrective actions have been implemented in the event of a malfunction in the process; where appropriate, it makes recommendations to ensure their integrity;

b) analysing the draft accounts to be submitted to the Board of Directors in order to, in particular, verify the clarity of the information provided and assess the relevance of the accounting methods adopted for drawing up the annual accounts and annual consolidated accounts; it examines the scope of the consolidated companies and, where applicable, the reasons why companies would not be included therein; it also examines the implementation procedures adopted for the application of the main accounting standards applicable to the Group, particularly with regard to the provisioning rules*;

c) submitting to the Board of Directors its opinion on these financial statements and the corresponding financial communication, after having heard the opinion of the Statutory Auditors;

d) reporting regularly to the Board of Directors on the performance of its missions. It also reports on the results of the missions of certifying the accounts and the sustainability information as well as on the way these missions have contributed to the integrity of the financial and sustainability information and the role it has played in these processes. It informs without delay the Board of Directors of any difficulty encountered;

e) conducting the procedure for selecting the Statutory Auditors for the mission of certifying the accounts and the procedure for selecting the Statutory Auditors and/or an independent third-party body for the certification of sustainability information. For each of these selection procedures, it makes a recommendation to the Board of Directors. This recommendation is then brought to the attention of the General Meeting of Shareholders called to approve, on the proposal of the Board of Directors, on their engagement or the renewal of their engagement, as well as their compensation;

f) ensuring the independence of the Statutory Auditors and, as the case may be, the independent third-party body, in accordance with the regulations in force;

g) approving the services other than the certification of the accounts provided by each of the Statutory Auditors of Societe Generale and by the members of the network to which they belong, as well as the services other than the certification of sustainability information provided by each of the Statutory Auditors and/or the independent third-party bodies and by the members of the network to which they belong for the benefit of all Societe Generale Group entities after analysing the risks to the independence of the Statutory Auditor and/or the independent third-party body concerned and the safeguard measures applied by the latter. In the particular event where local legislation requires approval by the audit committee of a local Public Interest Entity ("PIE") and that said PIE has at least one Statutory Auditor and/or one independent third-party body that is identical to those of Societe Generale, its committee shall only approve services other than the certification of the accounts services and/or services other than the certification of sustainability information provided to this entity and to its subsidiaries. In this particular event, in respect of services other than the certification of the accounts and/or services other than the certification of sustainability information provided to the other companies in the Group, the Audit Committee of the local entity shall receive only a brief summary of the engagements approved by the Audit Committee and of the Internal Control division of Societe Generale;

h) reviewing the work program of the Statutory Auditors and, more generally, monitoring the control of statutory audit missions and the certification of sustainability information by the Statutory Auditors in accordance with regulation in force;

i) taking into account of the findings and conclusions of the High Audit Authority following the controls carried out ;

j) ensuring the monitoring of the effectiveness of internal control and audit systems, in particular with regard to procedures for the preparation and processing of accounting, financial and sustainability information. To this end, the Committee notably:

- reviews the Group's permanent control quarterly dashboard,
- reviews the internal control and risk control management of the business divisions, departments and main subsidiaries,
- reviews the Group's annual and multi-year periodic control programmes, as well as their modifications, prior to their approval by the Board of Directors,
- monitors the implementation of the audit plan for the year and is systematically informed in the event of a delay in or a postponement of the missions,
- provides its opinion on the organisation and functioning of the internal control departments*,
- reviews the follow-up letters from the banking and financial market supervisors, and issues an opinion on draft replies to these letters*;

k) familiarises itself with the reports drafted to comply with regulations on internal control and, in particular, the audit reports;

l) prepares discussions of the Board of Directors in respect of anti-money laundering and the financing of terrorism (AML-FT), when the Board of Directors:

- reviews the policy, mechanisms and procedures, and their effectiveness*,
- is informed, at least once a year, of the activity and results of the internal controls for AML-FT, for incidents and deficiencies, and the corrective measures taken,
- approves the annual report on the internal control of AML-FT systems;

m) reviews the "whistleblower" system put in place and developments in the system;

n) reviews compliance incidents, as well as the corresponding action plans;

o) reviews the system put in place to prevent and detect corruption and influence peddling.It receives all necessary information for this purpose;

p) providing its opinion to the Board of Directors prior to the appointment and dismissal of the Head of Inspection and Audit and the Head of Compliance.

The Audit and Internal Control Committee or its Chairman hears the Directors in charge of the internal control functions (risk, compliance, audit), as well as the Chief Financial Officer, potentially at their request and, where necessary, the managers responsible for the preparation of the accounts, internal control, risk control, compliance control and periodic control; each quarter, prior to the session in which it reviews the report of the Head of Inspection and Audit, the Committee hears him in a meeting without any other company executive being present.

The Audit and Internal Control Committee delivers its opinion to General Management on the objectives and assessment of the heads of risk control, compliance control and periodic control.

The Audit and Internal Control Committee annually reviews matters related to:

- client protection;
- market integrity;
- the implementation of obligations arising out of the GDPR (General Data Protection Regulation);
- the Group's tax policy and management*.

The Audit Committee ensures annual follow-up of disposals and acquisitions. It receives a *post-mortem* appraisal of the most significant transactions.

At each meeting of the Board of Directors subsequent to the holding of an Audit Committee meeting, the Chairman of the Committee produces a detailed report reiterating the topics examined, the questions discussed, and the recommendations that it makes for the purpose of the Board of Directors' decisions.

APPENDIX 2 CHARTER OF THE RISK COMMITTEE OF SOCIETE GENERALE

ARTICLE 1 Content of the charter

The present charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this charter is governed by the Internal Rules, and the terms used are defined in the Internal Rules. The type of risks falling within the scope of the Committee's competence is that mentioned in the Group's Risk Appetite Statement.

The topics that may be dealt with jointly by the Risk Committee and the Audit and Internal Control Committee are indicated by an asterisk (*) in each of the charters.

ARTICLE 2 Role

The Risk Committee prepares the Board of Directors' work on the Group's global strategy and appetite for risks of all kinds(1), both current and future, and assists it when the controls reveal difficulties in their implementation.

ARTICLE 3 Composition

The Risk Committee is composed of at least four Directors who are appointed by the Board of Directors and who have knowledge, skills and expertise with respect to risks. At least two-thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

The heads of the control functions (risk, compliance, audit), the Chief Financial Officer and the Secretary General are present at all meetings, unless otherwise decided by the Chairman of the Committee.

The Chief Executive Officer in charge of supervising the control functions is present at the Committee's meetings when it reviews the evaluation of these functions. From time to time he may also participate in the Committee's work when requested by the Committee.

The Statutory Auditors are invited to the meetings of the Risk Committee unless the Committee decides otherwise. They may also be consulted outside these meetings.

ARTICLE 4 Meetings

The Risk Committee meets as often as required by the corporate interest and at least four times a year.

ARTICLE 5 Missions

It is notably responsible for:

a) assisting the Board of Directors in determining the global risk strategy and appetite for risks of all types. It assists the Board of Directors and prepares the discussions in respect of the annual approval of the Group Risk Appetite Statement, and of the Group Risk Appetite Framework. It is regularly informed of developments in the risk context, notably to enable it to provide information to the Board of Directors. It examines and prepares the discussions of the Board of Directors, which approves the risk limits and in particular market risk limits;

b) performing a regular review of the strategies, policies, procedures and systems used to detect, manage and monitor risks of all types(2) and reports its findings to the Board of Directors*;

c) reviewing the risk control procedures and is consulted in order to set global risk limits;

d) analysing the results of the annual risk, compliance and audit function review assessments. On this occasion, it is informed of significant changes to the control functions organisations and, on an annual basis, to their budgets and resources. When assessing the audit function*, it relies on information received from the Audit and Internal Control Committee;

e) issuing an opinion on the Group's overall policy and level of provisioning, as well as on specific provisions of a significant amount*;

f) reviewing the reports prepared to comply with banking regulations on risks;

g) reviewing the policy concerning risk control and the monitoring of off-balance sheet commitments, especially in light of memoranda prepared to this end by the Finance Division, the Risk Division and the Statutory Auditors*;

h) reviewing, as part of its mission, whether the prices for the products and services mentioned in Books II and III of the French Monetary and Financial Code and offered to clients are consistent with the Company's risk strategy. When these prices do not correctly reflect the risks, it informs the Board of Directors accordingly and provides its opinion on the remedial action plan;

i) without prejudice to the Compensation Committee's missions, it reviews whether the incentives provided for by the compensation policy and practices are consistent with the Company's situation and strategic objectives in respect of its risk exposure, its capital and its liquidity, and in respect of the probability and phasing of the expected benefits;

j) reviewing the risksrelated to strategic orientations in terms of social and environmental responsibility, including climate-related risks. The Risk Committee also examines the risks related social and environmental responsibility at least once every quarter, together with climate stress test results;

k) reviewing Culture & Conduct indicators;

(1) The typology of risks is mentioned in the Group Risk Appetite Statement.
(2) The typology of risks falling within the scope of the Committee's competence appears in the chapter of the Universal Registration Document on risks.

l) reviewing the enterprise risk management of the Company's operations in the United States in accordance with the requirements of the US Federal Reserve's Enhanced Prudential Standard Rules and supervisory guidelines. When sitting as the US Risk Committee, the Risk Committee operates under a dedicated charter which forms part of and supplements this section. The Chairman of the Risk Committee reports on the work performed by the US Risk Committee to the Board of Directors, which validates it;

m) reviewing, at least every six months, the risks related to financial security, the anti-money laundering and financing of terrorism policy referred to in Article L. 561-4-1 of the French Monetary and Financial Code, the systems and procedures put in place to comply with the provisions of Book II of Article L. 561-36-1 of the same code and the remedial measures necessary to correct significant incidents and deficiencies in the fight against money laundering and the financing of terrorism, and the freezing of assets and the prohibition on making available or using funds or economic resources, and to ensure their effectiveness*;

n) reviewing the documents and preparing the discussions and decisions of the Board of Directors on the ICAAP (internal capital adequacy assessment process) and the ILAAP (internal liquidity adequacy assessment process);

o) regularly reviewing risk dashboards of all types, including reputation risk and compliance risk. It also reviews the dashboards on operations. It receives all the information provided for by the regulations or the Risk Appetite Framework on breaches of limits and remedial measures;

p) reviewing the follow-up of the recommendations of supervisors in its area of competence;

q) reviewing the business continuity and operational resilience plans;

r) reviewing the preventive recovery plan communicated to the ECB and deliberating on any similar plan requested by other authorities;

s) reviewing the elements necessary to establish the resolution plan communicated to the competent supervisory authorities;

t) reviewing the risks related to the information system security policy, including cyber security, IT strategy and outsourced activities;

u) reviewing significant incidents that may affect the Bank with regard to the risks arising from the mapping and associated with reputation, compliance, operations and regulatory projects. In particular, it reviews environmental risks or risk related to the implementation of strategic orientations by the Group in respect of social and environmental responsibility, data quality notably in respect of the BCBS 239, and dispute management;

v) issuing an opinion to the Compensation Committee in which the risks in the compensation procedure for regulated persons (market professionals and others) areanalysed;

w) regularly reviewing the important points raised at the new product Committees;

x) issuing its opinion to the Board of Directors prior to the appointment and dismissal of the Chief Risk Officer.

The Risk Committee or its Chairman hears the heads of the internal control functions (risk, compliance, audit) as well as the Chief Financial Officer and, where necessary, the managers responsible for preparing the accounts, the internal control, risk control, compliance control and periodic control.

The Committee is kept informed by General Management of the appointment of the managers of the second-level internal control and periodic control.

APPENDIX 3 CHARTER OF THE COMPENSATION COMMITTEE OF SOCIETE GENERALE

ARTICLE 1 Content of the charter

The present charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this charter is governed by the Internal Rules, and the terms used are defined in the Internal Rules.

ARTICLE 2 Role

The Compensation Committee prepares the decisions of the Board of Directors concerning compensation, especially those related to the compensation of the Chairman of the Board of Directors and the Chief Executive Officers, as well as of persons that have an impact on the risk and the management of risks in the Company.

ARTICLE 3 Composition

The Compensation Committee is composed of at least four Directors and includes a Director elected by the employees. At least two-thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Code[1]. Its composition enables it to assess the compensation policies and practices with regard to the management of the Company's risks, equity and liquidity.

ARTICLE 4 Meetings

The Compensation Committee meets as often as required by the corporate interest and at least four times a year.

ARTICLE 5 Missions

a) It performs an annual review of the principles of the Company's compensation policy.

b) It prepares the Board of Directors' decisions:

- without the persons concerned being present, regarding the compensation, allowances and benefits of any kind granted to the Chief Executive Officers, as well as the Effective Senior Managers, if they are different,
- regarding the compensation policy for regulated persons within the meaning of banking regulations whose professional activities have a significant impact on the risk profile of the Company or the Group, as well as any employee who, in view of their global income, falls within the same compensation bracket. For this purpose, it hears the Chief Risk Officer, the Head of Compliance and the Head of Inspection and Audit as part of the mission provided for in Article L. 511-74 of the French Monetary and Financial Code. As part of this process, it takes into account the opinion of the Risk Committee and refers to it in its opinion to the Board of Directors. It hears, where necessary, the Chairman of the Risk Committee.

It prepares the control by the Board of Directors of the compensation of the Chief Risk Officer, the Head of Compliance and the Head of Inspection and Audit, after receiving the opinion of the Audit and Internal Control Committee and the Risk Committee, each in respect of the matters that concern it.

It receives all information necessary to perform its mission.

It reviews the annual reports sent to the supervisory authorities.

It hears, where necessary, the General Management, the heads of Business Units and Service Units, and the heads of the control functions.

It may be assisted by the internal control services or by external experts.

In particular, the Committee:

a) recommends to the Board of Directors, in compliance with the regulations applicable to credit institutions, the principles laid down by the AFEP-MEDEF Corporate Governance Code and professional standards, the principles of the compensation policy for Chief Executive Officers, and especially the determination criteria, the structure and the amount of this compensation, including allowances and benefits in kind, personal protection or retirement insurance and compensation of any kind received from all Group companies. It makes recommendations on several social and environmental responsibility criteria, and at least one criteria dealing with the Company's climate-related targets. These criteria, which are clearly defined, must reflect the most significant social and environmental issues for the Company, the Committee monitors their implementation;

b) delivers its opinion to the Board of Directors on the recommendation made by the Nomination and Corporate Governance Committee on the global compensation payable to Directors to be voted upon at the General Meeting of Shareholders, and on the recommendation of the Nomination and Corporate Governance Committee on the allocation of this amount between each Director;

c) prepares the annual performance assessment of the Chief Executive Officers;

d) proposes to the Board of Directors the policy on performance shares;

e) prepares the decisions of the Board of Directors concerning employee savings and employee share ownership.

(1) The AFEP-MEDEF Code does not take employees into account for the calculation of the percentage of independent Directors in the Committees.

APPENDIX 4 CHARTER OF THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE OF SOCIETE GENERALE

ARTICLE 1 Content of the charter

The present charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this charter is governed by the Internal Rules, and the terms used are defined in the Internal Rules.

ARTICLE 2 Role

The Nomination and Corporate Governance Committee prepares the decisions of the Board of Directors regarding the selection of Directors, the appointment of Chief Executive Officers, succession plans, the composition of management bodies and the proper functioning of the Board of Directors, in particular the application of the governance rules described in the Internal Rules.

ARTICLE 3 Composition

It is comprised of at least four Directors. At least two-thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code. The Chief Executive Officer is involved in the Committee's work where necessary.

The Chairman of the Committee may invite the heads of the control functions, audit, risk and compliance, as well as the Head of Human Resources, to submit comments to the Committee, including without the General Management being present.

ARTICLE 4 Meetings

The Nomination and Corporate Governance Committee meets as often as required by the corporate interest and at least four times a year.

ARTICLE 5 Missions

The Nomination and Corporate Governance Committee:

a) periodically reviews, and at least once a year, the structure, size, composition and effectiveness of the Board of Directors' work in respect of the missions assigned to it and submits to the Board of Directors any recommendations relevant to performing the annual assessment of the Board of Directors and of its members. This assessment is prepared by the Committee and its Chairman reports on this to the Board of Directors. Every three years, when the assessment is performed by an external firm, the Committee makes recommendations on the selection of the firm and to ensure the smooth running of the assessment; The Nomination and Corporate Governance Committee prepares discussions of the Board of Directors to enable it to deal optimally with the social and environmental responsibility topics. Using the Directors' skills matrix, it also examines each year the Board of Directors' skills needs, including with regard to various topics relating to social and environmental responsibility. It draws the necessary conclusions on the recruitment processes in place and the training on offer;

b) periodically reviews the Board of Directors' policies concerning the selection and appointment of the Chairman and the Chief Executive Officers and makes recommendations on the matter;

c) is responsible for making proposals to the Board of Directors on the appointment of Directors, non-voting Directors (*censeurs*) and Committee members. To this end, it prepares the selection criteria to be submitted to the Board of Directors, proposes to the Board of Directors a target to be met to ensure the balanced representation of women and men on the Board of Directors and develops a policy designed to achieve this target(1);

d) in carrying out its missions, it seeks to comply with all the conditions laid down by theEBA and the ECB as part of fit and proper assessments;

e) prepares and reviews each year the succession plan for corporate officers, particularly in the event of an unforeseeable vacancy, after carrying out the appropriate studies;

f) ensures the existence of an appointment selection procedure for holders of key functions and is informed of the appointment of the Heads of Business Units or Service Units. It is provided with the succession plan and reports on this to the Board of Directors;

g) provides its opinion to the Board of Directors on the appointment and dismissal of the Chief Officers for Risks, Compliance, and Inspection and Audit, after receiving the opinion of:

- the Risk Committee regarding the Chief Risk Officer, and
- the Audit and Internal Control Committee regarding the Chief Officer for Inspection and Audit and the Chief Compliance Officer;

h) prepares the review by the Board of Directors of corporate governance questions, as well as the Board of Directors' work on matters relating to corporate culture. It recommends to the Board of Directors the presentation of the Board of Directors in the Universal Registration Document and in particular the list of independent Directors;

i) prepares the work of the Board of Directors in respect of the governance of the subsidiaries in order to ensure compliance with the general principles applicable to the Group;

j) prepares the work of the Board of Directors in the event of an amendment of the Company's By-laws or the Internal Rules of the Board of Directors;

k) It proposes to the Board of Directors the global amount of Directors' compensation to be proposed for the vote of the General Meeting of Shareholders and the allocation of this amount among each Director.

(1) The target and policy of credit institutions, in addition to the implementation procedures, are made public in accordance with Article 435 paragraph 2(c) of Regulation (EU) No. 575/2013 dated 26 June 2013.

APPENDIX 5 CHARTER OF THE US RISK COMMITTEE OF THE BOARD OF DIRECTORS OF SOCIETE GENERALE

MANDATE

The U.S. Risk Committee (**"Committee"** or the **"USRC"**) of the Societe Generale (**"SG"** or **"SG Group"**) Board of Directors (**"Board"**) is formed in accordance with the requirements of the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations (**"EPS Rules"**) as promulgated by the Board of Governors of the Federal Reserve System.(1) The Committee's mandate is to (a) review all kinds of risks, both current and future, relating to, booked in or arising from SG's business, activities, affairs and operations in the United States, including SG's subsidiaries, branches and representative offices in the United States (collectively, **"SGUS"**), (b) advise the Board on the overall strategy and the appetite regarding such risks, and (c) assist the Board when it oversees the implementation of this strategy; and (d) oversee the adequacy and effectiveness of the SGUS Internal Audit function.

For avoidance of doubt, it is the responsibility of SG and SGUS senior management to identify and assess SGUS' exposure to risk and escalate those risks, and planned mitigants, to the Committee. Although the Committee is responsible for overseeing the SGUS enterprise risk management function and challenging management on SGUS risk issues, it is not the sole body responsible for ensuring that SGUS' risk management function is carried out efficiently and effectively.

CHARTER

The USRC is formed pursuant to Article 17.9 of the Internal Rules of the SG Board of Directors, as amended from time to time (the **"Internal Rules"**), which forms the USRC and this charter forms part of and supplements the Internal Rules. Any topic not covered herein shall be governed by the Internal Rules.

MEMBERSHIP

The Committee is composed of the members of the SG Board's Risk Committee (*Comité des risques)* and the Chair of the Board's Audit and Internal Control Committee (*Comité d'audit et de contrôle interne*) unless the Board has provided an exception to one or more of such members but with the bottom line that the total number of members of the USRC may not be less than four. The Committee is chaired by the Chair of the *Comité des risques*. If the Committee Chair cannot be present at a meeting, he or she shall delegate the role to the Chair of the *Comité d'audit et de contrôle interne*.

The Committee shall meet the requirements for independent membership set out in the Internal Rules and shall at all times include at least one member who meets the independence requirements set forth in the EPS Rules.

QUORUM AND COMMITTEE DECISIONS

The presence of at least a majority of the members of the Committee shall constitute a quorum. If a quorum is present, the Committee may act through the vote of a majority of the Directors who are in attendance. Committee members may attend meetings in person, or by video conference or by telephone. Committee decisions may be taken absent a meeting by unanimous written consent.

AGENDA AND COMMITTEE MATERIALS

The Committee shall approve an annual agenda submitted to it by the SGUS Chief Executive Officer after consultation with the SGUS Chief Risk Officer and SGUS General Counsel. The agenda for each meeting is based off the approved annual agenda, with additions and modifications as relevant issues within the USRC's mandate arise each year. Materials for each meeting of the Committee are typically circulated to Committee members no less than five business days prior to meetings.

MEETING FREQUENCY

The Committee may meet as often as it determines is appropriate to carry out its responsibilities under this Charter, provided that the Committee shall meet at least once per quarter. Special meetings of the Committee may be held from time to time.

MEETING MINUTES

The SGUS General Counsel (or his or her designee) shall be the Secretary of the Committee and shall document the meetings. Minutes shall be circulated to the Committee members prior to the next meeting of the Committee and shall be approved at such subsequent meeting of the Committee. The official records of Committee meetings shall be maintained by the Secretary to the Board.

ROLES AND RESPONSIBILITIES

The mandate of the Committee, including its function of challenging management, is set forth above. The Committee's specific roles and responsibilities in fulfillment of this mandate include the following:

- regularly receiving updates from the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, other SGUS managers;
- at least annually, reviewing and approving the SGUS enterprise risk management framework including, but not limited to, the elements of the framework relating to liquidity risk management, and any material revisions thereto;
- at least annually, reviewing and approving the SGUS Risk Appetite Statement, and any material revisions thereto, and reviewing any other relevant overarching policies establishing the SGUS risk management governance and risk control infrastructure as well as the processes and systems for implementing, monitoring and reporting compliance with such policies;
- on a quarterly basis, reviewing a quarterly report from the US Chief Risk Officer on risks affecting SGUS, which risks include, but are not limited to, liquidity risk. For avoidance of doubt, no member of the SG management has the right to demand changes to or veto the contents of the quarterly risk report;
- at least annually, reviewing and approving the SGUS Liquidity Risk Policy, and any material revisions thereto;
- at least quarterly, and more frequently if needed, conducting in camera meetings with the SGUS Chief Risk Officer with no other SG Group or SGUS personnel present. In addition, the SGUS Chief Risk Officer shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;

(1) 79 Fed. Reg. 17,240 (27 March, 2014), codified at 12 C.F.R. Part 252.

- at least annually, reviewing and approving the acceptable level of liquidity risk that SG may assume in connection with the operating strategies for its combined US operations (liquidity risk tolerance), taking into account the capital structure, risk profile, complexity, activities, size and SG's enterprise-wide liquidity risk tolerance of such operations;
- at least semi-annually, reviewing information sufficient to determine whether SG's combined US operations are operating in accordance with its established liquidity risk tolerance and to ensure that such liquidity risk tolerance is consistent with SG's enterprise-wide liquidity risk tolerance;
- at least annually, reviewing SGUS significant business lines and products to determine whether each creates or has created any unanticipated liquidity risk and whether the liquidity risk of each is within the established liquidity risk tolerance;
- at least annually, reviewing and approving the SGUS contingency funding plan and any material revisions thereto;
- at least annually, reviewing the SGUS business plans, results and strategy;
- on a regular basis, reviewing progress on all SGUS remediation projects arising from prudential supervisory issues;
- at least quarterly, reviewing information about the SGUS corporate compliance framework, including metrics, updates and challenges;
- at least annually, reviewing and approving the SGUS Compliance Risk Management Program Framework and any material revisions thereto;
- serving as the ultimate oversight body over SGUS' compliance with US anti-money laundering laws, including the Bank Secrecy Act, Office of Foreign Assets Control Regulations, and applicable know-your-customer requirements and, at least annually, reviewing the SGUS framework for compliance with such regulations and requirements;
- Annually, reviewing and approving the SGUS Internal Audit function ("**SGIAA**") proposed annual audit plan, SGIAA charter and key performance indicators;
- on a regular basis, reviewing reports from SGIAA relating to: the conclusions of the audit work, including the adequacy of key SGUS risk management processes, areas of higher risk, the status of issues and recommendations, root-cause analysis, and information on significant industry and institution thematic trends;
- on a regular basis, receiving a presentation from the SGIAA Chief Audit Executive provided outside of the presence of SGUS senior management (other than the SGUS Chief Executive Officer and the SGUS General Counsel) relating to: the completion status of the annual audit plan, including any significant changes made to such plan; updates on ongoing SGIAA remediation plans, if any; and the results of SGIAA key performance indicators and internal and external quality assurance reviews;
- as and when requested by SGIAA, conducting *in camera* meetings with the SGIAA Chief Audit Executive. In addition, the SGIAA Chief Audit Executive shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;
- at least annually, reviewing SGIAA's annual Independent and Objectivity Assertion Presentation and SGIAA's annual skills assessment; assessing the ability of SGIAA to operate independently and objectively; and raising any concerns regarding SGIAA to the Group Head of Audit and the SGUS CEO; and
- at least annually, receiving information and training on a range of topics affecting SGUS. Such topics will change from time to time but will typically include anti-bribery and corruption, liquidity risk, human resources, Culture & Conduct, information technology risk management; cybersecurity, regulatory developments and litigation and enforcement developments.

Additional details on the periodicity of all the foregoing topics are set forth in the annual agenda of the Committee.

For avoidance of doubt, all SGIAA presentations referenced herein shall be made to the Committee and the SGIAA Chief Audit Executive interactions described herein shall be with the Committee. The Group Audit function shall continue to report to the *Comité d'audit et de contrôle interne* and may in its discretion include information in its reports about any matters relating to SGUS or SGIAA and its work.

Annex A contains a list of all documents scheduled for approval by the Committee on an annual basis. Other items may also be presented to the Committee for approval as needed.

AMENDMENTS TO THIS CHARTER

Amendments to this charter shall be approved by the Committee and the SG Board after prior examination by the Nomination and Corporate Governance Committee of the Board.

USE OF ADVISORS

The Committee may request select, retain and terminate special risk management, legal, financial, accounting, audit or other professional advisors to assist the Committee in performing its responsibilities under this charter at the corporation's expense, after informing the Chairman of the Board of Directors or the Board of Directors itself, and subject to reporting back to the Board thereon. Such retention shall be coordinated by the Committee Chair with the assistance of the Secretary to the Board.

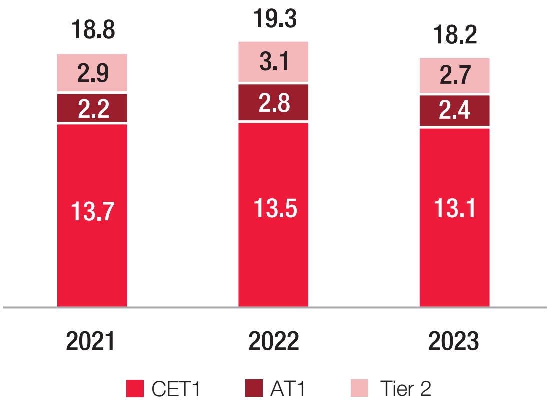
Annex A: List of Items Approved by the Committee Annually
SGUS Risk Appetite Statement
SGUS Liquidity Risk Tolerance
SGUS Enterprise Risk Management Framework
SGUS Contingency Funding Plan
SGUS Liquidity Risk Policy
Annual US Risk Committee Agenda
SGUS Compliance Risk Management Program Framework
SGIAA Charter
SGIAA Key Performance Indicators
SGIAA Annual Audit Plan

4

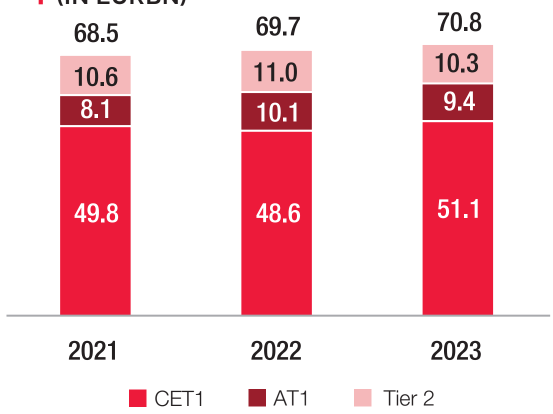
RISK AND CAPITAL ADEQUACY

KEY FIGURES

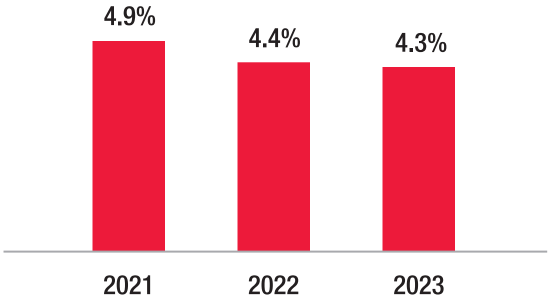
SOLVENCY RATIOS (IN %)



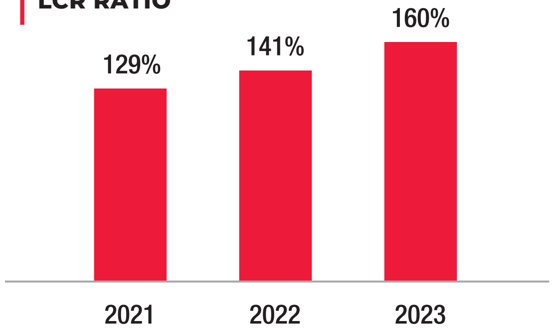
REGULATORY CAPITAL (IN EURBN)



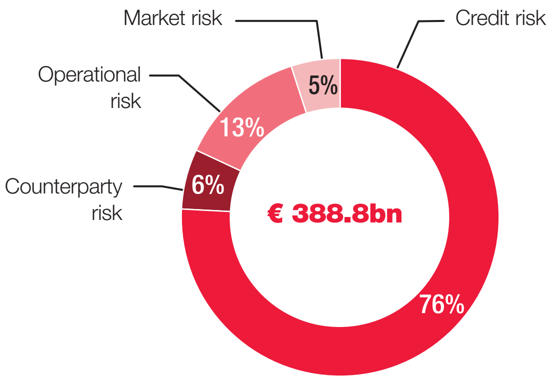
LEVERAGE RATIO



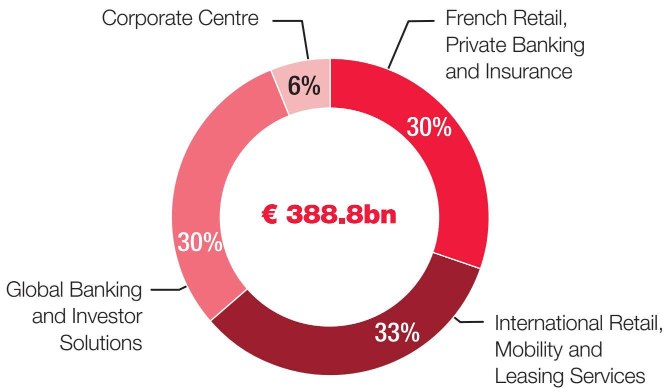
LCR RATIO



DISTRIBUTION OF RWA BY RISK TYPE (TOTAL RWA AT END 2023: EUR 388.8BN *VS.* EUR 362.4[(1)]BN AT END 2022)



DISTRIBUTION OF RWA BY CORE BUSINESS (TOTAL RWA AT END 2023: EUR 388.8BN *VS.* EUR 362.4[(1)]BN AT END 2022)



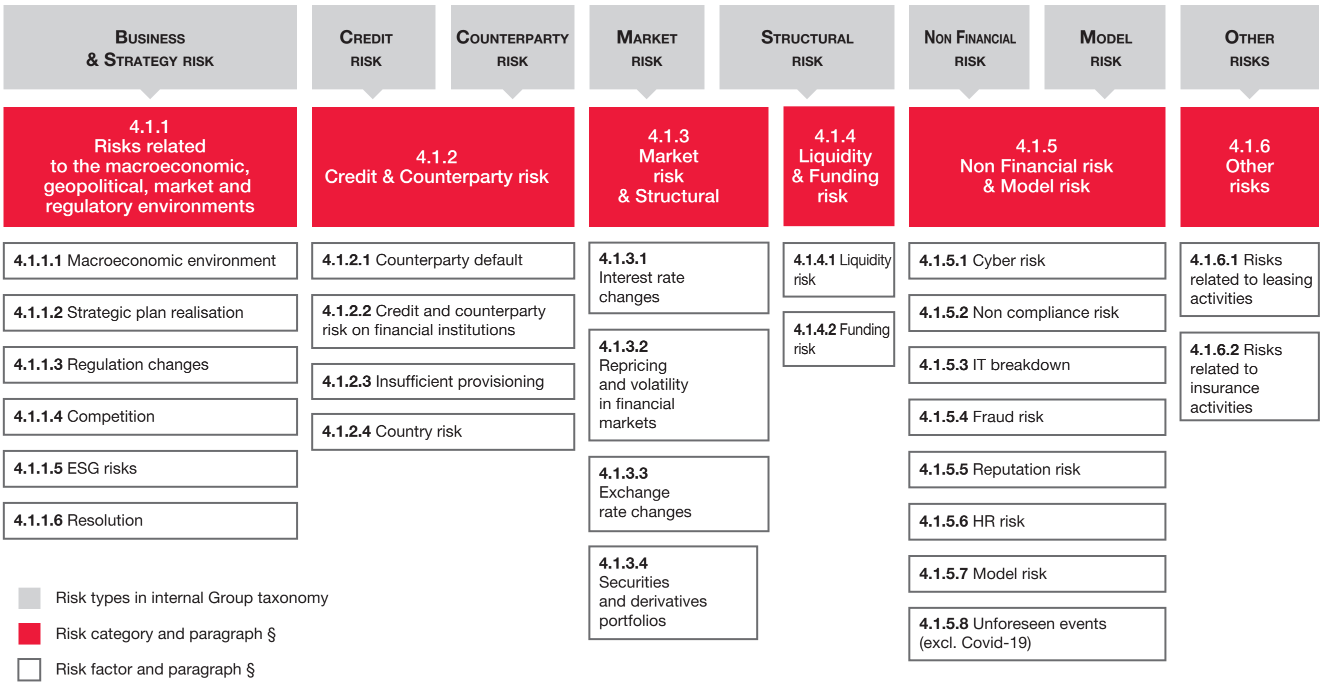
[(1)] 2022 figures are restated in compliance with IFRS 17 and IFRS 9 for insurance entities. In the rest of the chapter 4, unless otherwise mentioned, 2022 RWA figures have not been restated for.

4.1 RISK FACTORS BY CATEGORY

This section identifies the main risk factors which, based on the Group's estimates, could have a significant effect on its business, profitability, solvency or access to financing.

Societe Generale has updated its risk typology as part of its internal risk management. For the purposes of this section, these different types of 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 believes 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 illustrates how the categories of risks identified in the risk typology have been grouped into the six categories and which risk factors principally impact them.



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.

4.1.1 RISKS RELATED TO THE MACROECONOMIC, GEOPOLITICAL, MARKET AND REGULATORY ENVIRONMENTS

4.1.1.1 The global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect its activities, financial position and results.

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 40% of its business in France (in terms of net banking income for the financial year ended 31 December 2023), 38% in Europe, 8% 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 explain 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, or adverse geopolitical events (including acts of terrorism and military conflicts). In addition, the emergence of new pandemics such as Covid-19 cannot be ruled out. Such events, which can develop quickly and whose effects may not have been anticipated and hedged, could affect the Group's operating environment for short or extended periods and have a material adverse effect on its financial position, the cost of risk and its results.

The economic and financial environment is exposed to intensifying geopolitical risks. The war in Ukraine, which began in February 2022, has sparked deep tensions between Russia and Western countries, impacting global growth, energy and raw materials prices, as well as the humanitarian situation. This has also prompted a large number of countries, particularly in Europe and the United States, to impose economic and financial sanctions on Russia. The war between Israel and Hamas, which began in October 2023, could have similar impacts or contribute to existing ones and pose a risk to the flow of goods and raw materials *via* the Suez Canal. The Group will continue to analyse in real time the global impact of these crisis and take necessary measures.

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

After a long period of low interest rates, the current inflationary environment is pushing the major central banks to raise interest rates. The entire economy has had to adapt to a context of higher interest rates. In addition to the impact on the valuation of equities, interest rate-sensitive sectors such as real estate are adjusting. The US Federal Reserve and the European Central Bank (ECB) are expected to maintain tight monetary conditions before starting to loosen them from 2024 onwards, as inflation recedes according to our forecasts.

The slowdown in economic activity could generate strong 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. In France, Group's main market , after the long period of low interest rates which fostered an upturn of the housing market, the ongoing reversal of activity in this area had an adverse effect on the Group's asset value and on business by decreasing demand for loans and resulting in higher rates of non-performing loans. More generally, the higher interest rate environment in a context where public and private debts have tended to increase is an additional source of risk.

Considering the ensuing uncertainty, both in terms of duration and scale, these disruptions could persist throughout 2024 and have a significant impact on the activity and profitability of certain Group counterparties.

Recent attacks on merchant ships in the Bab-el-Mandeb strait, claimed by the Houthi movement, could also have an impact on gas and oil supplies, or on prices and delivery times.

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

With the ALD/LeasePlan merger in 2023, the automotive sector represents a major 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 generate significant risks for the Group's results and the value of its assets.

With regard to financial markets, the topic of non-equivalence of clearing houses (central counterparties, or CCPs) beyond 2025 remains a point that needs watching, with possible impacts on financial stability, notably in Europe, and therefore on the Group's business. In addition, capital markets (including foreign exchange activity) and securities trading activities in emerging markets may be more volatile than those in developed markets and may also be vulnerable to certain specific risks such as political instability and currency volatility. These elements could negatively impact the Group's activity and results.

The Group's results are therefore exposed to the economic, financial, political and geopolitical conditions of the main markets in which the Group operates.

4.1.1.2 The Group's failure to achieve the strategic and financial targets disclosed to the market could have an adverse effect on its business and its results.

During its Capital Markets Day event, the Group presented its strategic plan, which is to :

- be a rock-solid bank: streamline business portfolio, enhance stewardship of capital, improve operational efficiency, maintain best-in-class risk management;
- foster high performance sustainable businesses: excel at what SG does, lead in ESG, foster a culture of performance and accountability.

This strategic plan is reflected in the following financial targets:

- a robust CET 1 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 cost-to-income ratio lower than 60% in 2026 and ROTE of between 9% and 10% in 2026;
- a distribution rate between 40% and 50% of reported net income[(1)], applicable from 2023.

The Group is fully on track to achieving its strategic milestones:

- 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. Although this project has been designed to achieve controlled execution, the merger could have a short-term material adverse effect on the Group's business, financial position and costs. The project could lead to some staff departures, requiring their replacement and training efforts that could potentially generate additional costs. The merger could also lead to the departure of some of the Group's clients, resulting in loss of revenue;
- Mobility and Leasing Services will leverage the full integration of LeasePlan by ALD to be a world leader in the mobility ecosystem. However, 2024 will be an intermediate 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 ALD, particularly by generating additional costs, which could have a negative impact on the Group's activities and results.

The Group also announced in November 2022 the signing of a letter of intent with AllianceBernstein to combine the equity research and execution businesses in a joint venture to create a leading global franchise in these activities. This announcement was followed by the signature of an acquisition agreement in early February 2023.

The creation of the Bernstein joint venture with AllianceBernstein in cash and equity research is making good progress. The final documentation was signed on 2 November 2023, with a revised structure to accelerate completion of the transaction. At the closing date (expected in the first half of 2024), the joint venture will be organised under two separate legal entities, focusing respectively on North America and on Europe and Asia. The two entities will then be combined, subject to required regulatory approvals. This change should have no significant impact on the Group's expected net contribution. The capital impact is estimated at less than 10 basis points on the closing date. The transaction remains fully aligned with the strategic priorities of our Global Banking and Investor Solutions franchise.

Societe Generale and Brookfield Asset Management announced on 11 September 2023 a strategic partnership to originate and distribute private debt investments.

The conclusion of final agreements on these strategic transactions depends on several stakeholders and, accordingly, is subject to a degree of uncertainty (legal terms, delays in the integration process of LeasePlan or in the merger of the Crédit du Nord agencies). 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.

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 has made new commitments during the 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 with a focus on energy transition solutions and nature-based and impact-based projects supporting the UN's Sustainable Development Goals.

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

4.1.1.3 The Group is subject to an extended regulatory framework in each of the countries in which it operates. Changes to this regulatory framework could have a negative effect on the Group's businesses, financial position and costs, as well as on the financial and economic environment in which it operates.

The Group is governed by the laws of the jurisdictions in which it operates. This includes French, European and US legislation as well as other local laws in light of the Group's cross-border activities, among other factors. The application of existing laws and the implementation of future legislation require significant resources that could affect 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 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 strengthening of transparency conditions related to the implementation of the new requirements and investor protection measures (review of MiFID II/ MiFIR, IDD, ELTIF (European Long-Term Investment Fund Regulation)), (ii) the implementation of the fundamental review of the trading book, or FRTB, which may significantly increase requirements applicable to European banks and (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;

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

- the adoption of new obligations as part of the review of the EMIR regulation (EMIR 3.0); in particular, the information requirements for European financial actors towards their customers, the equity options regime and the calibration of requirements for active account funding in a European Union central counterparty;
- the implementation of technical standards (RTS) published by the European Banking Authority to clarify risk retention requirements to contribute to the development of a healthy, safe and sound securitisation market in the European Union published by the European Banking Authority on 12 April 2022;
- the implementation of the new directive on credit agreements for consumers (Directive (EU) 2023/2225, 18 October 2023), which strengthens consumer protection;
- the Retail Investment Strategy (RIS) presented by the European Commission on 24 May 2023, aimed at prioritisng 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;
- new legal and regulatory obligations could also be imposed on the Group in the future, such as the continuation in France of consumer protection measures weighing on retail banks, and the potential obligation at European level to open up access to banking data to third-party service providers;
- 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 strengthening of data quality and protection requirements and a future strengthening of cyber-resilience requirements in relation to 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). 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) expected before 18 October 2024, 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), 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);
- the implementation of the requirements of the French "Green Industry" law (*Loi Industrie verte*) (no. 2023-973 of 23 October 2023), which aims to green up existing industries;
- new obligations arising from the Basel Committee's proposed reform of banking regulations (the final text of Basel 3, also called Basel 4). This reform will be implemented in the European legislative corpus CRR (Regulation (EU) no. 575/2013) which, with a few exceptions, will become applicable on 1 January 2025, and CRD (Directive 2013/36/EU), which should be transposed into the applicable law of Member States no later than 18 months after its entry into force, *i.e.* by mid-2025;
- the European Commission's initiative, published on 18 April 2023, aiming to strengthen the framework for bank crisis management and deposit insurance (CMDI). This proposal could lead to wider use of the guarantee and resolution funds and increase the Group's contributions to the guarantee and resolution funds;
- European measures aimed at restoring banks' balance sheets, notably through active management of Non-Performing Loans (NPLs), are leading to an increase in prudential requirements and require the Group to adapt its NPL management strategy. More generally, additional measures to define a best practices framework for loan origination (see the Loan origination guidelines published by the European Banking Authority) and loan monitoring could also have an impact on the Group. This new framework should ensure that newly granted loans are of high credit quality and contribute to reducing levels of non-performing loans in the future;
- in 2023, the "Interest Rate Risk in the Banking Book" (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 Book Activities" (CSRBB) section, requiring banks to calculate and manage the impact of a change in Credit Spread on the Bank's value and revenues;
- in 2024, the following evolutions are expected:
  - calculation and supervision of the Supervisory Outlier Test (SOT) for Net Interest Income (NII); this requirement has already been implemented by the Group,
  - detailed reporting notably on IRRBB and CSRBB risks;
- new obligations arising from a package of proposed measures announced by the European Commission on 20 July 2021 aiming to strengthen the European supervisory framework around anti-money laundering and combating the financing of terrorism (AML-CFT), as well as the creation of a new European agency to combat money laundering.

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

In the US, as the implementation of the Dodd-Frank Act nears completion, the Securities and Exchange Commission (SEC) has embarked on a complete regulatory overhaul of markets that covers the equity market structure, treasury markets and derivatives markets, among others, which could lead to significant changes in the way these markets operate, the cost of market participation and the competitive landscape, among others.

Moreover, as an international bank that handles transactions with US persons, denominated in US dollars, or involving US financial institutions, the Group is subject to US 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.

4.1.1.4 Increased competition from banking and non-banking operators could have an adverse effect on the Group's business and results, both in its French domestic market and internationally.

Due to its international activity, the Group faces intense competition in the international and local markets in which it operates from banking or non-banking actors 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 industry 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 major domestic banking and financial actors, as well as new market participants (notably neo-banks and online financial services 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 fundamentally changing the relationship between consumers and financial services providers, as well as the function of traditional retail bank networks. Competition with these new actors 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 is also heightened by the emergence of non-banking actors that, in some cases, may benefit from a regulatory framework that is more flexible and in particular less demanding in terms of equity capital requirements.

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

4.1.1.5 Environmental, social and governance (ESG) risks, particularly those involving climate change, could have an impact on the Group's activities, 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 or invested assets of financial institutions. ESG risks are seen as aggravating factors to the traditional categories of risks (including credit risk, counterparty risk, market risk, non-financial risks, structural risks, business and strategy risks, other types of risk and other 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 affected 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 degradation (such as the risk of loss of biodiversity, water resources or pollution) are also 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 or workplace health and safety issues, which may trigger or aggravate reputation and credit risks for the Group.

Similarly, risks relating to governance of the Group's counterparties and stakeholders (suppliers, service providers, etc.), 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 with respect to its ability to maintain its services in geographical areas affected by extreme events (floods, 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 have an impact on the Group's business, results and reputation in the short, medium and long term.

4.1.1.6 The Group is subject to regulations relating to resolution procedures, which could have an adverse effect on its business and the value of its financial instruments.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union of 15 May 2014 (BRRD) 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 the 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 Tool**"). 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 effect on the financial system, protecting public funds by minimising the recourse to extraordinary public financial support, and protecting customers' 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 Tool 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 Tool, 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 taking any resolution action, including the implementation of the Bail-in Tool, 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 any measure under the French implementing provisions of the BRRD or any suggestion of such application to the Group could have a material adverse effect 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 condition deteriorates, the existence of the Bail-in Tool 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 the 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.

4.1.2 CREDIT AND COUNTERPARTY CREDIT RISKS

Weighted assets (RWA) in relation to credit and counterparty risks amounted to EUR 326.2 billion at 31 December 2023.

4.1.2.1 The Group is exposed to credit, counterparty and concentration risks, which may have a material adverse effect on the Group's business, results of operations and financial position.

Due to its Financing and Market activities, the Group is exposed to credit and counterparty 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 Group's efforts to limit the concentration effects of its credit portfolio exposure, it is possible that counterparty defaults could be amplified within the same economic sector or region of the world due to the interdependence of these counterparties.

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

At 31 December 2023, the Group's exposure at default (EAD, excluding counterparty risk) was EUR 1,026 billion, with the following breakdown by type of counterparty: 32% on sovereigns, 30% on corporates, 21% on retail customers and 4% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled EUR 304 billion.

Regarding counterparty risks resulting from market transactions (excluding CVA), at the end of December 2023, the exposure value (EAD) was EUR 129 billion, mainly to corporates (39%) and credit institutions and similar entities (43%) and to a lesser extent to sovereign entities (15%). Risk-weighted assets (RWA) for counterparty risk amounted to EUR 19 billion.

At 31 December 2023, the main sectors to which the Group is exposed in its corporate portfolio included financial activities (accounting for 6.8% of Group's total EAD exposure), real estate (3%), social services (2.8%), manufacturing (2.3%), the agriculture sector and agri-food industries (2.2%) and telecommunications, media and technology (2.0%).

In terms of geographical concentration, the five main countries to which the Group was exposed at 31 December 2023 were France (45% of the Group's total EAD, mainly related to Sovereigns and Retail customers), the US (14% of EAD, mainly related to corporates and sovereigns), the UK (4% of EAD, mainly related to corporates), Germany (4% of total Group EAD, mainly related to credit institutions and corporates) and the Czech Republic (5% of the Group's total EAD, mainly related to retail clients and corporates). Furthermore, the financial situation of certain counterparties could be affected by the macroeconomic context, the geopolitical tensions, the market events and regulatory changes mentioned in section 4.1.1.1, in particular *"The global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect its activities, financial position and results of operations"*.

For more detail on credit and counterparty risk, see sections 4.5.5 "Quantitative information" and 4.6.3 "Counterparty credit risk measures" of the 2024 Universal Registration Document.

4.1.2.2 The financial soundness and conduct of other financial institutions and market participants could have an adverse effect on the Group's business.

Financial institutions and other market actors (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 actors are closely interrelated as a result of trading, clearing and funding relationships. In addition, there is a growing involvement in the financial markets of actors with little or no regulation (hedge funds, for example). As a result, defaults by one or several actors in the sector or a crisis of confidence affecting one or more actors could result in market-wide liquidity scarcity or chain defaults, which would have an adverse effect on the Group's activity. Developments in the financial markets, and in particular the rise in interest rates compounded by high volatility of the market parameters, could also weaken or even cause the default of certain financial actors similar to the defaults observed at US regional banks such as SVB, thereby increasing liquidity risk and the cost of funding. The recent crisis involving certain US banks and Crédit Suisse highlighted the speed at which a liquidity crisis can develop with actors deemed fragile by the markets, who can therefore become victims of a serious and rapid loss of confidence from their investors, counterparties and/or depositors. In addition, certain financial actors could experience operational or legal difficulties in the unwinding or settlement of certain financial transactions. These risks are specifically monitored and managed (see counterparty risk).

The Group is exposed to risks related to clearing institutions and particularly to the default of one or more of their members because of 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. The Group's exposure to clearing houses amounted to EUR 34.2 billion of EAD on 31 December 2023. The default of a member of a clearing institution(1) could generate losses for the Group and have an adverse effect on the business and results of the Group. These risks are also subject to specific monitoring and supervision (see counterparty risk).

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

4.1.2.3 The Group's results of operations and financial position could be adversely affected by a late or insufficient provisioning of credit exposures.

The Group regularly records provisions for doubtful loans in connection with its lending activities in order to anticipate the occurrence of losses. The amount of provisions is based on the most accurate assessment at the time of the recoverability of the debts in question. This assessment, 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 (loans to individual customers), the provisioning method may call for the use of statistical models 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.

At 31 December 2023, the stock of provisions relating to outstanding amounts (on- and off-balance sheet) amounted to EUR 3.6 billion on performing assets and EUR 7.8 billion on assets in default. Outstanding loans in default at amortised cost (stage 3 under IFRS 9) represented EUR 16.4 billion, including 55% in France, 20% in Africa and Middle East and 10.5% in Western Europe (excluding France). The gross ratio of doubtful loans on the balance sheet was 2.9% and the gross coverage ratio of these loans was approximately 46%. The cost of risk stood at 17 basis points in 2023, against a cost of risk of 28 basis points in 2022.

4.1.2.4 Country risk and changes in the regulatory, political, economic, social and financial environment of a region or country could have an adverse effect on the Group's financial situation.

Because of its international activities, the Group is exposed to the aggravating factor of country risk. (see § 4.1.1.1)

The country risk arises whenever an exposure (receivables, securities, guarantees, derivatives) is likely to be adversely affected 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 local public authorities (decision by local authorities to prohibit the debtor from fulfilling its commitments, nationalisation, expropriation, non-convertibility, etc.), or from internal (riot, civil war, etc.) or external (war, terrorism, etc.) events.

More broadly, a deterioration in the quality of the country, the sovereign, or the conditions for business activity in the country can lead to a commercial risk, with in particular a 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 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.

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

4.1.3 MARKET AND STRUCTURAL RISKS

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

4.1.3.1 Sharp changes in interest rates can adversely affect 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 being renegotiated in 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 effects, 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. Last, 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 exchange rate" and Note 8.1 "Segmented reporting" in Chapter 6 of the 2024 Universal Registration Document.

4.1.3.2 Changes and volatility in the financial markets may have a material adverse effect on the Group's business and the results of market activities.

In the course of its 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 effect on the Group's market activities. In particular:

- significant volatility over a long period of time 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 affect 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 maneuverability 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 effect on the results of the Group's market activities.

Furthermore, in the event of a deterioration of the market situation, the Group could experience a decline in the volume of transactions carried out on behalf of its customers, leading to a decrease in the revenues generated from this activity and in particular in commissions received.

In 2023, the main central banks stepped up their restrictive policies, leading to a sharp rise in interest rates in the markets and which destabilised by way of consequence part of the US banking system. Global inflation is showing significant signs of slowing but remains above the levels desired by central banks, which could lead to further rate increases or a longer period of high rates. macroeconomic indicators show that the US economy is holding up well, while growth in China is weakening and Europe is slipping into recession. Finally, the outlook for the markets remains uncertain, due in particular to a turbulent geopolitical context with the emergence of a conflict in the Middle East, the spread of which could lead to a significant rise in the price of oil products and other raw materials, boosting inflation at a time when central bankers have less room for manoeuvre than in 2022. These risks could have a significant negative impact on the Group's trading activities and results.

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

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

Thus, in the event of an appreciation of the euro against foreign currencies, the Group's consolidated equity will 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. Exchange rate fluctuations of these currencies against the euro may adversely affect the Group's consolidated results, financial position and cash flows. Exchange rate fluctuations may also negatively affect the value (denominated in euros) of the Group's investments in its subsidiaries outside the eurozone.

For more information of structural exchange rate risk, see Chapter 4.8 "Structural risks, interest rate and exchange rate" of the 2024 Universal Registration Document.

4.1.3.4 Changes in the fair value of SG Group portfolios of securities and derivative products, and its own debt, are liable to have an adverse impact on the net carrying amount of these assets and liabilities, and as a result on SG Group net income and equity.

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.

Most adjustments are 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, to the extent that they are not offset by opposite variations in the value of other assets, affect 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 affecting the value of the Group's liabilities, the Group's prudential capital ratios might also be lowered.

The fact that fair value adjustments are recorded over one financial period does not mean that additional adjustments will not be required in later periods.

As of 31 December 2023, 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 496 billion, EUR 11 billion and EUR 91 billion, respectively. On the liabilities side, financial instruments valued at fair value through profit or loss and hedging derivative instruments amounted respectively to EUR 286 billion and EUR 109 billion on 31 December 2023.

4.1.4 LIQUIDITY AND FUNDING RISKS

4.1.4.1 A downgrade in the Group's external rating or in the sovereign rating of the French state could have an adverse effect on the Group's cost of financing and its access to liquidity.

For the proper conduct of its activities, the Group depends on access to financing and other sources of liquidity. In the event of difficulties in accessing the secured or unsecured debt markets on terms it considers acceptable, due to market conditions or factors specific to the Group, its liquidity could be impaired. In addition, if the Group is unable to maintain a satisfactory level of customer deposits collection or in the event of an unexpected withdrawal of cash or collateral, it may be forced to turn to more expensive funding sources, which would reduce the Group's net interest margin and results.

The Group is exposed to the risk of 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 can also be affected by an adverse 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 Group is currently monitored by four financial rating agencies: Fitch Ratings, Moody's, R&I and Standard & Poor's. For instance, the 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 customers. This could also require the Group to provide additional collateral to certain counterparties, which could have an adverse effect on its business, financial position and results of operations.

Material events such as severe damage to the Group's reputation, the deterioration of the economic environment following the health crisis, France's sovereign downgrading or countries downgrading where the Group operates, or more recently as a result of the crisis in Ukraine and its impact on the Group, particularly in terms of profitability and cost of risk, could increase the risk of external rating downgrades. The Group's ratings could be placed under negative watch or be subject to a downgrade. In particular, France's sovereign ratings could also be downgraded due to an increase in its debt and deficits (further increased by the Covid-19 pandemic and the response measures taken by the French government) and the inability to pass structural reforms. 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 effect on the Group's business, financial position, results of operations and ability to meet its obligations to its counterparties.

In 2023, the Group raised a total of EUR 57.5 billion of long-term funding (of which EUR 52.6 billion for the parent company and EUR 4.9 billion for its subsidiaries) comprising, at the parent company level, senior structured issues (EUR 27.8 billion), subordinated issues (EUR 5 billion), senior vanilla non-preferred issues (EUR 5.4 billion), unsecured senior vanilla preferred issues (EUR 7.1 billion) and secured issues (EUR 7.3 billion).

For 2024, the Group has planned a funding program of approximately EUR 20-22 billion in vanilla long-term debt, in senior preferred and secured debt as well as in senior non-preferred debt and subordinated debt.

4.1.4.2 The Group's access to financing and the cost of this financing could be negatively affected in the event of a resurgence of financial crises or deteriorating economic conditions.

In past crises (such as the 2008 financial crisis, the eurozone sovereign debt crisis, the tensions on the financial markets linked to the Covid-19 pandemic before the intervention of the central banks) or more recently the 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 favorable conditions.

If unfavorable debt market conditions were to reappear following a new systemic or Group-specific crisis, the effect on the liquidity of the European financial sector in general and on the Group in particular could be very significantly unfavorable 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 affecting a systemic bank on the access to liquidity for the sector and an increase in banks' financing costs.

For several years, central banks have taken measures to facilitate financial institutions' access to liquidity, in particular by setting up TLTRO (Targeted Longer-Term Refinancing Operations) type facilities 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 and the US Federal Reserve) phased out these accommodating policies in particular with the end of the TLTRO mechanism and the first repayments thereof, the gradual withdrawal of asset-purchase policies and a rise in key interest rates. Even if inflationary pressures are easing and some central banks are anticipating a pause in rate hikes, uncertainty persists over the outlook in this field. In this context, the Group could face an unfavorable evolution of its financing cost and access to liquidity.

In addition, if the Group were unable to maintain a satisfactory level of deposits from its customers, it could be forced to resort to more expensive financing due to rising interest rates, which would reduce its net interest margin as well as its results.

The Group's regulatory short-term liquidity coverage ratio (LCR) stood at 160% at 31 December 2023 (end of period) and liquidity reserves amounted to EUR 316 billion at 31 December 2023.

4.1.5 EXTRA-FINANCIAL RISKS (INCLUDING OPERATIONAL RISKS) AND MODEL RISKS

At 31 December 2023, 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 (58% of total operational risk).

Between 2019 and 2023, 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 (15%), errors in pricing or risk assessment, including model risk (13%) and commercial disputes (10%). 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 2019 and 2023.

See Chapter 4.10.3 "Operational risk measurement" of the 2024 Universal Registration Document for more information on the allocation of operating losses.

4.1.5.1 A breach of information systems, notably in the event of cyberattack, could have an adverse effect on the Group's business, results in losses and damage 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, customer attrition, disputes with counterparties or customers, 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 global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect 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 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 customer 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 effect on the Group’s business, results and reputation with its customers.

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

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

In preparing its financial statements, the Group makes estimates regarding the 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 affected.

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 2024 Universal Registration Document.

4.1.5.3 Operational failure, termination or capacity constraints affecting institutions the Group does business with, or failure of information technology systems could have an adverse effect on the Group’s business and result in losses and damages to its the 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 customers, litigation with counterparties or customers, 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 exchanges), as well as those of clients and other market participants.

The interconnections between various financial institutions, clearing houses, stock 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 “Risk factor” 4.1.1.2).

4.1.5.4 The Group is exposed to fraud risk, which could result in losses and damage its reputation.

Fraud risk is defined as the intentional non-compliance with existing laws, regulations or procedures, which in most cases results in harm to the Bank or its customers 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 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 customers. 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 very significant negative impact on the Group’s reputation.

Between 2019 and 2023, the risk of fraud represented 35% of the Group’s total operating losses.

4.1.5.5 Reputational damage could harm the Group’s competitive position, its activity and financial condition.

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

The Group's reputation for financial strength 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 loss of activity with its customers or a loss of confidence on the part of its stakeholders, which could affect the Group's competitive position, its business and its financial condition. As in the case of the banking crisis at the beginning of 2023, a material damage to the Group's reputation could also result in a reduction in the Company value and an increased difficulty in raising capital.

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

Failure to comply with the various internal rules and Codes[1], which aim to anchor the Group's values in terms of ethics and responsibility, could also have an impact on the Group's image.

For more information about reputation risk please see section 4.11 "Compliance risk", 4.9 "Structural-liquidity risk", and 4.10 "Operational risk" of the 2024 Universal Registration Document.

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

At 31 December 2023, the Group employed more than 126,000 people in more than 60 countries. Human resources are key assets of the Group, its business model and value proposition.

The emergence of new actors 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 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 employees, a high rate of turnover, the loss of strategic employees and a poor management of human capital in a tense geopolitical context could adversely affect 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 5.1.1 "Being a responsible employer" of the 2024 Universal Registration Document.

4.1.5.7 The models, in particular the Group's internal models, used in strategic decision-making and in risk management systems could fail, face delays in deployment or prove to be inadequate and result in financial losses for the Group.

Internal models used within the Group could prove to be deficient in terms of their conception, calibration, use or monitoring of performance over time in relation to operational risk and therefore could produce erroneous results, 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.

  For illustrative purposes, financial assets and liabilities measured at fair value on the balance sheet categorised within level 3 (for which the valuation is not based on observed data) represented EUR 24.4 billion and EUR 45.6 billion, respectively, as of 31 December 2023 (see Note 3.4.1 and Note 3.4.2 of Chapter 6 of the consolidated financial statements included in the 2024 Universal Registration Document on financial assets and liabilities measured at fair value);
- 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 unfavorable 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, or tensions between the United States and China, in the Middle East or in Africa), leading to an ineffective hedging strategy, thus causing unanticipated losses that could have a material adverse effect on the Group's results and financial position;
- hedging strategies to manage the interest-rate and liquidity risks of 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 customers in relation to their banking products in specific interest rate scenarios. That said, they may be unsuitable due to a change in macroeconomic regime (for instance, 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 "Haussmann project" 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 validation by the supervisor.

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

4.1.5.8 The Group may incur losses as a result of unforeseen or catastrophic events, including health crises, large-scale armed conflicts, terrorist attacks or natural disasters.

The Group remains dependent on its environment. The occurrence of a new epidemic or pandemic crisis (such as the Covid-19 pandemic) or a health crisis related to the pollution of the natural environment could have a significant impact on the Group's activities. Also, large-scale armed conflicts, terrorist attacks, natural disasters (including earthquakes, such as in Romania, and floods, such as the exceptional flooding of the Seine in Paris or the Chennai in India), extreme weather conditions (such as heatwaves) or major social unrest (such as the *Gilets Jaunes* movement in France) could affect the Group's activities.

Such events could create economic and financial disruptions or lead to operational difficulties (including travel limitations or relocation of affected employees) for the Group.

These events could impair the Group's ability to manage its businesses and also expose its insurance activities to significant losses and increased costs (such as higher re-insurance premiums). The Group could incur losses if these risks materialise.

4.1.6 OTHER RISKS

4.1.6.1 Risk on long-term leasing activities.

As part of its long-term 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.

On the mobility market, the used vehicle market began to normalize in 2023, although it remains at high levels, reflecting a sustained demand. This gradual normalisation, given the increase in new vehicle registrations by automakers, is leading to a gradual decline in used vehicle sale results. As a result, the Group, which has a fleet of 2.71 millions of vehicles at the end of 2023, has recorded earnings from the sale of used vehicles which remain high over 2023, although down on the previous year (Result of €2,400 per used vehicle sold before the impact of the reductions in depreciation costs and LeasePlan's Purchase Price Allocation(1)). Given the continuing improvement in new car availability and the depreciation reductions previously recorded to take account of the exceptionally favorable market, a further decline in average earnings on used car sales is expected in 2024. Ayvens also aims to monitor residual value for Electric Vehicle, 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.

4.1.6.2 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 effect on the life insurance activities of the Group's Insurance business.

In 2023, the Group's insurance activities represented net banking income of EUR 0.6 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 2023, life insurance contracts registered outstandings of EUR 136 billion, divided between euro-denominated contracts (62%) and unit-linked contracts (38%).

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 effect on the results and financial position of this business line.

With its impact on the yield of euro-denominated contracts, a prolonged outlook of low interest rates reduces the attractiveness of these products for investors, which can negatively affect fundraising and income from this segment of the life insurance business.

A sharp rise in interest rates could also degrade the competitiveness of the life insurance offerings in euros (compared with bank savings products, for example) and trigger significant repurchases and arbitrage operations by customers, in an unfavourable context of unrealised losses on bond holdings. This configuration could affect 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 effect on the results of the Group's life insurance business.

In the event of a deterioration in market parameters, the Group could be required to strengthen the capital of its insurance subsidiaries to enable them to continue meeting their regulatory requirements in this domain.

(1) As per IFRS 3 "Businee combinations".

4.2 RISK MANAGEMENT ORGANISATION

4.2.1 RISK APPETITE

Risk appetite is defined as the level of risk that the Group is prepared to accept to achieve its strategic goals.

Thus, risk appetite is part of the Group's overall strategy, which has the following objectives:

- CET 1 ratio at 13% in 2026, under Basel IV;
- average annual revenue growth between 0% and 2% over 2022-2026;
- cost-to-income ratio below 60% in 2026 • Return on tangible equity (ROTE) between 9% and 10% in 2026
- maintaining a risk management at the highest standards with a cost of risk between 25 and 30 bps over 2024-2026 and a rate of non performing loan between 2,5% and 3% in 2026;
- maintaining a strength liquidity profile with a short term liquidity ratio, Liquidity Coverage Ratio (LCR), greater or equal to 130% over 2024-2026 and a Net Stable Funding Ratio greater or equal to 112% over 2024-2026.

A robust financial strength profile

The Group seeks to achieve sustainable profitability, relying on a robust financial profile consistent with its diversified banking model, by:

- adjusting its activities portfolio according to performance criteria, synergy with the Group and extreme risk criteria;
- targeting profitable and resilient business development;
- maintaining a target rating allowing access to financial resources at a cost consistent with the development of the Group's businesses and its competitive positioning;
- calibrating its capital indicators (consistent with the results of the ICAAP group process) to ensure:
  - satisfaction of minimum regulatory requirements on CET1 ratio,
  - financial conglomerate ratio requirement, which take into consideration the combined solvency of Group banking and insuring activities,
  - coverage of one year of "internal capital requirement" using available CET1 capital,
  - a sufficient level of creditor protection consistent with a debt issuance program that is particularly hybrid consistent with the Group's objectives in terms of rating and regulatory ratios such as Tier 1, TLAC ("Total Loss Absorbing Capacity"), MREL ("Minimum Required Eligible Liabilities"), and the leverage ratio;
- ensuring resilience of its liabilities, which are calibrated by taking into account a survival horizon in a combined liquidity stress ratio (ILSI – Internal Liquidity Stress Indicator), compliance with LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) regulatory ratios and the level of dependence on short-term fundings and the foreign currencies needs business of the Group, notably in USD;
- controlling financial leverage.

Based on this model, the risk appetite is established and formalised at a Group level by type of risks.

Credit risk (including concentration effects)

Credit risk appetite is managed through a system of credit policies, risk limits and pricing policies.

When it takes on credit risk, the Group focuses on medium- and long-term client relationships, targeting both clients with which the Bank has an established relationship of trust and prospects representing profitable business development potential over the mid-term.

Acceptance of any credit commitment is based on in-depth client knowledge and a thorough understanding of the purpose of the transaction.

In particular, concerning the underwriting risk, the Group, mainly through the Business Unit GLBA "Global Banking and Advisory", makes a steadfast commitment to transactions at a guaranteed price as debt financing arranger, prior to syndicating them to other banking syndicates and institutional investors. If market conditions deteriorate or markets close while the placement is under way, these transactions may create a major over-concentration risk (or losses, if the transaction placement requires selling below the initial price).

The Group controls the aggregate value of approved underwriting positions, so as limit it risk if debt markets are closed for an extended period.

In a credit transaction, risk acceptability is based first on the borrower's ability to meet its commitments, in particular through the cash flows which will allow the repayment of the debt. For medium and long-term operations, the funding duration must remain compatible with the economic life of the financed asset and the visibility horizon of the borrower's cash flow.

Security interests are sought to reduce the risk of loss in the event of a counterparty defaulting on its obligations, but may not, except in exceptional cases, constitute the sole justification for taking the risk. Security interests are assessed with prudent value haircuts and paying special attention to their actual enforceability.

Complex transactions or those with a specific risk profile are handled by specialised teams within the Group with the required skills and expertise.

The Group seeks risk diversification by controlling concentration risk and maintaining a risk allocation policy through risk sharing with other financial partners (banks or guarantors).

Counterparty ratings are a key criterion of the credit policy and serve as the basis for the credit approval authority grid used in both the commercial and risk functions. The rating framework relies on internal models. Special attention is paid to timely updating of ratings (which, in any event, are subject to annual review)[1].

(1) For non-automated processes.

The risk measure of the credit portfolio is based primarily on the Basel parameters that are used to calibrate the capital need. As such, the Group relies for the internal rating of counterparties on Basel models allowing the assessment of credit quality, supplemented for "non-retail" counterparties, by expert judgment. These measures are complemented by an internal stress-sized risk assessment, either at the global portfolio level or at the sub-portfolio level, linking risk measures and rating migration to macroeconomic variables most often to say expert. In addition, the calculation of expected losses under the provisions of IFRS 9, used to determine the level of impairment on healthy outstandings, provides additional insight into assessing portfolio risk.

In cooperation with the Risk Function, the business lines implement pricing policies which are differentiated based on counterparty and transaction risk levels. The purpose of pricing a transaction is to ensure acceptable profitability, in line with the objectives of ROE (Return on Equity) of the business or entity, after taking into account the cost of the risk of the transaction in question. The pricing of an operation can nevertheless be adapted in certain cases to take into account the overall profitability and the potential customer relationship development. The intrinsic profitability of products and customer segments is subject to periodic analysis in order to adapt to changes in the economic and competitive environment.

Proactive management of impaired risks is key to containing the risk of final loss in the event of default of a counterparty. As such, the Group has put in place rigorous procedures and/or enhanced follow-up to monitor counterparties with a worsening risk profile. Furthermore, the businesses lines and subsidiaries or branches, along with the Risk function, have set up joint teams of employees specialised in asset recovery management to effectively preserve the Bank's interests in the event of default.

MEASURES TO MANAGE ENVIRONMENTALS, SOCIALS AND GOVERNANCE RISKS FACTORS

Transitional and physical environmental risk factors can have a significant impact on the credit risk and are an aggravating factor for the risks the Bank is facing, in particular credit risk through an increase of costs, a decrease in the guarantees' performance and a reduction in demand.

Concerning ESG risks (Environmental, Social & Governance), the assessment and management of the impact of ESG risk factors on credit risk is particularly based on portfolio alignment indicators (power generation for example).

In general, credit granting policies must comply with the criteria defined within the framework of the Group's Social and Environmental Responsibility (CSR) policy, which is broken down through:

- the general environmental and social principles and the sectoral and cross-cutting policies appended to them. Sector policies cover sectors considered potentially sensitive from an environmental, social or ethical point of view;
- the targets for alignment with the objectives of the Paris agreement, which the Group has set itself, starting with the sectors with the highest CO_2 emissions;
- commitment to granting sustainable financing classified as Sustainable and Positive Impact Finance and to Sustainability linked transactions.

The risk related to climate change is taken into consideration in the credit risk assessment process. In July 2022, a Group procedure was published on the integration of C&E factors in the credit granting analysis, and a training program is being rolled out. In addition, over the course of 2023, the climate vulnerability assessment dedicated to transition risk will be fully integrated in the credit grating process and tools. It makes it possible to integrate the impact of climate risk in the analysis of credit risk.

Counterparty credit risk

Counterparty risk is the credit risk on market transactions and includes counterparty credit risk (CCR) and settlement-delivery risk (RDL). They are measured by parameters taken into account the dynamics of exposures distortions linked to market movements. Counterparty risk is thus managed *via* a set of limits that reflect the Group's risk appetite. The Group also measures this risk under stress tests to take account exceptional market disturbances. In order to mitigate these risks, the Group has contracted close-out netting agreements and market collateralisation.

A) COUNTERPARTY CREDIT RISK

The future value of exposure to a counterparty as well as its credit quality are uncertain and variable over time, both of which are affected by changes in market parameters. Thus, counterparty credit risk management is based on a combination of several types of indicators:

- indicators of potential future exposures (potential future exposures, or PFE), aimed at measuring exposure to our counterparties:
  - the Group controls idiosyncratic counterparty credit risks *via* a set of CVaR[(1)] limits. The CVaR measures the potential future exposure linked to the replacement risk in the event of default by one of the Group's counterparties. The CVaR is calculated for a 99% confidence level and different time horizons, from one day until the maturity of the portfolio,
  - in addition to the risk of a counterparty default, the CVA (Credit Valuation Adjustment) measures the adjustment of the value of our portfolio of derivatives and repos account the credit quality of our counterparties;
- the abovementioned indicators are supplemented by stress test impacts frameworks or on nominal ones in order to capture risks that are more difficult to measure;
- risks are measured *via* stress tests at different levels:
  - across all categories[(2)] of counterparties,
  - -on all categories of clients,
  - at activity level for agency businesses collateralised financing bearing more wrong-way risks by nature;
- the CVA risk is measured through a stress test aiming at measuring the CVA impacts due to hypothetical market risk scenarios reflecting market moves deemed to be representative, especially counter parties' credit spreads.

(1) The CVaR economic indicator is built on the same modeling assumptions as the regulatory Effective Expected Positive Exposure (EEPE) indicator used to calculate RWAs.
(2) Hedge Funds, Enterprises, Financial Institutions et Sovereigns.

- exposures to central counterparty clearing houses (CCP[1]) are subject to specific supervision:
  - the amount of collateral posted for each segment of a CCP: the initial posted margins, both for our principal and agency activities, and our contributions to CCP default funds,
  - in addition, a stress test measures the impact linked to (i) the default of an average member on all segments of a CCP and (ii) the failure of a major member on a segment of a CCP;
- the Global Stress Test on market activities includes cross market-counterparty risks, it is described in more detail in the "Market risk" section;
- besides, a specific framework that has been set up aims to avoid individual concentration related to counterparty risk in market operations.
- finally, a CCR RAS metric is now under Board delegation authority (subject to CORISQ, etc.), relying on the sum of the GASEL and the Collaterised Financing stress test commensurate with market risk.

B) SETTLEMENT/DELIVERY RISK ON MARKET ACTIVITIES

Settlement-delivery risk 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).

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[2].

The characteristics of the transactions, as well as the legal and operational environment in which they are processed, are used to calculate the settlement-delivery risk profile for each Counterparty.

Market risk

Group market activities are guided as part of a development strategy focused in priority for meeting the customer needs, with a complete range of solutions.

Market risk is managed through a set of limits for several indicators (such as stress tests, Value-at-Risk (VaR) and stressed Value-at-Risk (SvaR), "Sensitivity" and "Nominal" indicators). These indicators are governed by a series of limits proposed by the business lines and approved by the Risk Division during the course of a discussion-based process.

The choice of limits and their calibration reflect qualitatively and quantitatively the fixing of the Group's appetite for market risks. This analysis is related to market conditions, the flexibility in managing down the Group's positions or the consumption of regulatory own funds based on internal reference models. A regular review of these frameworks also enables risks to be tightly controlled according to changing market conditions with, for example, a temporary reduction of limits if market conditions worsen. Warning thresholds are also in place to prevent the possible occurrence of overstays.

Limits are set at different sub-levels of the Group, thereby cascading down the Group's risk appetite from an operational standpoint within its organisation.

Within these limits, the Global Stress Test limits on market activities and the Market Stress Test limits play a pivotal role in determining the Group's market risk appetite; in fact, these indicators cover all operations and the main market risk factors as well as risks associated with a severe market crisis which helps limit the total amount of risk and takes account of any diversification effects. These stress tests and their associated threshold, permit to evaluate and frame a potential loss under different market scenarios, adverse but plausible, of decennial occurrence (for instance, systemic crisis).

Non financial risks (including compliance risk)

Non-financial risks are defined as non-compliance risk, risk of inappropriate conduct, IT risk, cybersecurity risk, other operational risks, including operational risk associated with credit risk, market risk, model risk, liquidity and financing, structural and rate risk. These risks can lead to financial losses.

Governance and a methodology have been put in place for the scope of non-financial risks.

As a general rule, the Group has no appetite for operational risk or for non-compliance risk. Furthermore, the Group maintains a zero-tolerance policy on incidents severe enough to potentially inflict serious harm to its image, jeopardise its results or the trust displayed by customers and employees, disrupt the continuity of critical operations or call into question its strategic focus. The Group underscores that it has is no or very low tolerance for operational risk involving the following:

- internal fraud: the Group does not tolerate unauthorised trading by its employees. The Group's growth is founded on trust, as much between employees as between the Group and its employees. This implies respecting the Group's principles at every level, such as exercising loyalty and integrity. The Group's internal control system must be capable of preventing acts of major fraud;
- cybersecurity: the Group has no appetite for fraudulent intrusions, disruption of services, compromise of elements of its information system, in particular those which would lead to theft of assets or theft of customer data. The Bank intends to introduce effective means to prevent and detect this risk. It has a barometer that measures the maturity of the cybersecurity controls deployed within its entities and the appropriate organisation to deal with any incidents;
- data leaks: trust is one of Societe Generale Group's key assets. As a result the Bank commits to deploy the necessary resources and implement controls to prevent, detect and remedy data leaks. The Bank does not tolerate leaks of its most sensitive information, in particular where it concerns its customers;

(1) The SG Group is also exposed to the risk of default of CCPs, however this risk is considered less likely due to the protection mechanisms of CCPs and the recovery plan that will be put in place.

(2) For each transaction, the risk begin when the payment or delivery order delivery becomes irrevocable and ends on the recognized date of receipt of the flow. At the level of the counterparty, the risk is therefore calculated from date to date.

- business continuity: the Group relies heavily on its information systems to perform its operations and is therefore committed to deploying and maintaining the resilience of its information systems to ensure the continuity of its most essential services. The Group has very low tolerance for the risk of downtime in its information systems that perform essential functions, in particular systems directly accessible to customers or those enabling to conduct business on financial markets. In addition, to deal with the occurrence of certain extreme events that could permanently affect its information system, its external service providers or a major Group entity based abroad, the Bank is developing resilience solutions to ensure its survival. The Group thus defines the duration (“impact tolerance”) beyond which any interruption of a Group vital process would present a risk to (i) the safety and soundness of the Group, (ii) customers, (iii) the stability of the financial system. Impact tolerance applies to each vital process, regardless of crisis scenarios and available solutions, and differs from Recovery Time Objective (RTO), which is a business continuity indicator that oversees unavailability for low-impact incident. A maturity index will also be calculated to measure the degree of resilience of the most vital processes by crisis nature;
- outsourced services: Societe General Group intends to demonstrate a high degree of throroughness in the control of its activities entrusted to external service providers. As such, the Societe Generale Group adheres to a strict discipline of monitoring it’s providers with a review frequency depending on their level of risk. Thus, Societe General does not have any appetite for a delay in the management of its service providers exceeding three months;
- managerial continuity: the Group intends to ensure the managerial continuity of its organisation to avoid the risk of a long-term absence of a manager that would question the achievement of its strategic objectives, which might threaten team cohesion or disrupt the Group’s relationships with its stakeholders;
- physical security: the Societe Generale Group applies security standards to protect personnel, tangible and intangible assets in all the countries where it operates. The Group Security Department ensures the right level of protection against hazards and threats, in particular through security audits on a list of sites that it defines;
- execution errors: the Societe Generale Group has organised its day-to-day transaction processes and activities through procedures designed to promote efficiency and mitigate the risk of errors. Notwithstanding a robust framework of internal control systems, the risk of errors cannot be completely avoided. The Group has a low tolerance for execution errors that would result in very high impacts for the Bank or its clients.

The Group is exposed to legal risks inherent in its business such as commercial disputes and non-respect of the competition laws. The Group aims at managing and mitigating these risks. Its Legal Division serves a risk mitigation function within the Group and defines the norms, standards, procedures and controls associated with legal risk. The Legal Division provides independent legal advice within the Group and, among its roles, it identifies, assesses, analyses and mitigates legal risk issues within the Group. It also promotes a solid “legal risk culture” throughout the Group.

The Group is required to strictly comply with all laws and regulations which govern its activities in all countries in which it operates, and implements international best practices to that effect. It strives, in particular, to:

- knowing its customers by implementing appropriate KYC measures;
- work with clients and partners that comply with international rules and standards on anti-money laundering and terrorism financing;
- work with clients and complete transactions in accordance with rules related to international sanctions and embargoes;
- perform transactions, offer products and advisory services and work with partners in accordance with regulations governing, in particular, client protection;
- implementing the necessary measures and conducting transactions in the respect of the integrity of the markets;
- implementing and complying with data protection obligations, in particular obligations regarding the protection of personal data and the use of digital technologies;
- ensuring the proper functioning of the system for interpreting and transposing prudential regulations by the expert functions, in particular DFIN and RISQ.

Structural risks

A) LIQUIDITY AND FUNDING RISK

Liquidity risk is defined as the Group’s inability to meet its financial obligations at a reasonable cost: debt repayments, collateral supply. The Group assesses this risk over various time horizons, including intraday, considering market access restriction risk (generalised or specific to the Group).

Funding risk is defined as the risk that the Group will not be able to finance the development of its businesses at a scale consistent with its commercial goals and at a competitive cost compared to its competitors. The capacity to raise funding is assessed over a three-year horizon. Controlling liquidity risk is based primarily on:

- compliance with regulatory liquidity ratios, with precautionary buffers: LCR (liquidity coverage ratio) ratios that reflect a stress situation and NSFR (net stable funding ratio);
- compliance with a minimum survival horizon under combined market and idiosyncratic stress (Internal Liquidity Stress Indicator (ILSI));
- framing of transformation and anti-transformation positions (price risk);
- management of the contingent liquidity reserve with the Central Bank.

Controlling financing risk is based on:

- maintaining liabilities structure designed to meet the Group’s regulatory constraints (Tier1, Total Capital, Leverage, TLAC, NSFR, MREL) and rating agency requirements in order to secure a minimum rating level;
- recourse to market financing: annual long-term issuance programs and a stock of moderate structured issues and short-term financing raised by supervised treasuries.

B) CREDIT SPREAD RISK IN THE BANKING BOOK

Structural exposure to interest rate, credit spread and foreign exchange risks results from commercial transactions and their hedging in the banking book (and not in the trading book, which concerns market risk).

Structural interest rate risk (also referred to as Interest Rate Risk in the Banking Book – IRRBB) refers to the risk – whether current or prospective – to the Group's equity and earnings (hence for the Net Present value and the Net Interest Margin) posed by adverse movements in interest rates affecting the items comprising its banking book. There are four main types of risk based on the EBA taxonomy: Interest rates level risk, curve risk, optional risk and basis risk. All four types of risks may potentially affect the value or yield of interest-rate sensitive assets, liabilities and off-balance sheet items.

Structural credit spread risk (also referred to as Credit Spread Risk in the Banking Book – CSRBB) refers to the Group's equity and earnings posed by adverse movements in market price for credit risk, for liquidity (of lenders) and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework (such as IRRBB) or by expected credit default risk or a jump-to-default risk. The management of interest rate risk is detailed in Chapter 4-8 Structural risk-interest rate and exchange rate risk of the 2024 URD.

C) FOREIGN EXCHANGE RISK IN THE BANKING BOOK

Changes in inter-currency exchange rates may cause changes in the value of assets, liabilities and off-balance sheet items and result in volatility in the income statement or other gains and losses recognised in equity.

The Group's policy in terms of structural exchange rate risks consists of limiting as much as possible the sensitivity of its CET1 capital ratio to changes in exchange rates, so that the impact on the CET1 ratio of an appreciation or a depreciation of all currencies against the euro does not exceed a certain threshold in terms of bp by summing the absolute values of the impact of each currency.

D) RISK ON EMPLOYEE BENEFITS

The risks on social commitments result from the deficit between the social liabilities and the related financial assets.

Regarding risks to pension and long-service obligations, which are the Bank's long-term obligations towards its employees, the amount of the provision is monitored for risk on the basis of a specific stress test and an attributed limit. The risk management policy has two main objectives: reduce risk by moving from defined-benefit plans to defined-contribution plans and optimize asset risk allocation (between hedge assets and performance assets) where allowed by regulatory and tax constraints.

Model risk

The source of model risk may be linked to incorrect model design, implementation, use or monitoring.

The Group is committed to defining and deploying internal standards to reduce model risk on the basis of key principles, including the creation of three independent lines of defence, the proportionality approach relying on a model tiering methodology, a model inventory and the consistency of the approaches used within the Group.

Risk model appetite is defined for the perimeter of this group of models: credit risk IRB and IFRS 9, market and counterparty risk, market product valuation, ALM, trading model, compliance and granting.

A wrong design, application, use or monitoring of these models can have unfavourable consequences of two types: an underestimation of own funds on the basis of models approved by the regulators and/or financial losses.

Risk related to insurance activities

The Group conducts Insurance activities (Life Insurance and Savings, Retirement savings, Property & Casualty Insurance, etc.) which exposes the Group to two major types of risks:

- subscription risk related to pricing and fluctuations in the claims ratio;
- risks related to financial markets (interest rate, credit and equity) and asset-liability management.

Insurance management risk is described in Financial Statements Note 4.3 Insurance activities

Investment risk

The Group has limited appetite for financial holdings, such as proprietary private equity transactions. The investments allowed are mainly related to:

- support clients and business development of the retail banking network through SGRF and certain subsidiaries abroad;
- taking stakes, either directly or through investment funds, in innovative companies *via* SG Ventures;
- the takeover of stakes in local companies: Euroclear, *Crédit Logement*, etc., which does not have limit.

The real estate risk is defined as the risk of decline in the value of SG's own real estate investments. Such assessment is linked to the value of financial instruments related to real estate assets.

The SG policy related to the own real estate allows to mitigate this risk thanks to two mitigation actions:

- agency: the good location of the agency allows to limit the impact on the price in case of market depreciation;
- the practice of lease back for offices: the offices no longer belong to the Group that continues to occupy the premises for rent.

Risks related to operating leasing activities

The residual value risk is the risk of a loss of value due to the changes in the price of vehicles on second-hand markets.

The resale price of the vehicles is estimated at inception of the leasing contract. The resale price may differ from this estimated value, thus generating a gain or a loss.

Residual value risk is managed according to a central policy which defines the procedure for setting residual values and their review. The governance in place on residual value risk aims to monitor used car market price evolutions and adapt the Company's pricing and financial policy. The governance in place on residual value risk also aims to monitor residual values for electric vehicles, whose future resale in the specific used vehicle market could also involve uncertainties related to the level of demand, the level of prices, or rapid technological change.

Several factors can cause deviations between the estimated price at contract inception and the actual realised resale price: economic context changes, used car market demand and supply evolutions (in terms of brand, model, car segment, etc.), new vehicle regulations/ taxes, etc.

4.2.2 RISK APPETITE – GENERAL FRAMEWORK

Risk appetite is determined at Group level and attributed to the businesses and subsidiaries. Monitoring of risk appetite is performed according to the principles described in the Risk Appetite Framework governance and implementation mechanism, which are summarised below.

Governance

As part of the supervision of risk appetite, the Group relies on the following organisation:

- the Board of Directors:
  - approves each year the Group Risk Appetite Statement and the Group Risk Appetite Framework, as well as the Group Risk Appetite Framework,
  - approves in particular the main Group risk appetite indicators (Board of Directors indicators) validated beforehand by General Management,
  - 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,
  - sets 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 relies primarily 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 effectiveness 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.

As part of the Risk appetite Framework, General Management relies on several Committees: the Group Executive Committee (ExCo), the Group Risk Committee (CORISQ), the Finance Committee (COFI), the Assets and Liabilities Committee (ALCO), the Compliance Committee (COMCO), the responsible Commitments Committee (CORESP), the Group Provision Committee (COPRO), the Large Exposure Committee (CGR), and the Sogécap Board and its ALM & Risk Management Committee and the Group Internal Control Coordination Committee (CCCIG), with it chairs.

In addition, the main mission of the Risk Department is to draw up the document summarising the Group's risk appetite, as well as the implementation of a risk management, monitoring and control system.

The Finance Department addresses, with Risk Department, this risk appetite in the framework of indicators under the responsibility of the Finance Committee (profitability, solvency and structural risks).

The Compliance Department is also responsible for instructing the risk appetite setting for indicators falling within its scope.

Risk identification process

The Risk Identification Process is a cornerstone and effective tool of the Group risk-management framework as 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[1] defined in the Risk Taxonomy.

The outcome of this process is the preparation of the annual Risk Inventory, a list of all material i) Risk Scenarios/Stress Tests and ii) Risk categories, that are to be considered for inclusion in key downstream risk management processes (of which the Risk Appetite, the ICAAP, and the Recovery & Resolution Plan). The Risk Identification process can be breakdown into two processes:

- **the Continuous Risk Identification process** is embedded in the day-to-day management of SG and relies on various processes/ governance setups;
- **the Annual Risk Identification process** is performed on an annual basis or updated more frequently if substantial changes occur in the business model, industry, macroeconomic environment, or regulations.

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

Risk quantification and stress test system

Within the Group, stress tests, a key attribute 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 thus assess what the behavior of a portfolio, an activity, an entity or the Group would be in a degraded 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.

(1) Risks are classified on the basis of the Group's risk taxonomy, which names and defined risk categories and their possible sub categories.

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 stress test system within the Group thus 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 overall group stress test, which is based on a central scenario and on adverse macroeconomic scenarios modeled 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 overall 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 exchange rate fluctuations on the residual 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.

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 THE "CENTRAL" AND "STRESSED" ECONOMIC SCENARIOS

Central scenario

The central scenario is based first of all on a set of observed factors such as recent economic situation and economic policy shifts (budgetary, monetary and 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 2023, 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 4-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.

Setting and formalisation of risk appetite at Group level

The Group's risk appetite is formalised in a document ("Risk Appetite Statement") which sets out:

- the strategic profile of the Group;
- its profile of profitability and financial soundness;
- the frameworks relating to the management of the Group's main risks (qualitative, through risk policies, and quantitative, through indicators).

Regarding the profile of profitability and financial soundness, the Finance Department proposes each year, upstream of the budgetary procedure, to the General Management, limits at Group level, supplemented by alert thresholds and crisis levels according to a "traffic light" approach. These frameworks on financial indicators, then submitted to the Board of Directors for approval allow:

- to respect, with a sufficient safety margin, the regulatory obligations to which the Group is subject (in particular the minimum regulatory solvency, leverage and liquidity ratios), by anticipating as best as possible the implementation of new regulations;
- to ensure, *via* a safety margin, sufficient resistance to stress scenarios (stress standardised by regulators or stress defined according to a process internal to the Group).

The frameworks relating to risk management, also represented *via* a graduated approach (limits, alert thresholds, etc.), result from a process in which the needs expressed by the businesses are confronted with a contradictory opinion independent from the second line defense. The latter is based on:

- independent analysis of risk factors;
- the use of prospective measures based on stress approaches;
- the proposal for a framework.

For the main risks, the frameworks set make it possible to consolidate the achievement of the Group's financial targets and to orient the Group's profitability profile.

Allocation of risk appetite in the organisation

The allocation of risk appetite in the organisation is based on the strategic and financial plan, and on risk management systems:

- based on recommendations by the Finance Department to General Management, the financial indicator's frameworks defined at Group level are broken down into financial frameworks[1] at business line level, as part of financial management;
- the breakdown of frameworks and risk policies are based on an understanding of the needs of the Business Units and/or subsidiary/branch and their business prospects and takes into account the profitability and financial strength objectives of the Business Units and/or the subsidiary/branch.

4.2.3 RISK MANAGEMENT ORGANISATION

Audited I Implementing a high-performance and efficient risk management structure is a critical undertaking for Societe Generale Group in all businesses, markets and regions in which it operates, as is maintaining a balance between strong awareness of risks and promoting innovation. The Group's risk management, supervised at the highest level, is compliant 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 subject to the control of the French Prudential Supervisory and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) and the final version of European Basel 3 Regulations ((Capital Requirements Regulation/Capital Requirements Directive). ▲ (See Corporate Governance-Role of Chairman of the Board of directors").

(1) A group framework may be allocated at business level using a different indicator, for example capital ratios are allocated within the business lines are risk-weighted assets: "RWA".

Governance of risk management

Audited I Two main high-level bodies govern Group risk management: the Board of Directors and General Management.

General Management presents regularly (more often if circumstances require so) the main aspects of, and notable changes to, the Group's risk management strategy to the Board of Directors.

As part of the Board of Directors, the Risk Committee advises the Board of Directors on overall strategy and appetite regarding all kinds of risks, both current and future, and assists the Board when the latter verifies that the strategy is being rolled out.

The Board of Directors' Audit and Internal Control Committee ensures that the risk control systems operate effectively.

Chaired by the general management, the bank's executive committee, in terms of risks, is in charge of making sure that the Group has an efficient risks management frame and monitor and control this frame. This responsibility will be mainly assumed through the participation of the Executive Committee at the Group Risk Committee. In addition, the Executive Committee must:

- on an annual basis, review and validate the Group's Risk Appetite Statement, before submitting it to the Société Générale Board of Directors;
- on an annual basis, review and validate the Group's Risk Appetite Framework, before submitting it to the Société Générale Board of Directors;
- ensure that the Group has effective segregation of duties between the first, second and third lines of defense;
- on an annual basis, review, challenge and take note of the report of the Chief Risk Officer on the risk control and self-assessment process, as well as the Group's IT and cybersecurity risk assessment;
- on a monthly basis, review and challenge the Risk Report prepared by the Chief Risk Officer which includes: (a) an assessment of significant and emerging risks, risk deficiencies, risk management and mitigation within the Group and for all types of risks identified; (b) quantitative data on risk exposure and their use to enable the Executive Committee to regularly monitor compliance with the Group's risk appetite, risk tolerance and risk capacity; and (c) a summary of the quarterly meetings of the Enterprise Risk Committee at the Pillar level;
- review and challenge the important post-mortem analysis presented to it by the Operational Risk Department, which constitute the important post-mortem subjects within the Group.

Chaired by General Management, the Committees responsible for central oversight of internal control and risk management are as follows:

- **The Group Risk Committee** (Group CORISQ), chaired by the Group CEO, has authority over the entire Société Générale Group and aims to:
  - validate the main risk management processes, in particular the Group's risk taxonomy, risk identification, risk management and stress testing frameworks,
  - validate, before proposing to the Board of Directors, the Risk Appetite Framework (RAF),
  - validate the Risk Inventory;
  - for credit, counterparty, market, operational, model risks, ESG[1] and Country risk factors:
    - ensure the annual validation (before review by the Group ExCo and before final validation by the Board of Directors) of the Group's Risk Appetite (RAS) for these categories,
    - define or validate the Group's main guidelines in terms of risks policies in the context of the risk appetite previously validated by the Board of Directors,
    - monitor conformity with the Group's risk appetite and the material topics of the Pillars/BUs Risk Appetite reporting to it,
    - ensure a holistic view of all these risks through monthly risk reporting.

The validation of the Group's Risk Appetite (RAS), before being proposed to the Board of Directors for approval, is the responsibility of the Exco Group.

Along with the Risks Committee, the Large Exposures Committee (*Comité Grands Risques*) is an ad hoc Committee, responsible for approving the sales and marketing strategy and risk appetite regarding major client groups (Corporates, Insurance Companies and Asset Managers). The Large Exposures Committee is a decision-making body and has authority over the entire Société Générale Group.

- **the Finance Group Committee** (COFI)

  The COFI is responsible for Société Générale Group's financial strategy and for steering Société Générale Group's strategic financial targets. In that capacity, the COFI oversees all key aspects of SG Group's:

  (i) management of Société Générale Group's strategic financial targets as defined in SG Group's Risk Appetite: rating, profitability, capital, liquidity, balance sheet,

  (ii) ICAAP and ILAAP, including their validation ahead of submission to the Board of Directors for approval,

  (iii) funding strategy and funding plan,

  (iv) monitoring of Societe Generale's rating by credit agencies,

  (v) recovery and resolution planning,

  (vi) monitoring of Societe Generale's Group tax capacity,

  (vii) distribution policy and proposals,

  (viii) financial management of the Corporate Centre and intragroup re-invoicing.

  Operational management of structural risks within the Group Risk Appetite is addressed by the Group Assets and Liabilities Management Committee ("ALCO").

  The COFI aims at setting and enforcing Société Générale's own management practices while complying with all relevant regulations and ensuring the highest risk control standards.

  The COFI has a Group-wide authority excluding insurance activities. However, the COFI is competent for scarce resources management for the financial conglomerate (reunion of the banking and insurance activities). The COFI has authority in normal as well as in stressed circumstances, subject to the provisions of the Contingency Funding Plan and Recovery Plan.

  Some matters handled by the COFI are for its sole decision, while others are reviewed by the COFI ahead of the submission to the Board of Directors (*e.g.* ILAAP and ICAAP documents).

(1) Environmental, Social and Governance

The COFI is chaired by the CEO or its delegate as per usual general management delegation rules;

- **the Group Assets and Liabilities Management Committee** (ALCO)

  The ALCO is responsible for the management of SG Group's structural risks within the Group Risk Appetite. Structural risks include:

  (i) interest rate risk and foreign exchange risk in the banking book,

  (ii) Group Structural risk,

  (iii) liquidity risk of the entire banking and trading book.

  The ALCO has a Group-wide authority in normal as well as in stressed circumstances, subject to the provisions of the Contingency Funding Plan and Recovery Plan.

  The ALCO aims at setting and enforcing Société Générale's own management practices while complying with all relevant regulations and ensuring the highest risk control standards.

  Some matters handled by the ALCO are for its own decision only, while others are reviewed by the ALCO ahead of the submission to the Board of Directors.

  The ALCO is chaired by the CEO or his delegate as per usual general management delegation rules;

- **the Compliance Committee** (COMCO), this Committee 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:

  (i) review of the main compliance incidents of the period,

  (ii) review of key information related to relationships with supervisors,

  (iii) follow-up of potential ongoing remediations,

  (iv) review/challenge of compliance indicators on each non-compliance risk, including a biannual focus on financial crime prior to presentation to the Board of Directors,

  (v) validation of compliance risk appetite criteria and quarterly review of RAS indicators,

  (vi) review of permanent (CN1 and CN2) and periodic (IGAD) controls and main points of attention and Need for Action,

  (vii) monitoring of Group Policies and Procedures deployment,

  (viii) review of the Group annual mandatory trainings roadmap and validation of new modules for all employees,

  (ix) review of CACI/CR and Board documents not previously reviewed by DGLE,

  (x) *ad hoc* validation on Group compliance topics.

  The COMCO is chaired by the CEO;

- **the Group Information Systems Committee** ("ISCO")

  The ISCO is responsible for SG Group's Information System ("IS") strategy and for steering SG Group's strategic IS targets. In that capacity, the ISCO oversees all key aspects of SG Group's:

  (i) validates major objectives of the IS sector,

  (ii) steers investments (CTB) and run costs (RTB) and approves major or strategic projects for the Group's information systems, ensuring their consistency and alignment with the BU/SU Strategic Transformation Plans (TSP),

  (iii) oversees IS sector operating on its pillars (IT Financial Steering, IT strategy & Architecture, Project Portfolio and CTB Management, Digital and Data Assets & Capabilities, Resource Management (HR & sourcing) and Model delivery, Operations, Quality of Service and Obsolescence, Cyber security and resilience, Green IS, IT Risk Management) and associated KPIs (financial trajectory, validation of budget adjustments and arbitrations, asset mutualisation, CTB allocation, major projects risks, review of key post-mortem points on incidents, deployment of norms and standards),

  (iv) defines the priorities of the IS sector and, if necessary, arbitrates between local and global priorities.

  The Committee validates the elements that will be presented to the Board of Directors regarding strategies, risks, incidents, and status on IT production and projects;

- **the Group Internal Control Coordination Committee** (GICCC), is chaired by the Chief Executive Officer or, in his absence, by a Deputy Chief Executive Officer. The purpose of the GICCC is to ensure the consistency and effectiveness of the Group's internal control, in response in particular to the obligation laid down in Art. 16 of the amended French Order of 3 November 2014. The Committee meets approximately 20 times a year to deal with cross-cutting topics as well as the annual review of each Business Unit and Service U;

- **the Responsible Commitments Committee** (CORESP), chaired by the Deputy Chief Executive Officer in charge of overseeing the ESG policy, deals with all matters falling within the Group's responsibility in Environmental and Social matters, or those having an impact on the Group's responsibility or reputation and not already covered by an existing Executive Management Committee. The Committee is decision-making and has authority over the whole Group;

- **the Group Provisions Committee** (COPRO), chaired by the Chief Executive Officer, meets quarterly, presents and validates the net cost of risk of the Group (provisions for credit risk) which will be accounted in the quarter.

Divisions involved in risk management and internal control

The Group's Corporate Divisions, which are independent from the core businesses, contribute to the management and internal control of risks. In these Corporate Divisions, Risk and Compliance Divisions are part of 2nd Line of defense (LoD2).

As a reminder, the 2nd line of defense relies on the 1st line of defense, which is represented by the Group's operational management, in the Business Units and Service Units for their own operations.

Operational management is responsible for the risks, takes charge of their prevention, as well as the implementation of corrective or palliative actions in response to any deficiencies detected by the controls and/or in the context of process management.

The Corporate Divisions provide the Group's General Management with all the information needed to assume its role of managing Group strategy under the authority of the Chief Executive Officer. The Corporate Divisions report directly to General Management:

- **the Risk Division**

  The Risk Management Function: RISQ's main mission is to contribute to the strategy definition and to the sustainable development of the Societe Generale group's activities and profitability. To that end, the Risk Management Function (i) proposes to the management and the Board of Directors the Group's risk appetite based on its independent analysis of all existing and forecasted risks; (ii) is involved in all material risk management decisions through an effective challenge; (iii) defines, implements, and controls effectiveness of an holistic, relevant and robust risk management framework, validated by the Board of Directors, allowing to ensure the adherence to the risk appetite and to provide the management and the Board of Directors with an independent analysis and an opinion on group-wide holistic view on all the existing and forecasted risks the Group is facing; (iv) proposes adjustment and remediation, if necessary.

  Specifically, in order to contribute to the sustainable development of Société Générale Group's activities and profitability, the Risk Management Function, as an independent second line of defense, and in line with the principle of proportionality:

  - informs the Board of Directors and the General Management of the institution's actual and potential risks, so that they can (i) make fully informed decisions on the Group's strategy and (ii) determine and approve the institution's risk appetite. Reports and provides all relevant information regarding risks, including major incidents and ensures that they are reviewed at the appropriate levels of the institution, including General Management (DGLE) and the Board of Directors,
  - participates in the definition of the institution's risk strategy. Is responsible, with the contribution of the Financial Department, for proposing to the General Management a risk appetite for approval by the Board of Directors, assessing the soundness and sustainability of the risk strategy and risk appetite. Establishes and proposes to the General Management and the Board of Directors internal limits in line with the risk appetite of the institution, taking into account its framework, its operating model, its financial soundness, and its strategic objectives,
  - participates in strategic risk-taking decisions, provides independent opinion, advice, and recommendations, delivers a holistic view of all risks at institutional and Group level, and ensures conformity with the risk strategy,
  - anticipates the risks to which the Group may be exposed by taking into account trends and relevant data in the macroeconomic context, recognizes new or emerging risks, as well as increased risks, related to changes in activities and market conditions, establishes frameworks for the identification and assessment of risks in hypothetical adverse scenarios to measure the institution's ability to take risks,
  - defines an effective risk management framework, including risk policies, procedures, limits, and controls to be applied by all business lines and allowing to identify, evaluate, measure, monitor, manage, mitigate and report holistically the current risks to which the Group is exposed, and thus ensure the management of the latter,
  - challenges, reviews independently and critically, controls and supports on a permanent basis adherence to and the deployment of the Risk Management Framework by the business lines, including adherence to the risk appetite, at all levels of the organisation as well as defined remediation actions (Group/BU/entities) *via* effective governance, frameworks, and processes. Ensures that related party transactions are reviewed and that the risks they pose to the institution are identified and properly assessed,
  - contributes to the establishment of a risk culture by reporting a holistic view of risks and how they are managed, and by ensuring that the lines of activities are aware of their risks and the risk appetite in which they must operate,
  - is in charge of the management of Group Risk Division;

- **the Group Compliance Division** must ensure the Group's compliance with banking and financial regulations and provide a holistic view of non-compliance risks, based in particular on the analysis produced by the RISQ function and cross-functional expert functions.

  Its main missions are to:

  - ensure that all risks of non-compliance are identified and that the Group complies with all regulatory and supervisory obligations,
  - assess the impact of regulatory and legal changes on the Group's activities and compliance framework,
  - define standards and procedures to manage the risk of non-compliance,
  - provide notice on new products and activities, or material changes to products or activities,
  - ensure appropriate management of risks of non-compliance through LOD1 and the establishment of appropriate controls, including Level 2 controls,
  - identify, assess and escalate incidents and breaches of compliance,
  - train employees and promote a culture of compliance in the Group,
  - advise and inform General Management and the Board of Directors on non-compliance risks;

- **the Finance Department (DFIN)** coordinates the Finance Management Function and is responsible for the Group's financial management, oversight and production through several complementary tasks:

  - fueling General Management's discussions on strategic and financial aspects. To this end, DFIN takes care to provide a consistent overview of performance indicators and financial information,
  - managing, at consolidated level for Société Générale SA and for certain subsidiaries, the establishment and analysis of financial, tax and regulatory statements (regulatory indicators regarding scarce resources, regulatory reports, ICAAP and ILAAP documentation) in compliance with applicable standards and obligations,
  - monitoring and overseeing P&L performance, profitability and scarce resources (capital, liquidity, balance sheet) in line with strategic objectives and in accordance with regulatory obligations,
  - supporting the Business Units and Service Units with financial and strategic oversight,
  - managing liquidity, in particular through the implementation of financing and resilience plans, in accordance with the objectives set by the Group and in compliance with the Group's risk appetite,
  - maintaining financial crisis management plans tailored to the Group's configuration,

- ensuring the management and first-level monitoring of structural interest rate, foreign exchange and liquidity risks. RISQ assuming the role of second line of defence,
- performing regulatory watch with respect to scarce resources, accounting and finance, and participating in institutional relations and advocacy with its main peers and with banking federations,
- acting as enterprise architect for all activities performed by the Group's Finance Divisions;

- **the Group General Secretariat (SEGL)** within its fields of expertise, is assigned with the mission of protecting the Bank so as to further its development. It assists the General Management on the subject of the Group's governance. Together with the Service Units, Business Units and other Société Générale Group entities, it ensures the administrative, legal and tax compliance of the Group's activities, both in France and abroad. It is in charge of managing legal and tax risks. It also oversees global Group security (together with the RESG Service Unit in respect of IT systems security), designs and implements the risk insurance policy for the entire Group and its staff, and provides assistance in developing insurance products for the Group's clients. It oversees public affairs and institutional relations/advocacy initiatives within the Société Générale Group. In liaison with DGLE and the Group's Business Units/Service Units, he coordinates the relationship with the authorities in charge of supervising the Société Générale Group, on a consolidated basis. Lastly, it handles the Group's central administration and offers support to the Board of Directors and its Secretary as necessary. SEGL manages a number of executive and non-executive governance matters on behalf of the subsidiaries;
- **the Group Human Resources Division (HRCO)** is tasked with defining and implementing the general and individual policies designed to enable the Group to develop the skills and talent needed for its strategy to succeed. The Division's role as partner to the businesses is key to the Group's adaptation to its environment;
- **the Group resources and digital transformation Department (RESG)** accompanies the digital transformation and promotes operational efficiency for the Group. It supervises the Resource Management Functions (Information Systems, Sourcing and Property) as well the Group's Digital transformation and Innovation;
- **the Group Internal Audit and General Inspection Department**, under the authority of the General Inspector, is in charge of internal audit; finally
- **the Sustainable Development Division** attached to the General Management, the Group Sustainable Development Division (DGLE/RSE) assists the Deputy Chief Executive Officer in charge of the whole ESG policies (CSR – Corporate Social Responsibility-) and their actual translation in 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) risks management. ▲

According to the last census carried out on 31 December 2023, the full-time equivalent (FTE) workforce of:

- the Group's Risk Department for the second line of defence represents approximately 4,508 FTEs (1,835 within the Group's Risk Department itself and 2,673 for the rest of the Risk function);
- the Compliance Department or the second line of defence represents approximately 2,888 FTEs;
- the Information System Security Department totals approximately 529 FTEs.

Risk reporting and assessment systems

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.

The risk reporting system is an integral part of the Group's risk management system and is adapted to its organisational structure. The various indicators are thus calculated at the level of the relevant legal entities and Business Units and serve as the basis for the various reportings. Departments established within the Risk, Finance and Compliance sectors are responsible for measuring, analysing and communicating these elements.

Since 2015, the Group has defined architecture principles common to the Finance and Risk functions, the TOM-FIR principles (Target Operating Model for Finance & Risk), in order to guarantee the consistency of the data and indicators used for internal management and regulatory production. The principles revolve around:

- Risk and Finance uses, whether at the local level and at the various levels of consolidation subject to an organised system of "golden sources", with a collection cycle adapted to the uses;
- common management rules and language to ensure interoperability;
- consistency of Finance and Risk usage data, *via* strict alignment between accounting data and management data.

The Group produces, *via* all of its internal reports for internal monitoring purposes by the Business Units and Service Units, a large number of **risk metrics** constituting a measure of the risks monitored. Some of these metrics are also produced as part of the transmission of regulatory reports or as part of the publication of information to the market.

The Group selects from these metrics a set of **major metrics**, able to provide a summary of the Group's risk profile and its evolution at regular intervals. These metrics concern both the Group's financial rating, its solvency, its profitability and the main risks (credit, market, operational, structural (liquidity and financing, rates and exchange rates), model) and are included in the reports intended for internal management bodies.

They are also subject to a framework defined and broken down in line with the Group's risk appetite, giving rise to a procedure for reporting information in the event of breaches.

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.

The main Risk reports for management bodies are:

- monthly reporting to the Risk Committee of the Board of Directors aims to provide an overview of changes in the risk profile.

This reporting is complemented by dashboard for monitoring the Group's Risk Appetite Statement indicators is also sent quarterly to the Board of Directors. These indicators are framed and presented using a "traffic light" approach (with distinction between thresholds and limits) in order to visually present monitoring of compliance with risk appetite. In addition, a compliance dashboard and a reputation dashboard are sent to the Risk Committee of the Board of Directors and provide an overview of each non-compliance risk;

- monthly reporting to the Group Risk Committee (CORISQ), for the general management, aims to regularly provide this Committee with a risk analysis under its supervision, with a greater level of detail than reporting to the Risk Committee of the Board of Directors. In particular, a summary of the main credit files over the period covered by the reporting is presented;
- reporting to the Finance Committee (COFI) for General Management gives rise in particular to the following two reports: a "Scarce resources trajectory" report allowing budget execution to be monitored and a "Structural risk monitoring (ALM)"report" making it possible to monitor compliance with the thresholds and limits relating to liquidity risks and structural interest and exchange rate risks;
- the quarterly reporting of the Group Compliance Committee (COMCO) to General Management: the COMCO provides *via* dedicated reporting an overview of the main non-compliance risks, raises points of attention on compliance topics Group, decides on the main orientations and defines the Group principles in terms of compliance;
- the quarterly reporting of the Provisions Committee (COPRO) to General Management is intended to provide an overview of changes in the level of provisions at Group level. In particular, it presents the change in the net charge of the cost of risk by pillar, by Business Unit and by stage;
- reporting by the Group Internal Control Coordination Committee (GICCC) to General Management: this Committee reviews, on the basis of a standardised dashboard for all Business Units/Service Units, the efficiency and the consistency of the permanent control system implemented within the Group, as well as, within the framework of the Risk Internal Governance Assessment (RIGA) process, the ability of the Risk function to exercise its role as the 2nd line of defence in the whole group. Finally, the Risk Department contributes, as a permanent member, to all GICCC meetings, through position papers on the subjects under review.

Although the above reports are used at Group level to monitor and review the Group's risk profile in a global manner, other reports are transmitted to the Board of Directors or to the General Management in order to monitor and control certain types specific risks.

Ad hoc reports can be produced.

Additional information on risk reporting and assessment systems by type of risk is also presented in the following chapters.

INTEREST RATE BENCHMARK REFORM

Presentation of the reform

Audited I The interest rate benchmark reform (IBOR: Inter Bank Offered Rates) aimed at replacing these benchmark rates with alternative rates, in particular the Risk-Free Rates (RFR). This reform accelerated on 5 March 2021, when the British Financial Conduct Authority (FCA) announced the official dates for the cessation and loss of representativeness of these benchmarks:

- EUR LIBOR and CHF LIBOR (all terms); GBP LIBOR and JPY LIBOR (terms: overnight, one week, two months and twelve months); USD LIBOR (terms: one week and two months): the publication of these benchmark settings has permanently ceased as of 1 January 2022;
- GBP LIBOR and JPY LIBOR (terms one, three and six months): these settings have not been contributed by banks since 1 January 2022 and have been published in a synthetic form, their use is thus restricted to the run-off management of legacy positions. Nonetheless, the FCA has announced the cessation of these synthetic benchmarks as follows:
  - JPY LIBOR (terms: one, three and six months): end December 2022,
  - GBP LIBOR (terms: one and six months): end March 2023,
  - GBP LIBOR (terms: three months): end March 2024;
- USD LIBOR (terms: overnight, one, three, six and twelve months): these settings have not been contributed by banks since 30 June 2023. A synthetic version of USD LIBOR (terms: one, three and six months) is reserved for extinctive management of the stock of transactions and will be published until 30 September 2024.

In parallel, other indices based on USD LIBOR have ceased on 30 June 2023: USD LIBOR Ice Swap Rate; MIFOR (India), PHIREF (Philippines), SOR (Singapore) and THBFIX (Thailand).

Furthermore, the publication of the MosPrime (Russia) has also ceased on 30 June 2023.

Regarding EURIBOR, EMMI (European Money Markets Institute), the administrator of the benchmark, does not plan to cease its publication. The EURIBOR will thus be maintained in the coming years.

Impact of the reform for the Societe Generale group

The Group was actively preparing for these changes, through a specific transition program set up in the Summer of 2018 and supervised by the Finance Division.

To prepare for the announced cessation dates of LIBOR and other transitioning benchmarks, the public authorities and the working groups set up by the central banks issued recommendations to the banking industry.

To ensure a consistent approach throughout the Societe Generale group, several internal guidelines have been issued covering four main themes:

- strengthening of new contracts through the inclusion of fallback clauses and risk warnings;
- cessation of the production of new transactions referencing benchmarks and use of alternative solutions;
- fair and homogenous treatment of customers in contracts' renegotiations with the involvement of compliance teams;
- reporting obligation, and restrictions related to the use of certain interest rates.

All directives are being applied and widely circulated among the Group's staff.

In order to build the capacity to deal on products referencing RFRs and thus ensure the continuity of its business after the phasing out of IBOR, the Group SG updated its tools and processes Moreover, the Group continues monitoring developments in the use of RFRs rates in order to meet its customers' needs.

Migration of USD LIBOR, USD LIBOR Ice Swap Rate and some other benchmark rates (MIFOR, PHIREF, SOR, THBFIX and MosPrime)

The interest rate benchmark market reform is now achieved. At the end of October, the Group SG has completed all its stock of remediation on non-USD Libor and finalised 99.7% of its transactions on USD Libor. The outstanding position corresponds to contracts that are currently in the process of negotiation and are temporarily relying on USD synthetic Libor. The closing of this residual stock is expected by the end of December 2023 and at the latest well before the end of publication of USD synthetic Libor (September 2024).▲

RISKS ASSOCIATED WITH THE BENCHMARK RATE REFORM

Audited I All the risks identified in the context of the transition are, today, no longer relevant:

- program governance and execution risk, the IBOR Transition program is now closed, and its budget has been fully financed;
- legal documentation risk, templates for fallback clauses are made available by market associations (ISDA, LMA, etc.) or are available within the Group when there is no market standard templates. Nevertheless, the contractual documentation may need to be adapted to the specificities of new cessations;
- market risk, since benchmark cessations for the followed rates have already happened, this risk has disappeared;
- operational risks in the execution of transactions' migration, all mass migrations have already been completed;
- regulatory risk, all of the Group's guidelines related to ceasing and alternative interest rate benchmarks have been set up and disseminated in the Group's business lines;
- conduct risk, with most negotiations finalised (99.7%), this risk has virtually disappeared. ▲

4.3 INTERNAL CONTROL FRAMEWORK

4.3.1 INTERNAL CONTROL

Internal control is part of a strict regulatory framework applicable to all banking institutions.

In France, the conditions for conducting internal controls in banking institutions are defined in the Order of 3 November 2014, modified by the Order of 25 February 2021. This Order, which applies to all credit institutions and investment companies, defines the concept of internal control, together with a number of specific requirements relating to the assessment and management of the various risks inherent in the activities of the companies in question, and the procedures under which the supervisory body must assess and evaluate how the internal control is carried out.

The Basel Committee has defined four principles – independence, universality, impartiality, and sufficient resources – which underpin the internal control carried out by credit institutions.

The Board of Directors ensures that Societe Generale has a solid governance system and a clear organisation ensuring:

- a well-defined, transparent and coherent sharing of responsibilities;
- effective procedures for the detection, management, monitoring and reporting of risks to which the Company could be exposed.

The Board tasks the Group's General Management with rolling out the Group's strategic guidelines to implement this set-up.

The Audit and Internal Control Committee is a Board of Directors' Committee that is specifically responsible for preparing the decisions of the Board in respect of internal control supervision.

As such, General Management and Risk 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 Societe Generale Group activities are governed by rules and procedures contained in a set of documents referred to collectively as the "Standard Guidelines", compiled in the Societe Generale Code, which:

- set out the rules for action and behavior 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 Societe Generale 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.);
- set out 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.

In addition to the Societe Generale Code, operating procedures specific to each Group activity are applied. The rules and procedures in force are designed to follow basic rules of internal control, such as:

- segregation of functions;
- immediate, irrevocable recording of all transactions;
- reconciliation of information from various sources.

Multiple and evolving by nature, risks are present in all business processes. Risk management and control systems are therefore key to the Bank's ability to meet its targets.

The internal control system is represented by all methods which ensure that the operations carried out and the organisation and procedures implemented comply with:

- legal and regulatory provisions;
- professional and ethical practices;
- the internal rules and guidelines defined by the Company's management body of the undertaking in its executive function.

Internal control in particular 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;
- check the quality of information and communication systems.

The internal control system is based on **five basic principles:**

- the comprehensive scope of the controls, which cover 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 for which they are responsible;
- the responsibility of functions, in line with their expertise and independence, in defining normative controls and, for three of them, exercising second-level permanent control;
- the proportionality of the controls to the materiality of the risks involved;
- the independence of internal auditing.

The internal control framework is based on the **"three lines of defence"** model, in accordance with the Basel Committee and European Banking Authority guidelines:

- the **first line of defence** comprises all Group employees and operational management, both within the Business Units and the Services Units in respect of their own operations.

  Operational management is responsible for risks, their prevention and their management (by putting in place first-level permanent control measures, amongst other things) and for implementing corrective or remedial actions in response to any deficiencies identified by controls and/or process steering;

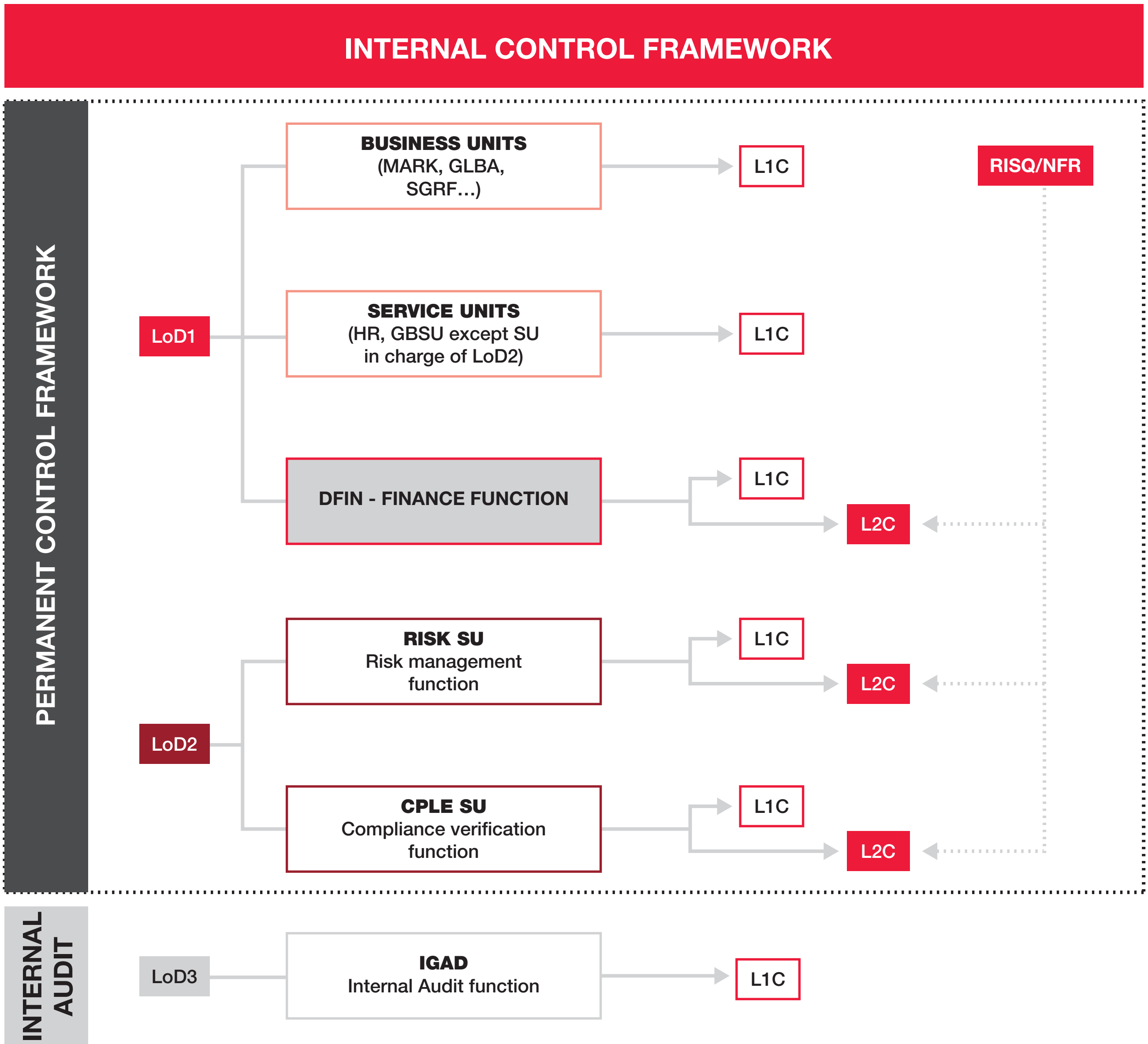
- the **second line of defence** is provided by the risk and compliance functions.

  Within the internal control framework, operational management is responsible for verifying the proper and continuous running of the risk security and management operation functions through the effective application of established standards, defined procedures, methods and requested controls.

  Accordingly, these functions must provide the necessary expertise to define in their respective fields the controls and other means of risk management to be implemented by the first line of defence, and to ensure that they are effectively implemented; they conduct second-level permanent control over all of the Group's risks, based in particular on the controls they have defined, as well as those defined, if necessary, by other expert functions (*e.g.* sourcing, legal, tax, human resources, information system security, etc.) and by the businesses;

- the **third line of defence** is provided by the Internal Audit Department, which encompasses the General Inspection and Internal Audit functions. This department performs periodic internal audits that are strictly independent of the business lines and the permanent control function;

- **internal control coordination,** which falls under the responsibility of the Chief Risk Officer, is also provided at Group level and is rolled out in each of the departments and core businesses.



The Chief Executive Officer is responsible for ensuring the overall consistency and effectiveness of the internal control system.

The purpose of the Group Internal Control Coordination Committee (GICCC) is to ensure the consistency and effectiveness of the Group's internal control, in response in particular to the obligation laid down in Art. 16 of the amended French Order of 3 November 2014. The Committee is chaired by the Chief Executive Officer, or in his absence, by a Deputy General Manager tasked with supervising the area under review. Organised by RISQ/NFR, the CCCIG convenes the Managers of the second line of defence (CPLE and RISQ), the Representatives appointed by the Heads of DFIN and RESG (including the Global CISO), the Manager of the third line of defence (IGAD), as well as the Heads of the level 2 permanent control central teams (RISQ/CTL, CPLE/CTL, DFIN/CTL).

The Committee meets approximately 20 times a year to deal with cross-cutting topics, as well as the annual review of each BU/SU.

Its roles and responsibilities are:

- provide a consolidated view of the Group's internal control framework to General Management;
- evaluate the Group's internal control framework in terms of effectiveness, consistency, and completeness;
- evaluate the operation Group's permanent control framework based on the analysis of the Group's quarterly permanent control dashboard, completed by cross-functional thematic reviews and by the independent reviews of RISQ and CPLE in their role as the Group's second line of defense;
- examine and validate the annual report of the Group's internal control ("RCI");
- define or validate the roles and responsibilities of permanent control stakeholders and of the GICCC and ICCC;
- validate the operational principles of permanent control and governance;
- validate the sections dealing with internal control in the SG Code;
- review and "challenge" the BU/SU permanent control framework, in particular, validate the target organisation of permanent control in the major and significant entities;
- review other cross-functional subjects related to the Group's permanent control:
  - **(i)** the permanent control budget,
  - **(ii)** validate of level 2 Control Plans,
  - **(iii)** other cross-functional subjects concerning all or part of the Group, in particular risks (including ESG topics), requiring an assessment of the effectiveness of preventive measures and controls; two subjects are examined annually, due to their importance and the attention they receive from the supervisory authorities:
    - control of information security framework, and
    - control of essential outsourced services;
- follow up the Group's permanent control framework with the permanent members of the Committee: review and comment on the status of the action plan prepared by RISQ/NFR and take appropriate decisions if necessary.

The GICCC is a decision-making body. It therefore has the authority to take appropriate measures to correct any deficiencies or weaknesses detected and communicated.

The GICCC is declined into BU/SU ICCCs, which are mandatory in each BU/SU (expect IGAD) and in the most significant subsidiaries.

Permanent control system

The Group's permanent control system comprises:

- the **first-level permanent control,** which is the basis of the Group's permanent control, is performed by the businesses. Its purpose is to ensure the security, quality, regularity and validity of transactions completed at operational level;
- the **second-level permanent control,** which is independent of the businesses and concerns three departments, *i.e.* the Compliance, Risk and Finance Departments.

FIRST-LEVEL PERMANENT CONTROL

Permanent Level 1 controls, carried out on operations performed by BUs and the SUs, ensure the security and quality of transactions and the operations. These controls are defined as a set of provisions constantly implemented to ensure the regularity, validity, and security of the operations carried out at operational level.

The permanent Level 1 controls consist of:

- **any combination of actions and/or devices that may limit the likelihood of a risk occurring or reduce the consequences for the Company:** these include controls carried out on a regular and permanent basis by the businesses or by automated systems during the processing of transactions, automated or non-automated security rules and controls that are part of transaction processing, or controls included in operational procedures. Also falling into this category are the organisational arrangements (*e.g.*, segregation of duties) or governance, training actions, when they directly contribute to controlling certain risks;
- **controls performed by managers:** line managers control the correct functioning of the devices for which they are responsible. As such, they must 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.

Defined by a Group entity within its scope, Level 1 controls include controls (automated or manual) that are integrated into the processing of operations, proximity controls included in operating procedures, safety rules, etc. They are carried out in the course of their daily activities by agents directly in charge of an activity or by their managers. These controls aim to:

- ensure the proper enforcement of existing procedures and control of all risks related to processes, transactions and/or accounts;
- alert management in the event of identified anomalies or malfunctions.

Permanent Level 1 controls are set by management and avoid, as far as possible, situations of self-assessment. They are defined in the procedures and must be traced without necessarily being formalised, *e.g.* preventive automated controls that reject transactions that do not comply with system-programmed rules.

In order to coordinate the operational risk management system and the permanent Level 1 control system, the BUs/SUs use a specific department called CORO (Controls & Operational Risks Office Department).

SECOND-LEVEL PERMANENT CONTROL

The permanent Level 2 control ensures that the Level 1 control works properly:

- the scope includes all permanent Level 1 checks, including managerial supervision checks and checks carried out by dedicated teams;
- this review and these audits 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 effectiveness of Level 1 controls.

The permanent level 2 control, control of the controls, is carried out by teams independent of the operational.

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.

Internal audit

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

The Internal Audit function contributes to Societe Generale Group's internal control framework. It constitutes the third and final line of defense and ensures periodic control, strictly independent of the business lines and other internal control functions.

The internal audit function performed by IGAD, defined in accordance with IIA (Institute of Internal Auditors) standards, is an independent and objective activity that gives the Group assurance on the level of control of its risks and operations, provides advice to improve them and helps create added value. Through the exercise of this mandate, Inspection and Internal Audit help the Group to achieve its objectives by evaluating, through a systematic and methodical approach, its risk management, controls, and corporate governance processes and by making proposals to strengthen their effectiveness.

IGAD's scope of operations includes Societe Generale SA and all Group entities, regardless of their area of activity. All the Group's activities, operations, and processes, without exception, may be the subject of a mission conducted by the General Inspection Department or the Internal Audit Department. That said, entities in which the Group holds a minority stake are excluded from IGAD's scope of intervention, including when Societe Generale exercises a significant influence, except when this stake is likely to have a significant impact on the Group's risk management.

Outsourced activities also fall within the scope of the internal audit function.

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, updated in August 2023, 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 validation 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 the General Inspection and Internal Audit 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 directly 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 930 employees based at the Group's head office, subsidiaries or branches (France and abroad).

The IGAD Service Unit is a hierarchically integrated directorate. 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. Depending on the resources and skills required, an audit assignment can bring together teams from different departments. IGAD has the possibility to involve any team of its choice in the execution of a mission within the Group.

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 design their respective audit plans 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. This work continued in 2023 with regular presentations to the General Management – in coordination with the General Secretariat – and to the Audit and Internal Control Committee.

As required by the International Standards for Internal Audit, IGAD is subject to independent external certification by IFACI (French Institute of Audit and Internal Control).

4.3.2 CONTROL OF THE PRODUCTION AND PUBLICATION OF FINANCIAL MANAGEMENT INFORMATION

The participants involved

There are many participants in the production of financial data:

- the **Board of Directors**, and more specifically its **Audit and Internal Control Committee**, has the task of 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 the effectiveness 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.

  In the framework of these missions, it is in charge of:

  - 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 Centers 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, 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

Local financial statements are drawn up in accordance with local accounting standards, and the consolidated Group financial statements are prepared in accordance with the standards defined by the Group Finance Department, which are based on IFRS 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. The standard applicable to the TLAC and MREL ratios is defined by the regulation on bank resolution (CRR regulation and BRRD directive - Banking Recovery and Resolution Directive). 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

Each entity in the consolidation scope of the Group prepares its own accounting and management statements on a monthly basis or quarterly basis, according to the materiality of the entity. This information is then consolidated each month at Group level and published for 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 centers 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 are 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 effective 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 that must 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 are drawn 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 centers 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).

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 BY ALL OPERATIONAL STAFF INVOLVED IN THE PRODUCTION OF ACCOUNTING, FINANCIAL AND MANAGEMENT DATA

The operational staff monitor their activity *via* a permanent supervision process under the direct responsibility of their management teams, repeatedly verifying the quality of the controls carried out on completeness of accounting data and the associated accounting treatment.

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 properly aggregated;
- verification of recurring and non-recurring consolidation entries;
- exhaustive treatment of critical points in the consolidation process;
- treatment of any residual differences in reciprocal or intercompany statements.

Last, 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 in charge of 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 effectiveness, 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 financial risks department (within Risk Department).

Internal audit and periodic control framework for 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 in charge of 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 issue 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.

4.4 CAPITAL MANAGEMENT AND ADEQUACY

4.4.1 THE REGULATORY FRAMEWORK

Audited I Since January 2014, Societe Generale has been applied the new Basel III regulations implemented in the European Union through a regulation and a directive (CRR and CRD respectively).

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 authority, which allows them – based on a constant dialogue with supervised credit institutions – 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 allow 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 effect in June 2021.

The amendments concern in particular the following items:

- Leverage ratio: the minimum requirement of 3% to which will be added since January 2023, 50% of the buffer required as a systemic institution;
- Derivatives counterparty risk (SA-CCR(3)): the “SA-CCR” method is the Basel method replacing the old CEM(4)method for determining the prudential exposure on derivatives under 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-SIB is introduced in CRR. According to the Basel text, G-SIBs must comply with an amount of capital and eligible debt equal to the highest between 18% + risk-weighted assets buffers and 6.75% leverage since 2022.

In December 2017, the Group of Central Bank Governors and Heads of Banking Supervision (GHOS), which oversees the Basel Committee on Banking Supervision, approved regulatory reforms to complement Basel 3.

The transposition into European law of the finalisation of Basel 3 in CRR3 and CRD6 was completed at the end of 2023. The new rules will apply 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 applied a floor corresponding to a percentage of the sum of the individual risk types (credit, market and operational) computed according to the standard method. The output floor level will gradually increase from 50% in 2025 to 72.5% in 2030.

Regarding FRTB, for the 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 portfolio, should be aligned with the entry into force of CRR3. Nevertheless, the EU legislators reserve the right to postpone this application (up to 2 years) depending on how it is applied in other jurisdictions (in particular the US).▲

4.4.2 CAPITAL MANAGEMENT

Audited I As part of the management of its capital management, the Group ensures, under the monitoring of the Finance Department and the control of the Risk Department, that its solvency level is always compatible with the following objectives:

- maintaining its financial strength while respecting risk Appetite;
- maintaining its financial flexibility to 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 that are relevant to the Group in terms of 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 an annual basis over a minimum of three-year horizon according to at least a baseline and 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;
- International Retail Banking and Mobility & Leasing 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).

At 31 December 2023, Group RWA were up by 8% to EUR 389 billion, compared with EUR 362 billion at end-December 2022.

The trend traced by the business lines' RWA lies at the core of the operational management of the Group's capital trajectory based on a detailed understanding of the drivers of variations. 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 business lines, for instance by validating the execution of synthetic securitisation or of disposals of performing or non-performing portfolios. The Group Capital Committee and the capital contingency plan provide General Management with framework analysis, governance and several levers in order to adjust the capital management trajectory.

4.4.3 SCOPE OF APPLICATION – PRUDENTIAL SCOPE

The Group's prudential reporting scope 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 millions 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 regulated entities of the Group comply with their prudential commitments on an individual basis.

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

TABLE 1: DIFFERENCE BETWEEN ACCOUNTING SCOPE AND PRUDENTIAL REPORTING SCOPE

Type of entity	Accounting treatment	Prudential treatment
Entities with a finance activity	Full consolidation	Full consolidation
Entities with an Insurance activity	Full consolidation	Equity method
Holdings with a finance activity by nature	Equity method	Equity method
Joint ventures with a finance activity by nature	Equity method	Proportional consolidation

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 2: RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

Assets at 31.12.2023 *(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 14 (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)	-	23,303	
Due from banks at amortised cost	77,879	(1,626)	23	76,275	1
o.w. subordinated loans to credit institutions	*199*	*(0)*	-	*199*	
Customer loans at amortised cost	485,449	783	(45)	486,187	
Revaluation differences on portfolios hedged against interest rate risk	(432)	-	-	(432)	
Investment 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 arising from temporary differences	*1,873*	-	*(710)*	*1,163*	*2*
o.w. deferred tax assets arising from temporary differences	*1,818*	-	*423*	*2,241*	
Other assets	69,765	(107)	80	69,378	
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 exclusive of leasing rights	*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 at 31.12.2023 *(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 14 (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	1309	(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)	-	0	-
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*	
Minority 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.

Assets at 31.12.2022 *(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 14 (CC1)**
Cash, due from banks	207,013	(0)	0	207,012	
Financial assets at fair value through profit or loss	329,437	11,135	(0)	340,571	
Hedging derivatives	32,850	10	-	32,860	
Financial assets at fair value through other comprehensive income	37,463	(0)	-	37,463	
Securities at amortised cost	21,430	(0)	-	21,430	
Due from banks at amortised cost	66,903	1	51	66,955	1
o.w. subordinated loans to credit institutions	*238*	*(0)*	-	*238*	
Customer loans at amortised cost	506,529	1,524	(11)	508,041	
Revaluation differences on portfolios hedged against interest rate risk	(2,262)	-	-	(2,262)	
Investment of insurance activities	158,415	(158,415)	-	-	
Tax assets	4,697	(406)	0	4,292	
o.w. deferred tax assets that rely on future profitability excluding those arising from temporary differences	*1,662*	-	*(594)*	*1,069*	*2*
o.w. deferred tax assets arising from temporary differences	*2,215*	-	*325*	*2,540*	
Other assets	86,247	(4,003)	155	82,399	
o.w. defined-benefit pension fund assets	*47*	-	-	*47*	*3*
Non-current assets held for sale	1,081	-	-	1,081	
Investments accounted for using the equity method	146	3,438	(42)	3,541	
Tangible and intangible assets	33,089	(64)	0	33,025	
o.w. intangible assets exclusive of leasing rights	*2,881*	-	*(41)*	*2,840*	*4*
Goodwill	3,781	(325)	-	3,456	4
TOTAL ASSETS	**1,486,818**	**(147,106)**	**152**	**1,339,864**	

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

Liabilities at 31.12.2022 *(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 14 (CC1)**
Due to central banks	8,361	-	-	8,361	
Financial liabilities at fair value through profit or loss	300,618	2,473	-	303,091	
Hedging derivatives	46,164	19	-	46,183	
Debt securities issued	133,176	336	-	133,512	
Due to banks	132,988	(2,187)	19	130,820	
Customer deposits	530,764	913	(123)	531,553	
Revaluation differences on portfolios hedged against interest rate risk	(9,659)	-	-	(9,659)	
Tax liabilities	1,637	(168)	0	1,470	
Other Liabilities	107,552	(5,766)	256	102,042	
Non-current liabilities held for sale	220	-	-	220	
Liabilities related to insurance activities contracts	141,688	(141,688)	-	-	
Provisions	4,579	(21)	-	4,558	
Subordinated debts	15,946	40	-	15,986	
o.w. redeemable subordinated notes including revaluation differences on hedging items	*15,521*	*42*	-	*15,563*	*5*
TOTAL DEBTS	**1,414,036**	**(146,049)**	**152**	**1,268,139**	
Subtotal Equity, Group share	66,451	(202)	(0)	66,249	6
Issued common stocks, equity instruments and capital reserves	*30,384*	*1*	-	*30,384*	
Retained earnings	*34,267*	*(203)*	*(0)*	*34,065*	
Net income	*2,018*	*(0)*	-	*2,018*	
Unrealised or deferred capital gains and losses	*(218)*	*0*	*(0)*	*(218)*	
Minority interests	6,331	(855)	-	5,476	7
TOTAL EQUITY	**72,782**	**(1,057)**	**(0)**	**71,725**	
TOTAL LIABILITIES	**1,486,818**	**(147,106)**	**152**	**1,339,864**	

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

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

TABLE 3: ENTITIES OUTSIDE THE PRUDENTIAL SCOPE

Company	Activity	Country
Antarius	Insurance	France
ALD RE Public Limited Company	Insurance	Ireland
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
La Marocaine Vie	Insurance	Morocco
Oradea Vie	Insurance	France
SGL RE	Insurance	Luxembourg
Sogessur	Insurance	France
Société Générale RE SA	Insurance	France

All regulated Group undertakings are generally 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 have to be met:

- there is no significant obstacle, in law or in fact, current or anticipated, to the prompt transfer of equity capital or the rapid repayment of liabilities to the parent company in a member state;
- the risk assessment, measurement and control procedures that are useful for the purposes of supervision on a consolidated basis cover the subsidiary in a Member State.

Accordingly, for instance, 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 affect 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.

4.4.4 REGULATORY CAPITAL

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 is made up primarily of 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 carryforwards;
- 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 customer 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;
- expected losses on equity portfolio exposures;
- 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.

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 customer 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 customer 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 4: CHANGES IN DEBT INSTRUMENTS ELIGIBLE FOR SOLVENCY CAPITAL REQUIREMENTS

(In EURm)	31.12.2022	Issues	Redemptions	Prudential supervision valuation haircut	Others	31.12.2023
Debt instruments eligible for Tier 1	10,017	2,131	(2,813)	-	(240)	9,095
Debt instruments eligible for Tier 2	12,549	800	(392)	(1,546)	(302)	11,110
TOTAL ELIGIBLE DEBT INSTRUMENTS	**22,566**	**2,931**	**(3,205)**	**(1,546)**	**(542)**	**20,205**

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 2.14% until 31 December 2023. Starting from January 1st, 2024, this level will stand at 2.42% including the additional requirement regarding Pillar 2 prudential expectations on the provisioning of non-performing loans granted before 26 April 2019.

In addition to these requirements comes the overall buffer requirement which is the sum of:

- the mean of the countercyclical buffer rates of each country, weighted by the relevant credit risk exposures in these countries. As of 2 January 2024, Societe Generale's countercyclical buffer is equal to 0.78%;
- the conservation buffer in force since 1 January 2016 with a maximum level standing at 2.50% since 1 January 2019;
- the Group's G-SIB buffer imposed by the Financial Stability Board (FSB), which is equal to 1%.

As at 31 December 2023, taking into account the combined regulatory buffers, the phased-in CET1 ratio level that would trigger the Maximum Distributable Amount (MDA) mechanism stands at 9.76%. It will stand at 10.22% from 2 January 2024.

TABLE 5: BREAKDOWN OF PRUDENTIAL CAPITAL REQUIREMENT FOR SOCIETE GENERALE

	31.12.2023	01.01.2023
Minimum requirement for Pillar 1	4.50%	4.50%
Minimum requirement for Pillar 2 (P2R)(1)	1.20%	1.20%
Minimum requirement for countercyclical buffer	0.56%	0.18%
Minimum requirement for conservation buffer	2.50%	2.50%
Minimum requirement for systemic buffer	1.00%	1.00%
Minimum requirement for CET1 ratio	**9.76%**	**9.39%**

(1) *According to Article 104 bis of the CRDV Directive, banks must now meet a minimum of 56% P2R with CET1 capital (as opposed to 100% previously) and 75% with Tier 1 capital.*

TABLE 6: REGULATORY CAPITAL AND SOLVENCY RATIOS(1)

(In EURm)	31.12.2023	31.12.2022
Shareholders' equity (IFRS), Group share	**65,975**	**66,451**
Deeply subordinated notes	(9,095)	(10,017)
Perpetual subordinated notes	(0)	(0)
Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes	**56,880**	**56,434**
Non-controlling interests	10,124	5,207
Intangible assets	(2,751)	(2,161)
Goodwill	(4,622)	(3,478)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,095)	(1,879)
Deductions and regulatory adjustments	(7,409)	(5,484)
COMMON EQUITY TIER 1 CAPITAL	**51,127**	**48,639**
Deeply subordinated notes and preferred shares	9,095	10,017
Other additional Tier 1 capital	408	209
Additional Tier 1 deductions	(120)	(138)
TOTAL TIER 1 CAPITAL	**60,510**	**58,727**
Tier 2 instruments	11,110	12,549
Other Tier 2 capital	257	238
Tier 2 deductions	(1,031)	(1,790)
Total regulatory capital	**70,846**	**69,724**
TOTAL RISK-WEIGHTED ASSETS	**388,825**	**360,464**
Credit and counterparty credit risk-weighted assets	326,182	300,694
Market risk-weighted assets	12,518	13,747
Operational risk-weighted assets	50,125	46,023
Solvency ratios		
Common Equity Tier 1 ratio	13.15%	13.49%
Tier 1 ratio	15.56%	16.29%
Total capital ratio	18.22%	19.34%

(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 13.09% at 31 December 2023, the phasing effect being +6 bps) .*

The solvency ratio as at 31 December 2023 stood at 13.1% in Common Equity Tier 1 (13.5% at 31 December 2022) and 15.6% in Tier 1 (16.3% at 31 December 2022) for a total ratio of 18.2% (19.3% at 31 December 2022).

Group shareholders' equity at 31 December 2023 totalled EUR 65,9 billion (compared with EUR 66.4 billion at 31 December 2022).

After taking into account non-controlling interests and regulatory adjustments, CET1 regulatory capital was EUR 51,1billion at 31 December 2023, *vs.* EUR 48.6 billion at 31 December 2022. 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 7: CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS

(In EURm)	31.12.2023	31.12.2022
Unrecognised minority interests	(4,244)	(3,326)
Deferred tax assets	(1,162)	(1,068)
Prudent Valuation Adjustment	(782)	(852)
Adjustments related to changes in the value of own liabilities	(51)	(245)
Other	(1,170)	7
TOTAL CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS	**(7,409)**	**(5,484)**

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

- any positive difference between expected losses on customer 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.

4.4.5 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 8: OVERVIEW OF RISK-WEIGHTED ASSETS

	Risk-weighted assets			Total own funds requirements
(In EURm)	31.12.2023	30.09.2023	31.12.2022	31.12.2023
Credit risk (excluding counterparty credit risk)	**296,912**	**293,861**	**269,084**	**23,753**
o.w. standardised approach	*106,455*	*106,516*	*94,083*	*8,516*
o.w. Foundation IRB (FIRB) approach	*3,856*	*3,593*	*4,190*	*308*
o.w. slotting approach	*716*	*348*	*667*	*57*
o.w. equities under the simple risk-weighted approach	*2,146*	*2,061*	*2,753*	*172*
o.w. other equities under IRB approach	*16,589*	*15,775*	*13,864*	*1,327*
o.w. Advanced IRB (AIRB) approach	*167,151*	*165,569*	*153,528*	*13,372*
Counterparty credit risk – CCR	**21,815**	**22,796**	**23,803**	**1,745**
o.w. standardised approach	*5,374*	*5,387*	*6,649*	*430*
o.w. internal model method (IMM)	*11,070*	*12,457*	*12,381*	*886*
o.w. exposures to a CCP	*1,572*	*1,591*	*918*	*126*
o.w. credit valuation adjustment – CVA	*3,013*	*2,831*	*2,805*	*241*
o.w. other CCR	*786*	*530*	*1,050*	*63*
Settlement risk	**5**	**1**	**6**	**0**
Securitisation exposures in the non-trading book (after the cap)	**7,450**	**7,574**	**7,801**	**596**
o.w. SEC-IRBA approach	*1,978*	*2,213*	*2,706*	*156*
o.w. SEC-ERBA incL IAA	*4,228*	*4,196*	*4,023*	*338*
o.w. SEC-SA approach	*1,243*	*1,165*	*1,072*	*99*
o.w. 1,250%/deductions	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)	**12,518**	**11,294**	**13,747**	**1 001**
o.w. standardised approach	*3,305*	*1,632*	*1,932*	*264*
o.w. IMA	*9,214*	*9,662*	*11,816*	*737*
Large exposures	**-**	**-**	**-**	**-**
Operational risk	**50,125**	**48,701**	**46,023**	**4 010**
o.w. basic indicator approach	-	-	-	-
o.w. standardised approach	*4,759*	*3,968*	*1,290*	*381*
o.w. advanced measurement approach	*45,365*	*44,733*	*44,733*	*3 629*
Amounts (included in the "credit risk" section above) below the thresholds for deduction (subject to 250% risk weight)	6,646	6,513	7,319	532
TOTAL	**388,825**	**384,226**	**360,465**	**31,106**

TABLE 9: RISK-WEIGHTED ASSETS (RWA) BY CORE BUSINESS AND RISK TYPE

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 31.12.2023	Total 31.12.2022(R)
French Retail Banking	113.3	-	5.2	118.5	116.7
International Retail Banking and Mobility and Leasing services	122.2	0.1	7.6	130.0	101.7
Global Banking and Investor Solutions	78.7	10.4	29.3	118.5	123.7
Corporate Centre	11.9	1.9	8.0	21.8	20.3
Group	**326.2**	**12.5**	**50.1**	**388.8**	**362.4**

2022 figures have been restated, in compliance with IFRS 17 and IFRS 9 for insurance entities

As at 31 December 2023, RWA (EUR 388.8 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 84% of RWA (of which 37% for International Retail Banking and Financial Services);
- market risk accounted for 3% of RWA (of which 83% for Global Banking and Investor Solutions);
- operational risk accounted for 13% of RWA (of which 58% for Global Banking and Investor Solutions).

4.4.6 TLAC AND MREL RATIOS

The Total Loss Absorbing Capacity (TLAC) requirement which applies to Societe Generale is 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 at 31 December 2023, the TLAC requirement thus stood at 22.06% of Group RWA.

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

As at 31 December 2023, Societe Generale reached a phased-in TLAC ratio of 28.4% excluding senior preferred debts. The phased-in ratio stands at 31.9% of RWA when considering the possibility to account for senior preferred debts up to 3.5% of RWA.

The TLAC ratio expressed as a percentage of leverage exposure is 8.7%.

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 25.7% in 2023. Throughout the year, Societe Generale complied with its requirements while MREL ratio as a percentage of RWA stands at 33.7% at the end of 2023.

Moreover, the MREL requirement as a percentage of leverage exposure amounts to 5.91% while the ratio stands at 9.2% at the end of 2023.

4.4.7 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 3.5% minimum set in the Basel Committee's recommendations, implemented in Europe *via* CRR2, including a fraction of the systemic buffer which is applicable to the Group.

At 31 December 2023, the leverage ratio of Societe Generale stood at 4.25% taking into account a Tier 1 capital amount of EUR 60.5 billion compared with a leverage exposure of EUR 1,422 billion (versus 4.37% at 31 December 2022, with EUR 58.7 billion and EUR 1,345 billion, respectively).

TABLE 10: LEVERAGE RATIO SUMMARY AND TRANSITION FROM PRUDENTIAL BALANCE SHEET TO LEVERAGE EXPOSURE[1]

(In EURm)	31.12.2023	31.12.2022
Tier 1 capital[2]	**60,510**	**58,727**
Total assets in prudential balance sheet[3]	**1,396,696**	**1,339,864**
Adjustments for derivative financial instruments	175)	(7,197)
Adjustments for securities financing transactions[4]	13,888	15,156
Off-balance sheet exposure (loan and guarantee commitments)	123,518	123,022
Technical and prudential adjustments	(112,030)	(125,976)
Leverage ratio exposure	**1,422,247**	**1,344,870**
Leverage ratio	**4.25%**	**4.37%**

(1) Ratio set in accordance with CRR2 rules and taking into account the IFRS 9 phasing (leverage ratio of 4.24% without phasing at 31 December 2023, the phasing effect being -1 bps).
(2) The capital overview is available in Table 3.
(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) Change in the starting period.

4.4.8 RATIO OF LARGE EXPOSURES

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 *via* CRR2, have been applicable since June 2021. The main changes compared with CRR reside in 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%).

4.4.9 FINANCIAL CONGLOMERATE RATIO

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

At 31 December 2023, Societe Generale's financial conglomerate equity covered the solvency requirements for both banking and insurance activities.

At 30 June 2023, the financial conglomerate ratio was 139%, consisting of a numerator "Own funds of the Financial Conglomerate" of EUR 79.4 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 56.9 billion.

As at 31 December 2022, the financial conglomerate ratio was 144%, consisting of a numerator "Own funds of the Financial Conglomerate"of EUR 75.5 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 52.3 billion.

4.5 CREDIT RISK

Audited I 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 may be further amplified by individual, country and sector concentration risk. It includes:

- the risk linked to securitisation activities;
- the underwriting risk which is the risk of loss arising from debt syndication activities where the Bank fails to meet its final take target due to market conditions, inaccurate reading of investor demand, miscalculated credit profile of the borrower or credit deterioration of the borrower during the syndication phase of the loan/the bond.▲

4.5.1 CREDIT RISK MONITORING AND SURVEILLANCE SYSTEM

General principles

Audited I Business Units translate the principles laid out in this section as necessary into credit policies, which must comply with all the following rules:

- a credit policy that defines lending criteria and, usually, limits on risk-taking by sector, type of loan, country/region or customer/customer category. These rules are defined particularly by the CORISQ and Credit Risk Committees (CRCs) and are drawn up in concert with the BU concerned;
- the credit policy forms part of the Group's risk management strategy in accordance with its risk appetite;
- credit policies concerning major issues must be periodically approved by DGLE and the Group Risk Committee (CORISQ). Those involving smaller issues or more specific in scope can be approved at BU level;
- credit policies rest on the principle that any commitment entailing credit risks depends on:
  - in-depth knowledge of the customer and their business,
  - an understanding of the purpose and nature of the transaction structure and the sources of income that will generate fund repayment,
  - the appropriateness of the transaction structure, to minimise 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. To ensure a consistent approach to the Group's risk-taking, this PCRU-SSC and/or and this 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 SG 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 another;
- the allocation of rating or score, which is a key criterion of the granting policy. These ratings are validated by the dedicated risk unit. Particular attention is paid to the regular review of the ratings. On retail scope, cf. infra "Specificities of retail portfolios";
- for the non-retail scope, 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. ▲

Governance

The main mission 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.

The Risk Department also approves transactions and limits proposed by core business lines in respect of credit risk.

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.

As part of the quarterly reporting to the Board of Directors and to the Risk Committee of the Board of Directors, an overview of the main credit risk metrics supplemented by details of the 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, outstanding corporates placed under surveillance (watchlist), supervision of corporate exposures by sector of activity, *Grands Risques Réglementaires* (major regulatory risk exposures), environmental indicators of portfolio alignment, etc.

A monthly version of the report intended for the Risk Committee of the Board of Directors also provides additional information at a Business Unit level or on certain financing activities. A summary of the thematic CORISQs is also presented.

As part of the monthly CORISQ reporting to 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*), environmental indicators of portfolio alignment, etc.

Specificities of individual and professional portfolios (Retail)

Audited I Individual and professional portfolio (retail portfolio) have specific features in terms of risk management. This management is based on a statistical approach and on the use of tools and methods in the industrialisation of processes.

STATISTICAL APPROACH

The retail portfolio is made up of a sum of exposures of low unit amounts, validated in a partially automated manner, which together constitute significant outstanding at Group level and therefore a high level of risk.

Given the high number and standardisation of retail clients commitments, aggregate monitoring is necessary 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 any other relevant axes (economic sectors for the Professionals for instance).

In these circumstances, the risk monitoring system for the Retail portfolio cannot rely on the same procedures or the same tools as for corporates.

For instance, any change in marketing policy (shortening probationary period for loyalty, delegation of lending decisions to brokers, increase in margins, etc.) can have a rapid and massive impact and must therefore be tracked by a system that allows all actors (i) to identify as quickly as possible where any deterioration in exposures is coming from and (ii) to take remedial action.

Even if the IFRS 9 standard authorizes a collective approach and if the Group has a statistical approach on retail customers for the evaluation of the expected loss, the increase in risk for the purposes of the classification into stages is identified on an individual basis for this clientele. The available parameters (operating accounts and late payments) generally allow the assessment of the significant increase in credit risk at the level of individual exposure. The collective approach is currently only used in a very small number of instances within the Group.

IMPORTANCE OF TOOLS AND METHODS IN THE INDUSTRIALISATION OF PROCESSES

The Risk management function must support Business Units and subsidiary managers in managing their risks with an eye to:

- the effectiveness of lending policies;
- the quality of the portfolio and its development over the lifetime of exposures (from grant to recovery).

Risk Department structures its supervision around the following four processes:

- granting: this decision-making process can be more or less 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 stage in the life cycle of Retail portfolio credits and makes a decisive contribution to our control of cost of risk. Whatever the organisation adopted (outsourcing, in-house collection, etc.), the establishment of an effective collection process 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. If recovery is outsourced, it must conform to the Group's regulations governing outsourcing;
- provisioning: provisions against the Retail portfolio are decided at local level. They are calculated using the methodologies and governance methods defined and approved by the Risk Department. ▲

Monitoring individual concentration

Société Générale 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%. Since 30 September 2023, the High Council for Financial Stability imposes a supplementary capital requirement (systemic buffer) if the Group's exposure toward the most indebted companies established in France exceeds a limit of 5% of eligible own funds.

Internal systems are implemented to identify and manage the risks of individual concentrations, notably at credit origination. For example, concentration thresholds, based on the internal rating of counterparties, are set by a CORISQ and define the governance for validating the limits on Clients Groups falling under individual concentration monitoring. Exposure to groups of clients which are considered material are reviewed by the Large Exposure Committee chaired by the General Management. As part of the identification of its risks, the Group also carries out loss simulations by type of customer (on significant individual exposures that the Group could have).

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

Monitoring country risk

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 framed in limits or thresholds). Frameworks are strengthened according to the level of risk presented by each country.

The country limits and thresholds are validated annually by the General Management. They can be revised downwards 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 is triggered in the event of a deterioration in the country risk or in anticipation of such a deterioration by the Risk Management Division.

Sector monitoring

The Group regularly reviews its entire credit portfolio through analyses by business sector. To do this, it relies on industry sector studies (including a one-year anticipation of sectoral risk) and on sectoral concentration analyses.

In addition, the Group periodically reviews its exposures to the portfolio segments presenting a specific risk profile, at Group level or at Business Unit level. These identified sectors or sub-portfolios are, where appropriate, subject to specific supervision through portfolio exposure limits and specific granting criteria. The limits are monitored either at General Management level in the CORISQ at Risk Division levelor at Business Unit management level depending on the materiality and the level of risk of the portfolios.

As a complement, targeted sector-based research and business portfolio analyses may be requested by General Management, the Risk Department and/or the businesses, depending on current affairs. In that respect, certain sectors, weakened in 2022 by the Russian-Ukrainian crisis and its effects (for example the energy sector in Europe) or that could be impacted in 2023 by the situation in the Middle East, have been subject to dedicated monitoring or a specific focus. Portfolios specifically monitored by the Group CORISQ include:

- individual and professional credit portfolio (retail) in metropolitan France. The Group defines in particular a risk appetite target concerning the minimum share covered by *Crédit Logement* guarantee for real estate loans granted to individuals in France;
- oil and gas sectors, on which the Group has defined a specific approach adapted to the different types of activities, sector's players or geographies commercial real estate scope (*i.e.* corporates acting mainly as investors or developers in the field of real estate activities, to the benefit of third parties), on which the Group has defined a framework for origination and monitoring of exposures and limits according to the different types of financing, geographical areas and/or activities;
- leveraged finance, for which the Group applies the definition of the scope and the management guidelines recommended by the ECB in 2017 (guidance on leveraged transactions). The Group continues to pay a particular attention to the Leverage Buy-Out (LBO) sub-portfolio, as well as to the highly-leveraged transactions segment;
- exposures on hedge funds is subject to a specific attention. The Group incurs risk on hedge funds through derivative transactions and its financing activity guaranteed by shares in funds. Risks related to hedge funds are governed by individual limits and global limits on market risks and wrong way risks;
- exposures on shadow banking are managed and monitored in accordance with the EBA guidelines published in 2015 which specify expectations regarding the internal framework for identifying, controlling and managing identified risks. CORISQ has set a global exposure threshold for shadow banking.

Credit stress tests

With the aim of identifying, monitoring and managing credit risk, the Risk Department works with the businesses to conduct a set of specific stress tests relating to a country, subsidiary or activity. These specific stress tests combine both recurring stress tests, conducted on those portfolios identified as structurally carrying risk, and *ad hoc* stress tests, designed to recognize emerging risks. Some of these stress tests are presented to CORISQ and used to determine how to frame the corresponding the activities concerned.

Credit risk stress tests complement the global analysis with a more granular approach and allow fine-tuning of the identification, assessment and operational management of risk, including concentration. They allow to calculate the expected credit losses on exposures which have undergone an event of default and on exposures which have not undergone an event of default, in accordance with the method prescribed in the standard IFRS 9. The perimeter covered may include counterparty credit risk on market activities when relevant.

Consideration of ESG risk factors in credit risk

For the Group, ESG risk factors do not constitute a new risk category but represent an 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, Control and Mitigation of the risk.

ESG risk management is presented in Chapter 4.13 "Environmental, social and governance (ESG) risks" of this document.

4.5.2 CREDIT RISK HEDGING

Audited I Guarantees and collateral

The Group uses credit risk mitigation techniques for both market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

There are two main categories:

- personal guarantees are commitments made by a third party to replace the primary debtor in the event of the latter's default. These guarantees encompass the protection commitments and mechanisms provided by banks and similar credit institutions, specialised institutions such as mortgage guarantors (e.g.Crédit Logement in France), 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 can 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 others (including Credit Default Swaps).

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 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'État* 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 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 competition or during the annual renewal of the credit file.

The amount of guarantees and collateral is capped at the amount of outstanding loans less provisions, *i.e.* EUR 374.2 billion as at 31 December 2023 (compared with EUR 388.5 billion as at 31 December 2022), of which EUR 152.8 billion for retail customers and EUR 221.4 billion for other types of counterparties (compared with EUR 159.5 billion and EUR 229.1 billion as at 31 December 2022, respectively).

The outstanding loans covered by these guarantees and collateral correspond mainly to loans and receivables at amortised cost, which amounted to EUR 290.6 billion as at 31 December 2023, and to off-balance sheet commitments, which amounted to EUR 74.4 billion (compared with EUR 304.8 billion and EUR 75.2 billion as at 31 December 2022, 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 3.8 billion as at 31 December 2023 (EUR 2.3 billion as at 31 December 2022), including EUR 1.2 billion on retail customers and EUR 2.6 billion on other types of counterparties (*versus* EUR 0.89 billion and EUR 1.4 billion at 31 December 2022 respectively).

The amount of guarantees and collateral received for non-performing outstanding loans as at 31 December 2023 amounted to EUR 5.6 billion (compared with EUR 5.8 billion as at 31 December 2022), of which EUR 1.5 billion on retail customers and EUR 4.1 billion on other types of counterparties (compared with EUR 1.4 billion and EUR 3.8 billion respectively as at 31 December 2022). 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 in the Corporate and Investment Banking arm, the Performance & Scarce Resources management (PSR) 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. PSR is part of the department responsible for defining and effectively deploying the strategy, for monitoring performance and managing the scarce resources in the credit and loan portfolio.

Total outstanding purchases of protection through Corporate credit derivatives is stable at EUR 2.3 billion in nominal terms and a corresponding fair value of EUR -14.5 million at the end of December 2023 (compared to EUR 3.6 million at the end of December 2022). New operations have mainly been performed to reduce concentration risk (EUR 1.3 billion in nominal) and to a lower extend improve capital allocation (EUR 1 billion in nominal).

Over 2023, the credit default swaps (CDS) spreads of European investment grade issues (Itraxx index) experienced a significant change around an annual average of 78 bps (compared to 94 bps in 2022). The overall sensitivity of the portfolio (Price Value of a Basis Point) is slightly rising due to high market volatility.

The protection purchases (99% of outstanding as 31 December 2023) 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 2 billion as at 31 December 2023 *versus* EUR 1.8 billion as at 31 December 2022) and liabilities (EUR 1 billion as at 31 December 2023 *versus* EUR 1.4 billion as at 31 December 2022) correspond to the fair value of credit derivatives mainly held under a transaction activity.

Credit insurance

The Group has developed relationships with private insurers over the last several years to hedge some of its loans against commercial and political non-payment risks.

This activity is performed within a risk framework and monitoring system approved by the Group’s General Management. The system is based on an overall limit for the activity, along with sub-limits by maturity, and individual limits for each insurance counterparty, the latter being furthermore required to meet strict eligibility criteria. There is also a limit for insured transactions in Non-Investment Grade countries. ▲

TABLE 11: CREDIT RISK MITIGATION TECHNIQUES – OVERVIEW

	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*	-

	31.12.2022				
(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	492,418	304,830	128,393	176,437	-
Total debt securities	50,491	8,444	8,363	81	
TOTAL EXPOSURES	**542,909**	**313,274**	**136,756**	**176,518**	**-**
of which non-performing exposures	*3,362*	*5,042*	*2,389*	*2,653*	-
of which defaulted	*3,362*	*5,042*	*2,389*	*2,653*	-

4.5.3 IMPAIRMENT

Information relating to 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.

4.5.4 RISK MEASUREMENT AND INTERNAL RATINGS

General framework of the internal approach

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 capital required for credit risk.

The remaining exposures subject to the Standard approach mainly concern the portfolios of retail customers and SMEs (Small and Medium Enterprises) of the International Retail Banking activities. For exposures processed under the standard method excluding retail customers, which does not use the external note, the Group mainly uses external 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.

In accordance with the texts 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 reviewing its internal model system credit risk, so as to comply with these requirements, ensuring in particular:

- the simplification of the architecture of the models, and the improvement of its auditability: either by *ex nihilo* development of new models based on the New Definition of Default (NDoD), and natively integrating the expectations of the EBA and ECB, or by bringing certain existing models up to the new standards, or *via* RTLSA (Return To Less Sophisticated Approach) requests;
- improving the quality of data and its traceability throughout the chain;
- the right application of the roles and responsibilities of the LOD1 (first line of defense) and LOD2 (second line of defense) teams, particularly with regard to building and monitoring the system (ROE – Review Of Estimates);
- the rationalization and improvement of certain IT application bricks, particularly concerning the models referential and their monitoring;
- the establishment of a more complete normative base, and a more consistent relationship with the supervisor.

The remediation the changes of the IRB Group system are furthermore integrated into the Group roll-out plan.

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

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) that may be incurred in light of the nature of the transaction, the quality of the counterparty (*via* internal rating) and all measures taken to mitigate risk.

The calculation of RWA is based on the Basel parameters, which are estimated using the internal risk measurement system:

- the Exposure at Default (EAD) value is defined as the Group's exposure in the event that the counterparty should default. The EAD includes exposures recorded on the balance sheet (such as loans, receivables, accrued income, etc.), and a proportion of off-balance sheet exposures calculated using internal or regulatory Credit Conversion Factors (CCF);
- the Probability of Default (PD): the probability that a counterparty will default within one year;
- the Loss Given Default (LGD): the ratio between the loss on an exposure in the event a counterparty defaults and the amount of the exposure at the time of the default.

The estimation of these parameters is based on a quantitative evaluation system which is sometimes supplemented by expert or business judgment.

In addition, a set of procedures sets out the rules relating to ratings (scope, frequency of review, grade approval procedure, etc.) as well as those for supervision, the review ROE – Review of Estimates – and the validation of models. These procedures allow, among other things, to facilitate critical human judgment, an essential complement to the models for non-retail portfolios.

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 considered to be a direct exposure to the guarantor) in the event that the guarantor's risk weighting is more favorable than that of the obligor;
- collateral used as guarantees (physical or financial) taken into account *via* the LGD level. ▲

Societe Generale can also apply an IRB Foundation approach (where only the probability of default is estimated by the Bank, while the LGD and CCF parameters are determined directly by regulation) to a portfolio of specialised lending exposures, including those granted to the subsidiaries Franfinance Location, Sogelease and Star Lease.

Moreover, the Group has authorisation from the regulator 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 objectives under the IRBA method, the Group's credit risk measurement models contribute to the management of the Group's operational 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.

TABLE 12: SCOPE OF THE USE OF IRB AND SA APPROACHES

	31.12.2023					
(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 AIRB approach** *(%)*
Central governments or central banks	298,709	311,379	4.41%	-	95.59%	95.58%
of which regional governments or local authorities		*545*	*46.31%*	-	*53.69%*	*53.69%*
of which public sector entities		*43*	*97.68%*	-	*2.32%*	*2.32%*
Institutions	39,736	41,062	8.45%	0.02%	91.53%	91.52%
Corporates	297,908	325,944	11.65%	0.48%	87.88%	86.47%
of which Corporates – Specialised lending, excluding slotting approach		*71,517*	*1.2%*	-	*98.8%*	*98.80%*
of which Corporates – Specialised lending under slotting approach		*1,039*	-	-	*100,00%*	*100.00%*
Retail	177,349	229,895	20.15%	2.32%	77.53%	77.53%
of which Retail – Secured by real estate SMEs		*6,494*	*25.54%*	*0.24%*	*74.22%*	*74.22%*
of which Retail – Secured by real estate non-SMEs		*133,671*	*10.69%*	*0.47%*	*88.84%*	*88.84%*
of which Retail – Qualifying revolving		*6,983*	*14.53%*	*25.35%*	*60.12%*	*60.12%*
of which Retail – Other SMEs		*34,716*	*40.39%*	*1.91%*	*57.7%*	*57.70%*
of which Retail – Other non-SMEs		*48,030*	*31.94%*	*4.68%*	*63.38%*	*63.38%*
Equity	5,714	7,138	19.95%	-	80.05%	80.05%
Other non-credit obligation assets	11,200	57,598	80.55%	-	19.45%	19.45%
TOTAL	**830,616**	**973,015**	**15.34%**	**0.71%**	**83.95%**	**83.47%**

TABLE 13: SCOPE OF APPLICATION OF THE IRB AND STANDARD APPROACHES FOR THE GROUP

	IRB approach	**Standard approach**
French Retail Banking and Private Banking	Majority of French Retail Banking (including Boursorama) and Private Banking portfolios	Some specific client or product types for which the modeling is currently not adapted SG Kleinwort Hambros subsidiary
International Retail Banking and Financial Services	Subsidiaries KB (Czech Republic), CGI, Fiditalia, GEFA, SG Leasing SPA and Fraer Leasing SPA, SGEF Italy Car leasing (Ayvens – LeasePlan part)	Other international subsidiaries (in particular BRD, SG Maroc, Hanseatik) Car Leasing (Ayvens – ALD part)
Global Banking and Investor Solutions	Majority of Corporate and Investment Banking portfolios	SGIL subsidiary, as well as specific client or product types for which the modeling is currently not adapted

Credit risk measurement for wholesale clients

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

RATING SYSTEM AND ASSOCIATED PROBABILITY OF DEFAULT

The rating system consists of assigning a score to each counterparty according to a specific internal scale per rating system (set of counterparties treated homogeneously whether in terms of granting, rating tool or recovery process). For perimeters on which an internal scale reviewed according to EBA IRB Repair standards has not yet been validated by the supervisor, each grade corresponds to a probability of default determined using historical series observed by Standard & Poor's for over more than twenty years.

The Group is in the process of deploying a multi-scale approach differentiated by rating system. Thus, beyond the historical scale used until now, a scale dedicated to the SME France portfolio is now used (see indicative correspondence with the scales of the main external credit assessment organizations and the corresponding average default probabilities for these two scales).

The rating assigned to a counterparty is generally proposed by a model, and possibly adjusted by the LOD1, who then submits it for validation to the Risk Management function.

The counterparty rating models are structured in particular according to the type of counterparty (companies, financial institutions, public entities, etc.), geographic region and size of the Company (usually assessed through its annual revenue).

The Company rating models are underpinned by statistical models (regression methods) based on client default observations. They combine quantitative parameters derived from financial data that evaluate the Sustainability and solvency of companies and qualitative parameters that evaluate economic and strategic dimensions.

TABLE 14: SOCIETE GENERALE'S HISTORICAL INTERNAL RATING SCALE AND INDICATIVE CORRESPONDING SCALES OF RATING EXTERNAL AGENCIES(1)

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 probality 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					

(1) The Group is in the process of implementing a multi-scale approach differentiated by rating system.

TABLE 15: SOCIETE GENERALE'S INTERNAL RATING SCALE SPECIFIC TO SME PORTFOLIO AND INDICATIVE CORRESPONDING SCALES OF RATING 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 probality 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%

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.

The models used to estimate the Loss Given Default (LGD) excluding retail clients 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. This makes it possible to define homogeneous risk pools, particularly in terms of recovery, procedures and the legal environment.

These estimates are founded on statistics 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.

CREDIT CONVERSION FACTOR (CCF) MODELS

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

TABLE 16: MAIN CHARACTERISTICS OF MODELS AND METHODS – WHOLESALE CLIENTS

Parameter modeled	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 models based on a qualitative questionnaire. Low default portfolio.
	Specialised financing	3 models according to type of transaction.	Expert 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, behavioral 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	25 models 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	9 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 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: 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 models by slotting.	Statistical model based on expert judgments and a qualitative questionnaire. Low default portfolio.

MONITORING THE PERFORMANCE OF INTERNAL MODELS

Performance monitoring of the entire wholesale client credit system is performed *via* review exercises (ROE – Review Of Estimates) carried out by LOD1 (OGM – On Going Monitoring) or by LOD2 (AR – Annual Review).

During these reviews, are compared, among others, the PD, LGD and CCF estimates to actual results by portfolio, thus making it possible to measure the prudence of the risk parameters used in the IRB approach. These results may justify the implementation of actions or remediation plans if the system is deemed to be insufficient efficient or/and prudent.

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 validation function, which for its part independently carries out annual review exercises (AR – Annual Review), whose results and conclusions are presented to the Expert Committee.

The results presented above cover the entire Group portfolios compare the estimated probability of default (arithmetic mean weighted by debtors) with the observed results (the historical annual default rate). The historical default rate was calculated on the basis of performing exposures over the period from 2008 to 2022.

The historic default rate remains stable across all the exposure classes. The estimated probability of default is higher than the historical default rates for all Basel portfolios and for most of the ratings. It should be noted that new internal models are being developed to comply with new regulatory requirements.

TABLE 17: COMPARISON OF RISK PARAMETERS: ESTIMATED AND ACTUAL PD VALUES – WHOLESALE CLIENTS – IRBA

	31.12.2023					
Exposure class	**Weighted average PD** *(%)*	**Arithmetic mean of debtor PD** *(%)*	**Historical average annual default rate** *(%)*	**Average annual default rate** *(%)*	**Number of debtors Year-end**(1)	**of which number of debtors in default during the year**
Central banks and central administrations	0.1%	1.5%	0.2%	0%	570	0
Institutions	0.3%	0.9%	0.3%	0.2%	3,652	9
Corporates – SME	3.4%	4.1%	3.1%	2.3%	64,938	1,518
Corporates – Specialised lending	1.3%	2.8%	1.8%	1.9%	2,542	49
Corporates – Others	1.2%	3.4%	1.7%	1.0%	30,074	292

(1) Performing exposures.

	31.12.2022					
Exposure class	**Weighted average PD** *(%)*	**Arithmetic mean of debtor PD** *(%)*	**Historical average annual default rate** *(%)*	**Average annual default rate** *(%)*	**Number of debtors Year-end**(1)	**of which number of debtors in default during the year**
Central banks and central administrations	0.5%	1.1%	0.2%	0.7%	421	3
Institutions	0.4%	0.8%	0.3%	0.2%	3,427	8
Corporates – SME	3.2%	4.2%	3.3%	1.9%	61,004	1,166
Corporates – Specialised lending	1.8%	2.7%	1.8%	1.6%	2,407	39
Corporates – Others	1.4%	3.9%	1.7%	1.3%	25,319	322

(1) Performing exposures.

TABLE 18: COMPARISON OF RISK PARAMETERS: ESTIMATED AND ACTUAL PD VALUES – WHOLESALE CLIENTS – IRBF

	31.12.2023					
Exposure class	**Weighted average PD** *(%)*	**Arithmetic mean of debtor PD** *(%)*	**Historical average annual default rate** *(%)*	**Average annual default rate** *(%)*	**Number of debtors Year-end**(1)	**of which number of debtors in default during the year**
Central banks and central administrations	0.0%	0.1%	0.0%		305	
Institutions	0.2%	1.4%	0.2%		30	
Corporates – SME	4.5%	4.9%	3.3%	2.9%	12,935	370
Corporates – Specialised financing						
Corporates – Others	2.6%	3.9%	1.9%	1.5%	5,490	81

(1) Performing exposures.

	31.12.2022					
Exposure class	**Weighted average PD** *(%)*	**Arithmetic mean of debtor PD** *(%)*	**Historical average annual default rate** *(%)*	**Average annual default rate** *(%)*	**Number of debtors Year-end**(1)	**of which number of debtors in default during the year**
Central banks and central administrations	0.3%	0.3%	0.0%		11	
Institutions	0.6%	0.8%	0.2%		18	
Corporates – SME	3.4%	4.6%	3.4%	2.3%	11,971	277
Corporates – Specialised financing						
Corporates – Others	2.0%	4.2%	2.0%	1.7%	6,259	108

(1) Performing exposures.

TABLE 19: COMPARISON OF RISK PARAMETERS: ESTIMATED AND ACTUAL LGD WHOLESALE CLIENTS

	31.12.2022	
Basel Portfolio	**LGD IRBA[(1)]**	**Estimated losses excluding margin of prudence**
Large corporates	37%	30%
Small and medium sized companies	40%	25%

(1) Senior unsecuredLGD.

The "observed EAD/IRBA EAD" ratio calculation method is being revised.

Credit risk measurements of retail clients

The Group has implemented the following system for the retail portfolio made up of individual customers, SCIs (real estate investment companies – *Sociétés civiles immobilières*) and professional customers.

RATING SYSTEM AND ASSOCIATED PROBABILITY OF DEFAULT

The modeling of the probability of default of retail client counterparties is carried out specifically by each of the Group's subsidiaries using the IRBA method in consumer finance activities, equipment finance or in the Czech Republic. For French retail network, modelling is centralised within Group Risk Division. The models incorporate data on the account behavior of counterparties. They are segmented by type of customer and distinguish between retail customers, professional customers, 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.

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. These estimates are adjusted by safety margins in order to reflect the possible impact of a downturn.

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 professional customers.

TABLE 20: MAIN CHARACTERISTICS OF MODELS AND METHODS USED – RETAIL CLIENTS

Parameter modeled	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), behavioral 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), behavioral 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), behavioral 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), behavioral 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 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 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.

MONITORING THE PERFORMANCE OF INTERNAL MODELS

Performance monitoring of the entire system for retail portfolio is performed *via* review exercises carried out by LOD1 (OGM – On Going Monitoring) or by LOD2 (AR – Annual Review).

During these reviews, are compared, among others, the PD, LGD and CCF estimates to actual results by portfolio, thus making it possible to measure the prudence of the risk parameters used in the IRB approach. These results may justify the implementation of actions or remediation plans if the system is deemed to be insufficiently efficient or/and prudent.

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 validation function, which for its part independently carries out annual review exercises (AR – Annual Review), whose results and conclusions are presented to the Experts Committee.

The results presented below cover all of the Group's portfolios. Backtests compare the estimated probability of default (arithmetic average weighted by the debtors) to the observed results (the historical annual default rate). The historical default rate was calculated on the basis of healthy outstandings over the period from 2010 to 2022. Creditors are included in accordance with the revised instructions of the EBA publication of 14 December 2016 (EBA/GL/2016/11).

In terms of risk monitoring, two effects were observed in 2023:

- On the one hand, the drop in outstandings on the PRO and PPI markets (amortization of PGE for the PRO market, and fall in production on real estate loans).
- On the other hand, an increase in defaults on PRO market linked to PGE.

In the Professional market, the deterioration in risk accelerated during the year in line with the repayment difficulties observed on PGE. It particularly focused on the building/construction, catering, and retail sectors. The close monthly monitoring made it possible to react as quickly as possible in order to tighten up the granting mechanism on the riskiest sectors of activity.

On real estate loans, production fell sharply in 2023 but risk indicators remain well-oriented, and the production coverage rate by Crédit Logement remains above the threshold set at 80%.

On consumer loans, credit scores were tightened in the first half of the year, limiting the upswing in risks.

TABLE 21: COMPARISON OF ESTIMATED RISK PARAMETERS: ESTIMATED AND ACTUAL PD VALUES – RETAIL CLIENTS (IRBA)[1]

	31.12.2023					
Exposure class	Weighted average PD (%)	Arithmetic mean of debtor PD (%)	Historical average annual default rate (%)	Average annual default rate (%)	Number of debtors Year-end	of which number of debtors in default during the year
Retail – Secured by real estate SME	3.0%	1.5%	2.0%	1.0%	31,000	307
Retail – Secured by real estate non-SME	0.7%	0.8%	0.8%	0.8%	836,721	6,530
Retail – Qualifying revolving	2.7%	1.9%	1.9%	1.8%	5,139,358	90,478
Retail – Other SME	3.6%	3.7%	3.3%	3.8%	375,774	14,318
Retail – Other non-SME	2.4%	2.9%	3.0%	2.5%	2,229,461	56,199

	31.12.2022					
Exposure class	Weighted average PD (%)	Arithmetic mean of debtor PD (%)	Historical average annual default rate (%)	Average annual default rate (%)	Number of debtors Year-end	of which number of debtors in default during the year
Retail – Secured by real estate SME	1.2%	1.4%	2.1%	1.1%	31,856	359
Retail – Secured by real estate non-SME	0.7%	0.9%	0.8%	0.3%	1,160,703	3,104
Retail – Qualifying revolving	2.4%	2.5%	1.9%	1.5%	5,582,728	85,477
Retail – Other SME	3.1%	3.4%	3.3%	2.8%	553,086	15,243
Retail – Other non-SME	2.3%	3.7%	3.2%	2.2%	1,860,932	40,748

(1) Performing exposures.

TABLE 22: COMPARISON OF RISK PARAMETERS: ESTIMATED AND ACTUAL LGD AND EAD VALUES – RETAIL CLIENTS

	31.12.2023		
Basel portfolio	**A-IRB LGD**	**Estimated losses excluding margin of prudence**	**Observed EAD/ A-IRB EAD**
Real estate loans (excl. guaranteed exposures)	18%	13%	
Revolving credits	47%	23%	77%
Other loans to individual customers	30%	25%	
VSB and professionals	28%	18%	81%
Total Group retail clients	**26%**	**19%**	**79%**

The changes in EAD can be explained by the merger of BDDF-CDN (Vision 2025).

	31.12.2022		
Basel portfolio	**A-IRB LGD**	**Estimated losses excluding margin of prudence**	**Observed EAD/ A-IRB EAD**
Real estate loans (excl. guaranteed exposures)	18%	12%	-
Revolving credits	49%	21%	79%
Other loans to individual customers	30%	25%	-
VSB and professionals	28%	19%	77%
Total Group retail clients	**26%**	**19%**	**79%**

Governance of the modeling of credit risk

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 decide to 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.

Climate risk – Measuring sensitivity to transition risk

Audited I 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 progressively 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 is a function of the ICVI and a company climate questionnaire assessing the climate strategy of individual companies. ▲

(See section 4.13.4 "Incorporating the environment in the risk management framework").

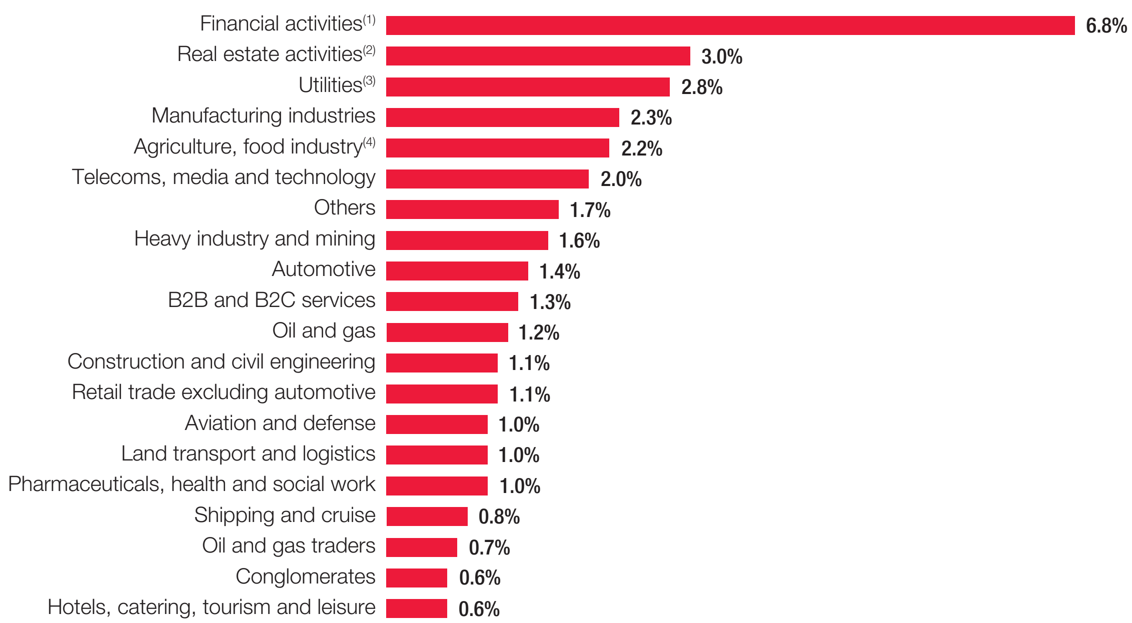
4.5.5 QUANTITATIVE INFORMATION

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 characteristics, after taking into account the substitution effect (unless otherwise indicated).

More information available in sections 6.5 *"Quantitative information"* and 6.6 *"Additional quantitative information on credit risk"* in the Risk Report Pillar 3 document.

SECTOR BREAKDOWN OF GROUP CORPORATE EXPOSURE ON TOTAL GROUP EXPOSURE (BASEL PORTOFOLIO)



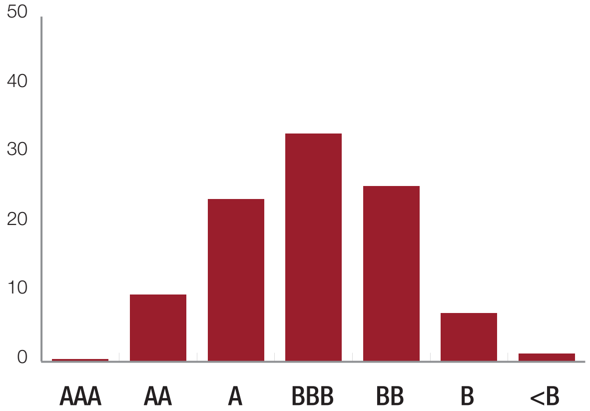
(1) *Financial activities: Financial services, except insurance and pension funding; Insurance; Activities auxiliary to financial services and insurance.*
(2) *Real estate activities: Real estate developers; Real estate investors.*
(3) *Utilities: including energy activities (2.5%).*
(4) *Agriculture, food industry: including trading.*
Heavy industry and mining: including trading activities.

The EAD of the Corporate portfolio is presented in accordance with the Basel rules (large corporates, including insurance companies, funds and hedge funds, SMEs, specialised financing, factoring businesses), based on the obligor's characteristics, before taking into account the substitution effect (credit risk scope: debtor, issuer and replacement risk).

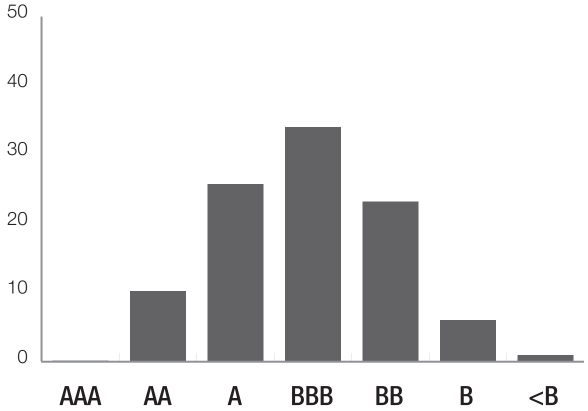
At 31 December 2023, the Corporate portfolio amounted to EUR 393 billion (on- and off-balance sheet exposures measured in EAD). Two sectors account for 29% of this portfolio each (Financial services and Real Estate). The Group's exposure to its ten largest Corporate counterparties accounted for 4% of this portfolio.

Corporate and banking clients' exposure

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



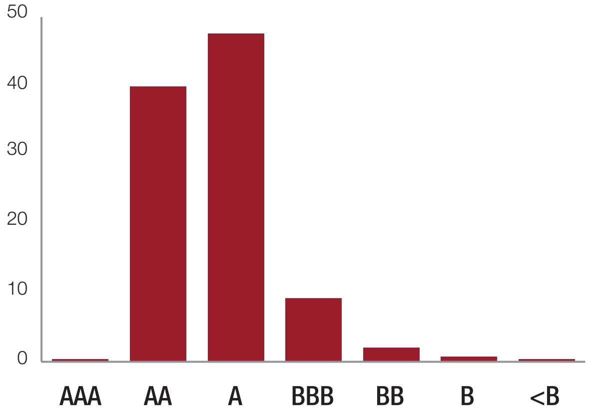
BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31 DECEMBER 2022 (AS % OF EAD)



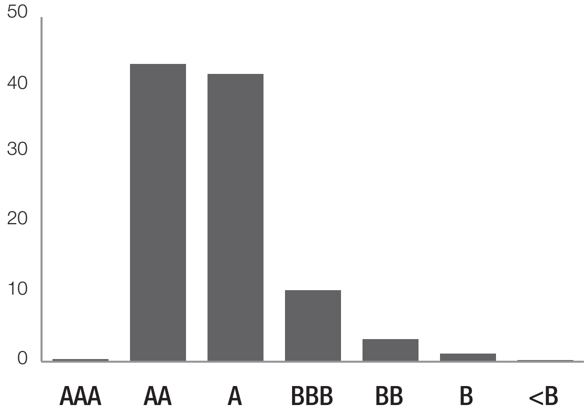
The scope includes performing loans recorded under the IRB method (excluding prudential classification criteria, by weight, of specialised financing) for the entire Corporate client portfolio, all divisions combined, and represents EAD of EUR 312 billion (out of total EAD for the Basel Corporate client portfolio of EUR 358 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 2023, the majority of the portfolio (67% 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 2023 (AS % OF EAD)



BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 31 DECEMBER 2022 (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 59 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 2023, exposure on banking clients was concentrated in investment grade counterparties (97% of exposure).

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

TABLE 23: 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 at end of previous reporting period (31.12.2022)	**198,572**	**99,311**	**297,883**	**15,886**	**7,945**	**23,831**
Asset size	(5,373)	6,842	1,469	(430)	547	118
Asset quality	(185)	(429)	(614)	(15)	(4)	(49)
Model updates	8,023	-	8,023	642	-	642
Methodology and policy	(2,218)	-	(2,218)	(177)	-	(177)
Acquisitions and disposals	13,250	7,133	20,382	1,060	571	1,631
Foreign exchange movements	(1,499)	(266)	(1,766)	(0,120)	(21)	(141)
Other	-	-	-	-	-	-
RWA as at end of reporting period (31.12.2023)	**210,570**	**112,591**	**323,161**	**16,846**	**9,007**	**25,853**

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

The main effects explaining the EUR 25 billion increase in RWA (excluding CVA) over the year 2023 are the following:

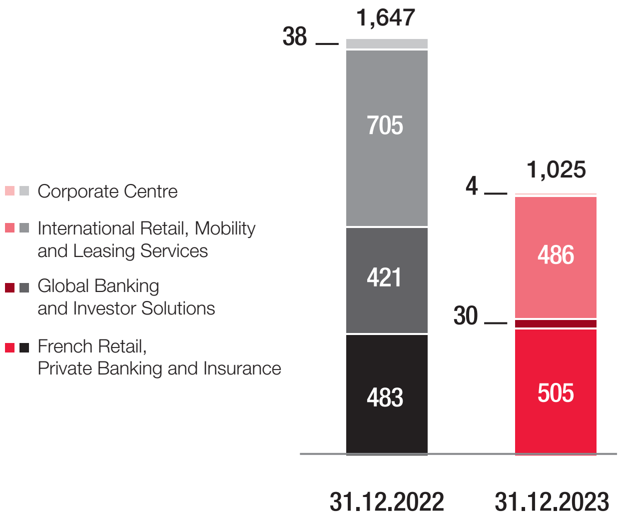
- an acquisition and disposal effect of EUR +20 billion mainly related to the acquisition of the entity LeasePlan;
- a methodological effect of EUR -2.0 billion mainly related to the computaion of the financial maturities using the cash flows on the Undrawn revolving credit lines;
- a model effect of EUR +8 billion euros in line with the main scope's changes in 2023 : review of the agencies network resulting from the merger of Crédit du Nord and Société Générale and the acquisition of the entity LeasePlan;
- A foreign exchange effect of EUR -1.8 billion euros mainly linked to the depreciation 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 2023 is EUR -1,025 million, down by 38% compared to 2022. This decrease is broken down into a moderate rise of cost of risk on defaulted outstandings (stage 3) at 20 bp compared to 17 bp in 2022 and limited reversals on performing exposures (stage 1/stage 2) of -3 bp as a result of the decrease of Russian counterparty exposure, vs +12 bp in 2022.

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 17 basis points for the year 2023 compared to 28 basis points in 2022.

- In **French Retail Banking**, the cost of risk remains stable at 20 basis points, the same figure as 2022. This NCR includes a reversal of -2 bps on performing exposures (vs an allowance of 4 bp in 2022).
- At 32 basis points in 2023 (compared to 52 basis points in 2022), the cost of risk of the International **Retail Banking and Mobility and Leasing services** division marks a sharp fall, which can be attributed to a lower level of NCR on defaulted outstandings (stage 3) combined with a reduction in the cost of risk on performing exposures (stage 1/stage 2, +1 bp compared to +15 bp in 2022).
- The cost of risk for **Global Banking and Investor Solutions** presents a very moderate level of +2 bp (compared to 23 basis points in 2022), the increase of NCR on defaulted exposures (11 bp compared to 4 bp in 2022), being more than compensated by the decrease of the NCR on performing exposures (-9 bp compared to +20 bp in 2022).

Asset quality

TABLE 24: ASSET QUALITY

(In EURbn)	31.12.2023	31.12.2022
Performing loans	535.5	554.4
inc. Stage 1 book outstandings[(1)]	*480.5*	*494.2*
inc. Stage 2 book outstandings	*39.4*	*43.6*
Non-performing loans	16.1	15.9
inc. Stage 3 book outstandings	*16.1*	*15.9*
Total gross book outstandings*	551.5	570.3
GROUP GROSS NON PERFORMING LOANS RATIO*	**2.9%**	**2.8%**
Provisions on performing loans	3.0	3.2
inc. Stage 1 provisions	*1.0*	*1.0*
inc. Stage 2 provisions	*1.9*	*2.1*
Provisions on non-performing loans	7.4	7.7
inc. Stage 3 provisions	*7.4*	*7.7*
Total provisions	10.3	10.9
GROUP GROSS NON-PERFORMING LOANS RATIO (PROVISIONS ON NON-PERFORMING LOANS/NON-PERFORMING LOANS)	**46%**	**48%**
GROUP NET NON-PERFORMING LOANS RATIO (PROVISIONS ON NON-PERFORMING LOANS+GUARANTEES+COLLATERAL/NON-PERFORMING LOANS)	**80%**	**80%**

(1) Data restated excluding loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning.

** Figures calculated on on-balance sheet 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.*

Restructured debt

Audited I For the Societe Generale group, "restructured" debt refers to loans with amounts, terms or financial conditions contractually modified 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 credit 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. Basel and the classification of outstandings as impaired, in accordance with the EBA directives on the application of the definition of default according to Article 178 of European Regulation No. 575/2013. In this case, customers are kept in default as long as the Bank is uncertain about their ability to honor their future commitments and at least for one year from the date of the restructuring. In other cases, an analysis of the customer's 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 in performing loans. Otherwise, the customer is also transferred to Basel default.

The total balance sheet amount of restructured debt at 31 December 2023 mainly corresponds to loans and receivables at amortised cost for an amount of EUR 5.8 billion. ▲

TABLE 25: RESTRUCTURED DEBT

(In EURm)	31.12.2023	31.12.2022
Non-performing restructured debt	3,368	2,645
Performing restructured debt	3,218	4,779
GROSS AMOUNT OF RESTRUCTURED DEBT[(1)]	**6,586**	**7,425**

(1) Composed of EUR 5.8 billion carried on the balance sheet and EUR 0.7 billion as off-balance sheet at 31 December 2023.

4.6 COUNTERPARTY CREDIT RISK

Audited I Counterparty credit risk (CCR) is driven by market transactions (derivatives transactions and repos). Counterparty credit risk is therefore a multidimensional risk, combining 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 in time (credit component), whilst also being impacted by changes in market parameters (market component). Counterparty credit risk can be broken down into the following categories:

- default risk: it corresponds to the replacement risk to which the Societe Generale Group is exposed in the event of a counterparty's failure to comply with its payment obligations. In this case, following the counterparty's default SG must replace this transaction with a new transaction. Potentially, this must be done under stressed market conditions, with reduced liquidity and sometimes even facing a Wrong Way Risk (WWR);
- Credit Valuation Adjustment (CVA) risk: it corresponds to the variability of the value adjustment due to counterparty credit risk, which is the market value of the Counterparty Credit Risk (CCR) for derivatives and repos, that is an adjustment to the transaction price factoring in 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 factoring in the counterparty's default risk;
- risk on CCPs (Central Clearing Counterparty): it is related to the 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.

Transactions involving counterparty credit risk include delivered pensions, securities lending and borrowing, and derivative contracts, whether they are dealt with principal activity or on behalf of third parties (agency activities or client clearing) in the context of market activities. ▲

4.6.1 DETERMINING LIMITS AND MONITORING FRAMEWORK

4.6.1.1 Main principles

Audited I Counterparty credit risk is framed through a set of limits that reflect the Group's appetite for risk.

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]. 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 changes 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.

4.6.1.2 Comitology

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;

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

- 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.

4.6.1.3 Replacement risk

The Group frames the replacement risks 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:

- defined at the counterparty level;
- 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:

- 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).

4.6.1.4 CVA (Credit Valuation Adjustment) risk

In addition to the replacement risk, the CVA (Credit Valuation Adjustment) measures the adjustment of the value of the Group's derivatives and repos portfolio in order to take into account the credit quality of the counterparties facing the Group (see section 4.6.3.2 "Credit Valuation Adjustment").

Positions taken to hedge the volatility of the CVA (credit, interest rate or equity instruments) are monitored through:

- sensitivity limits;
- stress test limits: scenarios representative of the market risks impacting the CVA (credit spreads, interest rates, exchange rates and equity) are applied to carry out the stress test on CVA.

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

4.6.1.5 Risk on central counterparties

Clearing of transactions is a common market practice for Societe Generale, notably in compliance with the EMIR (European Market Infrastructure Regulation) regulations in Europe and the DFA (Dodd-Frank Act) in the United States, which require that the most standardised over-the-counter transactions be compensated *via* clearing houses approved by the authorities and subject to prudential regulation.

As a member of the clearing houses with which it operates, the Group contributes to their risk management framework through deposits into the default 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, both for house and client activities (client clearing);
- the Group's contributions to the CCP default funds (guarantee deposits);
- a stress test defined to capture the impact of a scenario where a major CCP member should default. ▲

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

4.6.2 MITIGATION OF COUNTERPARTY CREDIT RISK ON MARKET TRANSACTIONS

Audited | 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).

4.6.2.1 Close-out netting agreements

Societe Generale's standard policy is to conclude master agreements including provisions for close-out netting.

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. 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, for example regarding the triggering events. 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.

4.6.2.2 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 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).

In addition, specific parameters or optional features can be defined depending on the type of counterparty/transaction, such as an additional guarantee amount (flat-rate increase of the exposure allowing the party making a margin call to be "over-collateralised"), or rating-dependent clauses, typically mutual in nature, where additional collateral is requested in case of a party's rating downgrade.

The Group monitors given and received collateral exchanges. In case of discrepancies between the parties with respect to margin call amounts, dedicated teams from the operations and the Risk Departments are in charge of analysing the impacted transactions to ensure they are correctly valued and of addressing the issue.

BILATERAL COLLATERAL EXCHANGE

The initial margin, historically very rare except with hedge funds, was generalised by EMIR and DFA regulations which introduced the mandatory use of master agreements and related CSA, prior to or when entering into an uncleared OTC derivatives transactions. It is now mandatory for the Group to exchange IM and VM for non-cleared OTC derivatives transactions with a large number of its counterparties (its financial counterparties and some non-financial counterparties above certain thresholds defined by the regulation, with compliance dates depending on the volume of transactions).

The Regulatory Technical Standards (RTS) on Initial Margin Model Validation (IMMV) under EMIR allows counterparties subject to mandatory bilateral collateral exchange requirements to waive these rules in certain circumstances. The Group has incorporated a waiver application process for intra-group entities into its risk management policies. The eligibility criteria for this waiver are framed and monitored as required by the Delegated Regulation.

CLEARING HOUSES

EMIR and DFA regulations have also required that the most standard over-the-counter derivatives transactions be compensated through clearing houses. The Group thus compensates its own operations (principal activity), but also client clearing activities (agency-type activity). Compensated derivatives are subject to systematic margin calls to mitigate counterparty credit risk, daily variation margins and initial margins, in order to cover current exposure and future exposure. ▲

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.

(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.

4.6.3 COUNTERPARTY CREDIT RISK MEASURES

4.6.3.1 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 characteristics inherent in the risk factors considered and uses a 10-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, 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[2]).

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".

ECONOMIC INDICATOR

For the economic monitoring of positions, Societe Generale relies mainly on a maximum exposure indicator determined from the Monte Carlo simulation, called internally Credit 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 (STT FinCollat) 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.

4.6.3.2 Credit Valuation Adjustment

MAIN PRINCIPLES

The CVA (Credit Valuation Adjustment) is an adjustment to marked-to-market of the derivatives and repos portfolio to take into account the credit quality of each counterparty facing the Group in the valuation. This adjustment is equivalent to the counterparty credit risk hedging cost usually based on in the Credit Default Swap (CDS) market.

For a specific counterparty, the CVA is determined on the basis of:

- 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

(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.*

(2) *Securities Financing Transactions.*

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 mainly 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.

4.6.3.3 Unfavorable 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.

4.6.3.4 Quantitative Information

TABLE 26: COUNTERPARTY CREDIT RISK EXPOSURE, EAD AND RWA BY EXPOSURE CLASS AND APPROACH

Counterparty credit risk is broken down as follows:

	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**

	31.12.2022								
(In EURm)	IRB			Standard			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	26,228	26,226	235	2,551	2,551	33	28,779	28,777	267
Institutions	18,979	18,994	3,574	31,948	32,019	613	50,927	51,013	4,187
Corporates	55,555	55,543	13,027	2,972	2,901	2,808	58,527	58,444	15,835
Retail	68	68	7	21	21	14	89	89	21
Other	-	-	-	3,514	3,514	688	3,514	3,514	688
TOTAL	**100,830**	**100,830**	**16,842**	**41,006**	**41,006**	**4,155**	**141,836**	**141,836**	**20,998**

The tables above feature amounts excluding the CVA (Credit Valuation Adjustment) which represents EUR 3 billion of risk-weighted assets (RWA) at 31 December 2023 (*vs.* EUR 2.8 billion at 31 December 2022).

TABLE 27: ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH

	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)					0	0	0	0
Financial collateral comprehensive method (for SFTs)					34,426	20,292	20,292	911
VaR for SFTs					0	0	0	0
TOTAL					**714,840**	**94,430**	**94,577**	**17,354**

	31.12.2022							
(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)	1,938	35,665		1	92,752	52,644	52,645	6,649
IMM (for derivatives and SFTs)			38,283	2	444,207	63,311	63,348	12,381
of which securities financing transactions netting sets			*18,727*		*370,235*	*29,089*	*29,089*	*2,137*
of which derivatives and long settlement transactions netting sets			*19,493*		*72,565*	*34,113*	*34,151*	*10,239*
of which from contractual cross-product netting sets			*62*		*1,407*	*109*	*109*	*5*
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					23,324	11,291	11,291	1,050
VaR for SFTs					-	-	-	-
TOTAL					**560,282**	**127,246**	**127,284**	**20,080**

TABLE 28: EXPOSURES TO CENTRAL COUNTERPARTIES

	31.12.2023		31.12.2022	
(In EURm)	**Exposure value**	**RWA**	**Exposure value**	**RWA**
Exposures to QCCPs (total)	**-**	**1,380**		**918**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which:	9,125	183	7,443	149
(i) OTC derivatives	1,800	36	2,190	44
(ii) Exchange-traded derivatives	5,163	103	4,025	81
(iii) SFTs	1,960	39	1,022	20
(iv) Netting sets where cross-product netting has been approved	202	4	206	4
Segregated initial margin	18,989		18,063	
Non-segregated initial margin	2,720	54	4,002	80
Pre-funded default fund contributions	3,410	1,143	3,199	688
Unfunded default fund contributions	-	-	-	-
Exposures to non-QCCPs	**-**	**193**		**-**
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), of which:	18	18	-	-
(i) OTC derivatives	3	3	-	-
(ii) Exchange-traded derivatives	15	15	-	-
(iii) SFTs	1	1	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	286	-	-	
Non-segregated initial margin	28	28	-	-
Pre-funded default fund contributions	2	22	-	-
Unfunded default fund contributions	10	125	-	-

TABLE 29: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK

	31.12.2023		31.12.2022	
(In EURm)	**Exposure value**	**RWA**	**Exposure value**	**RWA**
Total transactions subject to the Advanced Method	32,137	2,233	36,947	2,222
(i) VaR component (including the 3 × multiplier)	-	291		329
(ii) Stressed VaR component (including the 3 × multiplier)	-	1,942		1,893
Transactions subject to the Standardised Method	8,626	780	8,665	582
Transactions subject to the Alternative approach (based on Original Exposure Method)	-	-	-	-
Total transactions subject to own funds requirements for CVA risk	**40,762**	**3,013**	**45,612**	**2,805**

4.7 MARKET RISK

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 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. ▲

4.7.1 ORGANISATION OF MARKET RISK MANAGEMENT

Main functions

Audited I Although primary responsibility for managing risk exposure relies on the Front Office managers, the supervision system comes under the Market Risk Department of the Risk Department, which is independent from the businesses.

The main missions of this department are:

- the definition and proposal of the Group's market risk appetite;
- the proposal of appropriate market risk limits by Group activity to the Group Risk Committee (CORISQ);
- the assessment of the limit requests submitted by the different businesses within the framework of the overall limits authorised by the Board of Directors and General Management, and based on the use of these limits;
- the permanent verification of the existence of an effective market risk monitoring framework based on suitable limits;
- 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 the market risk indicators, of the P&L resulting from market activities, based on formal and secure procedures, and then of the reporting and the analysis of these indicators;
- the daily monitoring of the limits set for each activity;
- the risk assessment of new products or market activities.

In order to perform its tasks, the department also defines the architecture and the functionalities of the information system used to produce the risk and P&L indicators for market transactions, and ensures it meets the needs of the different businesses and of the Market Risk Department. ▲

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

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 a Board or DGLE delegation level are reviewed in CORISQ at least once a year;
- the market risks 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 organized 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 eight times in 2023, covering topics related to market activities.
(2) 2 CORISQ meetings dedicated to market activities took place in 2023.
(3) The Market Risk Committee met 10 times in 2023.

4.7.2 MARKET RISK MONITORING PROCESS

Market risk appetite

Audited I 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 risk resulting from these market activities is strictly managed through a set of limits for several indicators:

- the 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.

Determining and monitoring limits

The choice and calibration of these limits ensure the operational transposition of the Group's market risk appetite 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 related to the portfolio managed. This analysis may include various elements such as market conditions, specifically liquidity, position maneuverability, risk/rewards analysis, ESG criteria, etc.;
- regular reviews make it possible to manage risks according to the prevailing market conditions;
- specific limits, or even bans, may be put in place to manage risks for which the Group has little or no risk 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.

4.7.3 MAIN MARKET RISK MEASURES

Stress test assessment

Audited I Societe Generale monitors its exposure using stress test simulations to take into account exceptional market disruptions.

A stress test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the positions affected.

Two major metrics are defined and used:

- the Global Stress Test on market activities, which estimates the losses linked to market risks, market/counterparty cross-risk, and dislocation and carry risk on exotic activities, that could arise simultaneously in the event of a severe but plausible systemic crisis. This stress test is modeled on five scenarios;
- the Market Stress Test, which focuses solely on market risks, 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 reviewed by the Risk Division on a regular basis. These reviews are presented during dedicated biannual Committees, chaired by the Market Risk Department and attended by economists and representatives of Societe Generale's trading activities. These Committees cover the following topics: changes in scenarios (introduction, removal, shock review), appropriate coverage of the risk factors by the scenarios, review of the approximations made in terms of calculation, correct documentation of the whole process. The delegation level needed to validate the changes in stress test methodology depends on the impact of the change in question.

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 four risk factors on 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 favorable results arising from the five scenarios and their respective components.

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 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 sellers – 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.

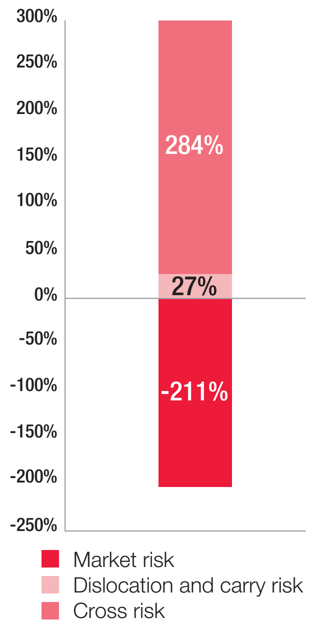
Market/counterparty cross-risk component on weak counterparties

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 (hedge funds and 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 2023 GLOBAL STRESS TEST ON MARKET ACTIVITIES



(1) Measurement of the impact in the Net Banking Product in case of shocks to all risk factors (refer to description below).

MARKET STRESS TEST

Audited I This metric focuses on market risk and estimates the loss resulting from shocks on the set of risk factors. This stress test is based on 12 scenarios[(1)], three historical and nine hypothetical. The main principles are as follows:

- the scenario considered in the market stress test is the worst of 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.

Historical scenarios

This method consists of an analysis 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, two 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 three 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 nine 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 two new hypothetical scenarios corresponding to bull markets were added. ▲

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 French supervisor within the scope of the regulatory capital requirements. This approval was renewed in 2020 at the Target Review of Internal Models (TRIM).

The Value-at-Risk (VaR) assesses the potential losses on positions over a defined time horizon and for a given confidence interval (99% for Societe Generale). The method used is the "historical simulation" method, which implicitly takes into account the correlation between the various markets, as well as general and specific risk. It is based on the following principles:

- storage in a database of the risk factors that are representative of Societe Generale's positions (*i.e.* interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.). Controls are regularly performed in order to check that all major risk factors for the trading portfolio of the Group are taken into account by the internal VaR model;
- definition of 260 scenarios corresponding to one-day variations in these market parameters over a rolling one-year period; these scenarios are updated daily with the inclusion of a new scenario and the removal of the oldest scenario. There are three coexisting methods for modeling scenarios (relative shocks, absolute shocks and hybrid shocks), the choice between these methods for a given risk factor is determined by its nature and its historical trend;
- the application of these 260 scenarios to the market parameters of the day;
- revaluation of daily positions, on the basis of the 260 sets of adjusted market parameters: in most cases this calculation involves a full re-pricing. Nonetheless, for certain risk factors, a sensitivity-based approach may be used.

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[(2)] of the second and third largest losses computed, without applying any weighting to the other scenarios.

(1) Including the scenarios used in the global stress tests on market activities.
(2) 39% of the second-highest risk and 61% of the third-highest risk.

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 ten. 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 intraday 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[1] 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 & 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

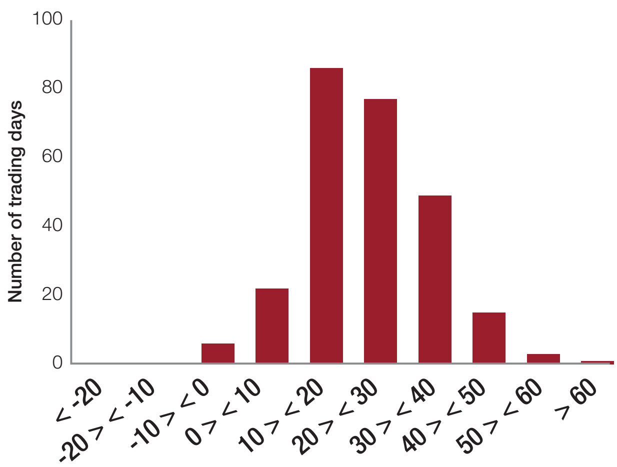
The relevance of the model is checked through continuous backtesting in order to verify whether the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval. The results of the backtesting are audited by the Risk Department in charge of the validation of internal models, which, as second line of defence, also assesses the theoretical robustness (from a design and development standpoint), the correctness of the implementation and the adequacy of the model use. The independent review process ends with (i) review and approval Committees and (ii) an Audit Report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review. The model control mechanism gives rise to reporting to the appropriate authorities.

In compliance with regulations, 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[2] 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[3] includes only the change in book value related to changes in market parameters and excludes all other factors. ▲

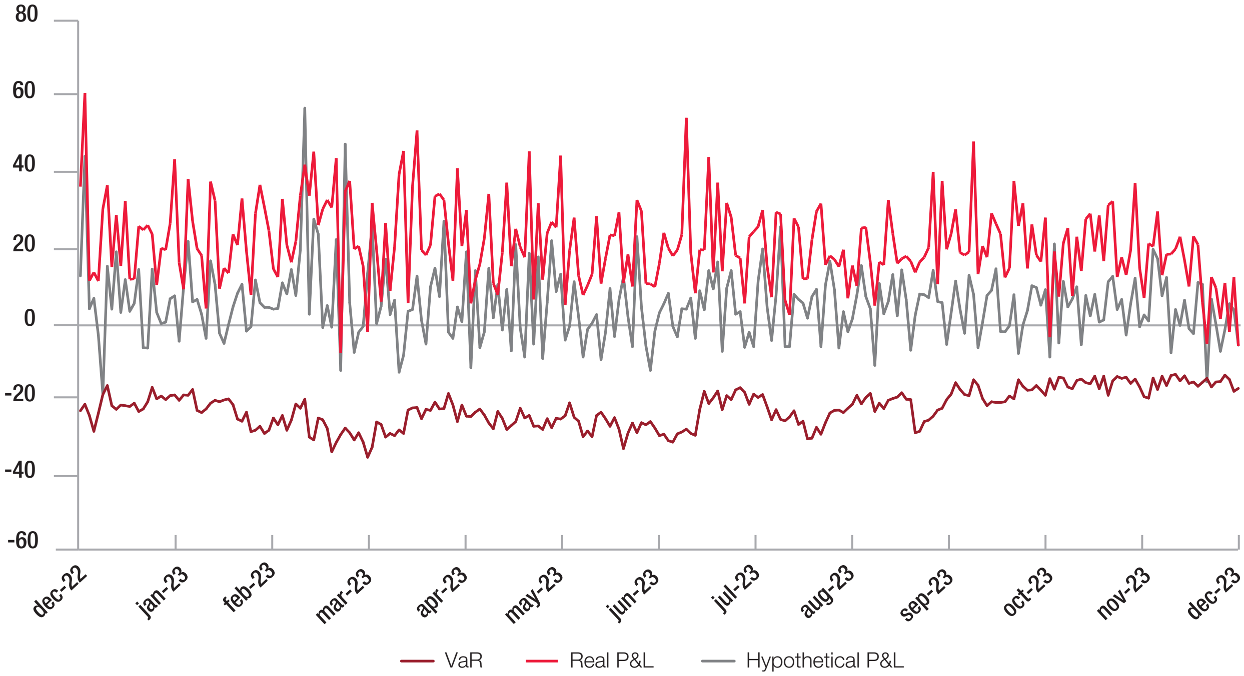
In 2023, we observed one breach against hypothetical P&L (in Q4).

BREAKDOWN OF THE DAILY P&L OF MARKET[4] ACTIVITIES (2023, IN EURM)



(1) *Risk Not In Model Engine.*
(2) *"Actual P&L" by agreement hereinafter.*
(3) *"Hypothetical P&L" by agreement hereinafter.*
(4) *Actual P&L.*

TRADING VAR (ONE-DAY, 99%), DAILY ACTUAL[1] P&L AND DAILY HYPOTHETICAL[2] P&L OF THE TRADING PORTFOLIO (2023, IN EURM)



VaR Changes

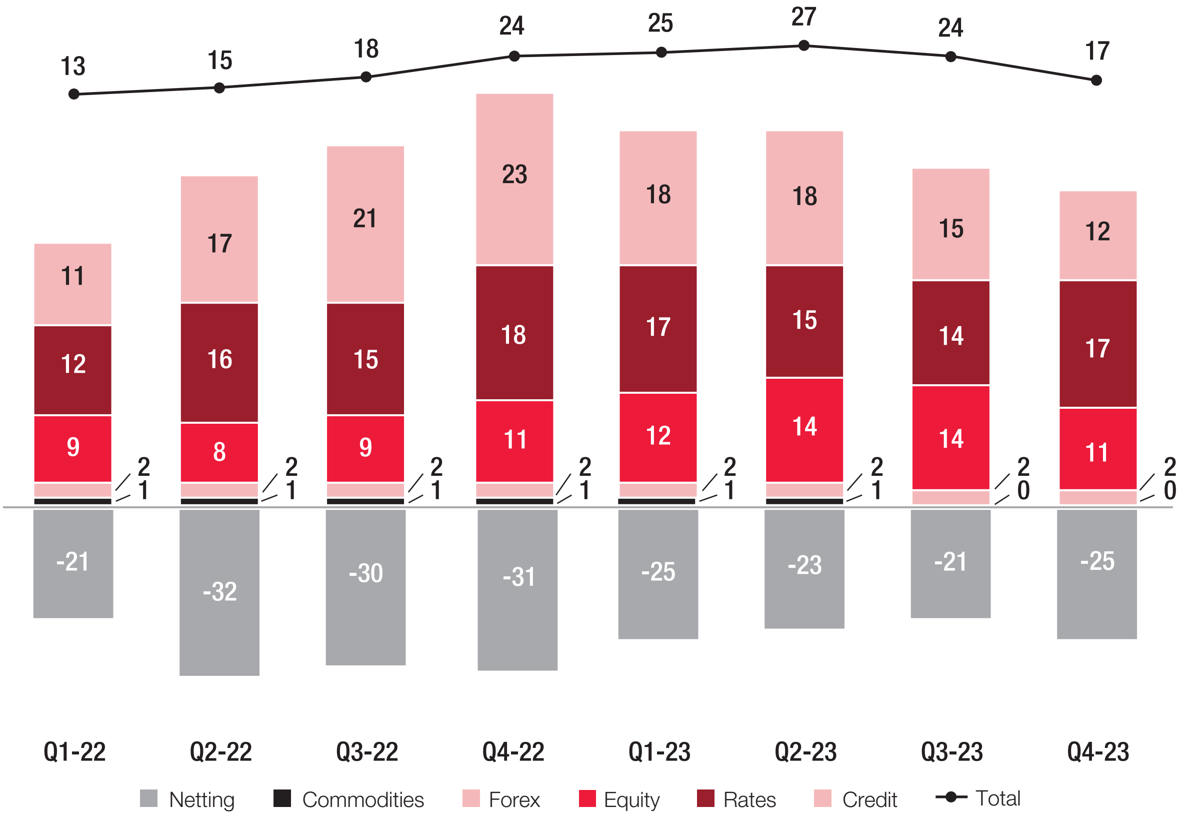
TABLE 30: REGULATORY TEN-DAY 99% VAR AND ONE-DAY 99% VAR

	31.12.2023		31.12.2022	
(In EURm)	VaR (10 days, 99%)[1]	VaR (1 day, 99%)[1]	VaR (10 days, 99%)[1]	VaR (1 day, 99%)[1]
Period start	61	19	25	8
Maximum value	116	37	95	30
Average value	72	23	56	18
Minimum value	43	14	22	7
Period end	52	16	75	24

(1) Over the scope for which capital requirements are assessed by the internal model.

(1) Daily result used for backtesting the VaR against the effective value of the portfolio as defined in the paragraph "Value-at-Risk 99% (VaR)".
(2) Daily result used for backtesting the VaR against the hypothetical value of the portfolio as defined in the paragraph "Value-at-Risk 99% (VaR)".

AUDITED I BREAKDOWN BY RISK FACTOR OF TRADING VAR (ONE-DAY, 99%) – CHANGES IN QUARTERLY AVERAGE OVER THE 2022-2023 PERIOD (IN EURM)



Audited I The VaR was riskier in 2023 (EUR 23 million *versus* EUR 18 million in 2022 on average), mainly due to the entry of new and more volatile scenarios following the deterioration of market conditions related to the banking crisis in March. The increase in risk is particularly evident in the Equities and Rates 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 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 2023, this window was "September 2008-September 2009".

The ten-day SVaR used for the computation of the regulatory capital is obtained, as for VaR, by multiplying the one-day SVaR by the square root of ten.

As for the VaR, the Market Risk Department controls the limitations of the SVaR model by measuring the impact of integrating a risk factor absent from the model (RNIME process). Depending on the materiality of these missing factors, they may be capitalised. Other complementary measures also control the limitations of the model. The continuous backtesting performed on VaR model cannot be replicated to the SVaR model as, by definition, it is not sensitive to the current market conditions. However, as the VaR and the SVaR models rely on the same approach, they have the same advantages and limits.

The relevance of the SVaR is regularly monitored and reviewed by the Risk Department in charge of the validation of internal models, as a second line of defence. The independent review process ends with (i) review and approval Committees and (ii) an Audit Report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review. The model control mechanism gives rise to recurrent reporting to the appropriate authorities.

SVaR increased on average in 2023 (EUR 37 million *versus* EUR 32 million in 2022). Slightly up over the year the SVaR has evolved with a variability comparable to that of 2022 mainly due to the activities on exotic equities. The level of the SVaR remains explained by the indexing and financing action activities, and by the interest rate scopes. ▲

(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.

TABLE 31: REGULATORY TEN-DAY 99% SVAR AND ONE-DAY 99% SVAR

	31.12.2023		31.12.2022	
(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	92	29	96	30
Maximum value	189	60	165	52
Average value	114	36	101	32
Minimum value	64	20	55	17
Period end	115	36	145	46

(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 modeling 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[1] 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[2]. 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 unfavorable scenarios simulated.

The internal IRC model simulates rating transitions (including default) for each issuer in the portfolio, over a one-year horizon[3]. 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 modeled 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 modeling 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.

(1) The CRM model was not included in the Target Review of Internal Models.

(2) 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.

(3) 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.

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 unfavorable 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 validation 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.

TABLE 32: IRC (99.9%) AND CRM (99.9%)

(In EURm)	31.12.2023	31.12.2022
Incremental Risk Charge (99.9%)		
Period start	55	67
Maximum value	101	114
Average value	62	71
Minimum value	37	50
Period end	94	53
Comprehensive Risk Measure (99.9%)		
Period start	37	41
Maximum value	95	133
Average value	46	51
Minimum value	26	39
Period end	29	42

4.7.4 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 defense (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 validation;
- 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 information

At the end of September 2023, around 86% 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, SG Algérie, BRD, SG Tunisie, etc.

Capital requirements for market risk decreased in 2023. This decrease is mainly reflected in VaR and capital add-ons, partially offset by an increase in risks calculated using the standard approach:

- The VaR capital requirement gradually decreased in 2023, mainly due to the decrease in the multiplier factor following the steady decline in the number of backtesting breaches in a rolling year.
- capital add-ons decreased, mainly due to the reserve variability, which is calculated over a 3-year rolling window and which has benefited from the gradual exit of the high variation scenarios of the Reserve Policies observed in 2020 during the COVID crisis.
- The risks calculated in the standard approach are increasing mainly due to the risks assessed for currency positions.

TABLE 33: MARKET RISK CAPITAL REQUIREMENTS AND RWA BY RISK FACTOR

	Risk-weighted assets			Capital requirement		
(In EURm)	31.12.2023	31.12.2022	Change	31.12.2023	31.12.2022	Change
VaR	1,992	3,504	(1,512)	159	280	(121)
Stressed VaR	5,604	6,886	(1,282)	448	551	(103)
Incremental Risk Charge (IRC)	1,173	811	362	94	65	29
Correlation portfolio (CRM)	445	615	(170)	36	49	(14)
Total market risk assessed by internal model	**9,214**	**11,816**	**(2,602)**	**737**	**945**	**208**
Specific risk related to securitisation positions in the trading portfolio	504	150	354	40	12	28
Risk assessed for currency positions	1,918	987	931	153	79	75
Risks assessed for interest rates (excl. securitisation)	550	421	129	44	34	10
Risk assessed for ownership positions	333	374	(41)	27	30	(3)
Risk assessed for commodities	0	0	0	0	0	0
Total market risk assessed by standard approach	**3,305**	**1,932**	**(1,373)**	**264**	**155**	**110**
TOTAL	**12,518**	**13,747**	**(1,229)**	**1,001**	**1,100**	**(98)**

TABLE 34: MARKET RISK CAPITAL REQUIREMENTS AND RWA BY TYPE OF RISK

	Risk-weighted assets		Capital requirement	
(In EURm)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Risk assessed for currency positions	2,179	1,336	174	107
Risk assessed for credit (excl. deductions)	2,122	3,816	170	305
Risk assessed for commodities	18	24	1	2
Risk assessed for ownership positions	3,459	5,403	277	432
Risk assessed for interest rates	4,740	3,168	379	253
TOTAL	**12,518**	**13,747**	**1,001**	**1,100**

4.7.5 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 defense 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 validation 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.

4.8 STRUCTURAL RISKS – INTEREST RATE AND EXCHANGE RATE

Audited I Interest rate and foreign exchange risks are linked to:

- trading book activities;
- positions relating to long term employee benefit commitments and their hedging, which are monitored under a dedicated system;
- 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. 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.

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.

Within the entities, commercial and corporate centre operations must therefore be matched in terms of interest rates and exchange rates as much as possible. At the consolidated level, a structural foreign exchange position is maintained in order to minimise the variation of the Group's Common Equity Tier 1 (CET1) ratio to exchange rates fluctuations. ▲

4.8.1 ORGANISATION OF THE MANAGEMENT OF STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

Audited I The principles and standards for managing these risks are defined at the Group level. The entities are first and foremost responsible for managing these risks. The ALM (Asset and Liability Management) Department within the Group's Finance Division leads the control framework of the first line of defence. The ALM department of the Risk Department assumes the role of second line of defence supervision.

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 gives delegation to the Global Rate Forex Committee chaired by the Finance Department and the Risk Division for the validation of frameworks not exceeding defined amounts.

The ALM Department, within the Group's Finance Division

The ALM (Asset and Liability Management) 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) and 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 Société Générale 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 Finance Committee and the BU/SU ALM Committees. ▲

4.8.2 STRUCTURAL INTEREST RATE RISK

Audited I Structural interest rate risk is generated by commercial transactions and their hedging, as well as the management operations specific to each of the consolidated entities.

The Group’s objective

The Group's objective is to ensure that each entity's exposure to interest rate risk remains within the Risk Appetite defined by the Group.

To this end, the Board of Directors, the Group ALM Committee, the Global Rate and Exchange Committee and the ALM Committees of the Business Units set variation limits (in terms of value and income) for the Group, the BUs/SUs and the entities respectively.

Measuring and monitoring of structural interest rate risk

The Supersisory Outlier Test (SOT) regulatory metrics are calculated and monitored at Group level by applying the rate shocks specified in EBA's RTS 2022/10 (including the post-shock rate floor). The Group's standards require the inclusion of commercial margins in the calculation of value metrics. For regulatory income metrics based on constant outstandings, outstandings migration assumptions are made, in particular between non-interest-bearing deposits and interest-bearing deposits.

Societe Generale uses several further indicators to measure the Group’s overall interest rate risk. The three important indicators are:

- the variation 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 variation of the interest margin to changes in interest rates in various interest rate scenarios. It takes into account the variation generated by future commercial production;
- the change in market value (MVC: Market Value Change) of instruments recognised at fair value (mainly government bonds and derivatives not documented as hedging instruments from an accounting perspective) in various interest rate scenarios, measured over two years
- the variation of NPV to basis risk (risk associated with decorrelation between different variable rate indices).

Limits on these indicators are applicable to the Group, the BUs/SUs and the various entities. The Group perimeter is obtained as the sum of the perimeters that constitute it. All these metrics are also calculated on a monthly basis over significant perimeters and the frameworks are monitored at the same frequency at Group level.

Limits on these indicators are applicable to the Group, the BUs/SUs and the various entities. Limits are set for shocks at +0.1% and for stressed shocks (±1% for value variation and ±2% for income variation) without floor application. Only the variation of income over the first two years is framed. The measurements are computed monthly 10 months a year (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 – 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 so as to offset interest rate positions taken on the asset and liability side;
- implementation of a swap operation or – failing this in the absence of such a market – use of a loan/borrowing operation;
- purchase/sale of options on the market to cover optional positions takenforwards our clients.

Assets and liabilities are analysed without prior allocation of resources to employment. The maturities of the outstandings are determined by taking into account the contractual characteristics of the operations, adjusted for the results of the modelling of customer behaviour (in particular for demand deposits, savings and early loan repayments), as well as a number of disposal agreements, including equity and ouwn funds. The discount rate used for value management metrics includes liquidity spreads for balance sheet products.

As at 31 December 2023, the main models applicable for the calculation of interest rate risk measurements are models (sometimes dependent rate) 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;
- by taking into account the pay-offs depending on the scenario considered in the income variation calculations.

Hedging transactions are mainly documented in the accounting plan: this can be carried out either as micro-hedging (individual hedging of commercial transactions) or 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 essentially interest rate swaps in order to maintain networks' net asset value and result variation within limit frameworks, considering hypotheses applied. For macro-hedging documentation, the hedged item is an identified portion of a portfolio of commercial client or interbank operations. Conditions to respect in order to document hedging relationships are reminded in Note 3.2 to the consolidated financial statements.

The Group also measures and controls its change in value due to the Credit Spread in the Banking Book for a shock of +0.1% applied to items mesured 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 35: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1)

		31.12.2023	
(In EURm)		Changes of the economic value of equity (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
1	Parallel up	(1,821)	621
2	Parallel down	(1,231)	(741)
3	Steepener	1,621	
4	Flattener	(2,110)	
5	Short rates up	(1,890)	
6	Short rates down	2,223	

		31.12.2022 (R)	
(In EURm)		Changes of the economic value of equity (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
1	Parallel up	(1,914)	375
2	Parallel down	(133)	(1,102)
3	Steepener	2,023	
4	Flattener	(2,530)	
5	Short rates up	(2,425)	
6	Short rates down	2,527	

(R) restatement STE IRRBB.

4.8.3 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;
- exposures related to activities made by entities in currencies that are not their reporting currency;
- open positions taken on the balance sheet with the aim of making the CET1 ratio insensitive to changes in the exchange rate of currencies against the euro.

To achieve its objective of making the CET1 ratio insensitive to fluctuations in exchange rates against the euro, the following actions are taken:

- Group entities are asked to individually hedge the results related to activities in currencies other than their reporting currency;
- the foreign exchange position generated by investments in foreign holdings and branches, as well as by the conversion of their results into euros, is partially covered centrally: at the level of the Group Finance Division. Societe Generale retains a target exposure multiplied by the RWA generated in this currency in each RWA constituent currency equivalent to the level of the CET1 Target Group ratio and covers the balance by borrowings or forward foreign exchange transactions denominated in the currency of investments and recognised as investment hedging instruments (cf. Note 3.2).

For each currency, the difference between actual and target exposure is governed by limits validated by the Finance Committee and the Board of Directors.

Similarly, the sensitivities of the CET1 ratio to shocks of +/-10% per currency are framed. ▲

TABLE 36: 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	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
CHF	(2.3)	0.6	2.4	(0.6)
CZK	(0.7)	0.2	0.7	(0.2)
MAD	0.6	(0.6)	(0.6)	0.6
RON	(0.5)	(0.4)	0.5	0.4
RUB	(0.3)	(0.4)	0.3	0.4
TND	(0.3)	0.2	0.3	(0.2)
TRY	(0.2)	(0.1)	0.2	0.1
USD	(0.2)	0.3	0.2	(0.3)
XAF	0.2	0.4	(0.2)	(0.4)
Autres	(0.4)	(0.8)	0.4	0.8

4.9 STRUCTURAL RISK – LIQUIDITY RISK

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 column of assets and at a reasonable cost. ▲

4.9.1 OBJECTIVES AND GUIDING PRINCIPLES

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) raise funding resources in a sustainable manner, at a competitive cost compared to peers (management of funding risks). Doing so, the liquidity and funding management ensures compliance with risk appetite and regulatory requirements.

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 the “own management” entity, where appropriate, according to an internal refinancing schedule. Assets and liabilities with no contractual maturity are assigned maturities according to agreements or quantitative models proposed by the Finance Department and by the business lines and validated by the Risk Division;
- funding resources are based on business development needs and the risk appetite defined by the Board of Directors.(see section 2);
- financing resources are diversified by currencies, investor pools, maturities and formats (vanilla issues, structured, secured notes, etc.). Most of the debt is issued by the parent company. However, Societe Generale also relies on certain subsidiaries to raise resources in foreign currencies and from pools of investors complementary to those of the parent company;
- liquid reserves are built up and maintained in such a way as to respect the stress survival horizon defined by the Board of Directors. Liquid reserves are available in the form of cash held in central banks and securities that can be liquidated quickly and housed either in the banking book, under direct or indirect management of the Group Treasury, or 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 under stress, 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.

4.9.2 THE GROUP’S PRINCIPLES AND APPROACH TO LIQUIDITY RISK MANAGEMENT

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 risk appetite for liquidity and funding risks, whereby the Board of Directors approves financial indicators framing that have been proposed by General Management. Such risk appetite targets are then cascaded down per Business Units. The risk appetite is framed along 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 survival horizon under an adverse stress scenario, combining a severe market and systemic shock and an idiosyncratic shock. In addition to the main adverse scenario, Societe Generale also checks its survival horizon under an extreme stress scenario. For both scenarios, the idiosyncratic shock is characterised by one of its main consequences, which would be an immediate 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 5 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 combined 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, etc.), supplemented by an assessment of the adequacy of the Group's liquidity.

4.9.3 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,
  - reviews at least quarterly the Group's liquidity and funding situation: key liquidity metrics, including stressed liquidity gap metrics as evaluated through Societe Generale group models, the regulatory metrics LCR and NSFR, the pace of execution of the funding plan and the related cost of funds;
- General Management, which:
  - allocates liquidity and funding targets to the various Business Units and the Group Treasury entity, upon proposal from the Group Finance division,
  - defines and implements the liquidity and funding risk strategy, based on inputs from the Finance and Risk Divisions and the Business Units. In particular, the General Management chairs the Finance Committee, held every 6 weeks and attended by representatives from the Finance and Risk Divisions and Business Units, which is responsible for monitoring structural risks and managing scarce resources:
    - validation and monitoring of the set of limits for structural risks, including liquidity risk,
    - monitoring of budget targets and decisions in case of a deviation from the budget,
    - definition of principles and methods related to liquidity risk management (*e.g.* definition of stress scenarios),
    - assessment of any regulatory changes and their impacts;
- the Group Finance Division, which is responsible for the liquidity and funding risks as first line of 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 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 Asset and Liability Management Department is in charge of 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:
  - defining liquidity indicators and the setting of the main existing limits within the Group;
  - defining the normative framework for measuring, modelling methods and monitoring these risks.

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, it ensures the correct interpretation of the regulatory framework as well as an adequate implementation in the Societe Generale environment.▲

4.9.4 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 includes:

- 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 37: LIQUIDITY RESERVE

(In EURbn)	31.12.2023	31.12.2022
Central bank deposits (excluding mandatory reserves)	214	195
HQLA securities available and transferable on the market (after haircut)	74	59
Other available central bank-eligible assets (after haircut)	28	24
TOTAL	**316**	**279**

4.9.5 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].

Societe Generale's LCR ratio has always been above 100%: 160% at the end of 2023 compared to 141% at the end of 2022. Since it came into force, the NSFR ratio has always been above 100% and stands at 119% at the end of 2023 compared to 114% at the end of 2022.

(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%.

4.9.6 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 38: BALANCE SHEET SCHEDULE

FINANCIAL LIABILITIES

	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.

	31.12.2022					
(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		8,361	-	-	-	8,361
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	149,258	22,680	31,003	28,578	231,519
Due to banks	Note 3.6	49,817	39,643	42,217	1,334	133,012
Customer deposits	Note 3.6	475,608	27,232	23,101	4,822	530,763
Securitised debt payables	Note 3.6	34,158	24,030	46,583	28,405	133,176
Subordinated debt	Note 3.9	3	-	6,063	9,882	15,947

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

	31.12.2023					
(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.

	31.12.2022(R)					
(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		203,389	734	1,808	1,082	207,013
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	330,591	19,785	-	-	350,376
Financial assets at fair value through other comprehensive income	Note 3.4	91,518	1,162	-	280	92,960
Securities at amortised cost	Note 3.5	5,709	3,588	7,999	8,848	26,143
Due from banks at amortised cost	Note 3.5	58,614	1,599	7,487	471	68,171
Customer loans at amortised cost	Note 3.5	111,271	62,691	183,035	121,036	478,033
Lease financing agreements[(1)]	Note 3.5	2,760	6,014	15,663	4,165	28,602

(1) Amounts are presented net of impairments.

Due to the nature of its activities, Société Générale holds derivative products and securities whose residual contractual maturities are not representative of its activities or risks.

By agreement, the following residual maturities were used for the classification of 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

	31.12.2023						
(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
Insurance contracts related liabilities	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

	31.12.2022(R)						
(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	-	-	806	839	-	1,645
Revaluation difference on portfolios hedged against interest rate risk		(9,659)	-	-	-	-	(9,659)
Other liabilities	Note 4.4	-	100,649	1,987	2,832	1,847	107,315
Non-current liabilities held for sale	Note 2.5	-	-	220	-	-	220
Insurance contracts related liabilities	Note 4.3	-	3,616	9,152	36,869	86,239	135,875
Provisions	Note 8.3	4,579	-	-	-	-	4,579
Shareholders' equity		73,326	-	-	-	-	73,326

OTHER ASSETS

	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
Investments of insurance companies	Note 4.3	-	60	36	143	220	459

	31.12.2022 (R)						
(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		(2,262)	-	-	-	-	(2,262)
Other assets	Note 4.4	-	82,315	-	-	-	82,315
Tax assets	Note 6	4,484	-	-	-	-	4,484
Deferred profit-sharing			1,170	0	1	4	1,175
Investments accounted for using the equity method		-	-	-	-	146	146
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	33,958	33,958
Goodwill	Note 2.2	-	-	-	-	3,781	3,781
Non-current assets held for sale	Note 2.5	-	1	1,049	15	17	1,081
Insurance contract assets	Note 4.3	-	7	21	89	236	353

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.

4.10 OPERATIONAL RISK

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.

Societe Generale's 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".

4.10.1 ORGANISATION OF OPERATIONAL RISK MANAGEMENT

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 the Resources and Digital Transformation Department;
- a third line of defence in charge of internal audits, carried out by the General Inspection and Audit Division.

First and second-level control

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 these risks is based on operational risk systems and the 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 Societe Generale'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 the Corporate Resources and Digital Transformation Division. 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 non-authorised 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.

4.10.2 OPERATIONAL RISK MONITORING PROCESS

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 services;
- management of outsourced services;
- crisis management and business continuity;
- management of risks related to information and communication technologies (ICT).

Collection of internal operational losses and significant incidents without any 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 peformed 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.

New product Committees

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.

4.10.3 OPERATIONAL RISK MEASUREMENT

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.

Operational risk modeling

The statistical method used by the Group for operational risk modeling is based on the Loss Distribution Approach (LDA) for AMA internal model.

Under this approach, operational risks are modeled 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.

Societe Generale's total capital requirements for operational risks were EUR 4.0 billion at the end of 2023, representing EUR 50 billion in risk-weighted assets. This assessment includes the capital requirement of AMA and Standard perimeters.

Insurance cover in risk modeling

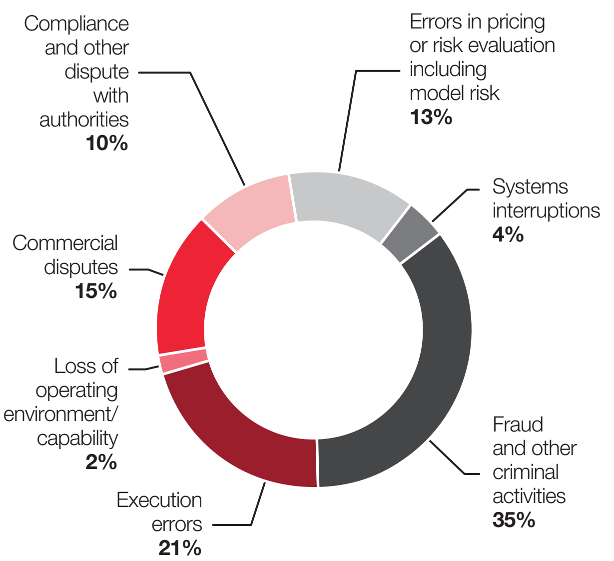
In accordance with regulations, Societe Generale incorporates risk cover provided by insurance policies when calculating regulatory capital requirements for operational risks, within the limit of 20% of said requirements. These insurance policies cover part of the Group's major risks, *i.e.* civil liability, fraud, fire and theft, as well as systems interruptions.

Risk reduction through insurance policies resulted in a 6.4% decrease in total capital requirements for operational risks.

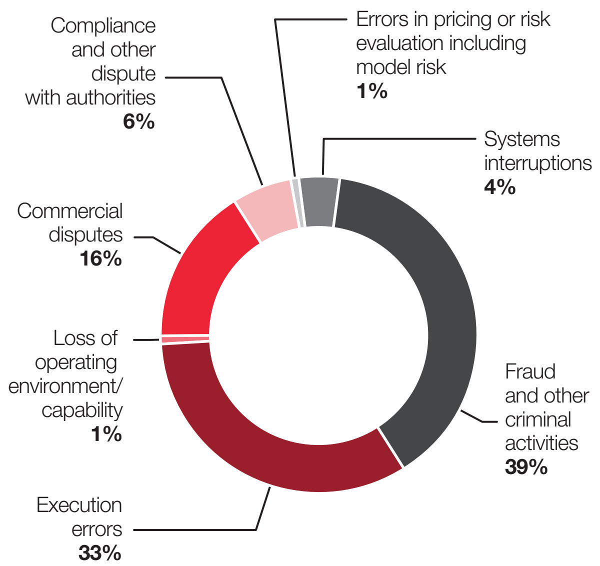
Quantitative data

The following charts break down operating losses by risk category for the 2019-2023 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



Over the past five years, Societe Generale's operational risks have, on average, concentrated on 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 manual means of payment (electronic payments, transfers and cheques) and supplier fraud on financed equipment. To be noted a decrease of 20% in 2023 compared to 2022 due to the absence of new significant case. ;
- 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 2023 thanks to the proper execution of the remediation plans;
- commercial disputes, the third largest category, represented 15% of the Group's operational losses over the period;Increased in 2023 is due to the settlement of old cases;
- pricing or risk assessment errors, including model risk, represent 13% of the total amount of losses.;
- litigation with authorities represented 10% 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 2019 to 2023 period.

4.10.4 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

Societe Generale's capital requirements for operational risk are mainly calculated using the Advanced Measurement Approach (AMA) via its internal model (91% in 2023).

The amount of RWA on the AMA scope increased in 2023 (EUR +4.1 billion, i.e. +8.9%). This increase is mainly linked to LeasePlan integration.

The following table breaks down the Group's risk-weighted assets and the corresponding capital requirements at 31 December 2023.

TABLE 39: WEIGHTED EXPOSURES AND CAPITAL REQUIREMENTS FOR OPERATIONAL RISK BY APPROACH

(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.

(In EURm)	31.12.2022				
	Relevant indicator			Own funds requirements	Risk-weighted assets
Banking activities	31.12.2020	31.12.2021	31.12.2022		
Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	1,184	1,337	1,245	103	1,290
Subject to TSA	*1,184*	*1,337*	*1,245*		
Subject to ASA	-	-	-		
Banking activities subject to advanced measurement approaches AMA	21,964	23,980	27,186	3,579	44,733

(1) *Historical data including the updates, reflecting some changes in the scope of entities, which occurred during the year.*

4.10.5 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.

4.11 COMPLIANCE

Compliance risk is considered a non-financial risk, in keeping 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 its stakeholders. Compliance is the cornerstone of trust between the Bank, its clients, its supervisors and its staff.

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 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 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 client (KYC); compliance with the rules and regulations on international sanctions and embargoes; anti-money laundering and combating the financing of terrorism (AML/CFT), including reporting suspicious transactions to the appropriate financial intelligence authority when necessary;
- regulatory risks, which cover in particular: client protection, anti-bribery and corruption, 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, market integrity, compliance with prudential regulations in collaboration with the Risk Department, joint coordination with HRCO of the Group's Culture & Conduct issues (conduct in particular);
- protection of data, including personal data and in particular those of customers.

Financial crime risks			Regulatory risks					
Know Your Customers	Anti-Money Laundering & Counter Terrorism Financing	Sanctions & Embargoes	Client Protection	Market Integrity	Tax Transparency	Anti-Corruption & Bribery, Ethics & Conduct	Corporate Social Responsibility	Data protection & digital

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.

4.11.1 COMPLIANCE

Financial security

KNOW YOUR CLIENT (KYC)

Today Societe Generale's KYC system is essentially robust in the wake of the Group's remediation and transformation programmes aimed at bringing the system to the required level over the past five years. The year 2023 was marked in particular by strengthened procedures for the continuous detection of clients or beneficial owners who have acquired the status of Politically Exposed Person (PEP) or of Relative and Close Associate, and by the continued roll-out of the Group's solution to identify Negative News.

ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM (AML/CFT)

The Group implements all the measures related to Directive (EU) 2015/849 on anti-money laundering and counter-terrorism financing (referred to as "the 5th Anti-Money Laundering Directive"), as well as European Regulation 2015/847 on the quality of payment information and the Order of 6 January 2021 on the system and internal controls to fight money laundering and terrorism financing.

Moreover, it has launched or continued several internal initiatives aimed at making its system even more robust. In particular, these initiatives involve the optimisation of transaction surveillance scenarios and the development of more sophisticated tools to detect suspicious or unusual transactions, based on technology like big data and machine learning. The implementation of these so-called new-generation tools saw major progress in 2023, in particular at BoursoBank and in International Retail Banking activities.

FINANCIAL EMBARGOES AND SANCTIONS

The global environment was marked in 2023 by stronger sanctions imposed on Russia by various jurisdictions (the European Union, the US, the UK, etc.) on account of the war against Ukraine. The implementation of these sanctions remains very complex and may generate high operational risk for financial institutions. Accordingly, the Societe Generale Group continues to closely supervise transactions involving Russia to ensure compliance with international sanctions.

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.

Regulatory compliance risk

CUSTOMER PROTECTION

Customer protection is a major challenge for the Societe Generale Group, which is committed to respecting and protecting the interests of its customers.

The prevention of financial vulnerability (early detection), banking inclusion (the right to hold an account) and the unbundling of insurance taken out on a real estate loan remain priorities. These measures were supplemented by the application of the Lemoine Act, which stipulates that any request to replace a contract must be processed within 10 days.

Information provided to customers was strengthened with new rules on ESG (Environmental and Social Governance) labelling and designations.

The Group continues to implement significant measures to improve its system in terms of:

- strengthening internal rules regarding key aspects of customer protection (marketing rules, especially for sustainable investment, cross-border sales, customer claims, conflicts of interest, product governance, protection of customers' assets, along with compensation and qualification of employees);
- specific training and increased staff awareness; the importance the Group places on this issue is widely addressed in the Group's Code of Conduct;
- adapting tools to regulatory requirements as a matter of necessity (managing conflict of interest mapping, integrating customer preferences in terms of sustainable investment, etc.).

Customer claims

Processing a claim is a commercial act that impacts customer satisfaction. Accordingly, it has received extensive coverage in the Code of Conduct.

Updated in 2023, the "Customer claim processing" Group instruction incorporates the recommendations of the national supervisor (French Prudential Supervisory and Resolution Authority – ACPR) and the regulatory requirements (MIF2, DDA and DSP – the Payment Services Directive) relative to the strengthening of customer protection measures at European level. The Bank's businesses have an *ad hoc* governance, an organisation, human resources and applications, formalised procedures, and quantitative monitoring indicators.

Independent mediation supplements this internal system. Mediation aims to settle disputes amicably and the Group notifies customers of their recourse to it using multiple media in particular by the existence of a permanent notice on the last page of their bank account statements. Every entity involved is obliged to comply with the independent mediator's decision.

Conflicts of interest

The Group has a clear normative framework (updated in 2023) in place to prevent and manage conflicts of interest. This framework specifies the principles and mechanisms that have been implemented. It is a robust system that tackles various types of potential conflicts of interest: those of Group entities that may arise in the course of business, whether with respect to customers or other third parties (suppliers, etc.); those of employees when their personal activities and interests conflict with their professional activities. The system is supplemented by the annual reporting of conflicts of interest (*Déclaration des Conflits d'intérêts* – DACI) regarding people most exposed to the risks of corruption. Societe Generale gives priority to their customers' interests under all circumstances. If in some instances this system does not appear to remove the risk of conflicts of interest with reasonable certainty and in accordance with local regulations, Societe Generale shall either refrain from carrying out the transaction or, insofar as confidentiality requirements allow, inform the client or prospect of the general nature or source of conflict of interest. The customer can then make an informed decision.

Product governance

Systematic reviews ahead of and during the marketing process ensure compliance with product governance obligations. As product originator, SG sets up Product Review Committees to ensure the target market has been defined correctly and, if not, to adjust it accordingly. As distributor, Societe Generale checks that the criteria match the customers' situation and communicates with product originators to track products during their life cycle. SG's investment services policy includes new offers in terms of sustainable finance, the supervision of crypto-assets, and detailed notes on the target markets of the main instruments produced or distributed by each business.

Vulnerable customers

Societe Generale has established practices and usages to comply with legislation vis-à-vis vulnerable customers, in particular customers benefiting from the offer tailored to financially challenged customers. To contribute to the national effort to boost the purchasing power of French citizens in difficult financial circumstances, the Group added to its practices by introducing additional measures in 2019, notably by

i) freezing bank fees;

ii) capping bank intervention fees for vulnerable clients; and

iii) organising follow-up and support suited to the situation of customers experiencing difficulties in the wake of recent events. These measures are closely monitored and covered in action plans aimed at identifying financially vulnerable customers.

MARKET INTEGRITY

The market integrity laws and regulations adopted in recent years, together with their latest changes, have been included in a robust risk hedging system implemented in the Societe Generale Group.

The rules of conduct, the organisational principles and the oversight and control measures are in place and regularly assessed. Moreover, extensive training and awareness-raising programmes are provided to all Group employees.

This system was strengthened in 2023, notably by:

- the roll-out of tools enabling to record electronic communications on platforms like WhatsApp for persons targeted by orders issued by the US authorities (SEC and CFTC) against several banking institutions, such as SG SA and SGAS;
- ramping up the supervision of market abuse risk generated by transactions executed using access information provided by the markets;
- updating the compliance management system for derivatives, which are subject to ever-changing regulations that go hand-in-hand with business and technology developments;
- addressing the escalation in and ongoing changes to regulatory requirements regarding transaction reporting, along with the need to improve data quality.

TAX TRANSPARENCY AND EVASION

Societe Generale Group's principles on combating tax evasion are governed by the Tax Code of Conduct. The code is updated periodically and approved by the Board of Directors after review by the Executive Committee. It is publicly available *via* the Bank's institutional investor portal (*https://www.societegenerale.com/sites/default/files/documents/code-conduct/tax-code-of-conduct-of-societe-generale-group-uk.pdf*). The previous version from 2017 was updated in December 2023.

The five main principles of the Code of Conduct 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[1] (*États et territoires non coopératifs* in French). 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.

The Group publishes information on its entities and activities annually on a country-by-country basis *(cf section 2.13 – pages* 73 - 74*)* 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 client 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. Last, 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.

(1) Including the European black list

ANTI-CORRUPTION MEASURES

Societe Generale is fully committed to fighting corruption, in particular by participating in the Wolfsberg Group and the Global Compact.

The Group applies the strict principles included in its Code of Conduct and its "Anti-Corruption and Influence Peddling Code". It promotes a culture of compliance with zero tolerance for corruption.

The body of standards governing the fight against corruption is reviewed annually and covers:

- Know Your Third Party requirements (due diligence of customers, suppliers and partners alike, especially beneficiaries of patronage and sponsorship initiatives);
- human resources (recruitment, mobility, professional assessment, remuneration, disciplinary framework);
- gifts, business meals and external events;
- identification and training of employees most exposed to corruption risks;
- interest representation activities;
- contractual policy;
- mergers and acquisitions;
- right to whistleblow;
- conflict of interest situations, documented in dedicated records within each Group entity.

The anti-corruption system implemented is a solid solution that includes:

- preventative measures:
  - corruption risk mapping,
  - policies and procedures,
  - regular training at all levels (senior management, most exposed persons, all employees),
  - awareness-raising and communication to governance bodies;
- detection measures:
  - a whistleblowing system updated in 2023 following the Waserman Law; see Chapter 5.5, "Duty of Care Plan",
  - periodic and permanent monitoring of specific anti-corruption accounting and operational controls,
  - internal audits;
- reporting and steering *via* a specific governance and key indicators.

The Societe Generale Group also has several tools at its disposal, such as the tool for declaring gifts and invitations (GEMS), the tool for whistleblowing management (WhistleB), the annual conflict of interest declaration tool (DACI), and the tool for selecting risky manual accounting entries (OSERIS).

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.

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.

Over and above the regulations, the Group is making voluntary, public commitments in this area (refer to 306 - 307) 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 to:

- develop normative controls;
- deploy e-learning 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;
- define an environmental and social escalation procedure with respect to corporate customers to set out the criteria requiring business lines to reach out to the Compliance Division and, where applicable, the Arbitration Committee chaired by General Management, to onboard a company in situations likely to present a reputation risk arising from environmental or social factors.

Data protection

PERSONAL DATA PROTECTION

Societe Generale is especially sensitive to personal data protection. The governance of personal data processing within the Societe Generale Group was strengthened when the General Data Protection Regulation (GDPR) came into force.

A governance and normative framework have been defined for the data protection system which applies to entities within the scope of the GDPR.

The supervision of personal data protection risk is taken into account notably through impact analyses carried out pursuant to regulations when the data processing is likely to generate a high risk for the rights and freedoms of the people concerned. In general, Societe Generale analyses the compliance of its personal data processing and takes risk mitigating measures aligned with their sensitivity.

When Societe Generale communicates personal data to its partners, it applies the necessary governance to meet regulatory requirements and its customers' legitimate expectations with contractual obligations requiring said partners to implement the necessary personal data protection measures.

Moreover, before transferring the personal data outside of the European Economic Area, Societe Generale Group entities subject to the GDPR conduct an impact analysis considering the laws and practices of the destination countries to assess whether the level of personal data protection in the country of destination is essentially equivalent to that of the EU, and whether additional measures (especially safety and organisational measures) should be implemented prior to the transfer.

When using legitimate interest as legal grounds for the transfer of data, Societe Generale performs an analysis to check that the interests sought do not create an imbalance that adversely affects the rights and interests of the persons whose data are being processed.

Information systems for people (such as customers, employees - including external ones, shareholders, supplier employees), in compliance with the RGPD, are made available and cover the type of data collected, the data collected, the purpose of the data processing, the categories of recipients of the data, the existence of data transfer (where applicable), the data retention period and the rights of the persons concerned, as well as how those rights can be exercised.

Moreover, the Group has made dedicated efforts to increase staff awareness *via* specialised training. The e-learning module was rolled out to all employees working in the relevant entities and completed by 98% of them at the end of 2023.

In accordance with the applicable regulations, the Societe Generale Group has appointed a Data Protection Officer (DPO) who reports to the Head of Group Compliance (the latter is a member of the Group's Executive Committee). The DPO is the main contact person for the Personal Data Protection Authority (*Commission Nationale de l'Informatique et des Libertés* – CNIL). The DPO is also responsible for ensuring sound Group compliance for personal data protection.

The DPO works with a network of local DPOs and correspondents throughout the Group entities, which he or she supervises and coordinates by way of a dedicated Committee. The DPO is tasked with performing regular reviews of certain risk indicators, notably the number and nature of personal data leaks, and the internal training course completion rate.

The risk indicators are reported to the Group's Compliance Committees for personal data protection. The information gathered from the permanent controls, compliance controls and periodic controls (control framework based on the three lines of defence) are also monitored by the appropriate Compliance Committees.

A risk assessment exercise is carried out periodically by the Compliance Department. This risk assessment exercise includes a dedicated questionnaire on personal data protection, which aims to assess an activity's inherent risk level and the strength of its risk mitigation system from a personal data protection perspective.

Data purge, performed in accordance with personal data protection regulations, forms part of Data Records Management and the process of storing evidence of the Group's activity (see paragraph below).

DATA RECORDS MANAGEMENT

Societe Generale Group is required to archive information that could provide evidence of its activities, in accordance with the laws and regulations applicable in its countries of operation.

Data Records Management (DRM) is defined as all actions, tools and methods aimed at identifying, storing, retrieving and managing the final disposition of all information providing evidence of its activities. It ensures the traceability of the Group's activities by preserving records held in compliance with the legal, regulatory, contractual and business rules applicable to the relevant activities, and by destroying them at the end of their retention period (purge), except in specific, duly justified cases (*e.g.*, under pre-litigation or litigation retention procedures).

Three DRM principles must be observed and implemented in a proportionate manner for all archived records: integrity, traceability and access.

DRM governance is covered by a specific Group-wide policy published in the SG Code.

Other regulatory risks

MANAGEMENT OF REPUTATION RISK

Management of reputation 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 reputation risk dashboard that is communicated quarterly to the Risk Committee of the Board of Directors, based on information from the businesses/Business Units and support functions/Service Units (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;
- is a permanent member of the Complex Transactions and Reputation Risk Committee (CTRC), tasked with reviewing and approving the legal, regulatory, tax, compliance and/or reputation risk that may arise from the involvement of a Group entity or Group employees 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 Committees or NPC, *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 second-line-of-defence function with regard to 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, which aims to ensure the Group's compliance with all regulations, including those implemented by other departments, namely control functions or independent expert functions.

To this end, a document setting out the Compliance function's roles and responsibilities with respect to implementing its remit is formalised and approved by the stakeholders.

In this regard, the Group concentrated on three priority themes in 2023: prudential compliance, competition law compliance, and remuneration. It will pursue its efforts in 2024 across other themes.

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 Risk Committee of the Board of Directors in a Group Compliance dashboard;
- to the French Prudential and Resolution Supervisory Authority (ACPR).

STATUS OF THE COMPLIANCE REMEDIATION PLAN IN THE WAKE OF AGREEMENTS SIGNED WITH 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 anti-corruption 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's 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 compliance with the OFAC sanctions regime, closing the legal proceedings did not terminate the Orders signed in 2018 with the Federal Reserve Bank and the NY DFS. In this respect, the Bank continues to be regularly reviewed by an independent consultant responsible for assessing the strength of its compliance programme in terms of sanctions and embargoes.

STATUS OF THE US COMPLIANCE REMEDIATION PLAN

On 19 November 2018, Societe Generale Group and its New York branch (SGNY) entered into an agreement (enforcement action) with the NY State Department of Financial Services regarding the SGNY anti-money laundering compliance programme. This agreement requires the Group to (i) submit an enhanced anti-money laundering programme, (ii) submit an anti-money laundering governance plan, and (iii) perform an external audit in 2020.

By way of background, on 14 December 2017, Societe Generale and SGNY on the one hand, and the Board of Governors of the Federal Reserve on the other hand, agreed to a Cease-and-Desist order (the "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.

This Cease-and-Desist Order signed on 14 December 2017 with the US Federal Reserve supersedes the Written Agreement entered into in 2009 between Societe Generale Group and SGNY on the one hand, and the US Federal Reserve and the New York State Financial Services Department on the other.

On 17 December 2019, Societe Generale SA and SGNY signed an agreement with the Federal Reserve Bank of New York (FRB) regarding its compliance risk management. The agreement included the submission and approval by the FRB, followed by the implementation, of :

(i) an action plan to strengthen supervision by the US Risk Committee of the compliance risk management programme,

(ii) an action plan to improve the compliance risk management programme in the US, and

(iii) changes to the internal audit programme concerning compliance risk management audits in the US.

At the end of 2023, Societe Generale had made considerable progress in the delivery of the remedial actions.

4.11.2 LITIGATION

The information pertaining to risks and litigation is included in Note 9 to the consolidated financial statements, page 616 .

4.12 MODEL RISK

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.

4.12.1 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.

Actors 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 device 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:

- the 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;
- the 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;
- the 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 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.

4.13 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

4.13.1 INTRODUCTION

Definition

ESG Risk (Environmental, Social, and Governance Risk) can be defined as the negative materialisation of current or prospective ESG factors through SG counterparties or invested assets. ESG factors may negatively impact SG' financial performance by materialising through risk types, such as credit risk, which are primarily affected by an institution's exposure to its counterparties and invested assets.

The Group's risk management framework is continuously reviewed and updated to take these new challenges into account.

ESG risks are seen as aggravating factors to the traditional categories of risks (credit risk, counterparty risk, market risk, non-financial risks, structural risk, business and strategy risks, as well as other types of risk and other risk factors). They could have an impact on the Group's activities, results and financial situation in the short, medium, and long term. These risk categories are closely interconnected and must be addressed as a whole.

The individual components of ESG risks can be defined as follows:

- **environmental risks** correspond to the risk of materialisation of environmental factors that may adversely affect the financial performance or solvency of a sovereign or individual entity. Environmental factors are those related to the quality and proper functioning of the natural environment and natural systems. They include factors such as climate change, biodiversity*, energy consumption and waste management. Environmental risks could have an adverse financial impact through a range of risk drivers, classed as follows:
  - **physical risk**, which refers to the current or potential financial impact of physical environmental factors on the Group, its counterparties or its invested assets,
  - **transition risk**, which refers to current or potential impact of the transition to a more environmentally sustainable economic model on the Group, its financial position, counterparties or invested assets;
- **social risks** correspond to the risk of materialisation of social factors that may adversely affect the financial performance or solvency of a sovereign or individual entity. Social 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 risks** correspond to the risk of materialisation of governance factors that may adversely affect the financial performance or solvency of a sovereign or individual entity. Governance 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 adverse impact of ESG risk factors on its counterparties or invested assets as part of a **double materiality assessment:**

- **environmental and social materiality**, which could stem from the impact of the Group's economic and financial activities on the environment and on human rights; and
- **financial materiality**, which could stem from the impact of ESG factors on the Group's economic and financial activities across the entire value chain (upstream and downstream) and affecting the value (profitability) of these activities.

The Group added ESG risk factors to its risk taxonomy in 2021, based on the "EBA Report on management and supervision of ESG risks for credit institutions and investment firms" (2021) and the "ECB Guide on climate-related and environmental risks" (2020). Their description was revised in 2022 to include physical and transition risks as environmental risk factors and to incorporate the concept of double materiality. In 2023, the definition of double materiality was revised to highlight how the concept applies to assessing financial materiality.

With a view to satisfying the Pillar 3 requirements for qualitative disclosures on ESG risks, this part of Chapter 4 explains how the Group has developed a framework to mitigate such risks. A table of cross-references to the Declaration of Extra-Financial Performance is provided in Chapter 9 (see page 732).

Precise definition is given to words followed by an asterisk. These definitions are presented in the Glossary, page 764.

4.13.2 ANALYTICAL APPROACH TO EXTRA-FINANCIAL RISK FACTORS

As part of its internal risk management framework, Societe Generale drew up a risk typology (see page 191). It lists the main risk factors that could have a material impact on its business, profitability, solvency or access to financing, and as a result, which could in turn impact the risks in the framework.

To address impacts on the environment, human rights and fundamental freedoms, the risk mapping is supplemented by a risk assessment exercise undertaken under the *Duty of Care plan* (see page 404) comprising three interlinked assessments of the impact on the Group's activities, employees and suppliers.

In addition to the materiality matrix (see Chapter 5, *Dialogue with stakeholders*, page 359), which provides clarification on stakeholder expectations to inform the Group's strategic analysis, the Group has conducted a specific assessment to identify extra-financial risks. Based on the results of this assessment, it has ranked its main extra-financial risk factors according to two criteria: their potential severity and how likely they are to materialise. In doing so, the assessment considered intrinsic risk, *i.e.* the risk level before any steps are taken to minimise its impact. A time frame was applied to certain risk factors, in that a risk may be perceived as low today but intensify in the future. The methodology and findings of this assessment were submitted to the independent third-party auditor when the assessment was conducted and remain valid for the purposes of this document.

The following intrinsic extra-financial risk factors were identified as being the most significant for the Group:

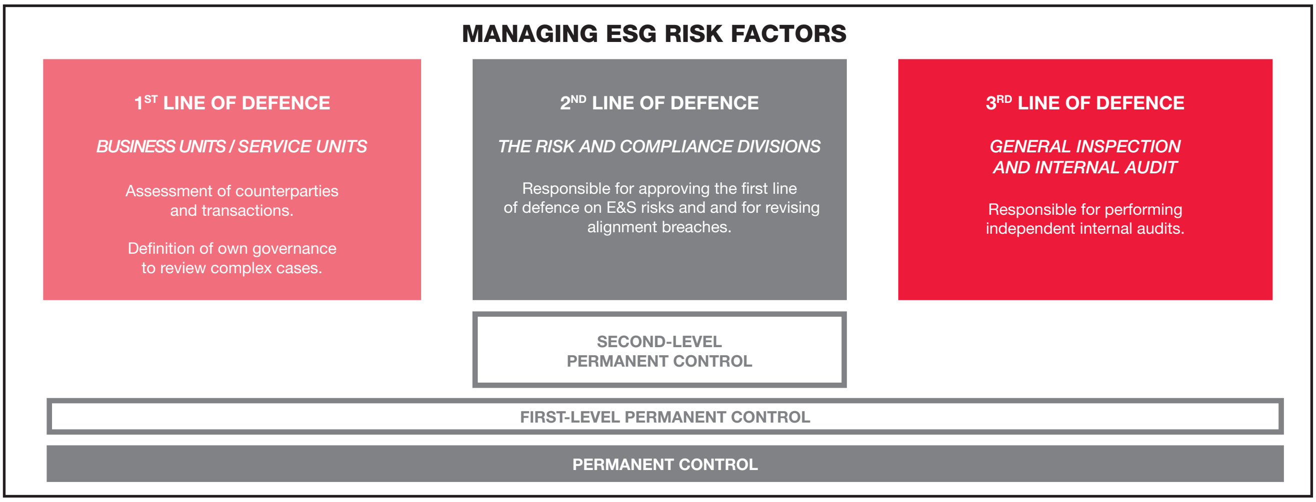
- cyber risks and IT breakdown (see section 4.1.5.1 *Cyber risk*, page 200; and section 4.1.5.3 *IT breakdown,* page 201);
- non-compliance and fraud risks (see section 4.1.5.2 *Non compliance risk*, page 201 and section 4.1.5.4 *Fraud risk,* page 201);
- ESG risks (see section 4.1.1.5 *ESG risks,* page 195);
- non-compliance with regulations or health and safety standards (see Chapter 5, *Being a responsible employer / Risk related to working conditions,* page 375);

A number of moderate extra-financial risk factors were also identified:

- E&S (environmental and social) issues that may affect the Group's credit risk, especially climate-related issues, *i.e.* transition risks and physical risks. These risks could escalate over time and subsequently join the list of more significant risk factors (see Chapter 4.13.6 *Incorporating the environment in the risk management framework,* page 313);
- inappropriate employee conduct, *e.g.*, non-compliance with the Group's Code of Conduct and Guidelines (see Chapter 5, *Being a responsible employer / Risks relating to non-compliance with labour regulations and the Group's own labour rules,* page 381);
- and more specifically in relation to Human Resources management, the risk of a lack of qualified staff (see Chapter 5, *Being a responsible employer / Risks relating to a lack of qualified staff,* page 369).

Application of the principles of separation of responsibilities in the lines of defence

Governance of ESG risks was stepped up in 2019 with the inclusion of actual or potential E&S risks and ESG risk factors in the Group's normative documentation (see Chapter 3, page 75, Chapter 5, *Incorporating CSR at the highest level of governance,* page 328).



How ESG risk factors are managed is reviewed at all three lines of defence – the first line of defence(LoD1*), the second line of defence (LoD2*) and the third line of defence (LoD3*) – and the relevant expert functions.

Business Units (BUs) and Service Units (SUs) integrate ESG factors in all strategic decisions, management tools and operating processes used in their activities as part of their CSR strategy and to manage ESG risks. The BUs/SUs are tasked with:

- identifying and assessing the ESG risk factors stemming from their activities;
- complying with the commitments approved at Group level.

The second line of defence (LoD2*) against ESG risk factors calls on expert functions and is led by the Risk Division and the Group Compliance Division.

The Risk Division is responsible for oversight and cross-business monitoring of ESG risk factors:

- it defines and implements cross-cutting systems for managing ESG risk factors to analyse financial materiality (risk, materiality, stress test, assessment, reporting and more) and supervises application by the first line of defence (LoD1*);
- to analyse environmental, social and governance materiality, it issues the LoD2* opinion on the system for assessing and monitoring these risks and checks implemented by the first line of defence (LoD1*).

The ESG by Design programme, under the auspices of the Risk Division and co-sponsored by the Sustainable Development Department, aims to provide leadership and support for Business Units (BUs), Service Units (SUs) in rolling out the ESG strategy in all Group activities and processes, and to manage environment – especially climate – and social risks. The programme covers setting up action plans and coordinating reviews of operating processes in the BUs and SUs.

The Group Compliance Department is the second line of defence in charge of the risks of non-compliance with the Group's voluntary commitments and reputation risk factors (this is the risk that arises from a negative perception that could adversely impact the Group's ability to maintain or engage in business relationships and to sustain access to sources of financing). To do this, it ensures compliance with sustainable investment regulations and the Group's voluntary commitments in relation to environmental and social issues connected with sourcing and activities (sector policies), as mentioned in the Group-wide risk taxonomy.

The two second line of defence actors contribute to regulatory intelligence on ESG issues in their respective areas.

The third line of defence (LoD3*) is ensured by the Group General Inspection and Audit Department.

The Sustainable Development Department is responsible for:

- providing the expertise to promote continuous improvement in the Group's permanent control framework, specifically in relation to ESG risk;
- providing ESG inputs for Group normative documentation;
- proposing a model for measuring the environmental and social impact of the Group's activities, strategic objectives and strategic adaptation plans to General Management. As the second line of defence, the Risk Division and Group Compliance Division review the model and issue an opinion on it.

The Sustainable Development Department also gives an opinion on compliance with the Group's sector policies or other commitments on clients or transactions, and, where relevant, provides the clarifications requested by the second lines of defence.

The Finance Division produces the financial and extra-financial ESG indicators. It also contributes to Sustainability regulatory intelligence. More specifically, it is responsible for regulatory intelligence on accounting in banks: it identifies potential changes in the accounting function to incorporate ESG (such as accounting for the Bank's carbon footprint) and build the ESG dimension into its other processes: Societe Generale Group's budget and financial trajectory; allocation and management of scarce resources (RWA and liquidity), exposure to sensitive industries, commercial incentives and investor relations, as well as the production of internal management indicators, including the aggregation of proprietary indicators, in addition to the regulatory and voluntary indicators already covered.

A department in the Finance Division tasked with reporting and metrics produces ESG metrics and indicators.

The department in charge of the permanent control framework and coordinating internal control is tasked with updating the APRC (Activities, Processes, Risks and Controls) reference framework as needed to take account of ESG risk factors.

Committees

ESG risk management is handled by a number of Committees at Board, Executive, Service Units and function level. The specialised Committees responsible for central oversight of internal control and risk management, chaired by General Management, are presented in section 4.2.3 *Risk management organisation,* page 211 of this URD.

At Board level, presentations on management of ESG risk factors are made on the request of a member of the Board's committees when reports are being presented by Business Units (BUs) and Service Units (SUs) some of which may include an assessment of the environmental and social consequences, or a review of indicators in the context of the risk appetite defined for the Group.

The Board of Directors sets the guidelines for the Group's activities, ensures they are implemented by General Management and reviews them at least once a year; these guidelines incorporate the main thrusts of its policy on corporate and social responsibility. This proposition is first reviewed by the Risk Committee for risk aspects, the Audit and Internal Control Committee for the review of financial and extra-financial communications, the Compensation Committee for aspects pertaining to the compensation of corporate officers and the Nomination and Corporate Governance Committee for governance questions (including internal Group governance). For more information see Chapter 3 *Board of Directors and CSR*, page 98.

The Board of Directors' **Risk Committee** is tasked with examining:

- risks related to implementation of its CSR commitments by the Group;
- the impact of ESG risk factors on the Bank's financial materiality, management of ESG risk factors and their impact on prudential risks, and Societe Generale's compliance risks, especially via the materiality exercise. ESG financial materiality issues are submitted to the Risk Division based on the indicators produced by Finance. The Risk Committee monitors CSR-related risks on a quarterly basis and also reviews the results of all climate stress tests.

The Audit and Internal Control Committee reviews all financial and extra-financial communication documentation relating to CSR, *i.e.*, Duty of care, Declaration of Extra-Financial Performance) before they are submitted to the Board of Directors for approval.

The Compensation Committee submits to the Board of Directors the selected CSR criteria for the remuneration of corporate officers.

The Nomination and Corporate Governance Committee prepares discussion material to enable the Board of Directors to deal optimally with CSR issues. Using the Directors' skills matrix it examines the Board's skills requirements each year in terms of expertise and the various CSR-related topics. It draws the necessary conclusions on the recruitment processes in place and the training on offer.

In addition to helping to define strategy, the **Non-voting Director** assists all the Board's Committees when they discuss CSR-related issues. The Board of Directors ruled to apply the principle of extending the Non-voting Director's remit to all CSR issues.

At executive level, managing ESG risk factors is included in the following Committees' terms of reference:

- Responsible Commitments Committee (CORESP):

established in 2019 and chaired by the Deputy Chief Executive Officer, it met eight times in 2023. Meeting agendas addressed aligning the corporate credit portfolio with trajectories compatible with achieving carbon neutrality in 2050, as part of the Group's membership of the UNEP-FI Net Zero Banking Alliance (NZBA) since 2021. The Group set new alignment targets in 2023 for a number of sectors: Cement, Oil & Gas, Automotive, Steel, Commercial Real estate, Aluminium and Shipping (for more information, see Chapter 5, *Aligning origination policies and credit portfolios in various sectors,* page 337). As is its practice every year, the CORESP kept abreast of progress with the Group's work on impacts, dependencies, and nature-based risks and opportunities, and approved the next steps;

- Group Risk Committee (CORISQ):

the CORISQ regularly reviews of extra-financial risks, such as IT systems failure (including cyber crime risk), and unethical business practices, including corruption, tax evasion and money laundering. It tracks the ESG risk indicators monitored as part of the Bank's risk appetite on a quarterly basis. The CORISQ extended its credit risk analysis on credit portfolios to include environmental factors, adding references where necessary to environmental risks in the credit application forms reviewed. Certain regulatory aspects were presented to the CORISQ. Moreover, climate risks regularly appear on the agenda for its meetings with the Board throughout the year (at least quarterly). Regular reporting to the Board of Directors' Risk Committee is in place for all such matters. The Risk Committee's Activity Report for the year can be found in Chapter 3, *Activity Report of the Risk Committee for 2023,* page 103. The CORISQ Reports to both General Management and the Board of Directors.

In the Service Units and functions, ESG risks can be addressed on request during one of the Committee meetings within their scopes. The Expert Committee is chaired by the Risk Division and approves ESG standards.

Expert Committees were established by both the second lines of defence:

- the ***RISQ ESG Guidelines Expert Committee*** is chaired by the Risk Division. Its purpose is to approve the internal ESG standards developed based on the policies and regulations that concern the scope of the Risk second line of defence. It interprets the regulations and policies (especially as regards portfolio alignment metrics and Pillar 3 rules);
- the ***CPLE ESG Guidelines Expert Committee*** is chaired by the Group Compliance Division. Its purpose is to review and approve normative choices for the internal application of E&S sector policies, taking account of the E&S General Principles and the Group's three cross-cutting position statements;

In addition, the **Credit Risk Committee (CRC)**, a Cross-Business Committee chaired by the Risk Division that deals with the entire credit scope within the Group, has been delegated responsibility by General Management to review some of the scopes assigned to the Group CORISQ in the past, such as the sector limits for some industries. ESG aspects are addressed where appropriate.

4.13.3 MANAGING E&S RISKS

Managing E&S risks is an integral part of the processes governing how the Group conducts business. Societe Generale identifies negative impacts as part of the risk identification process for the Duty of Care Plan and the identification of reputational risk arising from ESG risk factors. It has a preventive policy in place to prevent risks occurring or to mitigate them.

4.13.3.1 Environmental and Social (E&S) General Principles and sector policies

The E&S General Principles apply to all financial and banking transactions and services provided by Societe Generale entities. They set out the framework applicable to the Group's activities, addressing the potential ESG impact of the associated product and service offerings.

The E&S General Principles and annexes are available on the Group's corporate website (*https://www.societegenerale.com/sites/default/files/documents/2021-03/environmental-social-general-principles.pdf*). The document comprises **three statements on major cross-sector issues**:

- human rights;
- climate; and
- biodiversity*.

These statements 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 also detail the various initiatives the Group has joined with a view to making these issues a more central component of its economic activities.

The sector policies, referred to as E&S policies, define the standards that the Group intends to implement in potentially sensitive sectors from an E&S or ethics perspective, based on its mapping of actual or potential E&S risks. The E&S policies are publicly available on the Group's corporate website (*https://www.societegenerale.com/en/responsability/ethics-and-governance*). They cover industrial agriculture and forestry, mines, dams and hydroelectric power, oil and gas, thermal power stations, thermal coal, defence and security, shipping, civil nuclear power, and as of 2023, tobacco. The E&S General Principles and policies are updated in line with regulatory, scientific or societal developments, observed best practices and the Group's strategy.

The E&S policies all follow the same structure: they identify the actual or potential E&S risk factors, list the reference standards applicable to the sector or field in question, specify the scope of the activities covered (sub-sectors, financial and banking products and services) and may also define criteria in respect of each sector or field for:

- the Group's corporate clients (excluding financial institutions and sovereigns);
- dedicated transactions: products and services with a known underlying (for example, asset or project finance);
- investment activities; or
- specific products or services, such as agricultural commodity derivatives.

The policies may include different types of criteria for each of the above-listed categories:

- **E&S exclusion criteria** are designed to exclude from the Group's activities certain types of corporate client, issuer, dedicated transactions, banking or financial products or services associated with underlying practices or activities with the potential to cause damage to the environment and/or violate human rights, and where improvement within a reasonable timeframe is not possible;
- **E&S priority assessment criteria** serve to identify priority risk factors requiring a targeted and systematic response as part of the assessment process. Clients that do not satisfy the assessment criteria are granted a reasonable timeframe in which to improve their practices (steps required may include a formal action plan or the signature of contractual undertakings). For specific transactions and projects, satisfying these criteria must be a prerequisite for moving beyond the development phase. 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 E&S assessment criteria** are designed to identify other risk factors inherent to the sector in question that also need to be considered as part of an extra-financial assessment, and to set out the associated best practices the Group wishes to promote.

The Oil & Gas sector policy was updated in 2023 to reflect the Group's new commitments. As of 1 January 2024, the Group will no longer provide financial products and services to any private company that earns practically all its income from upstream oil and gas activities. It will withdraw its entire dedicated services offering from new oil and gas field projects for which the final investment decision was received after 31 December 2021.

The Group has also adopted a new tobacco sector policy:

- it will stop providing new banking and financial products and services to tobacco producers that generate more than 25% of their income streams from tobacco products; and
- the Group's entities that manage assets (directly or on behalf of third parties) and the Group's insurance entities exclude tobacco companies from their investment universe in accordance with their investment policies.

4.13.3.2 Operational implementation procedures

Actual or potential ESG risk management procedures have been in place within the Group for several years for the day-to-day conduct of business. The idea behind the implementation process is to integrate E&S risk management into existing risk management processes, such as transactional, onboarding and periodic client review processes. Accordingly, ESG concerns continued to be phased in to BU and SU credit and reputation risk management policies and processes in 2023. The framework for managing E&S risks extends over several levels: corporate clients, dedicated transactions, products and services, and securities issuers, in three main stages:

- **E&S risk identification:** this step entails identifying whether the counterparty's activities or the transaction with that counterparty could represent an actual or potential E&S risk. This is done primarily by checking whether the counterparty or its underlying activities are on the E&S exclusion list or the E&S identification list, whether they are the subject of any E&S-related controversy and whether they are covered by one or more sector policies. This process is designed to confirm compliance with the criteria from the sector policies. In addition to these checks, governance due diligence is conducted as part of KYC (Know Your Client) procedures and measures to counter corruption, financing of terrorism, tax evasion and money laundering.

  An E&S identification list is updated by in-house experts on a regular basis and sent to all businesses concerned. This internal list details any projects, company, activity sectors or countries that are the object of severe controversy or public campaigns on the part of civil society for E&S reasons, irrespective of whether they are financed by Societe Generale. 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 E&S assessment of any transactions and clients concerned.

  In addition to the E&S identification list, there is also an exclusion list that includes companies excluded under certain E&S policies, which is likewise regularly updated and sent out to the operational teams at least once a year. Societe Generale has pledged that it will not knowingly supply banking or financial services to such companies, their parent companies or their subsidiaries. New tools to beef up this risk identification process are being developed and will be added over time to verify exclusion lists, check the sector policies that apply and help identify new negatives;
- **E&S assessment (of counterparties or transactions identified as presenting actual or potential E&S risks):** when actual or potential E&S risks are identified, the business line assesses compliance with the criteria from the applicable E&S policy (IES) and the Group's other ESG commitments, and weighs up the severity of any E&S controversies. This assessment may include a prospective analysis of these criteria. A policy setting out Group-wide guidelines for assessing adverse E&S information is applicable since June 2022. Based on the conclusions of the assessment, an E&S opinion is then issued. The opinion may be positive, conditional (subject to contractual conditions, action plans, restrictions) or negative. The time horizon of the assessment depends on the financial transactions in view with the party (short-term: 0–2 years, medium-term: 3–5 years or long-term: > 5 years);
- **E&S actions:** E&S mitigation actions, which are subject to regular monitoring, may be recommended to mitigate the risks identified.

E&S assessments and actions are reviewed by the second line of defence, either the Risk or Compliance Division, depending on the process (a separate procedure gives guidelines for escalation to Compliance). and may, where necessary, be mediated by General Management in the Group Client Acceptance Committee or the Complex Transactions and Reputational Risks Committee. The Business Units are also phasing monitoring and controls into their processes for managing actual or potential E&S risks.

In addition to identifying, assessing and defining actions to mitigate potential negative impacts, these processes also serve to identify counterparties and transactions for positive impact financing regarding sustainable development. This two-prong approach underpins Societe Generale's Sustainable and Positive Impact Finance (SPIF/SPI; see Chapter 5.1.3, *A Bank that supports its clients,* page 347).

To ensure a smooth and systematic roll-out of this framework for managing actual or potential E&S risks across the Group, a new compulsory online training module was rolled out in 2021 for all BUs and SUs covered by the framework. It is available in 11 languages, ensuring that the same content is consistently available to everyone in the Group wherever it operates.

4.13.3.3 Operational implementation in the Group's Business Units

The procedures for assessing client and transaction ESG risks were revamped in 2022 and 2023 in the ESG by Design programme (for more information on the programme, see Chapter 2, *ESG by Design programme,* page 55).

Under the auspices of the Risk Division and co-sponsored with the Sustainable Development Division, this transformational programme sets out to assist the Group's BUs and SUs to manage risks originating from ESG by establishing action plans to review, optimise and update existing processes.

In 2023, the programme involved clarifying the first line of defence (LoD1*) roles and responsibilities for Global Banking ESG reviews. The standardised procedures associated with this process were updated and roll-out in the BUs and SUs commenced.

Group entities are responsible for managing and controlling ESG risk factors in their respective scopes. They adapt the Group framework to their activities and transpose it in their own processes. Each entity's management team ensures the operational roll-out and implementation of these obligations within their scope, including the allocation of resources and expertise required.

In terms of process governance, Group entities:

- develop and implement procedures to mitigate the consequences of ESG risk factors. These procedures are tailored to the context, their activities and to specific local characteristics, according to the Group's principles and guidelines presented in the section on risk factors;
- incorporate management of ESG risk factors into existing processes (especially for credit decisions, client onboarding, etc.) and take them into account in resource allocations (IT, human resources, appraisals, etc.);
- appoint one or more ESG risk factor coordinators within their organisation;
- arrange employee training on ESG procedures to implement the ESG risk factor management system described in the Group's normative documentation;
- implement Level 1 controls on ESG risk factor management as part of the processes for which they are responsible;
- propose responses to the Sustainable Development Department and take part in meetings with stakeholders, including civil society;
- monitor, steer and report regularly on the key indicators for implementing the ESG risk management system defined by the Risk and Compliance Divisions and the Sustainable Development Department. These indicators may be specified in the entity's ESG procedures;
- ensure portfolios are aligned (decarbonisation of client financing portfolios) as defined at Group level;
- integrate management of ESG risk factors into the first line of defence's (LoD1) current processes. More specifically, the procedures for client onboarding and updating KYC, as well as transaction processing procedures (credit decisions), need to be updated to take account of aggravating ESG risk factors. Entities are responsible for implementing these changes in accordance with the Group's corpus of normative documentation;
- adjust their permanent control systems to cover ESG risk factors as effectively as possible;
- as relevant within the scope of their activities, roll out:
  - an ESG risk factor expertise hub to support the teams on the ground, and specify the breakdown of roles and responsibilities between the Front Office and the expert hub in the ESG assessment process,
  - a client management unit responsible for relations with the client group, and therefore also for its ESG assessment,
  - the BU's/SU's own governance bodies (local or BU), with inputs from Compliance, Risk and Communication, or existing bodies (such as a client acceptance committee, and/or transactions/services committee, or new products committee). This governance is a necessary step before any escalation (approval or arbitration) to General Management;
- contribute to updating the Group's ESG standards when requested by DGLE/RSE.

In 2020, **Corporate and Investment Banking** set the objective of producing an E&S assessment of all Corporate clients across all sectors. The purpose is to gain a better understanding of their portfolios so as to be able to support clients in their transition. A team of E&S specialists is there to back up the commercial teams to perform the E&S analyses.

Another specific team of ESG specialists helps the sales teams assess and understand the E&S impacts of transactions, which reflects the Group's voluntary pledges, notably in its E&S policies and the Equator Principles.

Corporate and Investment Banking has also voluntarily implemented procedures over the past several years to manage the E&S risks associated with dedicated projects and assets not currently covered by the Equator Principles, namely in capital market transactions (equity or debt), mergers and acquisitions, and acquisition financing.

Throughout 2023, **Private Banking** continued to consolidate and centralise CSR/ESG governance for its entire scope (France, Private Banking Europe and United Kingdom). Changes in 2023 include: expanding the Ethics Committee, whose remit now covers all Private Banking pillars; establishing a Sector Policies Committee, and finalising measures to bring its investment processes into compliance with European regulations on sustainable investment (SFDR, MifiD II).

Private Banking continued to fine-tune its exclusion policies (already applied to its investment universe) to also exclude activities related to non-conventional oil and gas.

It continued its campaign to raise employee awareness of E&S risks:

- more than 90% of staff received training in ESG/CSR issues (CSR e-learning modules, Level 1);
- close to 40% attended "Climate Fresco" workshops to make them more aware of environmental and climate risks; accelerated ESG certification for its Management experts.

French Retail Banking updated and improved its main E&S assessment process for corporate clients, including the operating method for ESG assessments. Corporate clients with revenue in excess of EUR 7.5 million are assessed during the onboarding stage; companies with annual consolidated revenue of more than EUR 7.5 million that have a line of credit are assessed through annual reviews, while medium-term loans for amounts in excess of EUR 50 million are assessed at the grant stage. This scope is set to be gradually expanded between now and 2025. Retail Banking's CSR team tracks progress towards achieving CSR goals and produces metrics, including for ESG risk management.

In **International Retail Banking,** the appointment of E&S experts goes back to 2019 in the two regional divisions in sub-Saharan Africa and in both structured finance platforms in North Africa. Appointments were made in 2023 in Polynesia in both subsidiaries (SG Polynesia and SG New Caledonia), as well as in the main subsidiaries in Eastern Europe and in Asia. These expert hubs support local sales departments and work closely with the experts at Group and Business Unit level.

The Group's normative documentation has been transposed into a procedure for the Business Unit covering subsidiaries in Africa and overseas France. The Group's subsidiaries **in Europe** (BRD, KB) have also transposed the Group's normative documentation into their own respective normative documentation, ensuring compliance with local laws. Procedures are implemented in line with Group standards. Employees in these subsidiaries were offered training on E&S policies.

2023 was a watershed year in Africa and overseas. Operational deployment continued according to the existing procedure, together with groundwork to prepare for the staged alignment of the BU's system for conducting client E&S assessments with the RACI matrix (definition of who does what in the client and transaction E&S assessment process); Group tools were incorporated in the client onboarding and client review procedures. The new Corporate Climate Vulnerability Indicator (CCVI) was introduced in July 2023.

E&S experts have been tightening up due diligence processes on projects covered by the Equator IV Principles. Through their work and with the help of other in-house or external experts, they have also been working on improving and adding to their own skills.

Within Financial Services, **Societe Generale Equipment Finance (SGEF)** intends to continuously improve and adapt the E&S risk assessment framework, which is already in place for counterparties (clients/vendors) and transactions. These changes are being implemented in the ESG by Design programme in accordance with regulatory obligations.

At Ayvens, client E&S risk identification has been part of KYC processes for several years, in ALD Automotive entities. Corporate E&S experts conduct in-depth E&S assessments of priority clients. For more information, see ALD's Declaration of Extra-Financial Performance: *https://www.ayvens.com/-/media/ayvens/public/cp/files/newsroom-download-centre/pdfs-newco/sustainability/universal-registration-document/ald2022_urd_en_mel.pdf*. Extending this process to include LeasePlan commenced in 2023 with a check to verify that clients were not on the exclusion lists, which will continue in 2024.

KEY INDICATORS RELATED TO E&S EVALUATION PROCESS OF CLIENTS AND TRANSACTIONS WITHIN BUSINESS UNITS

	2021	2022	2023
For the Group			
Total number of clients (Group level) that underwent an E&S review	4,743	7,800	5,254(1)
Total number of dedicated transactions that underwent an E&S assessment	1,277	894	1,398
o/w total number of dedicated signed transactions reviewed within the scope of the Equator Principles	*103*	*67*	*106*
Number of people trained in E&S risk management	41,142	38,000	45,000
Global Banking & Advisory (GLBA)			
Number of dedicated signed transactions covered by an E&S review (scope of the Equator Principles(2) and as part of Societe Generale's voluntary commitments)	134	83	132
Amount of new financing for dedicated transactions having undergone an E&S assessment (scope of the Equator Principles and as part of Societe Generale's voluntary commitments) *(in EURbn)*	7.2	8.5	10.0
Total number of clients (Group level) that underwent an E&S assessment	199	296	736
French Retail Banking			
Total number of clients (Group level) that underwent an E&S assessment	3,813	6,912	3,560(1)
International Retail Banking			
Total number of clients (Group level) that underwent an E&S assessment	728	592	958

(1) Change in the methodology.

(2) For more detailed information, see the Equator Principles report here : https://wholesale.banking.societegenerale.com/fileadmin/user_upload/Wholesale/pdf/equator-principles/EQUATOR_PRINCIPLES_REPORT_2022.pdf.

4.13.3.4 Additional E&S risk management processes related to the specific characteristics of certain Group activities

Some businesses, in light of their specific characteristics, implement their own E&S risk management processes in addition to those imposed by the Group on all activities.

Societe Generale Private Banking applies its own exclusion lists to its net investment universe to manage ESG risks – issuers subject to a particularly severe ESG controversy (MSCI red flags) as well as those with the poorest ESG ratings (see Private Banking's investment policy, which specifies the application scope of these exclusions: *https://www.societegenerale.lu/fileadmin/user_upload/SGLUX/DOCUMENTS/SGPB/SGPB_Investment_Policy_-_Sustainability_Risk_and_Adverse_Impacts.pdf.*

Following on from its responsible investor approach, Societe Generale Private Banking, through its two asset management companies, has a proxy voting policy for voting rights attached to securities held by the collective investment schemes (AIFs and UCITS) it manages. This Proxy Voting Policy is reviewed annually to consider any legal developments or changes in Corporate Governance Codes and market practices that may have occurred over the year. It is approved by an internal governance committee : the Voting and Engagement Committee. The policy is publicly available on the websites of the management company, SG 29 Haussmann: *https://sgpwm.societegenerale.com/fileadmin/user_upload/sgpwm/SRI_regulatory/Stewardship_Policy_SGPWM_2023.pdf.* and Societe Generale Private Wealth Management: (*https://sg29haussmann.societegenerale.com/sites/default/files/documents/202103/user_upload/SG29H/pdf/reglementation/Politique_d_engagement_et_de_vote_2023_SG29_ENG.pdf*).

In 2023, in accordance with the European Sustainable Finance Disclosure Regulation (SFDR), Societe Generale Private Banking updated its policies for managing Sustainability risk. The links to these documents have been included in the Statement related to Sustainability risks and adverse impacts on Sustainability factors, available here: *https://www.societegenerale.com/sites/default/files/documents/2023-07/statement-related-to-sfdr-obligations.pdf.*

In **Insurance activities**, risk factors are managed through the risk management and internal control systems. The aims of these systems are, respectively, to:

- manage risk at all times through identification and assessment, followed by the implementation of appropriate mitigating measures, where necessary;
- prevent malfunctions, ensure the suitability and effectiveness of internal processes, and guarantee the reliability, integrity and availability of financial, prudential and management information. These systems are based in particular on policies approved by the Sogécap Board of Directors which define the principles, processes and procedures implemented, as well as the governance and key metrics, for each type of risk.

More information on risk management and internal control systems can be found on pages 21 *et seq.* of the Solvency Reports on the life insurance business (in French): *https://www.assurances.societegenerale.com/uploads/tx_bisgnews/SOGECAP_RSSF_2022_01.pdf*, and for the non-life insurance activity on pages 18 *et seq.*: *https://www.assurances.societegenerale.com/uploads/tx_bisgnews/SOGESSUR_Entite_RSSF_01.pdf.*

4.13.4 INCORPORATING ESG RISK FACTORS IN THE RISK MANAGEMENT FRAMEWORK – GENERAL PRINCIPLES

4.13.4.1 Introduction and definitions

ESG risk factors are not a new category of risk for the Group, but rather an aggravating factor for existing categories, such as credit risk, counterparty risk, market risk, operational risk, insurance and structural risk (including liquidity). This approach is aligned with current European supervisory and regulatory standards.

As aggravating factors for the other risks already addressed by the Group's risk management framework, ESG risk factors are managed based on the existing governance framework and processes in a standard approach: **identification, quantification, definition of risk appetite, control and mitigation**.

The risk classes that are already covered by its risk management framework (credit risk, counterparty risk, market risk, etc.) are detailed in other sections of Chapter 4, Risk and Capital Adequacy (p. 189 and following) and relate to the financial materiality of environmental risks.

ESG factors cover environmental, social or governance issues that generate a positive or negative impact on a sovereign or individual entity's financial performance or solvency.

Risk drivers are the mechanisms by which ESG factors can generate adverse financial impacts through their transmission channels. The factors for environmental, social and governance risks and the transmission channels identified are presented below in sections 4.13.5.1 Definition of environmental risks (page 313), 4.13.6.1 Definition of social risks (page 319), and 4.13.7.1 Definition of governance risks (page 321).

Transmission channels are the causal chains that explain how risk factors impact banks through their counterparties and the assets they hold. 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 their operations or their financing capacity, as well as through impacts on their own financial assets (such as bonds, single-name CDS and equities).

  Examples of such impacts 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 effects include: lower profitability, weaker demand, lower output and effects linked to exchange rates and interest rates.

The information in this and the following sections concerns **financial materiality**. Environmental materiality is considered when it might have an impact on financial materiality.

The information spans all ESG risks. The specific information concerning Environment, Social and Governance is set out in sections 4.13.5 Incorporating Environmental risk factors in the risk management framework (page 313), 4.13.6 Incorporating social risk factors in the risk management framework (page 319), and 4.13.7 Incorporating governance risk factors in the risk management framework (page 321).

4.13.4.2 Identifying risks induced by ESG factors

Risk identification is based on a dual process: the annual risk identification process (risk inventory), and the continuous risk identification process.

ESG risk factors are considered in both processes.

ANNUAL RISK IDENTIFICATION PROCESS

The Group defines a list of risk drivers and transmission channels to be reviewed before each annual risk identification exercise. The list is drawn up according to changes in the regulations, reference documents issued (BRI, EBA, ECB and others) and the process of continuous risk identification.

Working from this information, the Group conducts a qualitative exercise to identify short-, medium- and long-term ESG risk factors (drawing on expert judgement) related to the transmission channels.

For each risk category, it performs a materiality assessment using the materiality thresholds defined for the Group. The Group examines its exposures and uses available tools (such as sensitivity analysis, heat maps and stress test results) to compare the estimated income loss against the Group's materiality threshold.

It assesses the impact of the individual risk factors on the risk categories analysed, and over a short-, medium- and long-term horizon.

The assessments are then aggregated to give an overall picture of the impact of ESG risk factors on all risk categories and risk factors defined in the internal risk taxonomy.

CONTINUOUS RISK IDENTIFICATION PROCESS

The continuous risk identification process is part of day-to-day risk management in the Group. It is based on a number of processes with the aim of assessing, quantifying and reporting risks when a risk is likely to be deemed material. The continuous risk identification process feeds into the annual risk process. Hence, risks induced by ESG factors are included in this process at Group level.

Continuous risk identification is an integral part of day-to-day Group management and draws on a range of processes and governance systems, including:

- **Governance of risk management**, which comprises:
  - the Responsible Commitments Committee (CORESP), insofar as alignment commitments are also a way of managing transition risk and, in part, reputation risk,
  - the Group-level CORISQs and Credit Risk Committees (CRC), both of which include climate and environmental risks,
  - the New Product Committees (NPC), which include climate and environmental risks in their own processes,
  - where relevant, other Group Committees handling certain risks that are not reviewed in the CORISQ, but which may be relevant for ESG topics: the Assets and Liabilities Committee (ALCO), the Finance Committee (COFI) or the Compliance Committee (COMCO);
- **dedicated risk assessment**, which comprises:
  - a review on loan origination, taking ESG issues into account through a client questionnaire and calculating a CCVI (Corporate Climate Vulnerability Indicator) score for transition risk,
  - continuous monitoring of Group exposures (portfolio review, limit monitoring, client or market position monitoring, operational surveillance),
  - a cross-business approach, through the work of the Economic and Sector Studies Department, tracking Key Risk Indicators (KRI), etc.

4.13.4.3 Materiality assessment

The impact of ESG factors was assessed for each risk category and each risk factor, taking into account potential mitigants. The overall assessment is based on the least favorable score per risk factor. For example, if the impact of at least one risk factor on the risk category is high, then high will be mentioned.

The following table gives a summary of the materiality assessment by risk level conducted in 2023. This information is subject to change as additional studies provide new insights as part of a review underway at the beginning of 2024. A summary of the potential impacts identified is provided for "high" impacts.

MATERIALITY ASSESSMENT SUMMARY

Type of risk	Impact	Time horizon	Identification of risks (summary)
Credit risk	**High**	**ST MT LT**	Transition environmental risk factors can have a significant impact on credit risk through higher costs, lower collateral performance and weaker demand. The impacts primarily concern the Corporate portfolio. Physical environmental risk factors could also have a significant impact on credit risk.
Compliance and legal risk	**High**	**ST MT LT**	Rapid regulatory, behavioural and technological changes could lead to higher compliance costs to adapt the Bank's processes, as well as higher legal costs as standards are tightened.
Liquidity and funding risks	**High**	**ST MT LT**	Climate and environmental risks could have a negative impact on the Group's liquidity indicators and financing capacity over all time horizons. ESG risk factors could push up compliance costs, generate an adverse impact on corporate image, leading to lower profitability and a drop in demand, which, in turn, could affect the Group's assets and financing capacity.
Business and strategic risks	**High**	**MT LT**	Transition, social and governance risks could have a negative impact on the Group's image and profitability, given that a significant share of revenues from non-financial counterparties is generated in industries that contribute to climate change.
Reputational risk	**High**	**ST MT LT**	The increasing frequency and severity of incidents linked to physical risks, together with higher expectations on the part of many stakeholders could generate reputational risk. Factors related to the Group's corporate governance (concerning management of environmental and social risks and non-compliance with the Group's corporate governance framework and code) could be a source of reputational risk.
Counterparty risk	**Average**	**ST MT LT**	
Operational risk	**Average**	**ST MT LT**	
Model risk	**Average**	**MT**	
Market risk for the banking book	**Average**	**ST**	
Market Risk	**Low**	**ST MT LT**	
Risk related to employees benefits	**Low**	**ST MT LT**	
Risk related to insurance	**Low**	**ST MT**	
Risk related to leasing activities	**Low**	**ST MT**	
Investment risk	**Low**	**ST MT**	
Country risk	**Low**	**ST MT**	
Step-in risk	**Low**	**ST MT**	

4.13.5 INCORPORATING ENVIRONMENTAL FACTORS IN THE RISK MANAGEMENT FRAMEWORK

4.13.5.1 Definition of environmental risks

The Group uses the risk terminology suggested by the Task Force on Climate-related Financial Disclosure (TCFD) to describe climate, and by extension, environment risks: physical risks and transition risks.

Environmental factors are those related to the quality and proper functioning of the natural environment and natural systems. They could lead to adverse financial consequences as a result of a range of risk factors, which can be categorised as follows:

- physical risks: stemming from the physical effects of climate change and damage to the environment (associated with economic actors' dependence on ecosystem* services). Physical risks may materialise at local level (as a result of natural disasters in a specific area), or at sector level (related to climate events or biodiversity*, such as water shortages) with impacts across the entire value chain. They can be categorised as follows:
  - acute risks: arising from extreme weather events, such as floods, heat waves or fires, and from acute environmental destruction (as a result of chemical pollution or an oil spill), (short to long term);
  - chronic risks: associated with gradual shifts in climate (such as rising average temperatures and rising average sea levels), gradual loss of ecosystem* services (from pesticide use that causes a gradual decline in pollinators, reduced soil fertility and lower agricultural output), (medium to long term);
- transition risks: associated with uncertainty about the timing and speed of an economy's adjustment to a low-carbon and more environmentally sustainable economic model. This journey involves major legal, regulatory, technological and market changes to mitigate and adapt to climate change and protect the environment and ecosystems*. These risks may be affected by the following factors:
  - policy: potentially disorderly policy measures to tackle climate or mitigation strategies could have an impact on asset prices in carbon-intensive sectors (short to medium term),
  - technology: developments in technology could render existing technologies obsolete or uncompetitive; they could affect their affordability and influence the price of replacement products. Such developments in technology could trigger asset revaluations (short to long term),
  - client and investor preferences and behaviour: environmental impacts could influence the Group's counterparties' clients, with a knock-on effect on the counterparties' credit quality (business slowdown, reputational damage, etc.) (short to long term).

4.13.5.2 Identification of environmental risks

Unless stated otherwise, the following two sections deal with monitoring of climate risks specifically, which is the most advanced process for addressing environmental risks.

Environmental risks are identified as part of the process to identify ESG risks set out in section 4.13.4.2 Identifying ESG-induced risk factors above.

(See also Risk identification process and Risk quantification and stress test system, in section 4.2.2 Risk appetite – General framework (page 209) in this Universal Registration Document for more information).

The table below shows the link established between environmental risk drivers and the Group's risk taxonomy in the materiality assessment exercise. This information shows the factors identified in 2023 and is subject to change as additional studies provide new insights.

LINKS BETWEEN ENVIRONMENT RISK DRIVERS AND RISK CATEGORIES

	Environment risk drivers	
Risk taxonomy	**Physical risk**	**Transition risk**
Credit risk	▪ Lower output ▪ Loss of market share ▪ Increased costs (especially insurance costs) ▪ Economy: severe supply chain tensions	▪ Increased costs ▪ Decline in asset performance ▪ Loss of market share ▪ Economic slowdown: weaker demand
Counterparty risk	▪ Financial contagion: market losses (such as equity markets and debt markets) ▪ Loss of market share ▪ Decline in asset performance ▪ Sudden pressure on sovereigns ▪ Economy: severe supply chain tensions	▪ Decline in asset performance ▪ Increased costs ▪ Loss of market share ▪ Negative impact on corporate image ▪ Economy: inability to adapt to changing consumer preferences, difficulty shifting business model
Market Risk	▪ Reduction in real estate values and household wealth ▪ Increased costs ▪ Material damage and disruption to business ▪ Stress on sovereigns ▪ Financial contagion: losses in the market (such as equity markets and debt markets) ▪ Damage to material goods and corporate/public infrastructure causing disruption for local businesses with contamination spreading to other sectors of the economy	▪ Financial contagion: market losses (such as equity markets and debt markets) ▪ Stress on sovereigns ▪ Decline in asset performance ▪ Loss of market share ▪ Increased costs ▪ Negative impact on corporate image. ▪ Economy: changes in production, demand and sales (with lower profitability), difficulties shifting business model
Non-financial risk	▪ Material damage and disruption to business	▪ Increased compliance cost
Structural risk	▪ Economic slowdown (exchange rate effect, interest rate effect) ▪ Material damage and disruption to business ▪ Increased costs ▪ Decline in household wealth ▪ Economy: lower output	▪ Economic slowdown (exchange rate effect, interest rate effect) ▪ Increased compliance and other costs, negative impact on corporate image ▪ Economic slowdown: lower profitability, weaker demand
Business and strategic risks	▪	▪ Increased costs, loss of market share
Other types of risk	▪ Material damage ▪ Lower real estate values	▪ Material damage, Negative impact on corporate image, Economic slowdown: weaker demand, lower profitability ▪ Decline in asset performance ▪ Lower real estate values ▪ Economic slowdown: weaker demand, higher costs
Reputation risk	▪ Negative impact on corporate image	▪ Negative impact on corporate image
Step-in risk	▪ Material damage and disruption to business	▪ Increased costs ▪ Loss of market share ▪ Economic slowdown: weaker demand, lower profitability,

The December 2023 *Climate and Alignment Report*[1] outlines the Group's ESG strategy. Furthermore, work is currently under way on business environment scan aspects, in order to strengthen the process of identifying the main implications (opportunities and threats) of climate and environmental risks on the activities of the Group's Business Units. Furthermore, as part of the review of the Group's strategic planning system (effective challenge process), the consideration of climate and environmental risks was the subject of particular attention in order to provide the Group with a mechanism for systematic analysis and integration of the impact of Climate & Environmental risks into the Group's business strategy.

(1) https://www.societegenerale.com/sites/default/files/documents/CSR/climate-and-alignment-report.pdf

SCENARIOS

Strategic planning requires the use of forward-looking scenarios. It is impossible to predict the magnitude of climate risks and when they might materialise with total certainty, regardless of the region in question. Political and societal choices, as well as future technological developments, can all have an influence. This is why it is important to consider how various situations might affect climate risks and opportunities.

Analysing different scenarios is a way of exploring a series of possible future states related to climate change and offers a logical foundation on which to base reasoning and strategy for those possible futures. It is an approach designed to minimise the risk of bias introduced through expert judgements and can help forge connections with existing frameworks as they are built out. Scenarios are also used in the stress tests described in section 4.13.5.4 Quantifying climate risks and stress tests.

In recent years, the Economic and Sector Studies Department has been deepening its climate analysis as regards the macro and sectoral impact to include climate considerations, carbon pricing and economic and environment policy actions into the Group economic scenario, with a more granular sector approach.

The Economic and Sector Studies Department also has an advisory role: it makes recommendations to the Environmental Risks Committee on the most appropriate scenarios for its risk assessment exercises.

4.13.5.3 Risk appetite and climate risks

The information specific to ESG factor relating to Risk appetite is presented in the section Measures to manage ESG risk factors of section 4.2.1 Risk appetite, page 204.

As part of its monitoring of ESG risk appetite indicators, the Group follows the tracking and escalation process described in the Group Risk Appetite Framework, which consists of notifying General Management, in case of excess.

The alignment metrics monitored for the Group's risk appetite are also used to monitor our portfolio alignment commitments for both thresholds and targets. Note that the thresholds are based on the trajectory of the reference scenario.

In addition, information on sectoral policies is presented in the first part of section 4.13 (page 303) and on alignment issues in section 5.1.2.6, Aligning the activities with pathways consistent with maximum temperature rise of 1.5 °C (pages 336) in this Universal Registration Document.

4.13.5.4 Quantifying climate risks and stress tests

Stress testing for climate risk is a valuable tool to assess how resilient institutions are to changes in the market. The set of scenarios includes future developments in the energy transition, carbon emissions trajectories or severe climate events.

The Group has made significant progress in recent years with developing and onboarding of tools and methodologies to include climate risk in its overall stress tests.

The Group was included the ECB's climate risk stress test exercise in the first half of 2022. The European Central Bank designed the first climate resilience stress test covering the European economy to help supervisory authorities and financial institutions to assess the impacts of climate risks on companies and banks over the next 30 years.

Three modules formed the basis of the exercise, including one module stressing credit and market risk under different short- and long-term scenarios and covering both physical and transition risks, as well as questionnaires on operational and reputational risks.

The ECB presented these stress tests as a joint learning exercise aimed at enhancing both banks' and supervisors' capacity to assess this risk. Participation in the exercise and the feedback received from the ECB provided important leverage for the Group to improve how it takes climate risk factors into account in the Group's stress test framework, and to accelerate the development and formal drafting of its methodology.

In 2022, the Group approved the principle of including a climate stress test based on different scenarios in its stress test framework, at least once a year. The tests are over medium and long time horizons and cover transition and physical risks in an overall or ad hoc (a specific portfolio) approach.

In line with this principle, it conducted internal climate stress tests on credit risk in 2023. These test exercises simulated credit losses in a number of scenarios over different time horizons:

- a three-year scenario covering transition risk aimed at capturing credit losses caused by sector rating shocks generated by shifting the economy towards a low-carbon trajectory;
- two other one-year-horizon scenarios to assess the physical risks the Group is exposed to, looking at the risks of drought, heat waves and flood.

The impacts of ESG risk factors were included in the ICAAP in 2022 and the results of the ECB's climate risk stress test conducted in 2022 were included in the economic outlook. In 2023, ESG risk factors were given even greater prominence as the Group expanded its economic outlook and added a normative outlook (including the price of carbon in its budget scenario).

Turning to liquidity risk, a comprehensive study commenced in 2023 to identify the impact of ESG risks on the Group's liquidity position and risks, their materiality and potential outflows relative to liquidity buffers. The Group conducted an initial stress in 2023 – a reverse stress test – based on an expert calculation of cash outflows in the most exposed sectors of the economy, according to the Economic and Sector Research Department.

Note that the impact of environmental risk on the capital and liquidity risk profile will be assessed in stages in 2024, in accordance with the stages set by the supervisor. The Group plans to publish the results when the assessment is completed.

4.13.5.5 Processes and tools for identifying and measuring climate risks and mitigation

The following processes and tools – currently at varying stages of maturity – all help the Group consider the impact of transition and physical risks on a range of risk factors and portfolios.

The Group uses a range of tools and indicators to measure, manage and mitigate environmental risks:

- alignment measures: the Group has publicly set nine alignment targets in its climate strategy (thermal coal, oil and gas, power generation, cement, commercial real estate, shipping, automotive, steel and aluminium);

- tools to assess the climate vulnerability of counterparties (Corporate Climate Vulnerability Indicator or CCVI), industries (Industry Climate Vulnerability Indicator or ICVI) and sovereigns (the Sovereign Climate Vulnerability Indicator or SCVI) (see section 4.13.5.6 Biodiversity* and nature risks);
- E&S guidelines and general policies: the Group has developed an E&S risk management framework based on its E&S General Principles, sector policies and exclusion lists.

To date credit ratings do not natively include environmental factors. The Group has adopted tools developed to shed light on risks associated with environmental factors (ICVI, CCVI, etc.) and procedures, which include the option to take account of the impact of ESG factors when calculating counterparties' credit rating (based on duly justified expert opinion).

It may also define limits applicable to certain portfolios (for example, targets have been set for portfolios related to coal financing). Setting up these limits requires a specific methodology and governance. When it comes to this type of commitment, the Risk Division is the second line of defence (LoD2*) and is involved in the more overall governance of implementation and monitoring of the Group's commitments, working with the BUs concerned and the Group's Sustainable Development Department.

As it develops its strategy and NZBA (Net Zero Banking Alliance) commitments, the Group is steadily improving how it defines its targets and limits to tackle environmental risks. This means that these targets and limits will be disclosed according as it progresses with its portfolio alignment strategy.

With respect to real estate collateral, an internal instruction was issued to LoD1* and LoD2* in November 2023 to include ESG factors in their valuation. It rolled out its data collection process for the Energy Performance Certificate (EPC) – a key component in assessing transition risk – within the Group and circulated guidelines on how this risk should be taken into account when considering whether to grant loans.

The Group also conducted studies on other types of collateral to determine a scope for the incorporation of ESG factors in their valuation. For priority movable collateral (Airlines and Shipping), an instruction is being drafted on how to incorporate ESG factors. The Group will continue to work on other forms of collateral in 2024.

When it comes to 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. A qualitative analysis of the potential impact of climate risks on the calculation of expected credit losses in the review of these adjustments, whenever compatible with the provisioning horizon. (See also Note 3.8 Impairment and provisions on page 502 of the Notes to the financial statements in this Universal Registration Document).

ENVIRONMENT VULNERABILITY INDICATORS

Vulnerability indicators are used to assess climate risks. They are used to measure the transition and physical environmental risks (climate change, biodiversity* loss, freshwater depletion and more) to which sovereigns, industries and corporates are exposed. They measure current vulnerability and the capacity to adapt to transition and physical risks, emphasising the trajectory to 2030 and the ability to continue on that pathway to 2050 (and beyond).

The Group has identified the impact of climate transition risk on the credit risk of Societe Generale'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.

To measure this impact, the Group phased in a Corporate Climate Vulnerability Indicator (CCVI), which is based on an Industry Climate Vulnerability Indicator (ICVI), to the credit risk assessments it performs on the clients it rates, excluding financial institutions.

The first versions of the CCVI and ICVI were released in in 2017 and 2019, respectively. A second version of the CCVI was released in July 2023, which links the two indicators to deliver more consistent and comparable results between industries. There is also the option to link to the Sovereign Climate Vulnerability Indicator (SCVI) for assessing sovereign risk. The new methodology allows greater differentiation between corporates and takes their climate disclosures & strategy into consideration. It also provides for tracking performance over time.

There is no change to how the new methodology is governed compared with the first version of CCVI (proposal by LOD1*, approval by LOD2*, compliance with existing Group governance for the allocation of roles and responsibilities).

INDUSTRY CLIMATE VULNERABILITY INDICATOR (ICVI)

The ICVI score reflects the climate transition vulnerability of those corporates that have made the least progress on climate strategy in each sector. It is based on the IEA's NZE 2050 Orderly scenario and applies to all sectors (excluding financial activities), divided into 111 uniformly and globally defined segments. Using a documented questionnaire, independent experts calculated a final ICVI transition score on a scale of -5 to +5, drawing on both qualitative and quantified inputs. The ICVI score is based on an evaluation of four factors: emissions at risk, costs at risk, revenue at risk and assets at risk.

The approach extends from end to end of the value chain (Scopes 1, 2 and 3), since transition risks can impact many aspects of the counterparty's business (its supply chain, operations, assets and market).

ICVI AND CCVI RATING SCALE

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

FACTORS CONSIDERED BY THE INDUSTRY CLIMATE VULNERABILITY INDICATOR (ICVI)

	Sensitivity	Adaptability
Macro-environment	■ Economic dependence on sectors exposed to climate risk ■ Economic dependence on emissions-intensive sectors ■ Dependence on subsidies ■ Regulated market	■ Flexibility in fiscal and monetary support policies ■ Degree of development
Supply chain	■ Supplier's natural resource consumption intensity ■ Supplier's emissions intensity ■ Supplier's ability to pass on costs	■ Producer's ability to make changes in its supply chains ■ Producer's ability to switch to low-carbon suppliers or inputs
Operations and assets	■ Impact of weather conditions and natural resources availability/price on production (productivity, yields, costs) ■ Suitability of engineering & design for adverse weather conditions ■ Producer's emissions intensity ■ Asset's capital intensity ■ Insurance availability and coverage	■ Producer's ability (technical and financial) to adapt facilities for operation in adverse climate conditions ■ Producer's ability (technical and financial) to reduce emissions, at a reasonable cost ■ Producer's capacity (technical and financial) to develop new products/technologies
Market	■ Dependence of consumption on weather conditions ■ Availability of alternative low-carbon products or services ■ Market elasticity on price ■ Diversification in sales ■ Consumption emissions intensity	■ Producer's capacity to change customer base ■ Producer's capacity (technical and financial) to develop new low-carbon products/technologies ■ Producer's ability to pass on costs

CORPORATE CLIMATE VULNERABILITY INDICATOR (CCVI)

In addition to an industry's characteristics, a counterparty's transition risk also depends on its own specific characteristics and in its climate strategy.

The CCVI is derived from the ICVI and a corporate climate questionnaire. The same 11-level scale, ranging from extremely negative to extremely positive, is used to assess the counterparty's transition risk. Climate transition factors specific to the counterparty may give a higher rating compared to its industry as a whole.

The corporate climate questionnaire assesses individual corporates' climate strategy through:

- the quality of their disclosures on GHG emissions (scopes 1, 2 and 3, historical depth available) and energy use;
- the credibility of their targets:
  - for decarbonising their activity: targets in place, possibility of certification by an independent third party, client's involvement in material environmental controversies,
  - green revenues and opportunities: reporting on the share of revenue from green sources, marketing of low-carbon products,
  - green investments: significance of their investments to decarbonise existing activities;
- governance of climate issues (inclusion in the Company's strategy, level of supervision, incentive policies, processes to identify climate risks and opportunities, engagement policies).

The CCVI is defined in parallel with internal credit rating and will be reviewed on an annual basis.

If the result is a significantly negative CCVI score, discussions must take place with the client covering their transition strategy, business model and capacity to finance the transition, and an action plan decided. A summary of the discussions is sent to LOD2*. The interview can also be an opportunity to offer support for the client's transition.

A phased roll-out of this second version of the CCVI, launched during 2023, is under way. Priority is given to rating 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, all counterparties for which a CCVI score has yet to be calculated are rated on the basis of an ICVI. Discussions are started with counterparties with negative CCVI scores.

SOVEREIGN CLIMATE VULNERABILITY INDICATOR (SCVI)

The Sovereign Climate Vulnerability Indicator (SCVI) expresses how vulnerable a country is to climate-related risks, with a view to assessing the direct impact on the associated country risk, *i.e.* on the country's ability and willingness to honour its external debt commitments.

Developed in-house, the SCVI assesses vulnerability to both physical and transition risks and is designed for use with a range of different climate change scenarios. It is based on publicly available and well recognised data sources (World Bank, Food and Agriculture Organization, etc.). For each variable, countries are ranked from least vulnerable (0) to most vulnerable (1) and the indicator is then calculated as an average of these rankings. Data availability and update frequency remain a challenge. The scope of application of the SCVI will be extended according as data becomes increasingly available. At present, it covers 114 countries, equivalent to 96% of global GDP and 88% of the global population. Countries not covered are those for which the data are not currently available:

- the physical risk score ranks countries according to their vulnerability to both extreme weather events and physical changes caused by rising global temperatures, since climate-related issues are likely to adversely impact their public and external finances. The score calculation includes data on water resources published by countries and on the share of their population living at altitudes of less than five metres;
- the transition risk score ranks countries according to their vulnerability to the risks associated with the transition to a lower-carbon economy, which could adversely affect public and external solvency in two ways: (i) due to the cost associated with such a transition, and (ii) due to the opportunity cost of stranded assets, which may translate into lower foreign exchange revenues for instance, which drags down a country's external metrics. The data taken into account when establishing this score include, for example, data on the country's dependency on energy imports and on how carbon intensive its economy is.

IDENTIFYING HOW PHYSICAL RISK AFFECTS CREDIT RISK

The Group is developing its analysis of physical risks, based on both internal tools and external solutions.

It initially opted to focus on developing its own in-house tools to identify physical climate-related risks. R&D work on the impacts physical risks can have on its portfolios began with the French retail mortgage portfolio and was then extended.

Stress tests were developed based on these findings. In 2022, the Group took part in the ECB's stress tests, gaining valuable insights for its study on the physical risks that affect its Corporate portfolio. In 2023 the Group conducted an internal climate stress test on physical risks on credit (examining two types of climate events).

However, pinpointing the location of assets remains a significant challenge. To address this, the Group has stepped up how much information it collects on loan origination and gathers additional information to deepen its data pool. For assets not financed by the Group, it is harder to locate infrastructure and sites held by the Group's corporate borrowers. The Group has reached out to external partners and data providers to resolve these difficulties, improve the location of its counterparties' assets and identify the relevant climate issues that arise as a result.

The disclosure of Pillar 3 data on physical risks has also served to improve understanding of related climate issues. The Risk Report – Pillar 3 details the methodology used.

The Group is committed to a process of continuous and gradual improvement, with the ultimate aim of more robust and comprehensive identification and quantification of physical risks.

Lastly, for physical climate risk, the Group has developed an Industry Climate Vulnerability Indicator (ICVI), which it will translate into a Corporate Climate Vulnerability Indicator (CCVI).

TREATING PHYSICAL RISK AS PART OF THE GROUP'S OPERATIONAL RISK

Societe Generale defines operational risk as the risk of losses resulting from human error, external events, or inadequacies or failures in processes or systems. It assesses the physical risks to its assets and operations as part of its operational risk monitoring. The Group performs analysis region by region and the results feed into its business continuity plans (BCPs) designed to address local risks. A climate event could impact some or all of its facilities and human or technical resources. The Group has thus developed an approach to assess how climate change could affect its most sensitive sites and data centres by increasing the risks of flooding, heatwaves and black-outs, as well as the consequences of such events (for staff, buildings and IT) as covered by its existing BCPs. For certain specific locations, the Group's assessment includes additional scenarios, such as typhoons and heavy rains in Hong Kong, or hurricanes and snowstorms in New York. Some of these scenarios (such as flooding from the Seine in France or flooding of Chennai in India) are included in the internal models used to calculate operational risk capital requirements.

DATA ISSUES

Data and data analysis are key in enabling financial institutions to identify and manage climate risks. High quality data are a prerequisite to successfully quantifying and assessing such risks.

The Group gathers data from various sources: counterparties, public databases, research institutes and data providers. It is continually striving to expand its 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. To a certain extent, the Group is limited by what its corporate counterparties choose to report.

The application of proxies also remains necessary in certain cases in the event of data not being available.

Quarter after quarter, 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. These data gathering campaigns provide valuable insights into how data is defined and used, as well as on underlying normative aspects, thus preparing the target.

The Group's target for data is predicated on the very rigorous choice of gradually and fully integrating data into its existing repositories and applications to:

- make the use of ESG data structurally secure;
- have the option to roll out quality checks on a large scale;
- provide the option to overhaul its processes and information system.

Initial data collected on this target mode through this medium- to long-term strategy will be available from 2024. It will continue to be rolled out over the coming years.

4.13.5.6 Biodiversity-related and nature-related risks

Biodiversity* plays a key role in regulating the Earth's system. When it is threatened, this in turn poses a threat to our planet's habitability (NGFS, 2022). From a financial stability perspective, there are two main ways in which biodiversity* loss poses a potentially significant threat:

- first, economic activity and financial assets are dependent upon the ecosystem* services provided by biodiversity* and the environment: this raises the prospect of physical risks to finance if these services are undermined;
- second, economic activity and financial assets in turn have impacts on biodiversity* and could therefore face risks from the transition to a nature-positive global economy.

(See also section 5.1.2.1, Taking action and building a sustainable future together (page 334) and section 5.1.2.10, Nature (page 342).

The Group has already begun looking into its risks in relation biodiversity and nature. In addition to the climate vulnerability indicators (detailed in section 4.13.5), the Group has developed a dedicated nature-related indicator (biodiversity* and ecosystems*, water resources and pollution).

INDUSTRY CLIMATE VULNERABILITY INDICATOR (INVI)

The purpose of the Industry Nature Vulnerability Indicator (INVI) is to measure the vulnerability of each industry to nature-related risks, as well as their capacity to adapt to them (for both transition and physical risks). It does not include climate aspects to avoid duplication with the ICVI.

The INVI aims to provide an initial assessment of financial materiality. In other words what impact physical and transition nature-related risks might have on revenues, costs and the value of assets in a particular industry, taking the industry's capacity for adaptation into consideration.

The INVI score reflects where the most exposed companies stand in relation to physical and transition risks.

The ranking applies across all industries (excluding financial activities and conglomerates), split into 71 uniformly and globally defined segments. For each of these segments, internal experts calculated a final INVI score on a scale from -5 to +5, based on two documented questionnaires:

- a physical INVI questionnaire, structured according to the three major ecosystem* service categories (supply, regulation and maintenance, and cultural);
- an INVI transition questionnaire, organized into categories based on the nature-based impacts of the economic activities, with reference to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) classification of the main direct drivers of biodiversity* losses, excluding climate change (which is covered by the ICVI): land and sea use change, pollution, over-exploitation of natural resources and invasive species.

The INVI methodology and sector ratings were finalised in the second half of 2023.

4.13.6 INCORPORATING THE SOCIAL FACTORS IN THE RISK MANAGEMENT FRAMEWORK

4.13.6.1 Definitions of social risk

Social risk factors can be defined as social issues that could adversely affect the financial performance or solvency of a sovereign or individual entity. They encompass the rights, well-being and interests of individuals and communities and include factors such as (in)equality, health, inclusion, labour relations, workplace health and safety, human capital and communities.

The main drivers of social risk:

- environmental risks: The continuousdegradation of the environment intensifies social risks, for example when climate-related physical changes or water stress affects a region or population groups. Environmental degradation can exacerbate migration flows, as well as social and political unrest in the most affected regions – with repercussions and potentially more devastating contagion for the whole world. Environmental risks can be a source of social risks: the potential impact of the technological and regulatory changes introduced in response to climate change can have a knock-on effect on labour markets, which could amplify social risks, especially in industries such as coal;
- change in social policy reflecting the transformation toward more inclusive and fair societies. For example, stakeholders who fail to respect employment rights could see an impact of the social changes that require new policies, such as safer and healthier workplaces. Contracting parties that apply a lower standard of employment rights (or other social standards) or that operate a business or depend on suppliers that operate in a country with poor protections for workers could face increased compliance costs in the future, which could have an impact on their financial position;
- change in market trends: some policy measures were introduced in response to social pressure demanding equal pay for equal work, balanced representation, and diversity. Other policies are expected to be introduced over the next few years to achieve the SDG 2030 social objectives and targets. They could constitute a risk for companies who have yet to prepare or are unwilling to adapt. Such companies could find themselves in the firing line, facing complaints, legal proceedings, market pressure and/or reputational damage.

4.13.6.2 Incorporating social risks in the Group's processes

Identifying social risks is part of the process to identify ESG risks set out in section 4.13.4.2 Identifying ESG-induced risk factors, presented above.

The table below shows the link established between social risk factors and the Group's risk taxonomy in the materiality assessment exercise.

This information lists the factors identified in 2023 and is subject to change as additional studies provide new insights.

The assessment of social risk drivers was mainly qualitative. It should be noted that a qualitative analysis was performed of the impact of these factors on credit and market risks using existing idiosyncratic metrics (on the underlying assumption that social risk factors would have an impact on a given name but without systematic contagion to an industry or a region).

LINKS BETWEEN SOCIAL RISK DRIVERS AND RISK CATEGORIES

Risk taxonomy	Social risk drivers
Credit risk	■ Negative impact on corporate image
Market Risk	■ Financial contagion: market losses (such as equity markets and debt markets) ■ Tighter credit conditions ■ Economy: changes in production, demand and sales, leading to lower profitability, difficulties shifting business model
Non-financial risk	■ Higher legal and compliance costs ■ Increased other costs ■ Negative impact on corporate image ■ Economy: lower output
Structural risk	■ Negative impact on corporate image ■ Material damage and disruption to business ■ Increased other costs ■ Increased compliance costs ■ Economy: lower profitability, weaker demand
Business and strategic risks	■ Negative impact on corporate image
Other types of risk	■ Increased compliance cost ■ Economy: lower output
Reputation risk	■ Negative impact on corporate image
Step-in risk	■ Negative impact on corporate image

COUNTERPARTY ESG ASSESSMENT – SOCIAL RISK

Societe Generale publishes most of the information given below on its website. Readers will find it in the sections explaining the general principles of the Group's Environment and Social policy(1) and its E&S sector policies(2).

The Group's ESG assessments of its counterparties is scaffolded by these Environment and Social general principles, which provide a general framework to verify respect for basic human rights and care for the environment.

With regard to social and human rights risks, the 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 research 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.

(1) https://www.societegenerale.com/en/responsability/ethics-and-governance
(2) https://www.societegenerale.com/sites/default/files/documents/2020-10/environmental-and-social-general-guidelines-oct2016.pdf

For most E&S-sensitive sectors, the Group has put in place 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.

4.13.7 INCORPORATING GOVERNANCE FACTORS IN THE RISK MANAGEMENT FRAMEWORK

4.13.7.1 Definitions of governance risks

Governance risk factors may be defined as the risk of counterparty governance issues arising that may adversely affect the financial performance or solvency of a sovereign or individual entity. They encompass governance practices, including executive management, compensation of senior management, audits, internal controls, tax evasion, independence of the Board, shareholder rights, bribery and corruption, as well as how companies or entities address environmental and social risk drivers in their policies and procedures.

The main drivers of governance risk are:

- shortcomings in how environmental and social questions are managed. For example, a Code of Conduct considered to be weak, or a failure to act to counter money-laundering in a given company can hamper its resources (financial and non-financial), which could in turn affect and its performance and return potential. Moreover, were the weak Code of Conduct to be made public, clients and investors could lose confidence in the Company, leading to penalties and legal costs, which could affect its ability to do business in the long term.
- non-compliance with corporate governance frameworks or codes.

4.13.7.2 Incorporating governance risks in the Group's processes

Identifying governance risks is part of the process to identify ESG risks set out in section 4.13.4.2 Identifying ESG-induced risk factors, presented above.

The table below shows the link established between governance risk factors and the Group's risk taxonomy in the materiality assessment exercise. This information shows the factors identified in 2023 and is subject to change as additional studies provide new insights.

The assessment of governance risk factors was qualitative in the main. Please note that a qualitative analysis was performed of the impact of these factors on credit and market risks using existing idiosyncratic metrics (on the underlying assumption that governance risk factors would have an impact on a given name but without systematic contagion to an industry or a region).

LINKS BETWEEN GOVERNANCE RISK DRIVERS AND RISK CATEGORIES

Risk taxonomy	Governance risk drivers
Credit risk	■ Negative impact on corporate image
Market Risk	■ Negative impact on corporate image
Non-financial risk	■ Higher legal costs ■ Increased other costs ■ Economy: lower output
Structural risk	■ Negative impact on corporate image ■ Economy: lower output
Business and strategic risks	■ Negative impact on corporate image
Other types of risk	■ Lower real estate values ■ Negative impact on corporate image ■ Economy: lower output
Reputation risk	■ Negative impact on corporate image
Step-in risk	■ Negative impact on corporate image

(1) https://equator-principles.com/

COUNTERPARTY ESG ASSESSMENT – GOVERNANCE RISK

In its Environmental and Social General Principles, the Group addresses governance and other ethical risks (embargoes and sanctions, terrorism, corruption and bribery, resource appropriation, tax evasion and data protection). It manages these risks through purpose-developed internal processes (including the process for assessing clients). These processes and procedures are founded on principles of ethical business conduct and compliance with regulations. Assessing these risks consistently involves fact-finding to research sensitive information using specific tools. Evaluating its clients' governance systems also includes internal governance aspects as part of counterparty credit analyses.

Sector policies also make clear that governance risks are considered in the KYC (Know Your Client) and other compliance procedures to make sure that the Group complies with applicable laws and regulations, including exclusions based on international sanctions.

4.14 OTHER RISKS

4.14.1 RISK RELATED TO INSURANCE ACTIVITIES

Refer to Financial Statements in Chapter 6 - Note 4.3 Insurance activities.

4.14.2 INVESTMENT RISK

The Group has limited appetite for financial shareholdings in proprietary private equity operations. 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, 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 validation 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.

4.14.3 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 Specialised 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 Ayvens business unit is the result of the merger between ALD Automotive and LeasePlan (entity acquired by the Societe Generale group on 22 May 2023).

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.

Ayvens gross operating income derived from car sales totaled EUR 349.5 million at 31 December 2023 (including the impacts of reduction in depreciation costs and LeasePlan's Purchase Price Allocation[1]) *versus* EUR 747.6 million at 31 December 2022 (at this date, only ALD Automotive entity was considered).

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 twice 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.

4.14.4 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 75 and following). The Internal Rules of the Board of Directors (provided in Chapter 3 of the present document, at page 75) lay down the procedures for convening meetings.

4.14.5 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 place the Bank's sustainability or reputation at risk.

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 332 - 333).

(1) as per IFRS 3 "Business combinations"

5

CORPORATE SOCIAL RESPONSIBILITY

The Group's ESG ambitions form the cornerstone of the strategy pursued by its new General Management team. The strategic plan for 2026 includes a series of far-reaching initiatives designed to ramp up Societe Generale's contribution to the environmental transition and, more broadly, the UN's Sustainable Development Goals (SDGs). These initiatives are the Group's most ambitious yet in terms of decarbonising its activities and investing in innovative solutions and partnerships to magnify its impact.

Conscious of the urgent need for climate action and keen to address the financing gap for the environmental transition and promote the UN's SDGs, Societe Generale is committed to cementing its role as a driver of change, leading the transition and sustainable development of the world's economies. It takes a holistic approach in this respect, based on proactive and responsible change within all teams and businesses throughout the Group. Aware of the risks but also the opportunities involved, the Bank is both stepping up its efforts to decarbonise its activities – getting fully behind its clients' transition programmes – and supporting the development of innovative solutions and partnerships with a view to helping a more socially responsible, low-carbon economy emerge.

Societe Generale is well positioned to adapt its activities. With its corporate purpose – "Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions" – and its materiality matrix (see Chapter 5, *Measuring the objectives and expectations of stakeholders,* page 360) firmly in mind, the Group pursues its Corporate Social Responsibility (CSR) Ambition. Details of this CSR Ambition and how it infuses the Group's business model are given in Chapter 1 (see Chapter 1, *Profile of Societe Generale,* page 10).

To learn about how the Group translated its CSR Ambition into actions and results in 2023, see Chapter 2 (Chapter 2, *Extra-Financial Report,* page 46).

Driven by its core values of Innovation, Team Spirit, Commitment and Responsibility, the Group is pursuing a fair and inclusive environmental transition, in keeping with the highest standards of governance (see Chapter 3, *Corporate governance,* page 76, ensuring rigorous risk assessment and management systems for both financial and non-financial risks (see Chapter 4.13, *Environmental, social and governance (ESG) risks,* page 303) and regularly reviewing the impact of its activities (see Chapter 5, *Duty of Care Plan,* page 404).

Societe Generale upholds all national and EU laws, regulations and agreements applicable to it, everywhere it operates, and strives to respect the local culture and environment. As a signatory of the UN Principles for Responsible Banking, Societe Generale believes it has a duty to conduct its activities responsibly and transparently and to do its utmost to help its clients towards a more sustainable economy. The first section of this Chapter 5 on Corporate Social Responsibility sets out the Group's governance of CSR matters and how it deploys its Code of Conduct (see Chapter 5, *A transparent bank,* page 328). The second section details Societe Generale's alignment targets (see Chapter 5, *A committed bank*, page 334).

To help its clients transition to a more sustainable economy, the Group draws on its technical expertise and capacity for innovation, as well as its international reach (see Chapter 5, *A Bank that supports its clients,* page 347), taking into account the needs of its stakeholders (see Chapter 5, *A mindful bank,* page 359).

This requires Societe Generale to be exemplary in everything it does. The last section of Chapter 5 therefore looks at the transformation projects undertaken by the Group in its role as a responsible employer, a responsible purchaser and a company that cares about the environment (see Chapter 5, *Being an exemplary financial company,* page 368).

Words followed by an asterisk have a specific definition and appear in the Glossary on page 764.

Quantified indicators can be found here: *https://www.societegenerale.com/sites/default/files/documents/CSR/corporate-social-responsibility-group-key-figures.xlsx*.

The Group uses various indicators to measure and manage progress towards the targets from its CSR transformation and development plan each year. The table below presents a selection of these metrics.

		Short-/medium-/long-term target	Progress	Status
THE ENVIRONMENTAL TRANSITION				
Reducing fossil fuel financing	Reduction in exposure to thermal coal	Complete phase-out by 2030 for OECD countries and by 2040 for the rest of the world	-18% at end-2022 -37% at end-June 2023 *vs.* 2019	On track
	Reduction in exposure to upstream oil & gas	-20% by 2025 (*vs.* 2019)	-31% at end-2022	Target met
	Reduction in exposure to upstream oil & gas	-50% by 2025 and -80% by 2030 (*vs.* 2019)	-31% at end-2022	New target, set in 2023
Implementing the NZBA roadmap	Reduction in oil and gas absolute emissions	-70% in 2030 (*vs.* 2019)	-40% at end-2022	New target, set in 2023
	Reduction in CO_2 emissions intensity in the power generation projects financed	125g CO_2eq./kWh by 2030 (*vs.* 221g CO_2eq./kWh in 2019), *i.e.* -43%	151g CO_2eq./kWh at end-2022 (-32% *vs.* 2019)	On track
	Reduction in CO_2 emissions intensity in automotive production	90g CO_2eq./v-km by 2030 (*vs.* 184g CO_2eq./v-km in 2021), *i.e.* -51%	175g CO_2eq./v-km at end-2022 (-5% *vs.* 2021)	New target, set in 2023
	Reduction in CO_2 emissions intensity in cement production	535kg CO_2eq./t cement by 2030 (*vs.* 671kg CO_2eq./t cement in 2022), *i.e.* -20%	671kg CO_2eq./t cement at end-2022	New target, set in 2023
	Reduction in CO_2 emissions intensity in the steel sector	Alignment score of 0 by 2030	0.55 at end-2022	New target, set in 2023
	Reduction in CO_2 emissions intensity in commercial real estate	18kg CO_2eq./m^2 by 2030 (*vs.* 49kg CO_2eq./m^2 in 2022), *i.e.* -63%	49kg CO_2eq./m^2 at end-2022	New target, set in 2023
	Reduction in CO_2 emissions intensity in shipping (cargo and passenger vessels)	Alignment score of 15% by 2030 compared with the IMO Striving For scenario, *i.e.* -43% in emissions intensity (Annual Efficiency Ratio)	+24.2% at end-2022	New target, set in 2023
	Reduction in CO_2 emissions intensity in the aluminium sector	6t CO_2eq./t by 2030 (*vs.* 8t CO_2eq./t in 2022), *i.e.* -25%	8t CO_2eq./t at end-2022	New target, set in 2023
	Ayvens – CO_2 emissions from the vehicle fleet	90g/km by 2026	111g/km at end-2023	New target, set in 2023
Investing in the transition	Transition investment fund	EUR 1 billion allocated		New budget allocation for 2023
Supporting clients who are contributing to positive change	Contributions to sustainable financing	EUR 300 billion in sustainable financing over 2022-2025	>EUR 250 billion	On track
	Outstanding "green" assets (Insurance company - balance sheet)	Doubling outstanding "green" assets between 2020 and 2025	2.3 x	Target met
POSITIVE IMPACT ON LOCAL COMMUNITIES				
Developing sustainable mobility	Ayvens – Mobility-as-a-Service (MaaS)	200,000 active users of the MaaS platform by 2026	N/A	New target, set in 2023
Supporting local operators	Africa – Bank account penetration among the local population or support for VSE-SMEs	Double the contribution to microfinance organisations in 2025 *vs.* 2021, to reach EUR 200 million by end-2025	EUR 135 million at end-2023	On track
RESPONSIBLE EMPLOYER				
Promoting diversity, equity and inclusion	Increase in female representation	≥35% senior leadership roles (Top 250) held by women by 2026	31% in 2023	New target, set in 2023
	Reduction in the gender pay gap	EUR 100 million assigned by the Group for 2024-2025	N/A	Announced in 2023
CULTURE OF RESPONSIBILITY				
Training staff	Promote ESG expertise	ESG training for Group staff	63% in 2023	On track
	Widespread deployment of Climate Fresk workshops	30% of staff participation in a Climate Fresk workshop	25% at end-2023	On track
Being exemplary	Reduction in the Group's carbon footprint	-50% in 2030 *vs.* 2019	-34% in 2023	On track

5.1 BEING A RESPONSIBLE BANK

Societe Generale has been committed to financing renewable energy projects and supporting positive-impact finance for over 20 years. It was a founding member of the UNEP-FI's Positive Impact Finance initiative as well as, in 2019, its Principles for Responsible Banking (PRB). The sound technical expertise it has developed over the years has proven valuable in helping the Group progressively align its portfolios, boost innovation and support positive local impact, making it a key partner for its customers. This expertise underpins the innovative ESG solutions and advisory services the Group offers its clients to assist them in achieving their own transitions.

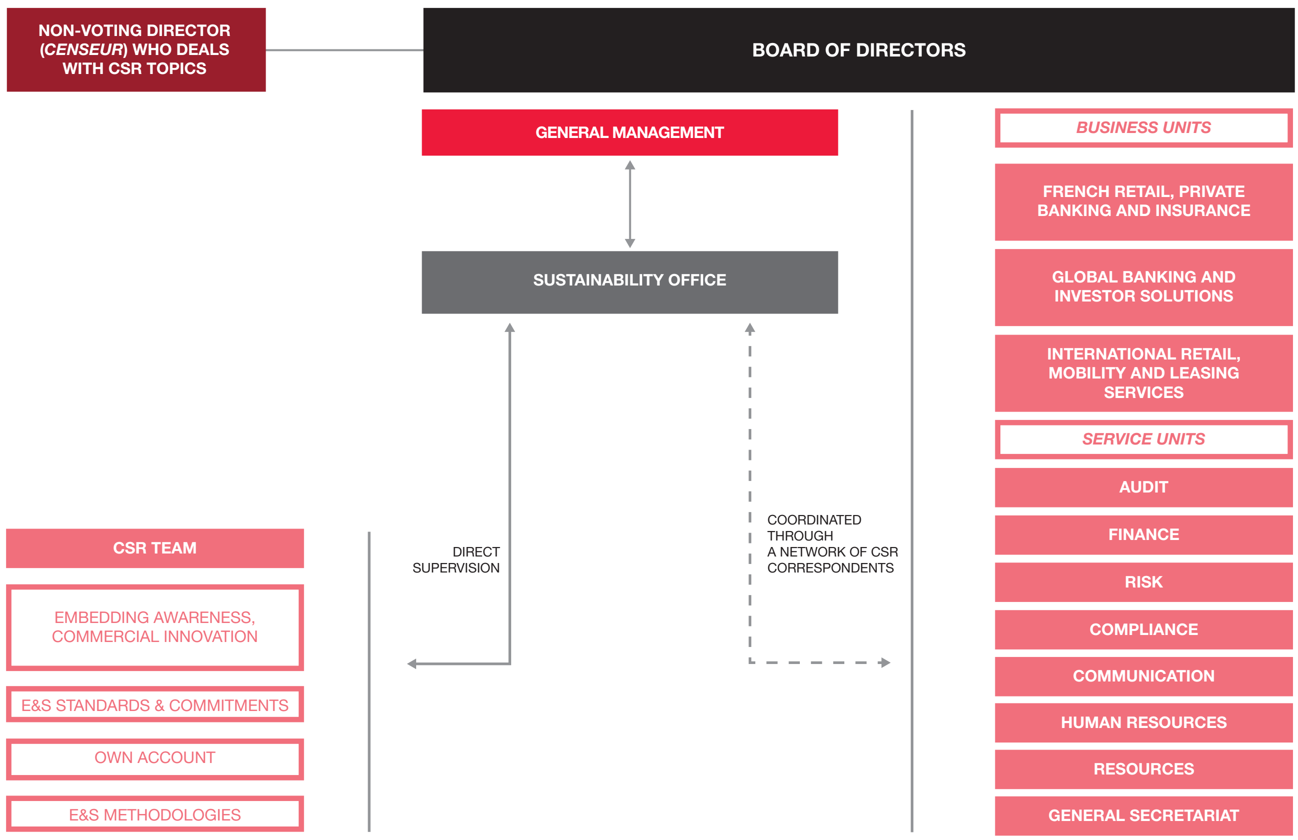
To learn about how the Group translated the four pillars of its CSR Ambition into actions and results in 2023, see Chapter 2, *Extra-Financial Report* (page 46).

5.1.1 A TRANSPARENT BANK

5.1.1.1 Incorporating CSR at the highest level of governance

Societe Generale is committed to conducting its activities in an exemplary manner and has made the culture of responsibility a prime focus of its CSR strategic ambition. The Group has also made CSR the linchpin of its governance and compensation policy. In addition, as part of its quest to be a vehicle for transformation towards a more sustainable world, Societe Generale participates in numerous coalitions which debate environmental, social and governance (ESG) issues and enable it to make concrete commitments and a contribution towards shared standards. Last, the Group has developed a strict framework for the management of ESG risks to ensure it rolls out these commitments throughout the entire organisation (for more information, see Chapter 4.13 *Environmental, social and governance (ESG) risks*, page 303).

The charts below present how CSR is integrated into Group governance and prioritised by all entities:



BOARD OF DIRECTORS AND ITS COMMITTEES

Formulates CSR strategy (notably climate-related strategy) based on the recommendations of General Management and reviewed by the Non-voting Director.

RISK COMMITTEES

The Risk Committee assesses CSR risk-related issues at least every quarter and examines all climate stress test results.

COMPENSATION COMMITTEE

The Compensation Committee examines issues related to Chief Executive Officers' remuneration and submits recommendations to the Board of Directors on CSR criteria affecting executive officers' remuneration.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

The Nomination and Corporate Governance Committee reviews governance issues (including internal governance in the Group), prepares discussion material to enable the Board of Dircetors to deal optimally with CSR issues and considers the Board's requirements to act effectively on the various CSR-related topics.

AUDIT AND INTERNAL CONTROL COMMITTEE

The Audit and Internal Control Committee reviews all financial and extra-financial communication documentation related to CSR.

OVERSIGHT COMMITTEES

STRATEGIC OVERSIGHT COMMITTEES FOR BUSINESS AND SERVICE UNITS (BU/SU)

The Strategic Oversight Committees of the Business and Service Units also act on CSR issues impacting their respective remits.

CORISQ

The Risk Committee handles the assessment and consideration of ESG risks in the risk policy and spells out the climate and CSR risks in its work.

CORESP

The Responsible Commitments Committee examines any CSR issue affecting the Group's responsibility or reputation.

THE GROUP COMPLEX TRANSACTION AND REPUTATIONAL RISK COMMITTEE

The Complex Transactions and Reputational Risk Committee examines and approves/rejects transactions that could create increased legal, regulatory, fiscal, compliance, accounting, conduct and/or reputational risk.

THE GROUP CLIENT ACCEPTANCE COMMITTEE

The Group Client Acceptance Committee approves or rejects client on-boarding or confirms the continuation/termination of relationships with clients dependent on certain risk criteria.

Four bodies play a specific role in CSR:

1. **the Board of Directors**, which approves the CSR strategy (notably climate strategy) guided by General Management and the non-voting Director. The proposed strategy is first reviewed by the Risk Committee for risk-related issues, the Compensation Committee for remuneration-related matters involving the Chief Executive Officers, and the Nomination and Corporate Governance Committee for governance questions (including the Group's internal governance). The Risk Committee also examines CSR risks at least once every quarter, together with climate stress test results. The Audit and Internal Control Committee reviews all financial and extra-financial communication documentation relating to CSR (*i.e.*, Duty of Care Plan, Declaration of Extra-Financial Performance), before submitting it to the Board of Directors for approval. 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 to enable the Board of Directors to deal optimally with CSR issues. Using the Directors' skills matrix (see Chapter 3, page 83) it also delves every year into the Board of Directors' needs in terms of expertise, including in respect of the various CSR topics, drawing the necessary conclusions on the recruitment processes in place and the training on offer. Each topic covered by the Committees is subsequently discussed by the Board of Directors. The non-voting Director assists the Committees when they deal with CSR topics. Furthermore, the Board of Directors' Internal Rules provide that dossiers submitted to the Board must contain information on social and environmental objectives for consideration where necessary. Over 2023, the Board of Directors' members were trained on CSR, climate-related issues and biodiversity (for more information, see: Chapter 3: *Appraisal of the Board of Directors and its members/Training,* page 106);
2. **General Management**, which examines CSR themes through:
   - the Responsible Commitments Committee (CORESP), chaired by the Deputy Chief Executive Officer responsible for CSR, who oversees the Group's CSR commitments and standards, including as regards aligning its activity with climate targets. The Deputy Chief Executive Officer also examines any environmental and social (E&S) issues that could impact the Group's responsibility or reputation, when not covered by an existing General Management Committee (see Chapter 3, *Governance bodies,* page 111, and Chapter 4, *Governance of risk management,* page 212),
   - the Group Risk Committee (CORISQ), which sets out the Group's main strategies in relation to credit, counterparty, environmental, country, market, operating and model risks, etc., in addition to risk appetite and the financial objectives set by the Board, and ensures compliance in these areas (see Chapter 4, *Governance of risk management,* page 212).

   General Management conducted a strategic review of CSR matters in 2023.

   Two new committees were created in 2023:

   - the Group Complex Transactions & Reputational Risk Committee (CTRC), whose purpose is to review, assess and, as appropriate, approve/reject transactions that may generate a heightened legal, regulatory, tax, compliance, accounting, conduct and/or reputational risks that may arise from:
     - the involvement of any Group entities or employees in any complex structured transaction, or
     - any new or existing product, transaction, business, service or activity with any client, customer or counterparty.
   - the Group Client Acceptance Committee (CAC), whose purpose is to approve or reject client on-boarding or confirm the continuation/termination of relationships with clients dependent on certain risk criteria.
3. **the Sustainable Development Department**, which has reported to General Management since 1 January 2022. The Head of the department is a member of the Group Management Committee and oversees the formulation of a dedicated policy for the Group that is attuned to stakeholders, and the monitoring of actions in this area, backed by a 27-strong team (in Q4 23) and supported by a network of CSR officers in the Business and Service Units;
4. **the Group Business Units/Service Units**, which are tasked with implementing and aligning their initiatives with Societe Generale's CSR policy.

5.1.1.2 Rolling out a Code of Conduct underpinned by shared values and human rights

The Group seeks to establish a culture of responsibility and apply strict control and compliance standards. It commits its employees to acting with integrity and in accordance with applicable law in all its activities. To that end, the Group has defined a Code of Conduct describing the standards to be observed. This Code applies to all its employees worldwide. In addition to its Code of Conduct, Societe Generale has also adopted a Charter for Responsible Advocacy (see below) and a Sustainable Sourcing Charter (*https://www.societegenerale.com/sites/default/files/construire-demain/12112018-sustainable-sourcing-charter-vf-eng.pdf*).

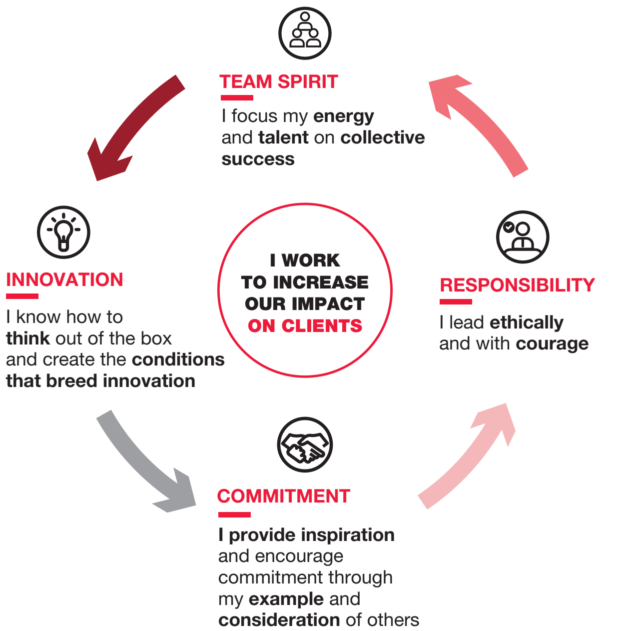
Societe Generale has built a strong culture based on its values, its Leadership Model and its Code of Conduct. It is guided by four key values which are shared by all employees: Team Spirit, Innovation, Commitment and Responsibility. At the centre of these is the client, for whom the Group strives to achieve the highest possible standards of service quality.

5.1.1.2.1 THE LEADERSHIP MODEL

The Group's values feed into its Leadership Model, which defines the behaviour and skills expected within the Group, emphasising that the way in which results are achieved is every bit as important as the results themselves.

The behavioural skills reflected in the Leadership Model are divided into three categories corresponding to the main levels of responsibility within the Bank (senior executives, managers and employees) and are shared throughout the Group.

The four key values thus translate into key skills (see diagram below):



The Leadership Model's internal skills guide describes the expected behaviour corresponding to each of these skills. In conjunction with the guide, a self-assessment tool available on the intranet asks twenty questions through which respondents can see how they rate in relation to appropriate conduct and provides leadership development tools to work through the various skills.

The annual appraisal targets are set based on the four Leadership Model values. One of the values is attached to each behavioural objective, and employees can use the Leadership Model to formulate their annual targets.

5.1.1.2.2 THE CODE OF CONDUCT, A VEHICLE FOR THE GROUP'S VALUES

The Group conducts its operations in line with the values set out in the following major international conventions:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour Organization (ILO);
- the UNESCO Convention concerning the protection of the world cultural and natural heritage;
- the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights.

These values are espoused in the Code of Conduct policy document and span the entire spectrum of Group activities and the countries in which it operates. The Code describes its commitments towards all stakeholders – clients, employees, investors, suppliers, the regulator and supervisory bodies, the general public and civil society – as well as the principles of expected individual and collective behaviour. It refers directly to the whistleblowing procedure, which forms part of the mechanism to combat inappropriate behaviours.

Available in the main languages spoken in the Group, the Code of Conduct is the cornerstone of professional ethics at Societe Generale. It promotes respect for human rights and the environment, the prevention of conflicts of interest and corruption, anti-money laundering and counter-terrorist financing measures, respect for market integrity, data protection, proper conduct regarding gifts and invitations, and responsible sourcing.

The Code of Conduct rules go beyond the minimum statutory and regulatory requirements in force, especially in countries whose laws and regulations are not as stringent as the Group's high ethical standards.

Stakeholders can view the Code of Conduct on the Societe Generale corporate website: *https://www.societegenerale.com/sites/default/files/documents/Code-conduct/code-of-conduct-en.pdf*.

Further information is provided in the Tax Code of Conduct and the Code Governing the Fight Against Corruption and Influence Peddling (see: *https://www.societegenerale.com/sites/default/files/documents/code-conduct/tax-code-of-conduct-of-societe-generale-group-uk.pdf* and *https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code-governing-the-fight-against-corruption-and-influence-peddling-uk.pdf*).

The Group furthermore updated its Conflict of Interest policy in 2023: (*https://wholesale.banking.societegenerale.com/fileadmin/user_upload/Wholesale/pdf/compliance/Conflict-Interest/EN/Summary-of-the-Societe-Generale-s-Conflict-of-Interest-policy.pdf*).

The Group undertakes to operate with the utmost integrity and transparency, and to comply with the applicable laws and regulations in all countries in which it operates, in particular regarding the offering and receipt of gifts, and the organisation of or participation in business meals or external events as part of its professional activities and business relationships (including when these events involve public and/or politically exposed persons – PEPs).

The whistleblower tool, which is accessible at *www.societegenerale.com* (*https://report.whistleb.com/en/portal/socgengroup*) and on the intranet, is operational in France and internationally. Whistleblowers can use the system to report any suspected potential or actual violation or attempt to conceal a violation of an international commitment, a law or a regulation, any risks to human rights, fundamental freedoms, health and safety or the environment, and any behaviour or situation that runs counter to the Group's Code of Conduct. It is available to all employees, management, Directors, shareholders, external or temporary staff, service providers working with the Group on an established basis (as subcontractors or suppliers) and third-party facilitators. Whistleblowers have the right to remain anonymous. Flags raised by whistleblowers are hosted on a secure external platform offering the guarantees required by the French Act on Transparency, the Fight against Corruption and Modernisation of the Economy, namely the protection of personal data and strict confidentiality of any information provided. Whistleblowing is a right and no employee may be sanctioned in any way whatsoever for having made disclosures in good faith.

The whistleblowing system has been updated in accordance with the French Waserman Act (Act 2022-401 of 21 March 2022), introduced to amend the Sapin II Act (Act 2016-1691 of 9 December 2016). The Waserman Act extended the list of people who could raise whistleblowing alerts to include third-party "facilitators", shareholders and Directors and removed the requirement for whistleblowers to be acting "disinterestedly", instead simply stipulating that they must not receive any direct financial consideration.(1) The Group's normative documentation was updated to reflect these changes and local whistleblowing tools were set up as an additional alternative to the main Group system.

(1) Unless permitted under local law.

Societe Generale has also committed to the following:

- transparency International France's joint statement (*https://www.societegenerale.com/sites/default/files/documents/2023-11/20140225_Declaration_commune_sur_le_lobbying.pdf* – in French);
- the Responsible Lobbying Charter for responsible representation to public authorities and representative institutions (*https://www.societegenerale.com/sites/default/files/documents/2022-05/2022-memorandum-responsible-advocacy-activities.pdf*);
- the Transparency Register of European Institutions (*https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=34369111614-57&locale=en#en*)
- the French Senate's Code of Conduct (*https://www.senat.fr/fileadmin/cru-1681198794/Groupes_d_interet/Code_de_conduite.pdf* – in French);
- the French National Assembly's Code of Conduct (*https://www.assemblee-nationale.fr/dyn/pages-statiques/pages-simples/decouvrir-l-assemblee/code-de-conduite-applicable-aux-representants-d-interets* – in French);
- the digital transparency register administered by the High Authority for Transparency in Public Life (*Haute Autorité pour la transparence de la vie publique* – HATVP) (*https://www.hatvp.fr/fiche-organisation/?organisation=552120222* – in French);
- compliance with local Codes of Conduct and registration of its interest representation activities on any other local registers managed by the authorities in countries where Societe Generale operates.

The full list of these commitments appears:

- for internal use, in a dedicated section of Societe Generale's normative documentation (Societe Generale Code), available and applicable to employees and service providers;
- for public consultation, in a document describing measures governing interest representation – *Memorandum Responsible Advocacy Activities 2023* – available on the Group's corporate website: *https://www.societegenerale.com/sites/default/files/documents/2023-05/2023-dispositif-groupe-pour-une-representation-d-interets-responsable.pdf*.

5.1.1.2.3 THE CULTURE & CONDUCT APPROACH

At the end of 2016, the Board of Directors approved the launch of a Group Culture & Conduct programme, with the aims of supporting the Group's cultural transformation, ensuring compliance with the strictest integrity standards, and establishing a lasting relationship with its stakeholders built on trust.

The programme was shared with all employees, to reaffirm and promote collective and individual behaviour that contributes to the ethical and responsible performance of the Group's activities. Since the launch of the initiative, numerous actions have been successfully carried out in the following seven areas: implementation of a Culture & Conduct governance system at the highest level of the organisation and in the businesses, publication of a dashboard to monitor changes in Culture & Conduct indicators, implementation of a conduct risk management system, alignment of Human Resources processes, training and awareness-raising among employees, development of cultural transformation, and communication aimed at integrating Culture & Conduct issues into the daily lives of employees.

Placed from the outset under the supervision of the Board of Directors and General Management and steered by a cross-business project team, the programme has achieved the targets it had set for this first stage. Project mode management came to an end on 31 December 2020 and evolved into a long-term system, with the Culture & Conduct approach remaining a major consideration for the Group.

Since 2021, all BUs and SUs have been expected to push further ahead with integrating Culture & Conduct considerations into the performance of their daily activities. Every year, they each set out a roadmap on these topics, covering their goals and the related risks.

Central oversight of these topics is coordinated by the Human Resources and Compliance Departments. They intend to continue cementing a solid and lasting culture of responsibility throughout the Group, and to ensure that all BUs and SUs roll out the necessary measures to encourage appropriate behaviour and protect the Group's interests in the long term. General Management supervises the entire programme and prepares an annual report on the results for the Board of Directors. The programme is managed as a fully integrated part of the Group's governance: quarterly Culture & Conduct reviews by the Group Executive Committee were introduced in June 2023. General Management and the Board of Directors receive annual Culture & Conduct reports. This report provides an overview of the main conduct risks in the businesses, identifies the action plans necessary to improve risk management in these areas and helps track indicator trends.

At BU/SU level, Culture & Conduct has been made part of the remit of the Internal Control Coordination Committees since 2022.

The thematic *Responsible Employer* report sets out the Culture & Conduct approach (*https://www.societegenerale.com/en/news/all-news/2021-responsible-employer-reports*).

In 2023, Societe Generale made a reference document on its Speak-Up* Culture available to all employees, together with various tools to help them embody the Speak-Up* approach (workshops, training for Culture & Conduct correspondents, etc.). It also added a new Ethics and Conduct pathway to its training offer. All staff are required to follow this Ethics and Conduct pathway each year. It provides an overview of the main principles of the Culture & Conduct approach, through three modules: Code of Conduct, Speak-Up* Culture and Whistleblowing. The Code of Conduct module covers the principles of individual and group conduct as set out in the Societe Generale Code of Conduct. It stresses that all acts of corruption, as well as pressure or solicitations from third parties, are prohibited.

In addition to this mandatory training pathway, key contributors are provided with regular training on conduct risk management processes (such as the Risk and Control Self-Assessment, management of conduct incidents, disciplinary sanctions, etc.) and on how to handle Culture & Conduct matters. Alongside this training, the Group also deploys annual awareness-raising and communications campaigns. The aims of these campaigns are to: provide BUs and SUs with greater support, encouraging them to take responsibility for Culture & Conduct matters; continue to inform and raise awareness among employees, especially on how to identify conduct risks; and encourage people to adopt the Speak-Up* culture, at both BU/SU and Group level.

Societe Generale has also strengthened its normative framework, embedding its Culture & Conduct approach within its internal rules and controls and thereby making it a permanent fixture.

The Group likewise pushed ahead with efforts to align its main Human Resources management processes with its Culture & Conduct ambitions over 2023: updating its guidelines for assessing conduct and compliance, and optimising how it manages inappropriate conduct and disciplinary sanctions.

Culture & Conduct key figures

- One single Code of Conduct for all Group employees, available in 18 languages.
- The new Ethics and Conduct training currently being rolled out has seen 70.8% of the Group (ie 89,439 employees) already complete the three modules required under the 2023-2024 campaign (as at 15 February 2024).
- 27,951 Group managers and employees in the HR Department were targeted for compulsory training on the Group's disciplinary framework,
  with a completion rate of 98.6% (February 2024).
- 100% of the BUs and SUs have a Culture & Conduct correspondent and a Conduct Officer.
- At end-2023, 85% of employees believed that their entity conducted business ethically and responsibly.
- At end-2023, 83% of employees confirmed that they were ready to whistleblow if they witnessed or experienced inappropriate behaviour (up from 82% in 2022).
- At end-2023, 86% of employees said they could confidently express themselves to team members (up from 85% in 2022).
- At end-2023, 78% of employees said that their managers encouraged collaboration between the BUs and SUs (*vs.* 80% in 2022).
- A total of 111 admissible alerts were reported using the Group's whistleblowing tool in 2023 (*vs.* 126 in 2022), 75%
  of which concerned HR issues (unchanged over the past three years).

5.1.1.2.4 RESPECTING HUMAN RIGHTS

Societe Generale is committed to respecting and promoting human rights – one of the fundamental values of its CSR policy. The Group defines and implements environmental and social (E&S) policies, processes and operational procedures to uphold its human rights commitments.

Societe Generale reaffirms these commitments in its Human Rights Statement, appended to its Environmental and Social General Principles (the E&S General Principles) (*https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf#page=12*). The respect for and protection of human rights is enshrined in its Code of Conduct (*https://www.societegenerale.com/sites/default/files/documents/Code-conduct/code-of-conduct-en.pdf*) and its E&S General Principles (*https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf*).

Societe Generale is also governed by French legislation passed on 27 March 2017 on the duty of care for parent and subcontracting companies (known as the Duty of Care Act). This law requires that the Group prepare and implement a duty of care plan to identify risks and prevent serious violations of human rights or fundamental freedoms or damage to the health, safety and security of persons or the environment as a result of its activities. The Group's Duty of Care Plan is provided on page 404.

As required under the United Kingdom's Modern Slavery Act of 2015 and the Australian Modern Slavery Act of 2018, Societe Generale also publishes an annual statement on its corporate website outlining the steps it has taken to prevent modern slavery and human trafficking (*https://www.societegenerale.com/sites/default/files/documents/2020-10/modern-slavery-act.pdf*).

Over the years, the Group has voluntarily adopted various procedures and tools to identify, assess and manage human rights and environmental risks as part of how it manages its human resources, supply chain and businesses. Accordingly, Societe Generale saw this legal duty of care as an opportunity to clarify and strengthen its existing framework.

The Group's risk assessment and management framework covers three main areas:

- respecting the human rights of its employees and social partners (for more information, see *Being a responsible employer,* page 368);
- respecting human rights in its supply chain and through its suppliers (for more information, see *Responsible sourcing,* page 384);
- respecting human rights in its financial and banking products and services (for more information, see *Managing E&S risks,* page 306).

The risks in these three areas and the associated risk policies are detailed in the Group's Duty of Care Plan, presented on page 404.

Whistleblowers can report any potential or actual violations in respect of human rights, fundamental freedoms, health and safety or the environment using the Group's online tool, available on the *www.societegenerale.com* portal at *https://report.whistleb.com/fr/societegenerale* (for more information, see *The Code of Conduct, a vehicle for the Group's values / Whistleblowing*, page 331 and *the Group's Duty of Care Plan / Whistleblowing procedure,* page 414).

5.1.2 A COMMITTED BANK

5.1.2.1 Taking action and building a sustainable future together

The Group has joined and even helped found a number of global cross-disciplinary initiatives and has been an active member of various alliances for many years now. It was a founding signatory of the Principles for Responsible Banking and, in 2021, became a founding member of the Net-Zero Banking Alliance. It plays an active role within several of the NZBA's working groups set up to establish joint standards and alignment methodologies for the banking sector.

2001
UNEP-FI Participation in the United Nations Environment Program Finance initiative (UNEP-FI)

2007
EQUATOR PRINCIPLES Project finance

2015
COP 21 Coal sector policy, alignment with IEA 2°C scenario

2017
POSITIVE IMPACT INITIATIVE UNEP-FI Founding member

2018
KATOWICE COMMITMENT Five-bank pledge to align lending portfolio with Paris Agreement

2019
PRINCIPLES FOR RESPONSIBLE BANKING, COLLECTIVE COMMITMENT ON CLIMATE ACTION Founding signatory and core member defining the principles
POSEIDON PRINCIPLES, GETTING TO ZERO COALITION Decarbonising the shipping industry: founding signatory
SUSTAINABLE IT CHARTER Limiting environmental impact of technology and promoting digital inclusion
HYDROGEN COUNCIL Supporting the development of hydrogen for energy transition

2020
PACTA FOR BANKS Co-publication of portfolio alignment methodology report

2021
NET-ZERO BANKING ALLIANCE (UNEP-FI) One of the founding members
SUSTAINABLE STEEL PRINCIPLES One of the founding members
SCIENCE-BASED TARGETS NETWORK (SBTN) Member

2022
Participation in working groups: **ALUMINUM CLIMATE-ALIGNED FINANCE & AVIATION CLIMATE-ALIGNED FINANCE**
ACT4NATURE 18 new biodiversity commitments
FINANCE FOR BIODIVERSITY PLEDGE Commitments to biodiversity through investment activities

5.1.2.2 Principles for Responsible Banking

Officially presented at the UN General Assembly in September 2019, the Principles for Responsible Banking (PRB) aim to define the role of the banking sector in building a sustainable future. Societe Generale is a founding signatory of the PRB.

The six principles define a common framework that allows each signatory bank to make commitments aimed at increasing its positive impact or reducing its negative impact on society and the environment.

They cover:

- aligning activities with the Paris Agreement goals and the UN's Sustainable Development Goals (SDG);
- setting targets in terms of positive impacts and reduction of negative impacts;
- providing responsible support to clients;
- consulting and cooperating with stakeholders;
- developing a responsible banking culture and governance, and making targeted public commitments;
- upholding transparency and accountability.

Societe Generale's CSR ambition aims to align the Bank with the PRB and ensure it contributes to positive change for a sustainable future.

The Group is transparent about what it is doing in this respect: it details the PRB and how it applies them in its Declaration of Extra-Financial Performance, with a cross-reference table published on page 394.

Furthermore, the Group publishes a summary report based on the PRB Reporting and Self-Assessment Template: *https://www.societegenerale.com/sites/default/files/documents/2023-03/principles-for-responsible- banking-report-and-self-assessment-2023.pdf.*

Societe Generale is one of 30 international banks that, together with two members representing the UN, form the PRB 2030 Core Group, tasked with assessing whether a stricter PRB framework is now called for. It shares what signatory banks have already achieved, demonstrating the positive impact derived from their implementation of the six principles, and has identified four focus areas: addressing climate change, nature-related issues, economic inclusion and human rights.

5.1.2.3 Net-Zero Banking Alliance

As a Founding Member of the UNEP-FI's Net-Zero Banking Alliance (NZBA) in April 2021 alongside 42 other international banks (a number that, at end-2023, had increased to over 130 members), Societe Generale is pursuing the following objectives:

- aligning its portfolios and activities with pathways consistent with a maximum temperature rise of 1.5 °C;
- setting itself targets to be met by 2030 (or sooner) and 2050;
- focusing as a priority on the most emissions-intensive sectors that are key in the transition towards a low-carbon economy;
- basing its alignment targets on credible climate scenarios published by recognised bodies;
- being transparent, through annual reporting on its progress and action plans.

Societe Generale undertook to setting a series of alignment targets for the 12 most emissions-intensive sectors in its financing portfolio within 36 months of joining the NZBA. This is the latest step in the Group's ongoing efforts to tackle global warming. Back in 2019, it announced its strategy of fully withdrawing from thermal coal. In 2020, it set its first transition targets in respect of oil and gas (based on exposure) and then power (based on carbon intensity).

Societe Generale has also been involved in developing methodologies for aligning banking portfolios. In 2019, faced with the absence of such methodologies, it signed the Katowice Commitment, together with four other banks, undertaking to work with the 2° Investing Initiative (2DII) to produce a methodology for banking portfolios. The result was the *PACTA for Banks* methodology, published jointly in September 2020. Since joining the NZBA in April 2021, Societe Generale has continued in this vein, participating in sector-based working groups to develop specific methodologies (in particular for the steel, oil & gas, real estate, aluminium and aviation sectors) and setting further alignment targets for itself based on scenarios that respect (or only slightly exceed) a maximum temperature rise of 1.5 °C. The aim is to establish targets which are based on science and the most relevant scenarios for each sector (IEA, CRREM, etc.).

2023 UPDATE

Over the year, Societe Generale stepped up efforts to decarbonise and set itself new interim targets:

- for the oil & gas sector: 70% reduction in absolute greenhouse gas emissions across the entire chain (scopes 1, 2 and 3* related to the end use of oil and gas) by 2030 *vs.* 2019;
- for the automotive sector: reduction in average emissions intensity for car manufacturers (based on their annual sales and vehicle use life) to 90g CO_2eq./v-km by 2030 (*vs.* 184g CO_2eq./v-km in 2021), *i.e.* a 51% reduction. This goes further than the target of 106g CO_2eq./v-km by 2030 under the IEA's scenario;
- for the steel sector: target alignment score[(1)] of 0 by 2030, equating to full alignment of the steel manufacturing portfolio with the IEA's NZE scenario;
- for the cement sector: reduction in the carbon intensity of cement production to 535kg CO_2eq./t cement produced by 2030 (*vs.* 671kg CO_2eq./t in 2022), *i.e.* a 20% reduction in emissions intensity;
- for the commercial real estate sector: reduction in carbon emissions intensity from 49kg CO_2eq./m^2 in 2022 to 18kg CO_2eq./m^2 by 2030 (based on the current composition of the Group's portfolio), *i.e.* a 63% reduction, in line with the CRREM 1.5°C scenario (v2.02);
- for the aluminium sector: target emissions intensity for 2030 of 6 tonnes CO_2eq./t aluminium produced *vs.* 8 tonnes CO_2eq./t in 2022, *i.e.* a 25% reduction, in line with the IAI/MPP's 1.5°C scenario;
- for the maritime transport sector: target alignment score[(2)] of 15% by 2030, *i.e.* a 43% reduction in intensity (Annual Efficiency Ratio) *vs.* 2022;
- Societe Generale is continuing its work in the aviation, residential real estate and agricultural sectors.

See section 5.1.2.6, "Aligning the activities with pathways consistent with a maximum temperature rise of 1.5 °C", page 336, for more details on the methodologies applied, and the latest Climate and Alignment report for more details of these indicators and targets: *https://www.societegenerale.com/sites/default/files/documents/CSR/Climate-and-Alignment-Report.pdf*.

5.1.2.4 Additional targets for the oil and gas sector

Societe Generale is going beyond what is required of it in the context of the NZBA, with ambitious targets for the oil and gas sector in terms of reducing both exposure and absolute emissions intensity:

- sharp acceleration in the reduction of exposure to upstream oil and gas, targeting an 80% reduction by 2030 *vs.* 2019, with an interim target of 50% by 2025 (up from the previous interim target of 20%);
- end to the provision[(3)] of financial products and services for new greenfield oil and gas production projects;
- withdrawal from financing[(4)] of upstream oil and gas private pure players, phasing out exposure over time;
- stronger engagement with energy sector clients, particularly on their climate strategies.

5.1.2.5 Working groups to align credit portfolios

Societe Generale is in various working groups set up by the Net-Zero Banking Alliance (NZBA) and the Glasgow Financial Alliance for Net Zero (GFANZ), alongside other banks. Working with its peers, it seeks to adopt shared and widely recognised alignment methods.

(1) As detailed in the Sustainable STEEL Principles, this score is an indicator based on intensity (CO_2eq./t steel produced).

(2) This Poseidon Principles target alignment score of 15% by 2030 is based on the IMO's Striving For scenario, which excludes cruise ships at the present time until the IMO's carbon intensity indicator can be adapted to take into account the specificities involved.

(3) Effective as from 1 January 2024.

(4) Effective as from 1 January 2024.

NZBA working groups

Societe Generale is a member of the NZBA's working groups on the oil and gas, steel and commercial real estate sectors.

Sustainable STEEL Principles (SSP)

In 2021, the Group accepted the role of co-leader of the Steel Climate-Aligned Finance Working Group, set up to define a methodology to assess the steel sector's alignment and advance its decarbonisation.

Collaborating closely with major players within the sector, this working group produced the Sustainable STEEL Principles (the SSP, available at *https://steelprinciples.org*). The SSP represent the very first agreement between lenders on how to measure and disclose their exposure to the steel industry. Societe Generale signed the SSP in September 2022, together with the five other founding members – all major lenders to the global steel sector – and in collaboration with the Rocky Mountain Institute (RMI). As a signatory, the Group undertakes to uphold the SSP's five principles,(1) including by reporting on its loan portfolio's alignment score each year and engaging with its clients on implementing net-zero transition plans.

Designed to support the practical achievement of net-zero emissions in the steel industry, the SSP also provide the tools necessary for client and stakeholder engagement.

Working hand-in-hand with the main industry players, the aim is to define standardised methodologies to help clients decarbonise their activities and take appropriate action in light of the specific challenges of the sector.

Sustainable Aluminum Finance Framework *(SAFF)* Working Group

In June 2022, Societe Generale took on the role of co-leader of the Aluminum Climate-Aligned Finance Working Group, set up by RMI's Center for Climate-Aligned Finance with the main banks financing the aluminium sector. The working group consulted with the sector's key bodies, such as the International Aluminium Institute and the Aluminium Stewardship Initiative, to craft a guide to methodology: the Sustainable Aluminum Finance Framework (SAFF). Launched in December 2023 at the COP28, the SAFF is the first climate-aligned finance framework for the aluminium sector, designed to help banks align financing decisions with their own decarbonisation targets. It provides banks with the tools they need to measure, benchmark and disclose the climate alignment of their aluminium lending portfolios in line with a 1.5 °C scenario.

Financial institutions that adopt the SAFF can use it to assess the emissions of their aluminium loan portfolios and work with their clients to report their emissions, fund lower-carbon solutions and support investments in new technologies.

Aviation Climate-Aligned Finance (CAF) Working Group

Societe Generale joined the Aviation Climate-Aligned Finance (CAF) Working Group (*https://rmi.org/press-release/bankschart-flight-path-to-decarbonize-aviation/*) as a founding member, alongside five other top global banks involved in financing the aviation industry, with a view to defining shared goals and methodology to speed up decarbonisation of the sector. This will create a level playing field for aviation industry lenders to assess their degree of alignment with climate goals and set appropriate targets. Financial institutions will be able to further work with their clients to support their transition journeys by funding lower-carbon solutions and supporting investments in new technologies.

Poseidon Principles

Societe Generale is one of the founding members of the Poseidon Principles, launched in 2019, together with other banks that finance the shipping industry and in collaboration with the Global Maritime Forum. The Poseidon Principles aim to promote the decarbonisation of the global shipping industry by integrating climate decision-making into portfolio management and lending decisions in respect of ship financing.

Societe Generale has also joined the Getting to Zero coalition, which aims to develop and deploy commercially viable deep-sea zero-emission vessels by 2030.

For more information, see *Aligning credit portfolios in various sectors*, *Shipping*, page 339.

5.1.2.6 Aligning the activities with pathways consistent with a maximum temperature rise of 1.5 °C

In keeping with the findings of the materiality survey (see *Dialogue with stakeholders*, page 359), Societe Generale has made the environmental transition its chief priority in the operational rollout of its CSR Ambition. The Group is keen to play an active part in combating global warming and moving towards a lower-carbon world economy. Recognising the need for both immediate action and a proactive long-term vision, the Group confirms its climate goals, as presented at the Annual General Meeting on 23 May 2023. These goals centre on three areas:

- managing climate change risks, in particular by improving the tools used to measure a given client's, country's or sector's sensitivity to transition risk and consolidating the Group's stress test framework (for both physical and transition risks – see Chapter 4, page 319);
- managing the impact of the Group's activities on the climate, by actively reducing its own emissions and decarbonising its lending portfolios (*i.e.* through its proprietary activities – see *Being a company that cares about the environment*, page 385 – and its portfolio – see Chapter 4, page 313, and below);
- supporting the Group's clients in their environmental transition, by developing a range of sustainable finance solutions and products for large corporates, micro-enterprises, SMEs and retail clients alike (see Chapter 5, page 347).

The plan to align Societe Generale's credit portfolios was implemented following a decision by the Responsible Commitments Committee (CORESP) in August 2019. It aims to define indicators and identify scenarios to manage the Group's activities in keeping with its commitments to fight climate change. The plan is supervised by the Chief Sustainability Officer and jointly governed by the relevant Business Unit heads. For more information on these indicators and targets, see the latest Climate and Alignment Report (*https://www.societegenerale.com/sites/default/files/documents/CSR/Climate-and-Alignment-Report.pdf*).

(1) *The SSP's five principles are Standardised assessment; Transparent reporting; Enactment; Engagement; and Leadership. For more information, see: https://steelprinciples.org/wp-content/uploads/2023/05/sustainable_steel_principles_framework.pdf.*

5.1.2.6.1 THE VARIOUS CREDIT PORTFOLIO MEASUREMENT METHODOLOGIES

For Societe Generale, alignment targets enable the steering of credit exposures to ensure they are compatible with the goals of the Paris Agreement, while also taking into account the environmental transition of the Group's clients as part of its credit risk management.

Societe Generale measures both its alignment and its financed carbon emissions to manage the climate impact of its activities. These two approaches are complementary. The absolute measurement of financed carbon emissions, which involves allocating part of the carbon emissions of the Group's clients or financed projects to its credit exposures, makes it possible to rank portfolios by priority.

To define alignment measures, the Group develops metrics expressed as outstanding loans, as carbon intensity or as absolute financed carbon emissions. These metrics, defined in relation to macroeconomic scenarios aimed at limiting global warming to 1.5°C, make it possible to aggregate a measurement to manage alignment.

The Group calculates its financed emissions in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard and the associated methodological guidance for each asset class. A company's emissions are assessed based on public disclosures or else estimated according to the GHG Protocol*. They are then allocated to the financial institution based on the proportional share of its financing (debt or equity). The Group has used this methodology to measure the greenhouse gas emissions of 95% of its loans to large corporates. Its calculations are based on the scope 1, 2 and 3* emissions reported by clients, when available, or else on physical or monetary emission factors as recorded in reference databases.

To implement its climate commitment, the Group began by developing an initial methodology and setting alignment targets for the coal sector (see below). Then, in 2018, Societe Generale signed the Katowice Commitment (see: *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/the_katowice_commitment.pdf*) alongside four other international banks (BBVA, BNP Paribas, ING and Standard Chartered). These signatory banks worked with the 2° Investing Initiative (2DII) on adapting the PACTA (Paris Agreement Capital Transition Assessment) methodology, initially developed for equity and bond portfolios, for use on credit portfolios. This led to the co-publication of a report on the application of this methodology in September 2020 (*https://2degrees-investing.org/resource/credit-portfolio-alignment-katowice-report/*).

Since April 2021, the Group has made solid progress on setting alignment targets and relies on the principles defined by the NZBA.

Considerations regarding data transparency and methodology are presented in the methodology note, page 398.

Limitations of data quality and availability

There is a degree of measurement uncertainty, whether using internal or external data and indicators.

Moreover, existing climate data are neither exhaustive nor widely available. They may also contain inconsistencies, as they are not aligned with global standards. Some information may have been obtained from public or other sources that the Group has not independently verified.

However, as clients are increasingly adopting a framework for climate reporting and disclosure, the Group expects external data on emissions to become more accessible and reliable over time. Data quality is always dependent on the volume collected and clients' ability to verify and communicate data. Ensuring the continuous improvement of data quality remains a priority for the Bank.

The methodologies used are still stabilising

The existing calculation methods are those deemed most appropriate at present in light of the level of granularity of the data available for each sector. In a quest for a more consistent and market-accepted method for measuring and reporting on emissions, regulatory requirements and guidelines have been updated in recent years. These guidelines and requirements are still a work in progress and are expected to stabilise over time.

As the methodologies are further fine-tuned and the data improved, the Group will continue to study the impact on the published calculation base, which could refine the calculations over time. The opinions and assessments are preliminary and therefore must not be deemed definitive. Accordingly, data and declarations in no way represent any guarantee or promise that the metrics or targets will be achieved, or the commitments upheld.

5.1.2.6.2 SECTOR APPROACH TO CREDIT PORTFOLIO ALIGNMENT AND ORIGINATION POLICIES

Coal

Since 2016, Societe Generale has been reducing its exposure to the coal sector, ruling out any further financing for coal mining or coal-fired power plant projects.

In 2019, the Group took its commitments up a level by announcing its target to reduce exposure to thermal coal to zero by 2030 in EU and OECD countries, and by 2040 elsewhere. To achieve this, Societe Generale published a sector policy for thermal coal in July 2020. The policy sets out strict guidelines on how to support clients in the transition phase (*https://www.societegenerale.com/sites/default/files/documents/CSR/thermal-coal-sector-policy.pdf*).

It states that the Group has opted to disengage from those companies most exposed to the sector (*i.e.* for which thermal coal accounts for more than 25% of revenue), unless they have themselves already committed to withdrawing from the sector. In line with this approach, it has also tightened up its criteria for prospects in the sector.

Metallurgical coal is dealt with separately under the mining sector policy (*https://www.societegenerale.com/sites/default/files/documents/CSR/mining-sector-policy.pdf*).

An indicator for financing of thermal coal extraction and production activities (gross commitment weighted by the coal share of borrowers' revenue – 100 base index at end-2019), calculated according to the Paris Agreement Capital Transition Assessment (PACTA) methodology defined under the Katowice Commitment (*https://2degrees-investing.org/resource/credit-portfolio-alignment-katowice- report/*), is given at the end of this section.

Oil and gas

Societe Generale initially committed in 2020 to a short-term target to reduce its exposure to upstream oil and gas (-10% by 2025 *vs.* 2019). In 2022, it raised this 2025 target to -20% and set a further target of -30% by 2030 (also *vs.* 2019) for absolute emissions related to the end use of oil and gas.

In 2023, the Group strengthened its alignment targets further still, aiming for:

- a sharp acceleration in the reduction of its exposure to upstream oil and gas, targeting an 80% reduction by 2030 vs. 2019, with an interim target of a 50% reduction by 2025 (compared to the previous year's target of a 20% reduction by 2025);
- a 70% reduction in absolute greenhouse gas emissions across the entire chain (scopes 1, 2 and 3* related to the end use of oil and gas) by 2030 *vs.* 2019 – significantly more ambitious than the 34% reduction target under the IEA's Net-Zero Emissions (NZE) scenario.

Since 2018, Societe Generale has ceased all financing for the production of oil from oil sands worldwide, and for any type of oil production in the Arctic. In 2021, the Group announced that it was beefing up its commitments in several hydrocarbon categories and with respect to the safeguarding of biodiversity* in protected areas, by expanding the categories of protected areas in which it refuses to finance new hydrocarbon exploration and production projects.

In September 2023, Societe Generale complemented the alignment targets detailed above, with new decarbonisation targets for its oil and gas activities. These new targets are included in its revised oil and gas policy:

- from 1 January 2024, it will no longer offer financial products and services (dedicated or non-dedicated) to any private companies that generate almost all of their revenue from upstream oil and gas activities, namely exploration, development and production, gradually phasing out its existing exposures;
- from 1 January 2024, it will no longer offer dedicated financial products and services to diversified sector companies for greenfield oil and gas production projects in relation to which the final investment decision is more recent than 31 December 2021;
- it will take a heightened proactive approach to reviewing the strategies of oil and gas sector companies with a view to their impact on climate change. Particular attention will be paid to: their carbon footprint; their climate targets; their diversification; the resources they are putting into addressing their impacts, such as through R&D or investments in activities that promote the transition; and their governance framework in respect of their climate targets.

These commitments are detailed in full in the Group's oil & gas policy, which was revised in September 2023 and is available on the Group's corporate website: *https://www.societegenerale.com/sites/default/files/documents/CSR/oil-gas-sector-policy.pdf*.

The metric used to check the target exposure is the financing of oil and gas extraction (gross commitment to pure upstream players, weighted for diversified players by the share of revenue from extraction, on a 100 base index at end-2019), based on the PACTA methodology as applied by Katowice Commitment member banks.

Power generation

In 2020, the Group set the objective to cut back on its financing for power generation projects by -18% by 2025 as compared to end-2019 levels. In 2022, it set a stricter target: reducing CO_2 emissions intensity to 125g CO_2/kWh generated by 2030, compared to its previous target of 163g CO_2/kWh. This new target corresponds to a -43% reduction as compared to end-2019. To achieve this, the Group has adjusted the energy mix it finances, reflecting both its decision to progressively withdraw from coal and its support for renewable energy projects, including new developments such as offshore wind farms, floating solar panels, etc.

The indicator is measured using the PACTA methodology applied by the Katowice Commitment banks, with a slightly higher target than under the IEA's NZE scenario (138g CO_2/kWh by 2030).

Steel

The Sustainable STEEL Principles (SSP, available at *https://steelprinciples.org*) provide a robust methodological framework for measuring and reporting on the 1.5°C alignment of steel lending portfolios. Based on the SSP, Societe Generale has set itself a target alignment score of 0 by 2030, *i.e.* full alignment of its steel portfolio with the IEA's NZE scenario, as defined under the SSP.

Cement

Societe Generale set itself a new target for the cement sector in 2023: reduce carbon emission intensity to 535kg CO_2eq./t of cement produced by 2030 (*vs.* 671kg CO_2eq./t in 2022), *i.e.* a -20% reduction in emissions intensity.

The indicator is measured according to the PACTA methodology and using the IEA's NZE scenario, coupled with the SBTi's decarbonisation trajectory for scope 2* (not provided by the IEA).

Aluminium and aviation

Societe Generale joined specific working groups on the aluminium and aviation sectors in 2022 (see section 5.1.2.5 above, *Working groups to align credit portfolios*). The aim is to leverage financing as a means to decarbonise these sectors.

In 2023, the Bank set itself a target for emissions intensity in aluminium production: 6 tonnes CO_2eq./t of aluminium produced by 2030 *vs.* 8 tonnes CO_2eq./t in 2022, *i.e.* a -25% reduction, in line with the IAI/MPP's 1.5 °C scenario.

Commercial real estate

In November 2023, Societe Generale set itself a new target for aligning its commercial real estate portfolio with the CRREM (Carbon Risk Real Estate Monitor) V2 scenario: emissions intensity of 18kg CO_2eq./m^2 by 2030, vs. 49kg CO_2eq./m^2 in 2022, *i.e.* a 63% reduction. This target is based on the current composition of the Group's portfolio, especially as regards its country and asset class breakdown. It will be revised in line with any changes in the portfolio's composition between now and 2030.

The CRREM is a tool developed by a European consortium with funding from the EU to help real estate investors and property managers assess the financial risks for them associated with carbon emissions from buildings. It is based on the IEA's estimates of global trajectories and is consistent with its NZE scenario.

Automotive

In September 2023, Societe Generale set itself a target for the automotive sector, based on the average carbon intensity of the carmakers financed by the Group. The target concerns their annual sales of light vehicles and, for the time being, covers emissions over the vehicles' useful life. It therefore does not take into account scope 1 and 2* emissions or upstream emissions due to the absence of benchmark scenarios and standardised data from carmakers. The target set is average emissions intensity of 90g CO_2eq./v-km by 2030 for new vehicles (*vs.* 184g CO_2eq./v-km in 2021).

Ayvens, the Group's operational vehicle leasing and fleet management subsidiary, has set itself a target of cutting emissions from vehicles delivered in Europe by -40% over the 2019-2025 period.

In 2023, Ayvens replaced this target with a new one: reduce the emissions intensity of its fleet to 90g CO_2eq./v-km expressed according to the Worldwide Harmonized Light Vehicle Test Procedure (WLTP) standard by 2026 vs. 2022 (112g CO_2eq./v-km), i.e., a -20% reduction. Over the Ayven perimeter, the share of new delivered electric vehicles (plug-in electric and battery electric vehicles) in the European region (European Union, UK, Norway and Switzerland) is 35%.

Shipping

The methodology and benchmark scenarios used for the shipping sector are those developed by the International Maritime Organization (IMO)*, together with the Poseidon Principles (available in English only at: *https://www.poseidonprinciples.org/finance/resources*).

At the 80th session of the Marine Environment Protection Committee, held in 2023, the IMO stepped up its decarbonisation strategy with the target of net-zero GHG emissions from international shipping by 2050.

In terms of the IMO's new trajectory and revised strategy, Societe Generale has an alignment score of +36.8% against the minimum, demonstrating how important it is for all stakeholders to pull together in helping the industry towards its ambitious targets.

There has been a marked improvement in the Group's alignment score as calculated against the IMO's initial trajectory, from +15.4% in 2021 to just +0.7% in 2022 (cargo and passenger vessels). An intensified lending policy, more stringent origination rules and the market's normalisation have brought the alignment score for the cargo vessel portfolio over the line (now at -2.5%, down from +1.1% in 2021 and +2.8% in 2020) and mitigated the misalignment on passenger vessels (now at +6.4%, down from +45.2% in 2021 and +68.4% in 2020).

Societe Generale's commitments towards the energy transition will continue to greatly influence the Group's strategy and business activity, in particular through more stringent lending guidelines.

The latest report is available at: *https://www.poseidonprinciples.org/finance/wp-content/uploads/2023/12/Poseidon-Principles-2023-Annual-Disclosure-Report.pdf#page=56*.

In 2023, the Group set itself a new target alignment score: 15% alignment with the IMO's Striving For scenario by 2030, *i.e.* a -43% reduction in intensity (Annual Efficiency Ratio) *vs.* 2022. Cruise ships are currently excluded from the calculation of this score until the IMO's carbon intensity indicator is modified to take into account the specificities involved.

The following chart summarises Societe Generale's alignment targets. For more information on these indicators and targets, see the latest Climate and Alignment Report (*https://www.societegenerale.com/sites/default/files/documents/CSR/Climate-and-Alignment-Report.pdf*).

DATA ON SECTOR-SPECIFIC ALIGNMENT AND TRANSITION TARGETS[1]

Sector	Indicator	Scenario and metric	Emissions scope	Baseline	Target	Reduction target	Progress	Progress in %	New target
Thermal coal	Thermal coal gross commitments (index 100)	IEA NZE 2050 scenario	Entire chain (Scopes 1, 2 and 3*)	100 (2019)	0 by 2030 for OECD countries; 0 by 2040 elsewhere	-100%	82 (2022) 63 (Q2-23)	-18% (2022) -37% (Q2-23)	
Oil and gas	Upstream oil and gas gross commitments (index 100)	Upstream oil and gas, IEA NZE 2050	Upstream	100 (2019)	50 (2025) 20 (2030)	-50% (2025) -80% (2030)	69 (2022)	-31% (2022)	2023
	Absolute greenhouse gas emissions from oil and gas	Absolute emissions, in Mt CO_2eq. (index 100), IEA NZE 2050 scenario	Scopes 1 & 2 (entire chain); Scope 3 (exploration & production)	100 (2019)	30 (2030)	-70%	60 (2022)	-40% (2022)	2023
Power generation	Power generation emissions intensity (g CO_2eq./kWh)	Emissions intensity NZE 2050 (g CO_2eq./kWh)	Scope 1	221 (2019)	125 (2030)	-43%	151 (2022)	-32% (2022)	
Cement	Cement industry carbon intensity	Emissions intensity NZE 2050 (kg CO_2eq./t cement)	Cement producers Scopes 1 and 2	671 (2022)	535 (2030)	-20%	671 (2022)	N/A	2023
Steel	Steel industry emissions intensity – alignment disparity target[2]	SSP alignment score	Crude steel producers Fixed sector scope, defined by the SSP	0.55 (2022)	0 (2030)	N/A	0.55 (2022)	N/A	2023
Commercial real estate	Commercial real estate industry emissions intensity – alignment disparity target	Emissions intensity CRREM V2.02	Commercial real estate	49	18	-63%	49 (2022)	N/A	2023
Aluminium	Aluminium industry carbon intensity	Emissions intensity, IAI/MPP 1.5 °C scenario	Aluminium producers (Scopes 1, 2 and upstream Scope 3)	8 (2022)	6 (2030)	-25%	8 (2022)	N/A	2023
Shipping	Shipping industry emissions intensity – alignment disparity target[3]	Poseidon Principles, alignment score against the IMO's Striving For scenario[5]	Well-to-Wake[4]	+24.2% (2022)	+15% (2030)	N/A	+24.2% (2022)	N/A	2023
Automotive	Automotive industry carbon intensity	Emissions intensity – expressed according to WLTP (g CO_2eq./v-km)	Carmakers Scope 3 end use	184 (2021)	90 (2030)	-51%	175 (2022)	-5% (2022)	2023
	Ayvens – CO_2 emissions from the car fleet	Emissions intensity – expressed according to WLTP (g CO_2eq./v-km)	Scope 3	112 (2022)	90 (2026)	-20%	111 (2023)		2023

(1) The reduction targets are supported by origination guidelines to keep the Group on track. Applicable at either client or transaction level, separate guidelines exist for each sector, to take into account specific constraints.

(2) This target is an alignment score. A positive alignment score means that the steel portfolio is not aligned with the IEA NZE 2050 scenario. Conversely, a negative or zero alignment score means that the steel portfolio is aligned with the IEA NZE 2050 scenario.

(3) This target is an alignment score. A positive alignment score means that the shipping portfolio is not aligned (i.e. that it exceeds the decarbonisation trajectory). Conversely, a negative or zero alignment score means that the shipping portfolio is aligned.

(4) "Well-to-Wake" refers to the entire process, from fuel production and delivery through to use onboard ships, and all emissions produced during that process.

(5) Excluding cruise ships, until such time as the IMO's carbon intensity indicator can be adapted to take into account the specificities involved.

5.1.2.7 Equator Principles

Adopted by the Group in 2007 and since revised several times, the Equator Principles (EP) are one of the initiatives underpinning Societe Generale's E&S General Principles. They serve as a common framework for the financial sector and are designed to help signatories (140 international financial institutions across 39 countries) identify, assess and manage the E&S risks associated with the major infrastructure projects they advise on and finance.

2023 UPDATE

In 2023, Societe Generale was one of 60 financial institutions to send representatives (125 in total) to attend the EP Association's Annual General Meeting. The meeting was an opportunity for attendees to share their experiences in implementing the EP and addressing the challenges faced.

Societe Generale was also able to contribute to discussions on potential changes to the Association's governance rules and the possibility of revising the EP. A formal review of the EP is to begin in 2024 and will necessarily include a consultation phase.

As in previous years, the Group published a report describing how it had applied the EP over the year and listing those of its project financing transactions that fell within their scope. This report is available on the Group's website at:

https://wholesale.banking.societegenerale.com/fileadmin/user_upload/Wholesale/pdf/equator-principles/EQUATOR_PRINCIPLES_REPORT_2023.pdf.

5.1.2.8 Green Investment Principles (GIP)

In Asia, Societe Generale signed the Green Investment Principles in November 2019. Defined by the China Green Finance Committee and the City of London's Green Finance Initiative, the GIP comprise seven principles for green investment, covering matters such as strategy, operations and innovation. They aim to guide financial institutions in adopting responsible practices in environmental and social (E&S) risk management and positive-impact financial products in the countries targeted by the Belt and Road* initiative. The GIP Secretariat is also planning to compile a database of green projects to make infrastructure projects within these countries more transparent, while bridging the information gap between financiers and project developers.

The GIP overlap with and bolster certain other commitments made by Societe Generale, such as the Principles for Responsible Banking, the Equator Principles and the UN-PRI, signed by Societe Generale Private Banking and Societe Generale Assurances.

They come into play mainly with investments in Asia, making the Group's rollout of its E&S risk management framework in the region a key factor when implementing them.

2023 UPDATE

Societe Generale contributed to the third GIP Annual Report, along with other member institutions.

The year also saw the fifth GIP Plenary Meeting, held in Beijing and attended by more than 100 representatives from over 50 member institutions spanning Asia, Europe, the UK and Africa. A GIP casebook was launched to demonstrate good practices in green investments; it features Societe Generale's involvement in financing a waste-to-energy plant.

5.1.2.9 Hydrogen Council

In August 2019, the Group became a member of the Hydrogen Council, a global initiative launched in connection with the 2017 World Economic Forum in Davos by major companies operating in the energy, transport and industrial sectors. The Hydrogen Council now boasts more than 120 member companies from across the various industrial and energy sectors involved in the hydrogen value chain: energy, oil and gas, chemicals, commodities, metals and mining, equipment manufacturers, cars and trucks, and other forms of transport (air, rail, shipping). The Council estimates that, by 2050, low-carbon hydrogen solutions could meet 18% of the world's energy demand and reduce annual CO_2 emissions by 6 Gt, illustrating its enormous potential for the energy transition (see the Hydrogen Council's November 2017 report entitled "Hydrogen, Scaling Up"). Societe Generale intends to play an active role in developing these solutions.

The Bank has joined the Hydrogen Council's new Investor Group, thereby reaffirming its resolve to push further ahead with its role in financing renewable energies and to use the Group's robust innovation, advisory, financing, and debt and equity structuring franchises to develop this energy of the future.

2023 UPDATE

Societe Generale helps hydrogen project leaders better understand how to attract investors and secure long-term financing for their large-scale projects. Hydrogen projects are highly diverse, but Societe Generale's role within the Hydrogen Council's Investor Group is to focus on financing for the biggest projects.

Over 2023, the Bank acted as financial adviser on a number of major hydrogen projects around the world. These included: the use of green hydrogen to produce e-fuels in the US and Chile (with HIF Global) or green steel in Sweden (with H2 Green Steel); a renewable hydrogen production facility in Australia with Countrywide Hydrogen; and HyNet, the UK's leading industrial decarbonisation cluster, which centres on the production and use of low-carbon hydrogen.

Societe Generale's discussions with public and state bodies are invaluable in this respect, allowing it to offer an expert's perspective on questions surrounding how best to set up public financial support to facilitate the ramp-up of these new low-carbon technologies.

5.1.2.10 Nature

Helping to protect biodiversity* is a natural part of the Group's actions to foster the environmental transition – one of the four pillars of its CSR ambition. The Group is therefore fully supportive of the strategic targets of the Kunming-Montreal Global Biodiversity Framework, adopted at the COP15 in December 2022.

In November 2022, as a signatory to the *Act4nature international* initiative, Societe Generale set out updated tangible and measurable biodiversity targets for the entire Group (*https://www.act4nature.com/wp-content/uploads/2022/11/SOCIETE-GENERALE-VA.pdf*). Act4nature international is an initiative led by a network of companies with input from scientific partners, environmental NGOs and public bodies. The aim is to encourage companies to help protect biodiversity by committing to practical group-wide action supported by their managers.

A progress review is conducted each year. In 2023, Societe Generale achieved or made progress towards its targets in each of the main areas covered by its commitments: governance, risk management, sector policies, real estate activities, assessments and tailored support for customers.

Taking an active role in international alliances

Societe Generale is a member of several international alliances working on benchmark economic and financial standards in respect of nature. Through this work, it is gaining a deeper understanding of the issues and the associated tools and methodologies, while contributing to endeavours to develop expertise in the field.

- *Taskforce on Nature-related Financial Disclosures (TNFD)*

  The TNFD was launched in 2021 to develop a framework to help organisations assess and report on their nature-related risks, opportunities, impacts and dependencies. This framework was published in September 2023. Societe Generale joined the TNFD Forum in 2021 and has responded to calls for submissions on methodology. In parallel with its preparations for entry into effect of the Corporate Sustainability Reporting Directive* (CSRD), the Group is also looking into the extent to which – and how soon – it can implement the TNFD's recommendations in its reporting.

- *Science-Based Targets Network (SBTN) Corporate Program*

  Societe Generale has been committed to the development of the SBTN since 2021. The SBTN is a global network that aims to equip companies with science-based resources to allow them to manage their impacts and dependencies on nature, throughout their value chain. Helping develop standards, tools and methodologies as a member of the network offers the Group a unique opportunity to support its corporate clients on the complex issue of nature.

- *Finance for Biodiversity Pledge*

  In 2022, Societe Generale (through its insurance and private banking entities: Societe Generale Assurances, SG29 Haussmann and SGPWM) signed the Finance for Biodiversity Pledge. Launched in September 2020, the Pledge has been signed by 153 financial institutions to date, all committed to protecting and restoring biodiversity through their investment activities.

Assessing nature-related risks, impacts and dependencies

With a view to ensuring CSRD compliance and implementing the TNFD's recommendations, the Group is in the process of evaluating its credit portfolio. It has mapped the sectors financed, according to exposure and the extent of each sector's impacts and dependencies on nature. This initial mapping exercise was conducted using the ENCORE (Exploring Natural Capital Opportunities Risks and Exposure) methodology, designed to analyse the physical impacts and potential dependencies of business activities on natural capital assets. The results were presented to the Responsible Commitments Committee, chaired by General Management.

This mapping gives an initial overview of the materiality of Societe Generale's portfolio as regards nature-related issues.

The results from this preliminary exercise were as follows:

- in those sectors found to have an impact on nature, the negative effects derive primarily from pollution, pressure on water resources and terrestrial ecosystem use;
- the greatest dependencies in the sectors financed are on water-related ecosystem services* (including the availability of ground and surface water). The results also indicated the crucial importance of protection from disruption (such as through flood and storm protection measures) and mass stabilisation and erosion control.

Alongside this mapping exercise, the Group has also developed a sector-specific financial vulnerability indicator, based on an assessment of the physical and transition risks associated with biodiversity(see *Chapter 4.13 / Environmental, social and governance (ESG) risks* page 303).

Financing and engaging with clients

To help preserve biodiversity, the Group has adapted its processes at all levels:

- since 2007, it has applied the Equator Principles, a risk management framework for project financing, designed to determine risks related to biodiversity erosion. In addition, Societe Generale has strengthened its sector policies, in particular to exclude the financing of new projects in the main internationally protected areas (UNESCO, Ramsar, IUCN I-IV and Alliance for Zero Extinction sites). The rollout of the Integrated Biodiversity Assessment Tool (IBAT) within the Group has been crucial in implementing this measure.

  The Group has also ruled out financing for oil exploration and production projects in the Arctic, in addition to oil exploration, production and trading projects in the Ecuadorian Amazon, and soybean and cattle farming in the Amazon and Cerrado region (primarily in Brazil);
- the evaluation of corporate clients' impacts on nature have been strengthened. By the end of 2024, all major corporate clients of the Corporate and Investment Banking arm will have undergone an environmental and social assessment , including on biodiversity.

  As part of the Group's efforts to help curb deforestation, particular attention is paid to clients that operate upstream of supply chains in the South American soybean, cattle and palm oil sectors. The Group is already in discussions with its existing clients that operate in these sectors to assess their strategies to curb deforestation and their status in terms of alignment with the Group's Industrial Agriculture and Forestry sector policy;
- as part of their commitment to preserving biodiversity, the insurance and private banking businesses in French Retail Banking have updated the definitions of the universes in which they can invest, to include criteria on efforts to curb deforestation, and have conducted biodiversity footprint assessments on their investment portfolios, with a view to making biodiversity preservation a factor in their investment processes;
- concerning its SME clients in France, in 2023 the Group began proposing an E&S interview guide incorporating a biodiversity component to foster dialogue on environmental issues and committed to training 100% of its client relationship managers on biodiversity.

Training

To continue enhancing the Group's internal expertise on nature-related subjects, biodiversity training modules have been made available to staff in addition to the biodiversity fresk workshops. Societe Generale has also continued to use the training modules provided by the PRB Nature Community.

Lastly, the Sustainable Development Division provided specific training for the Board of Directors.

Identifying opportunities

Societe Generale has announced the launch of a new EUR 1 billion transition investment fund, including a EUR 700 million equity component. One of the primary purposes of this fund is to support nature-based solutions.

The Group partners with organisations working to promote nature and biodiversity:

- in July 2022, Societe Generale invested in EcoTree, as part of the greentech's latest fundraising round. A certified B Corp* founded in 2016, EcoTree develops solutions that allow businesses and individuals alike to invest in preserving and restoring forests, ecosystems and biodiversity;
- in 2023, the start-up Regrow joined Societe Generale's Global Markets Incubator (GMI), set up to support the development of innovative solutions for the financial industry. In partnership with Regrow, Societe Generale invites discussion on nature-based solutions with its corporate clients and promotes the development of greener farming practices (see: *https://www.regrow.ag/*).

Adapting real estate development activities

The Group's real estate development subsidiary Sogeprom* has structured its CSR approach around three pillars, one of which involves biodiversity preservation. Its CSR actions include promoting green spaces, providing training and pursuing its partnership with CDC Biodiversité*. For more information on Sogeprom's CSR approach (in French), see: *https://groupe-sogeprom.fr/nos-engagements-rse*.

Supporting philanthropic initiatives

Societe Generale has signed a five-year partnership agreement with The Ocean Cleanup, a non-profit organisation that develops technologies to rid oceans and rivers of plastic. As a key Mission Partner, the Group will contribute financially to The Ocean Cleanup, supporting its development work and thus advancing its efforts to preserve clean oceans and rivers. This partnership ties in with the Group's new strategic roadmap, where it committed to boost philanthropy.

Societe Generale Private Banking has been contributing to reforestation programmes in France for the last three years. It does so by donating a percentage of its sales margin on certain investment products to forestry projects (*i.e.* without any financial contribution from its clients).

5.1.2.11 Eligible and aligned activities under the European Taxonomy: Green Asset Ratio (GAR)

In accordance with the EU sustainable finance Taxonomy Regulation (Regulation (EU) 2020/852), Societe Generale has disclosed since 2021 its exposure to sectors that are eligible to be activities aligned with the Taxonomy. The Regulation was amended by the European Commission Delegated Regulation 2021/2178 of 6 July 2021 and by the European Commission Delegated Regulation 2023/2486 of 27 June 2023 citing reporting obligations for financial undertakings and defining performance indicators (KPIs) and additional information to be published from 1 January 2024.

The Green Asset Ratio (GAR KPI) is a new performance indicator for credit institutions: it expresses the proportion of exposures related to activities aligned with the EU Taxonomy in relation to total covered assets. The methodologies applied take into account the FAQs published by the European Commission, however certain points raised in the latest FAQ of December 2023 remain under review and implementation.

For reasons related to its definition, the GAR is structurally low for European banks with diversified business models, and in particular for banks such as Societe Generale whose activities span internationally outside of the EU, corporate and investment banking and financing for SMEs.

According to the current methodology, the GAR excludes from its numerator key activities that are included in its denominator. This is the case for most activities involving exposure to undertakings which are not subject to the EU's NFRD[1] reporting requirements.

As a result, the scope of the Taxonomy ratios today excludes from the numerator all exposure to SMEs (as they are not subject to the NFRD's reporting requirements) and exposure to non-EU domiciled companies to which NFRD does not apply, meaning that the Bank's exposure to these companies can be neither eligible nor aligned. Exposure to Special Purpose Vehicles, frequently used in renewable energy project finance, are also not reported in the numerator as they take the form of companies not subject to NFRD reporting.

Moreover, another key concern is the availability and collection of the alignment data. Indeed, when calculating the GAR, Taxonomy-eligible activities of non-financial corporates in the EU can only be considered aligned when the client undertakings have published data supporting this.

Retail mortgage loans account for the majority of Taxonomy-eligible assets. But for such loans to be considered Taxonomy-aligned, the properties in question must have been granted an Energy Performance Certificate with an A rating or primary energy consumption among the top 15% of the country concerned. Only a very small proportion of the housing stock in France currently meets this standard. And further strict criteria must still then be met before an exposure can be considered aligned, in particular as regards the adaptation of the property to climate events. The availability of this data is very limited and difficult to collect from retail customers.

For these reasons, in the logic of the GAR calculation, the proportion of assets that could contribute and be aligned in the numerator is significantly lower than those in the denominator provided for in the Taxonomy Regulation.

The Taxonomy at this stage only deals with environmental objectives (starting with climate). Social issues are not considered. And yet banks finance many activities that are not listed as being sustainable under the EU text, such as health and education activities. Furthermore, the Taxonomy climate objectives provide a classification system that identifies activities that are already close to or near the target of carbon neutrality. It does not take into account the decarbonization efforts of companies to reach this target. The GAR, as defined, does not therefore reflect the significant efforts and progress made by Societe Generale in sustainable development beyond the limited scope of the numerator under the current methodology.

Many of these limitations are outlined in a staff paper published by the European Banking Federation in January 2024 outlining their position on the Green Asset Ratio and accessible via this link: Green-Asset-Ratio-January-2024-002-2.pdf (ebf.eu).

The Group has been developing sustainable finance products and services worldwide for many years now, in particular in renewable energy financing, which currently can only be considered Taxonomy-aligned when consolidated on the balance sheets of EU clients subject to the NFRD reporting requirements. More information on these products and services is provided throughout this Chapter, and the Bank's efforts on climate and portfolio alignment with the goals of the Paris Agreement are presented in its latest Climate and Alignment Report (https://www.societegenerale.com/sites/default/files/documents/CSR/Climate-and-Alignment-Report.pdf).

(1) The Non-Financial Reporting Directive (Directive 2014/95/EU, "NFRD") is an amendment to the Accounting Directive (Directive 2013/34/EU,). NFRD entities are defined based on the Accounting Directive, i.e. Public Interest Entities ("PIE"), therefore Large Undertakings listed on a EU regulated market and :
>EUR 20 million balance sheet, and / or >EUR 40 million in revenue, and > 500 employees.

TABLE SETTING OUT THE BREAKDOWN OF THE GREEN ASSET RATIO (GAR) OF SOCIETE GENERALE:

Balance Sheet Position	Gross Carrying Amount *(in Bn EUR)*	Turnover KPI			CapEx KPI		
		Total Eligible Amount *(in Bn EUR)*	Total Aligned Amount *(in Bn EUR)*	Turnover Alignment Ratio	Total Eligible Amount *(in Bn EUR)*	Total Aligned Amount *(in Bn EUR)*	CapEx Alignment Ratio
Total Assets Balance Sheet (FINREP)	**1,408.7**	**145.0**	**10.2**		**146.4**	**11.5**	
Trading portfolio	**375.9**	-	-		-	-	
Exposures to central governments, central banks and supranationals	**316.0**	-	-		-	-	
Total Covered Assets	**716.8**	**145.0**	**10.2**	**1.42%**	**146.4**	**11.5**	**1.61%**
Derivatives (banking book)	**10.4**	-	-		-	-	
On-demand interbank loans	**38.9**	-	-		-	-	
Non-transactional assets	**143.1**	-	-		-	-	
Financial corporations	**22.3**	**0.2**	**0.0**		**0.2**	**0.1**	
Other financial corporations	**40.7**	**0.9**	**0.1**		**0.9**	**0.2**	
Non-financial corporations	**261.0**	**8.0**	**1.3**		**9.4**	**2.5**	
Households (Retail)	**200.3**	**135.8**	**8.8**		**135.8**	**8.8**	

The methodology excludes from the eligible amount a significant volume of activities, in particular: exposures to undertakings not subject to the EU's NFRD reporting requirements (this encompasses exposures to the vast majority of SMEs, companies domiciled outside the EU and most Special Purpose Vehicles not consolidated within an EU NFRD undertaking) and on-demand interbank lending.

Based on the Taxonomy as it stands – i.e. excluding entire aspects of the Group's activities – the Group's Taxonomy-eligible exposures are primarily its retail mortgage loan portfolio and its exposures to EU groups and clients subject to the NFRD reporting requirements. Its activities with SMEs and non-EU undertakings and its financing for renewable energy projects are not currently Taxonomy-eligible. As such, Societe Generale's activities with SMEs, non-EU companies and the bulk of its renewable energy project finance are not eligible.

Taxonomy-aligned exposures equate to the proportion of Taxonomy-eligible exposures that satisfy the alignment criteria set out in the following section on methodology.

Methodology note on implementation of the EU taxonomy regulation

As from 2024, the GAR will measure activities aligned with the EU Taxonomy based on two of the six objectives: climate change mitigation and climate change adaptation. All the regulatory templates are available in the Appendix in Chapter 10, page 735. For this first publication, and in order to facilitate reading, Societe Generale neither presents the columns "t-1" of the models nor the four new environmental objectives of the Taxonomy where there is not yet any data published by our counterparts for this eligibility assessment. The flow tables have not been presented in order to be able to adapt to the methodology recommended by the European Commission's FAQ of December 2023.

Beyond eligibility, for an economic activity to be aligned, it must be assessed against Technical Screening Criteria, respect the Do No Significant Harm (DNSH) criteria as regards the four additional environmental objectives, and comply with the Minimum Social Safeguards. As a result, many eligible activities fail to align due to the multiplicity and detail of the criteria required.

In addition to the GAR as their main KPI, credit institutions are also required to publish certain additional KPIs, such as the proportion of their Taxonomy-aligned activities in Financial Guarantees (FinGuar KPI) and Assets Under Management (AuM KPI).

Societe Generale has calculated the KPI data based on the recommendations of the European Banking Authority for Pillar 3 and the FAQs of the European Commission. Given that eligible counterparties have been required to publish KPIs since 2021, Societe Generale considers all exposures to counterparties for which it has been unable to identify any published KPIs non-eligible and therefore non-aligned.

Calculating alignment for financial and non-financial undertakings (excluding Retail):

Exposures where the use of proceeds is known, and provided that the beneficiary is an NFRD entity, are considered fully Taxonomy-eligible but non-aligned, due to the absence of data provided by the client. For all other transactions, alignment is calculated using the turnover and CapEx KPIs published by counterparties subject to the NFRD.

Loans to local authorities are treated as Taxonomy-eligible when constituting dedicated loans to public housing authorities, but are considered not aligned due to the absence of available data.

Calculating alignment for retail clients (Households):

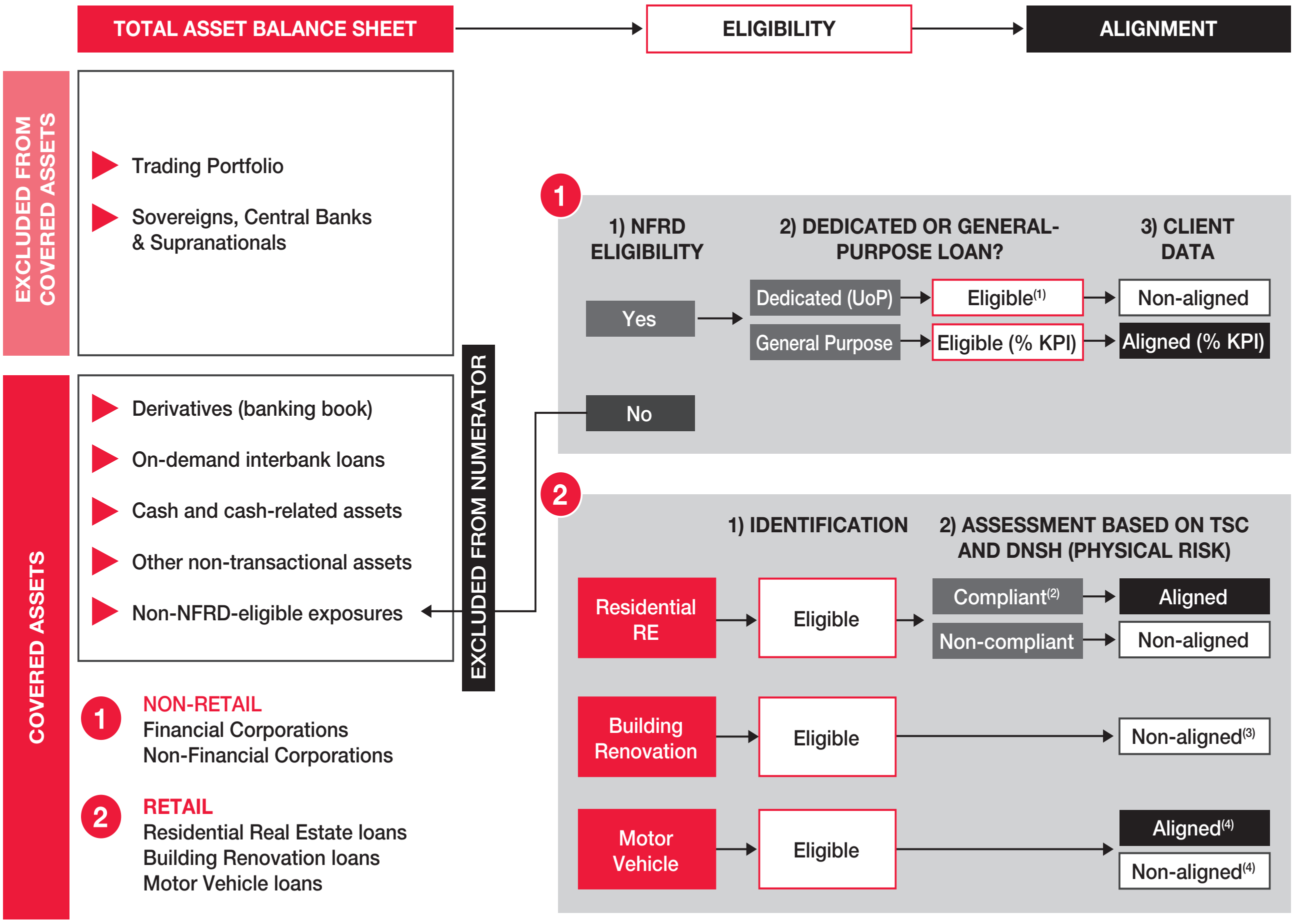
Mortgage loans include those backed by a financial guarantee such as the Crédit Logement and are considered fully eligible. Alignment is calculated using the Technical Screening Criteria and the DNSH criteria with respect to the other environmental objectives.

Since some data on building standards and building permit dates are not easily collected on new dwellings, internal models have been challenged by national data sources in France to complete the knowledge of SG's portfolio of real estate loans, particularly for the most recent constructions.

Home renovation loans and - since 1 January 2022 – consumer car loans are Taxonomy-eligible. The alignment calculations for such loans are very strict and the requisite data are often not readily available.

The only activity in the Ayvens motor vehicle portfolio to have been assessed for alignment is a limited activity of financial leasing, using the methodology developed by Ayvens for its own reporting requirements.

The following flow diagram sets out the decision-making process for determining eligibility and alignment in accordance with the EU Taxonomy for FINREP balance sheet items.



(1) Due to missing client certificates, dedicated loans cannot be measured in terms of alignment except for Ayvens business leveraging their individual disclosure.
(2) For properties constructed before 2020, the technical screening criteria (TSC) are equivalent to an energy performance certificate label A or a primary energy score below 135 kWhEP/m²/year for France. In addition, the do-no-significant-harm (DNSH) criterion requires the assessment of the activity against physical climate risks. If a material physical risk is identified, the DNSH is deemed violated.
(3) Due to missing client certificates, building renovation loans cannot be measured in terms of alignment at this stage.
(4) Based on proprietary Ayvens business methodology. Alignment for Ayvens (financial leases) scope only.

FOSSIL GAS AND NUCLEAR ACTIVITIES

European Commission Delegated Regulation (EU) 2022/1214 requires credit institutions to disclose investments in electricity and heat generation derived from natural gas and nuclear activities, identified as transitional activities contributing to the EU Taxonomy's objectives on climate change mitigation and adaptation. In light of the template for disclosure of "Nuclear and Fossil Gas Activities" published in March 2023 and the GAR calculation as from 2024, Societe Generale is required to publish nine templates grouped into three subcategories for each of the KPIs of the Taxonomy Regulation. For this first year, Societe Generale publishes this model set on the GAR KPI stock.

All the regulatory templates related to fossil gas and nuclear activities are available in in Chapter 10 *Appendices*, page 735.

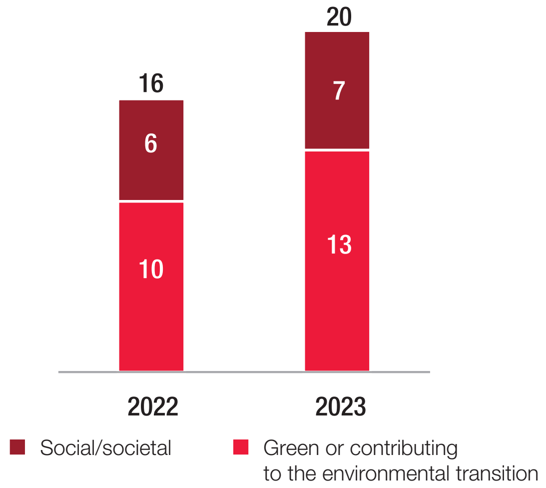
5.1.3 A BANK THAT ACCOMPANIES ITS CLIENTS

Societe Generale puts ESG issues at the heart of its strategic roadmap. Issues related to the environmental and social transition generate substantial needs for all of the Group's clients. To support its clients, Societe Generale incorporates sustainability into its solutions by tailoring its products and services to different client segments, including large corporates, local businesses and entrepreneurs, and retail customers. The Group's takes the same approach to its mobility (Ayvens) and real estate sector activities.

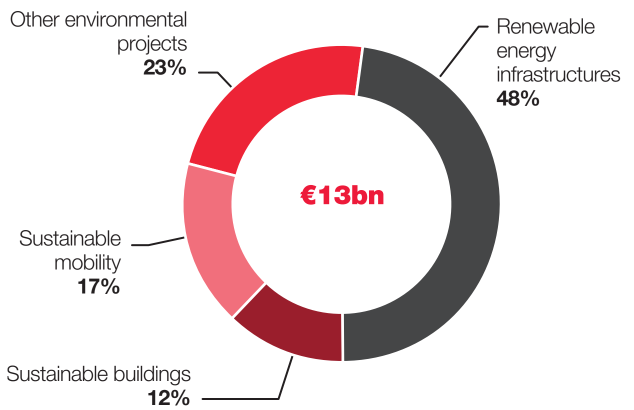
To have the tools to measure its client accompaniment, the Group developed a methodology several years ago to measure the distribution of its Sustainable and Positive Impact Finance – SPIF* (see *Glossary*, page 764) product offer to the economy and companies, together with a range of Sustainable and Positive Investment (SPI* (see *Glossary*, page 764) products. The rules governing these internal standards are presented in the *Methodology* note on page 398.

To learn about how the Group translated its CSR ambition into actions and results across its four main pillars in 2023, see Chapter 2 (page 46).

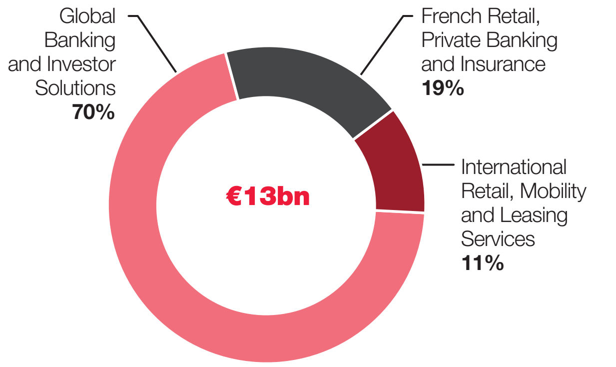
SUSTAINABLE FINANCE PRODUCTION (IN EURBN)



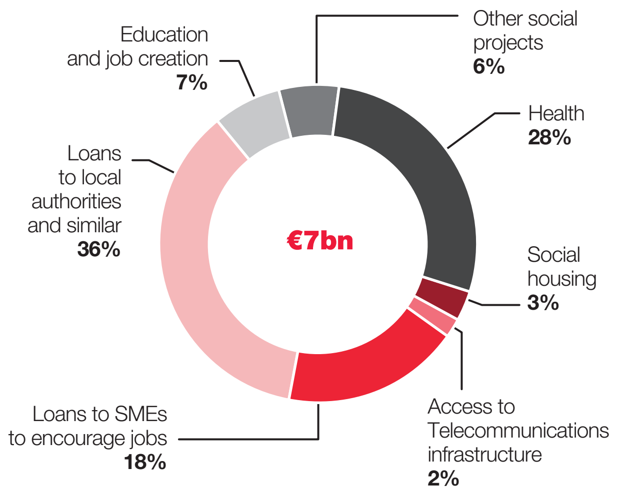
BREAKDOWN OF ENVIRONMENTAL SPIF PRODUCTION (2023)



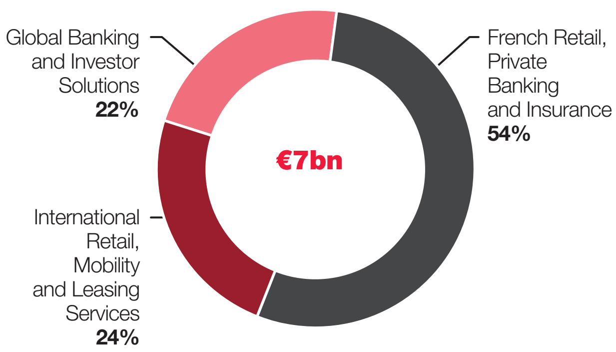
BUSINESS UNIT CONTRIBUTION TO ENVIRONMENTAL SPIF PRODUCTION (2023)



BREAKDOWN OF SOCIAL SPIF PRODUCTION (2023)

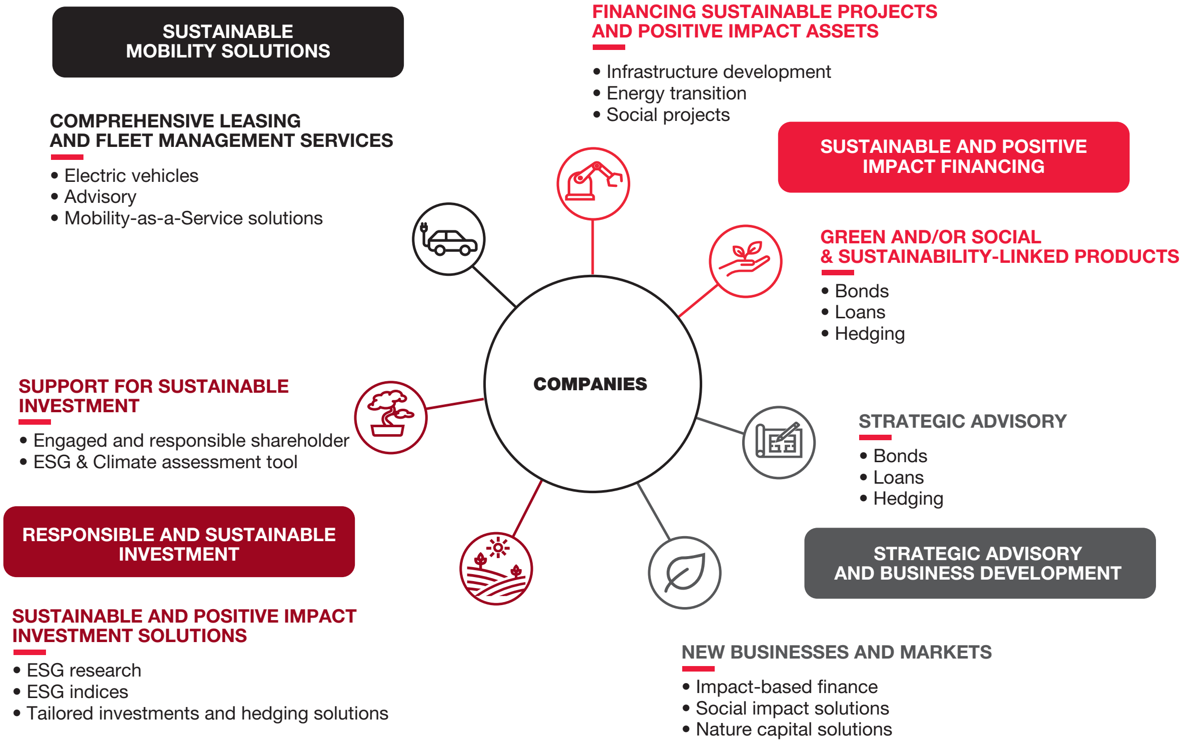


BUSINESS UNIT CONTRIBUTION TO SOCIAL SPIF PRODUCTION (2023)



5.1.3.1 Supporting large corporates in their environmental and social transition

The Group's businesses are galvanising their substantial expertise in financial engineering and innovation to develop new sustainable investment and financing solutions to help finance the environmental transition.



ADAPTING THE CORPORATE AND INVESTMENT BANKING BUSINESS MODEL TO MEET THE CHALLENGES OF THE ENERGY TRANSITION THROUGH THE "SHIFT" PROGRAMME

To support clients on climate challenges and meet the considerable investment requirements for funding the environmental transition, the Client Relations and Financing and Advisory Solutions business lines of Global Banking and Investor Solutions (GBIS) are developing their model as part of an internal project known as "SHIFT". The purpose of this programme is to accelerate deployment of financing and advisory services dealing with major ESG issues like decarbonisation and developing solutions to support the emergence of new business actors and models. Uniting more than 400 corporate and investment banking employees globally, the "SHIFT" programme promotes collective intelligence, the improved expertise of all teams in environmental transition topics, and co-building with clients to provide solutions that fit thier evolving needs.

To achieve these aims, the programme is structured around four pillars:

- developing expertise on value chains most affected by the transition (road and rail mobility, air transport, shipping, and sustainable agrifood);
- developing a specific approach to supporting emerging leaders in the energy transition, small assets and energy access, and financing for nature-based solutions;
- creating dedicated communities to promote the teams' knowledge and understanding of specific subjects and industries like hydrogen, the circular economy, real estate, healthcare, and sector-specific decarbonisation solutions; and
- strategic projects and tools such as the "client sustainability journey" and "investor mapping".

The "client sustainability journey" provides the tools that client relationship managers need to design action plans that align with the transformation pathways of their clients and their industries. "Investor mapping" provides greater insight on the ESG appetite and organisation of a broad spectrum of investors, to advise clients as part of an approach that serves the goals of the Bank's "Originate to Distribute" model. This approach also enhances the services and tools that the Group offers to other client segments (including SMEs).

And in preparation for supporting the new business models and emerging leaders, Societe Generale is launching a EUR 1 billion transition investment fund, including a EUR 700 million equity stream and a EUR 300 million debt investment stream. The fund will support new actors of the energy transition, green technologies, nature-based solutions and impact-driven investments which support the United Nations' Sustainable Development Goals.

Positive impact finance and advisory

The Group offers a wide range of products tailored to its customers' ESG strategies, including:

- Green, social and sustainable loans, bonds and securitisation issues: Societe Generale has developed a suite of green and/or social loans and financial products that include a sustainability component. The offer links the financing structure to the achievement of ESG goals, and the cost of the Sustainability-Linked product is indexed to environmental and/or social performance. With this tailor-made structured range of products, which include an incentive component, the Group works hand in hand with its clients to help them formulate their sustainability goals and ESG targets. Over and above its own balance sheet commitments, the Group is an active arranger of green, social and sustainable bond issues (including Sustainability-Linked bonds*), with more than 470 bond issuance mandates managed since 2013 for a total issuance volume of more than EUR 475 billion. In addition and to tap into an additional source of refinancing its commitments, Societe Generale adopted a framework in 2020 governing its own sustainable bond issues. At 31 December 2023, the Group had issued a total volume of EUR 11.3billion in Sustainable and Positive Impact Bonds* since 2015 (for more information on the Group's Positive Impact Bond Framework see: *https://www.societegenerale.com/sites/default/files/documents/2021-04/sg-sustainable-and-positive-impact-bond-framework-ip-april-2021.pdf and https://www.societe generale.com/sites/default/files/documents/2023-04/spif-reporting-as-of-2022-12-30.pdf).*
- ESG Advisory: the Group has developed products and services to guide clients as they step up their extra-financial performance with a view to accessing the financial markets. These products and services draw on knowledge of the regulatory framework and the expectations of investors who are active on the debt (bank debt and bonds) and equity markets. Alongside the investment banking business lines, the ESG advisory team shares its diagnosis of the client's ESG performance, analysis of ESG impacts and suggests avenues for improvement in terms of ESG commitments and actions. Inclusion of the environmental and social strategy in the model is central to the support provided. Finally, the ESG advisory team recommends communication strategies (including ESG information in financial disclosures, dedicated roadshows, Capital Markets Days focused on ESG, dedicated section in institutional websites) for ESG managers and specialists at investors. Thanks to its digital tools that focus on ESG data analysis, the team supports issuers, along with the rating advisory teams, in optimising their extra-financial ratings issued by agencies such as Sustainalytics, MSCI, Moody's and S&P. The team has held discussions with over 200 clients (including businesses, financial institutions and government agencies) since it was formed in 2020. It has also advised unlisted companies during IPOs or investments by third parties.

UNEP-FI positive impact finance framework

Societe Generale has been at the forefront of the UNEP-FI's Positive Impact Initiative, which brings together more than 500 financial institutions from around the world to work on laying down the principles and methods for the financial community to augment the positive impacts and mitigate the negative impacts working towards the 17 SDGs. Positive Impact Finance means all activities that deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated, across all sectors. Within the Corporate and Investment Bank, a methodology has been developed and aligned with the Model Framework: *Financial Products for Specified Use of Proceeds* published by UNEP-FI (accessible here: *https://www.unepfi.org/positive-impact/unep-fi-impact-analysis-tools/model- frameworks/*), which sets out the major steps and criteria for identifying, assessing and monitoring funding in support of specific, qualified Positive Impact projects or assets. During the identification phase, transactions are pre-selected based on the business sector, the geographic location of projects or assets, and their ability to generate a material positive impact on various impact categories (*e.g.,* improved energy efficiency, the circular economy*). This phase is useful in anticipating the significant positive impacts triggered by eligible transactions. The assessment phase involves evaluating the materiality and demonstrability of the positive impacts generated by the projects or assets in the impact categories selected in the UNEP-FI Impact Radar (*https://www.unepfi.org/positive-impact/impact-radar-mappings/*). The team of E&S experts has developed a series of performance indicators and analysis tools to measure positive impacts while ensuring acceptable identification and management of any negative impacts on the three pillars of sustainable development. The methodology for analysing Positive Impact Finance is updated regularly to factor in market developments and regulatory changes, such as the EU Taxonomy.

Impact-Based Finance*

Alongside responsible finance products, the E&S Advisory and Impact Finance Solutions teams are adopting an Impact-Based Finance* approach. The focus is on guiding clients as they shift towards incorporating the United Nations SDGs into their business model, but struggle to finance their investments. Clients are accompanied as they take a detailed look at environmental and social aspects with the ultimate aim of augmenting the positive impact of their projects, facilitating funding and achieving economies of scale. The model is built on three steps:

1. augment impact: by providing multiple services and pooling costs, projects can generate more social, environmental and economic impacts, as well as additional revenues. Reducing the "cost-to-impact" increases profitability, strengthens resilience and generates an appetite for financing;
2. improve credit quality: Societe Generale provides expert structuring advice to improve credit quality using blended finance and/or aggregation vehicles to reach critical mass for placement in the global private debt and equity markets;
3. make the most of digital: throughout the process, the Group focuses on using digital technologies to combine services, create more value, as well as to collect and analyse data on operational performance, payment track record and impacts to demonstrate the project's success and support its scale up.

This approach is rolled out in collaboration with the Bank's various teams on subjects including access to green energy in developing countries, energy efficiency, the circular economy, sustainable agriculture and nature-based solutions.

Equipment financing

Operating in 16 countries in Europe and the United States, Brazil and China, Societe Generale Equipment Finance (SGEF) is a global partner that provides integrated equipment financing solutions and creates a positive lasting impact for the planet. SGEF furnishes its expertise with partners and clients in four major business sectors: Transport, Industrial Equipment, IT, Medical Equipment and Green Energy. As a lessor, SGEF plays a decisive role in facilitating investment in assets and technology that generate lower CO_2 emissions, particularly in energy efficiency, lower carbon mobility and green energy. In an environment where, over the next decade, virtually all energy-consuming durable goods will need to be replaced, SGEF is developing its product range to move from the linear use of assets to a circular economy, the aim of which is to optimise resource use along with asset life cycles. Solutions include operational leasing with risk-taking on assets, as well as "Asset-as-a-service" offering a range of services in addition to the use of the asset, which extends useful life and relies on equipment recovery/recycling circuits with builders.

SGEF's commitment to and initiatives for a more sustainable world are recognised: in November 2023, SGEF Germany (GEFA BANK) earned its Ecovadis certification with the highest distinction (Gold).

A comprehensive cash management* and payment solutions range

The Group offers a full range of sustainable solutions for its clients' cash management and payment solutions needs. ESG offers comprise export financing, cash management and factoring/reverse factoring solutions that incorporate ESG features, such as:

- green, sustainable trade finance: Societe Generale's trade finance services cover many business sectors, including renewable energy, clean transport, waste management, water management, the circular economy, green buildings, and access to essential services like healthcare, education, infrastructure and housing. The sustainable trade finance offer aims to support the Group's customers who have embarked on a genuine transition to a more sustainable business model;
- cash flow and liquidity management: the Group has also included ESG products and services in its short-term liquidity and financing solutions. The Group offers its clients domestic collateral solutions that are sustainable or linked to Sustainability performance, as well as sustainable loans for working capital;
- factoring and reverse factoring: to assist its clients with their environmental and social strategy, the Group has both receivables financing programmes (factoring) and reverse factoring products (pre-funding supplier payables) including E&S (environmental & social) criteria. For reverse factoring, these E&S indicators are designed to optimise supplier financing with performance based on social or environmental criteria, so clients can include their supply chain in the transition;
- correspondent banking: Societe Generale takes steps to facilitate access to international payments for vulnerable countries and low-income populations, in compliance with regulations and the Bank's risk appetite. This is achieved through training designed for banks in emerging countries (joint programme with the Bankers Association for Finance and Trade*), the capacity to process cash flows in exotic currencies for the diasporas, and the ability to put banks from emerging countries in contact. That is because the Group maintains a wide network of correspondents and factors events like natural disasters into its products and services to make sure that relief funds can flow.

In addition, the Group gives clients who operate more broadly in other industries the option of favourable financing terms based on an incentive mechanism if the ambitious CSR goals set with its clients are achieved.

To increase its sustainable Transaction Banking solutions, the Group has formalised the Sustainable Global Transaction Banking Framework. It sets out the internal standards for classifying Global Transaction Banking products (and associated transactions) as green, social and/or sustainable. These standards have been established in the spirit of best market practices, such as the Screening Criteria defined by the European Union taxonomy on green business, the United Nations SDGs, the Green Bond Principles*, Green Loan Principles*, Social Bond Principles*, and Social Loan Principles*.

OFFERING SUSTAINABLE AND POSITIVE PRODUCTS TO INVESTORS

Societe Generale offers a comprehensive range of products and services, devised by a team of experts, for professional investors and corporates to give access to a wide gamut of issuers – sovereign, supranational, agencies and large corporates – picking from solutions that stretch from vanilla to tailored. It has ESG-indexed products based on internal research or on our partner network of ESG data providers.

The Group also offers structured notes that incorporate ESG considerations. They are issued in five formats:

- positive impact notes*: Societe Generale has created a range of products to allow clients to invest in tailored products while promoting Positive Impact Finance. These products are flexible to adapt to a wide range of investment objectives (maturity, capital guarantee at term, etc.). The Group has undertaken to hold Positive Impact finance assets on its balance sheet for an amount equivalent to the outstanding amount of the notes in circulation, throughout the life of the notes ;
- repackaging green or social bonds: Societe Generale can issue bond-repacked notes whose funding source is the yield on a third-party green bond and whose coupon is tailored to the investor's request;
- green, social or sustainable notes issued by a third party: the issuer earmarks the equivalent of the funds raised to finance or refinance sustainable projects, or is a recognised pure player in this type of funding;
- charity notes: the Group undertakes to sponsor a charitable organisation for a portion of the amount raised;
- positive contribution notes: the investor decides to contribute through investment in positive initiatives, such as agro-forestry or CO_2 emission reduction, through the voluntary carbon market.

ESG advisory activities for financial institutions

Financial institutions are key players in the energy transition and the achievement of the SDGs. Societe Generale guides its clients through their transition and helps them accelerate their strategic CSR journey. Experts in the Capital Markets Division support these clients on many fronts with advisory services. They help clients assess their ESG positioning, define the right investment levers and strategies notably with respect to climate change, biodiversity loss and support them towards achieving their Net Zero alignment goals.

ESG research

At the heart of the Bank's market activities since 2006, Societe Generale's ESG research specialises in providing expert advisory services on environmental, social and governance topics. ESG coverage has been progressively extended to all asset classes, leveraging on over 160 analysts who cover equities, interest rates, credit, currencies, quantitative analysis, commodities and the economy. Since 2020, Societe Generale has systematically and explicitly incorporated ESG criteria into its fundamental analysis, valuations and recommendations on equities, with the aim of providing a framework to help investors make informed decisions by combining traditional financial metrics with financially relevant and actionable analysis of ESG issues. Such innovations are in addition to the advisory services the ESG research team provides clients, for example covering Biodiversity, ESG Momentum, Food Security and Artificial Intelligence.

Securities Services

Societe Generale Securities Services (SGSS), a specialised Group department, caters to a broad spectrum of professional clients, including investment firms and institutional investors, offering insights to help design and implement their ESG strategies.

SGSS offers a suite of outsourced solutions for full coverage of its clients' operational requirements, factoring ESG criteria into the entire processing chain and each operational phase:

- first, with a solution for compliance control of investment choices, with ESG commitments listed in the prospectus before orders are placed. Second, by producing periodic reports that meet regulatory requirements, which guarantees alignment with the ESG strategy;
- a data management solution for unlisted clients, to measure the impact of the ESG commitment of investments in those asset classes. It will offer ESG data collection directly from investments, data centralisation and integration in a platform accessible to all parties, along with the production of regulatory reports (SFDR, European ESG Template) and Management Reports;
- expanded reporting options for managers and institutional investors to meet not only client expectations but also regulatory constraints on the measurement and reporting of ESG accomplishments;
- distribution of voting instructions for the General Meeting (GM), making it easier for shareholders to vote, in accordance with ESG commitments. The service includes access to the voting recommendations of 15 proxy advisors* -- recommendations that fit with clients' ESG ambitions, and coverage of more than 40 markets;
- integration of ESG criteria stated by asset managers in their prospectus in depository controls.

SUPPORTING LARGE CORPORATES AND INVESTORS: KEY FIGURES

	2021	2022	2023
Sustainable and positive impact financing (SPIF)			
Sustainable finance production	EUR 18.5bn	EUR 16.0bn	EUR 20.0bn
o/w environmental	*EUR 12.6bn*	*EUR 10.4bn*	*EUR 12.8bn*
o/w social	*EUR 5.9bn*	*EUR 5.6bn*	*EUR 7.3bn*
Production of Positive Impact Financing according to the UNEP-FI methodology	EUR 7.5bn	EUR 4.2bn	EUR 7.0bn
Sustainable bond issues led by Societe Generale (annual volume)	EUR 118bn	EUR 113bn	EUR 82bn
Credit lines indexed to environmental and social performance	EUR 11.1bn	EUR 8.8bn	EUR 7.0bn
Sustainable and positive investments (SPI)			
Oustanding amount of investment products referencing indices or baskets subject to ESG selection processes or link to sustainibilty themes or linked to Sustainability themes	EUR 8.1bn	EUR 11.2bn	EUR 11.5bn
Positive impact notes* and positive impact "support" notes*			
Inflows	EUR 386m	EUR 818m	EUR 419m
Total inflows from the start	EUR 1.7bn	EUR 2.5bn	EUR 2.9bn

5.1.3.2 Supporting local business and entrepreneurs

Making a positive impact on local communities and supporting local stakeholders through its European and African subsidiaries is one of the Group's strategic priorities.

FOSTERING COMPANY CREATION AND SUPPORTING PROFESSIONALS

French Retail Banking

Since January 2023, SG has been the network brand for Societe Generale's French retail bank. Created from the merger of the Societe Generale and Credit du Nord networks, and co-built with thousands of committed employees, SG aims to build a leading banking partner on the French market serving 10 million customers.

The SG network is:

- a bank anchored locally throughout 11 regions so it is closer to its clients, targeting 1,450 branches in the Group's Vision 2025 strategy. The national SG brand is being rolled out regionally via ten regional brands;
- a bank that offers expertise, with regional deployment of advisors specialised by client category (*e.g.* corporate business centres, and advisors for professionals and VSEs, self-employed or high-net-worth clients, etc.) or by specific need (*e.g.* insurance, savings, protection, leasing, M&A, real estate finance, etc.);
- an accessible and responsive bank, with in-branch or remote advisors as well as rapid decision-making circuits and state-of-the-art digital services (SG's app for managing day-to-day banking and fully autonomous subscription to more and more products and services, or 100% remote SG Direct service);
- a responsible bank whose ambition is to support the environmental transition and the economic and social development of its regions and their ecosystems.

To guarantee a long-term partnership, the Group has created a dedicated structure to meet the needs of corporate clients, with 32 Regional Business Centres, two branches dedicated to large corporates and 500 Customer Relationship Managers, all to improve the quality of client support. Moreover, the SG Network is guided by more than 500 experts to meet specific requirements in terms of cash and cash flow, payroll, employee savings schemes, factoring, international business, long-term lease and investments, and provides its customers with regional Corporate and Investment Banking hubs.

The SG Network works with several national initiatives supporting startups, entrepreneurs and craft businesses. Through these types of partnerships, SG helps facilitate access to funding for entrepreneurs in its 11 regions. As a member of the "Initiative France" non-profit organisation and partner to France Active Garantie*, the SG Network finances entrepreneurs and very small enterprises approved by the association or covered by a France Active guarantee. By partnering with the local branches of Initiative France, the SG Network helps to create and maintain employment in the regions. The SG Network has also been working with ADIE (a non-profit promoting the right to economic initiative), which supports business creators for a more community-oriented and responsible economy in France and overseas. SG supports ADIE through sponsorship and funding for its selected projects.

Recognising the value of craft businesses, Societe Generale has been a partner of the *Société Nationale des Meilleurs Ouvriers de France*, which honours France's top crafts workers, since 2003. With deep regional and national roots, the SG network is involved in the craft business world through its financial partnership with nearly 100,000 artisans representing more than 200 different business lines.

In 2020, Societe Generale expanded its range of products designed for professionals with the acquisition of Shine, a B Corp*-certified neobank. The offer combines a fully online bank account with support in administrative management for entrepreneurs (billing, calculation of taxes and contributions, simplified accounting, etc.). Societe Generale markets Shine products to professional customers that prefer all-online management and low-cost services.

PROMOTING ENVIRONMENTAL AND SOCIAL TRANSFORMATION

Since 2022, the SG Network has implemented a comprehensive suite of services for corporates, SMEs and mid-caps centred on switching to a more sustainable business model. It furnishes new advisory and financing solutions in conjunction with top-name partners. This suite includes:

- environmental and social loans (PES): the PES is intended to fund sustainable development projects (improving energy efficiency, renewable energies, low-carbon transport, waste and water treatment and recycling) and projects that benefit society as a whole (funding social and solidarity businesses and non-profits, funding education and training, social housing, etc.). Upon providing documentation on the specific nature and characteristics of the project for financing, clients can take out an environmental and social loan with a term of up to 15 years for a maximum amount of EUR 5 million for companies and non-profit associations, and up to 30 years for an uncapped amount for public economy players;
- positive impact loans in partnership with EcoVadis* and EthiFinance*: for companies, non-profits and local or regional authorities to offer finance solutions that incorporate an ESG indicator and a target for this indicator. The interest rate reduces when the target fixed on origination is reached. Decisions on strategic actions to improve their environmental and social impact are up to the client. The partnership with EcoVadis* concerns corporate and non-profits, while the tie-up with EthiFinance relates to entities in the public economy;
- a turnkey solution focused on the installation of solar panels and a dedicated photovoltaic and wind energy team;
- Solar Pack: to meet the economic and environmental challenges of corporate, non-profit and local authority clients, and help them to implement their energy transition projects, the SG Network launched the Solar Pack, a comprehensive solar panel installation solution. Thanks to the expertise of our recognised partners in the solar and data fields, particularly the start-up namR, a specialist in data production on buildings and their environment, the client can use the electricity generated;
- partnership with LUMO, a Societe Generale subsidiary, the crowdfunding platform helping clients secure funding for environmental and social impact projects;
- partnerships with key actors: SG teams up with key partners in order to deliver services in ESG to its clients. Through EcoVadis* and EthiFinance*, clients are able to evaluate their ESG practices. Through Carbo, clients can measure their GHG emissions. Through *Économie d'Énergie* clients can implement energy efficiency projects;

- dedicated regional teams: the Group has a tight local support system based on CSR correspondants and CSR directors. The teams in the 11 regions benefit from a very broad programme of CSR training with an emphasis on the energy transition.

Business property financing activities contribute to Sustainable and Positive Impact Financing (SPIF). Within the French retail banking business, SGFI, the entity focusing in that field, has made corporate social responsibility a strategic feature of its client journey since 2018. Positive impact financing relates to both environmental (frugal consumption habits, bio-sourced materials, respect for biodiversity, etc.) and social aspects (non-profit organisations, regional authorities, health, education, social and affordable housing, disabilities, etc.), which are increasingly becoming part of clients' ESG commitments. For 2023, SGFI's production of Sustainable and Positive Impact Finance amounted to EUR 2 billion, accounting for 54% of its annual production.

In the Czech Republic, in collaboration with KB and ČEZ ESCO, SGEF is offering businesses an innovative model that involves installing solar power plants on the roofs of buildings, warehouses, logistics centres where there is no up-front investment for the client. The client only pays a monthly fee. After 15 years, the client pays one Czech koruna to assume ownership of the plant.

Support for entrepreneurs and businesses in Africa

On the African continent, Societe Generale steers its activities to support sustainable and low-carbon development. In 2023, the Group took a stake in the Afrigreen Debt Impact Fund, which specialises in renewable energy projects in emerging countries. The fund’s objectives are notably to support African small and medium-sized enterprises (SMEs) and mid-cap companies in their energy transition by promoting the adoption of photovoltaic solutions.

The Group’s ambition is to promote positive local impact in the countries in which it operates involving the accompaniment of SMEs with a range of products to support their development, including financing of their investment needs and offering solutions designed with partners. Societe Generale continues to partner with International Financial Institutions providing guarantees to facilitate access to credit and works in cooperation with players such as AFD, Proparco, BPI France and the International Finance Corporation (IFC).

This support also includes an offer of green financing. This year, the Group launched the “Solar Pack” offer in two African subsidiaries with the ambition to roll it out in its other sub-Saharan African subsidiaries by 2025. The Group also aims to support “innovative high-impact” SMEs through blended finance solutions*.

The Group’s offer for SMEs in Africa also includes support and advice to define financing solutions adapted to the company’s life cycle. Societe Generale supports SMEs and VSEs in 9 countries through a system of "SEM centres" which provides businesses with technical support, training and advice, including awareness-raising on environmental and social issues and the study of appropriate financing.

SAFEGUARDING AGAINST CYBER RISKS

Cybersecurity, already a major concern for companies, has been pushed even higher up the agenda by Covid-19. In response, Societe Generale has put together a number of initiatives in three areas: consulting, technology and insurance. In this way, Societe Generale is bringing its corporate clients a package offer in addition to its operational technology-based anti-fraud framework to ensure the security of its clients’ cash flows.

In terms of cybersecurity and employee training, which are the company’s main lines of defence, OPPENS*, the Group’s cybersecurity arm, regularly holds conferences with its experts in Regional Business Centres across France. OPPENS has also created an innovative solution: regular immersive employee training in fending off critical threats targeting VSEs/SMEs and non-profits (including phishing, espionage, online threats, and identity theft), combining simulations with micro-training and using “gamification” techniques taken from the gaming universe.

The subsidiary coaches VSEs and SMEs to grasp the risk and assess their vulnerability through a simple and personalised process tailored to the size of the business or non-profit association:

- for smaller organisations, cybersecurity levels are assessed through free online self-testing in five areas: passwords, data protection, employee awareness, device security, and website protection. Recommendations are made for priority areas identified during testing. Then, solutions are suggested from a catalogue of products and services, most of which are French and European, selected and tested by Societe Generale experts and distributed on *Oppens.fr*;
- for SMEs and beyond as well as Large non-profits, a Business Advisor/OPPENS Expert team meets with Clients to help them create a security test for their IT system and their organisation. The team answers management’s questions and recommends customised solutions, including employee education and training, audits, and the technology solutions that OPPENS has built with its partners and that are usually available only to large corporates.

To add to the solutions selected by its subsidiary OPPENS from recognised partners, Societe Generale has joined forces with Trustpair*, the fintech specialising in managing payment data and preventing payment fraud. The partnership sets out to empower finance teams as large corporate clients with an automated system to secure financial flows featuring a data monitoring platform in the third-party database, including bank details, all to prevent fraud or error.

For insurance matters, the Group offers cyber risk insurance to hedge the major cyber risks. This product, designed by SG Assurances for corporate and professional clients, includes:

- crisis management support: emergency assistance available 24/7 for any incident;
- compensation for some damages incurred by the company caused by inability to access data or IT systems, including if outsourced;
- coverage of pecuniary consequences and defence costs arising with respect to claims against the company following the damages, as well as in the event of breach of notification obligations or of media coverage, or an inquiry conducted by an administrative authority.

Conferences are also held (as webinars) on cyber risks and insurance solutions,to raise awareness among clients and business advisors.

Business advisors also receive ongoing training under the IDD (Insurance Distribution Directive) on risks and CYBER insurance (including solutions, coverage examples and explanation of IT eligibility criteria).

Professional clients can log in and connect to PRO app using Face ID and Touch ID biometric authentication. They can block, lock and unlock their business cards directly from the app.

SUPPORTING BUSINESS AND ENTREPRENEURS: KEY FIGURES

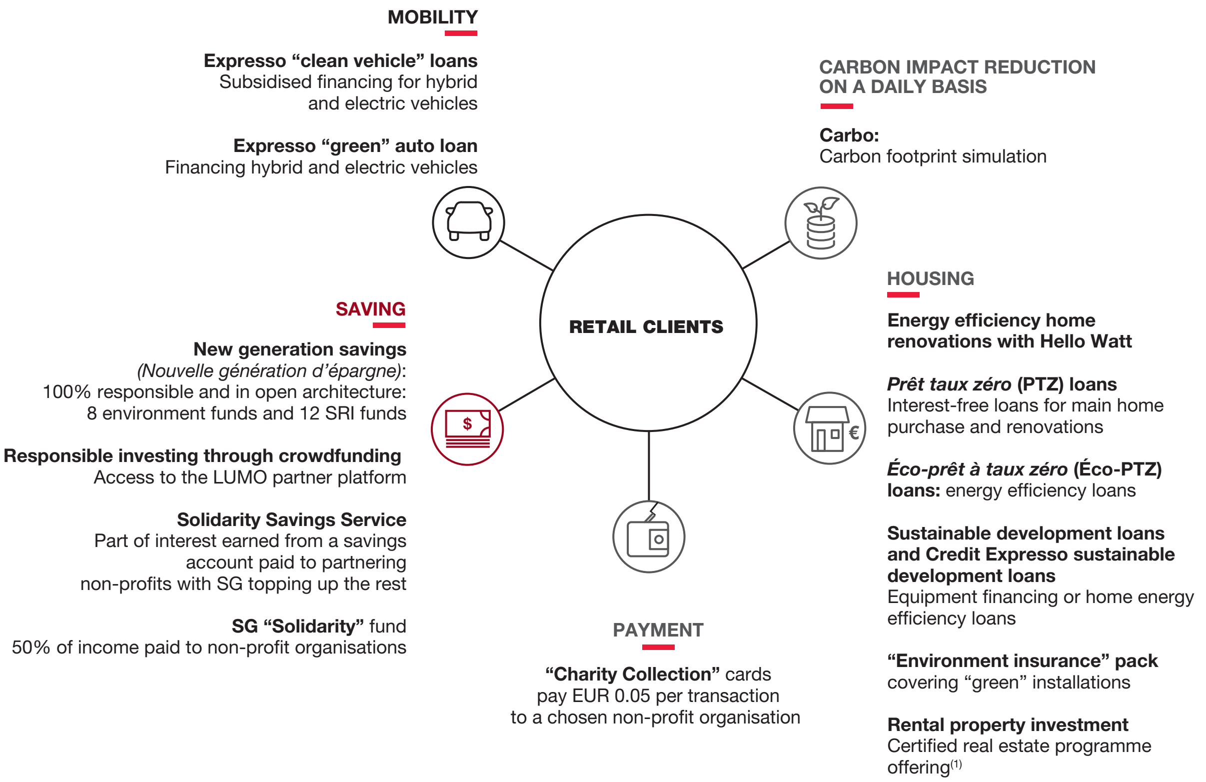
	2022	2023
Loan production: SMEs in France	EUR 7.2bn	EUR 5.9bn
Loan production: SMEs in Africa	EUR 430m	EUR 550m
Loan production: SMEs in Romania and the Czech Republic	EUR 4.6bn	EUR 3.1bn
Outstandings with SMEs (amortised cost)[1]	EUR 51.5bn	EUR 51.6bn
Promoting environmental and social transformation :		
Environmental and Social Loans to Local Authorities (annual production)[2]	EUR 168.6m	EUR 846.2m
Environmental and Social Loans to Non-Profit Associations (annual production)[2]	EUR 111.5m	EUR 244.0m
Environmental and Social Loans to Businesses (annual production)[2]	EUR 163.4m	EUR 426.0m
Positive impact loans in partnership with EcoVadis and EthiFinance (annual production)[2]	N/A	EUR 382.0m

(1) Amounts restated compared to the reported 2022 financial statements.
(2) Loans distributed by French Retail Banking – SG Network.

5.1.3.3 Developing sustainable and responsible products and services for individual and insurance clients

For its individual clients, the Group is actively marketing responsible products. Across all types of products and services for individuals, the Group is developing a range of products and services that include a sustainability factor, namely financing and loan products, advisory services with an individual carbon assessment offered in partnership with Carbo (a company specialising in carbon footprint measurement), savings products offered by the Group's different brands, a range of special bank cards, and insurance and mobility products.

These are shown in the diagram below and detailed in the following paragraphs.



(1) SG Immobilier Patrimonial (SGIP) offers real estate programmes with labels such as Effinature and Biodivercity, which notably assess how the protection of biodiversity is taken into account in a real estate programme.

ENCOURAGING RESPONSIBLE BEHAVIOUR: FINANCING AND THE CARBON FOOTPRINT SIMULATION SERVICE

Societe Generale offers a range of products to finance energy efficient home improvements or fit-outs through interest-free green loans (*Éco-prêt à taux zéro*), sustainable development loans or "Expresso" sustainable development loans. The types of energy efficiency and environmental upgrade work and solutions that are eligible for these loans include thermal insulation, heating and ventilation equipment, and renewable energy solutions (photovoltaic or thermal solar panels, wind, hydraulic or biomass electricity).

In line with its ambition to be a force in the growth of sustainable mobility, the Group offers special loans through French Retail Banking to finance electric or hybrid vehicle purchases.

Societe Generale's subsidiary BoursoBank is on track to play an active role in its clients' environmental transitions. BoursoBank has a range of environmentally responsible loans for financing real estate assets with high energy performance (Energy Performance Certificate rated A, B or C) and funding energy renovation work. With this online offer at a below-benchmark rate, BoursoBank is supporting and encouraging its clients with their transition-friendly investments. In addition, Boursorama has been B-Corp*-certified since March 2023. This certification demonstrates that it meets the high standards of independent organisation B Lab® in terms of its social and environmental impact, transparency and responsibility.

The Group also has special green vehicle loans at a lower rate and with no application fees. This is also true of BoursoBank, whose environmentally-responsible personal loans can be used to buy an electric, hybrid or green-bonus vehicle, as well as electric bicycles and scooters.

In partnership with carbon footprint measurement company Carbo, the SG Network offers individual clients a service to learn about their impact and take their own action. This free, easy-to-use service provides clients with Carbo's advice and suggestions for reducing their carbon footprint.

OFFERING A RANGE OF RESPONSIBLE SAVINGS PRODUCTS

The Group actively markets the responsible products offered in its countries of operation to its individual customers, in keeping with their wishes. In France, for example, Societe Generale helps individuals to put their savings into passbook savings accounts with a robust environmental and social component (*Livret A**, LDDS* and PEA PME/ETI*). In addition to these regulated products, Societe Generale has entered into agreements with several asset managers to offer a range of responsible savings products. Alongside Amundi, new partnerships have been established with BlackRock, DNCA, La Financière de l'Échiquier, Mirova and Primonial REIM. The Group offers a range of 21 SRI- or environmentally-oriented funds. The first category gives clients the opportunity to invest in companies that comply with environmental, social and governance criteria in their management, while the second focuses on considerations like combating climate change, the environmental transition and developing renewable energies.

BoursoBank offers six 100% SRI management mandates in its life insurance policy and retirement savings plan. In addition, BoursoBank includes this criterion in its fund selection engine, and continues to incorporate these data into all asset classes by providing access to the ESG ratings of listed companies. BoursoBank offers free access to analysis of the companies' environmental, social and governance impact on nearly 4,000 stocks on the French, European and US markets so that investors can take the information into account when choosing their investments. The data are provided by the ESG data experts at Sustainalytics, a subsidiary of Morningstar, a global source of information and financial research.

All of the Group's asset management entities are signatories to the United Nations Principles for Responsible Investment (UNPRI) (*www.unpri.org*), which are: ESG Incorporation, Shareholder Commitment, Transparency, Promotion of PRI, Collaboration, and ESG Reporting. The UNPRI are the most important international blueprint for responsible investment. They aim to promote the incorporation of ESG factors in investment decisions and by the companies in which investors have a stake.

Through its two asset management firms (SG 29 Haussmann et SG Private Wealth Management), in 2022 Private Banking signed initiatives, including the Net-Zero Asset Manager initiative, the Finance for Biodiversity Pledge and the Tobacco Free Finance Pledge, to do even more to tackle climate change and biodiversity loss. Joining these initiatives reaffirms the Group's determination to help companies step up their net zero strategies with measures to secure the energy transition and foster responsible practices.

In life insurance and retirement savings, Societe Generale Assurances offers its clients responsible financing products that enable them to invest in projects or companies working to meet environmental and social challenges. In France, a new generation of life insurance products made up exclusively of responsible funds was launched in 2020. Of the 21[(1)] funds in the range 20 have SRI[(2)] (Socially Responsible Investment) or Greenfin[(3)] certification. By combining responsibility, affordability (from EUR 50) and availability of recognised French and international funds, this range of products is fully in line with Societe Generale Assurances' ambition to position itself as a key player in responsible finance, with innovative high value-added solutions for its clients.

In addition to its unit-linked solutions, as a long-term investor, Societe Generale Assurances promotes more sustainable financing as part of its management of its general assets. Societe Generale Assurances' investment policy has long included ESG factors, alongside financial and credit ratings. Every year, asset portfolios are formally scrutinised according to these three criteria, their carbon footprint measurement, and their alignment with a global warming trajectory that is compatible with a 1.5°C scenario. And, when it joined the Net-Zero Asset Owner alliance in April 2021, Societe Generale Assurances also pledged to align its investment portfolios with pathways limiting global warming to 1.5°C and to reduce the carbon footprint of its equity and bond portfolios by 30% by 2025 *vs.* 2018.

(1) The only fund that does not currently have a certification is an ETF that tracks climate indices aligned with the Paris Agreement. This fund is classified under SFDR Article 8.
(2) The SRI label is awarded following a certification process by independent organisations and is a point of reference for investors looking to contribute to a more sustainable economy.
(3) Created by the French Ministry for the Ecological and Solidarity Transition, the GREENFIN label guarantees investors – banks, insurance companies and savers – that the financial products awarded the label are actually contributing to financing the energy and environmental transition.

In addition, Societe Generale Assurances also contributes to local communities and infrastructure development in France and in Europe. When making property investments, Societe Generale looks for highly energy-efficient assets and the most respected certifications (for construction, renovation and operating efficiency). The Group's environmentally certified property assets were valued at a total of EUR 3.3 billion at the end of 2023 (vs. EUR 4.2 billion at the end of 2022).

Private Banking continued to develop its range of positive and sustainable investments, initiated in 2017 and available across all its entities in France, Luxembourg, Switzerland, Monaco and the United Kingdom. It is structured around three areas:

- responsible portfolio management through its two management companies (SG 29 Haussmann and SG Private Wealth Management), which offer CIUs* that carry well-known certifications: the French government's SRI* label and Luxembourg's LuxFLAG* label. This solution includes a 100% responsible product range in open architecture – New generation of savings (*Nouvelle génération d'épargne*) – available to all client segments, including the SG network, and comprised of discretionary management funds(1) with six renowned asset managers(2). One of the internal specialist funds launched in 2023 was "Moorea Fund – SG Crédit Millésime 2028"(3), a fixed-income fund maturing in 2028 comprised of at least 50% Green Bonds. This SFDR Article 8 fund aims to invest the majority of its assets in bonds that fund environmental projects. A positive impact climate fund, "Moorea Fund – Climate Action"(4), was also launched in 2022. This is a GreenFin* fund that aims to invest in international companies that generate a strong positive environmental contribution. The fund's objective is to deliver 20% lower carbon intensity measured against the MSCI World All Country index. At the close of 2023, assets classed under SFDR Articles 8 and 9 managed by these two Private Banking management firms accounted for 50% of total assets under management of individual clients (excluding institutional clients);
- the positive and sustainable structured product range with ESG underlyings enables clients to associate subscribing to investment products with projects that protect biodiversity. Through this offer, subscribing to structured products contributes to reforestation projects in France with Ecotree* as partner. In 2023, nearly 15,000 trees were planted thanks to subscriptions to structured products;
- the advisory management offering now incorporates an increasing proportion of Article 8 and 9 funds. Since 2020, Private Banking has continued to apply exclusions to the universe of stocks it directly advises on: those taken from the Environmental & Social General Principles defined in the Group's policy (stocks linked to thermal coal or controversial weapons) and those connected to the most serious ESG controversies, tobacco activities, unconventional fossil fuel extraction, or having the lowest ESG ratings. Lastly, the expertise in open architecture fund selection continued to incorporate a growing share of labelled funds or funds promoted as sustainable. For example, Private Banking exclusively distributes a private debt fund managed by Tikehau Capital which enables its clients to invest in unlisted companies and support them on their path towards decarbonisation. The fund, which only finances companies that have committed to reducing their greenhouse gas emissions, is available as part of Societe Generale Assurances' unit-linked life insurance policies. By incorporating a planting component into "green" investment products (structured products and private debt funds), 30,000 trees were planted in France in 2023.

RESPONSIBLE INSURANCE

Societe Generale Assurances provides a range of protection insurance policies that incorporate environmental and social considerations and encourage responsible behaviour by policyholders (in terms of mobility, health, etc.). The networks distribute suitable products, such as car insurance that offers lower rates for owners of low-emission vehicles, and offer a free weather alert service for holders of a multi-risk home, car or life accident insurance policy alerting them to the weather events in their area.

In addition, Societe Generale Assurances' protection insurance policies have considered issues related to the use of resources and the circular economy for several years now. As such, major auto insurance claims in 2023 generated:

- a repaired parts use rate of 46.3%(5);
- a circular economy parts (CEP) use rate of 10.5%(6).

Similarly, under the "mobile" insurance coverage (which covers a household's smartphones and tablets against theft and damage), repairing devices is prioritised over replacing. If a device cannot be repaired, a reconditioned device of the same type is offered as a replacement.

OFFERING SUSTAINABLE HOMES

Fully committed to investing in sustainable cities, the Group's Real Estate Division (property of the French Retail Banking network, SGFI, Sogeprom, SGIP and SG Real Estate Advisory) hired a CSR manager in 2020 tasked with organising and coordinating such initiatives.

Sogeprom, the Group's real estate development subsidiary has made a commitment to all its stakeholders to reduce its carbon footprint by adhering to its PACTE 3B: low carbon, biodiversity and wellbeing (*Bas Carbone, Biodiversité, Bien-vivre*). The objective is to get a head start on these three imperatives now to be in a stronger position to meet the challenges of the future:

- low carbon: less than 40%/sqm for residential properties and less than 20%/sqm for offices, Sogeprom's greenhouse gas reduction targets for 2030 (compared to 2019) are more ambitious than the pathway charted by France to achieve net zero. To achieve them, it is jumping ahead on France's RE 2025(7) environmental building regulations: building permit applications comply with RE 2025 as of 2023 and the majority of its residential and office buildings will have an A energy efficiency rating(8);
- biodiversity: Sogeprom pledges to involve an ecologist and obtain ambitious biodiversity certification for developments that have significant green spaces. Similarly, the partnership with CDC Biodiversité signed in 2021 underlines the importance of urban biodiversity in real estate operations;

(1) From SG29 Haussmann.
(2) BlackRock, DNCA, La Financière de l'Échiquier, Mirova and Primonial REIM.
(3) SICAV Moorea fund, managed by Societe Generale Private Wealth Management.
(4) SICAV Moorea fund, managed by Societe Generale Private Wealth Management.
(5) This is the percentage of repairable parts that were repaired and not replaced.
(6) This is the percentage of repair claims that used at least one CEP.
(7) RE 2025: the latest set of regulations applicable to new builds that set minimum thresholds (for a building's energy use and carbon footprint). The requirements tightened considerably over time from RE 2012, followed by RE 2020 and now RE 2025.
(8) EPC A: Energy Performance Certificate rating A, which is the highest rating.

- wellbeing: Sogeprom is looking at mixed-use, positive externalities and quality of services in its response to changes in society and in stakeholder expectations. Labels and certifications are another requirement to deliver real estate projects that are healthy, comfortable and pleasant to live and work in.

To monitor its commitments, Sogeprom developed ECO-TATION, a self-assessment tool that measures the environmental and social performance of each of its real estate projects, according to the three central tenets (low carbon, biodiversity and wellbeing) of its Pacte 3B.

Sogeprom is firmly anchored in the regions: it has ten regional divisions in France engaged in building new bustling places to live, work and relax that meet the needs of individuals and local communities. The real-estate specialist develops mixed-use urban developments and upgrades existing properties using sustainable techniques and materials. By pursuing these goals, Sogeprom works to develop social and affordable housing in the Greater Paris area and throughout France. It cares about building affordable housing for all – especially in pressure areas where homes are needed most – and about making a difference by promoting eco homes, contributing to positive changes in society and to social diversity.

SG Immobilier Patrimonial (SGIP) is responsible for marketing properties to the individual customers of both networks looking to invest in real estate. It has changed its listing method to give priority to properties built to high environmental standards, especially as regards biodiversity, and has upskilled its teams to ensure they provide the best possible advice on investments in more sustainable and responsible property. To do this, it has set a number of objectives:

- at least 30% of listed real estate developments must have biodiversity certification (BiodiverCity, Effinature);
- delisting of developments with too much land artificialisation.

In 2023, all SGIP employees received training in sustainable building and biodiversity issues in real estate, including a visit to an eco-district with an ecologist, and a game-based* learning module on the benefits of biodiversity in the city.

In addition, since 2023 SGIP has supported real estate programmes that anticipate climate change with virtuous commitments to protect biodiversity, which they promote to investor clients. SGIP deploys its “Biodiversité By SGIP” approach:

- by identifying Effinature-certified or BiodiverCity®-labelled real estate programmes in its open-architecture offer;
- through “Invest4tree”, a client benefit for Individual clients to invest in a “Biodiversité By SGIP” property and become the owner of four trees in France. This offer, created jointly with EcoTree*, demonstrates SGIP’s activism and support for its Individual clients who are concerned about the environmental impact of their real estate investments.

The table below summarises the main products for supporting Individual clients:

SUPPORTING INDIVIDUAL CLIENTS: KEY FIGURES

	2021	2022	2023
Sustainable and positive impact financing (SPIF)			
Eco-PTZ* or equivalent and sustainable loans to individual retail customers (outstandings)	EUR 137.4m	EUR 173.8m	EUR 203.9m
Sustainable and positive investments (SPI)			
Sustainable assets under management	EUR 22.7bn	EUR 34.1bn	EUR 48.1bn(1)
o/w life insurance investment – Total outstanding amount for responsible financial products (unit-linked contracts)(2)	EUR 13.3bn	EUR 17.3bn	EUR 22.0bn
o/w "green" assets under management (general assets of the insurance company) (3)	EUR 4.8bn	EUR 4.6bn	EUR 6.4bn
Life insurance investments – Number of responsible financial products(4)	> 1,000	> 1,000	> 1,300
Savings products			
Livret A, LDDS, PEA PME – Assets under management	EUR 32.7bn	EUR 35.8bn	EUR 46.1bn

(1) Change in methodology in 2023.

(2) Total outstanding amount for unit linked responsible financial products comprises assets qualifying as Article 8 or Article 9 under SFDR regulation.

(3) "Green" assets under management in general assets are climate-themed equity funds, climate-themed bond funds, green bonds, direct investments in infrastructure dedicated to the energy transition or renewable energies, climate and energy transition thematic funds, private infrastructure debt, "Climate Ambition" fund.

(4) Responsible financial products : products qualifying as Article 8 or Article 9 under SFDR regulation.

5.1.3.4 Promoting sustainable mobility

Societe Generale subsidiary Ayvens is a European player in long-term vehicle lease solutions, with a key ambition in sustainable mobility. It furthers this goal through the vehicle technology offered to its customers and responsible vehicle use. ALD's and LeasePlan's commitments (rated separately until May 2023) are recognised by the main extra-financial ratings agencies (top 1% for Moody's ESG (ALD), top 8% (ALD) and top 3% (LP) in the sector for Sustainalytics, top 2% for Ecovadis (with a gold medal distinction for ALD), and a "B" CDP Score (ALD and LeasePlan). These extra-financial ratings recognise Ayvens' capacity to successfully build environmental, social and governance criteria into its strategy and the day-to-day conduct of its business.

Ayvens has also committed to the Science-Based Targets initiative for the validation of its direct and indirect emissions trajectory. LeasePlan's short- and long-term ambition was approved by SBTi in August 2023, confirming the Company's alignment with the 1.5°C scenario trajectories with the aim of achieving net zero emissions by 2050. Ayvens filed a new commitment with the SBTi in December 2023, which will be assessed in 2024.

On the strength of its position, Ayvens has a major role to play in supporting customers to reduce mobility-related emissions by offering suitable and competitive products and services. Ayvens is actively contributing to the energy transition by providing customers with an option based on TCO (total cost of ownership), an all-in-one solution for electric vehicles including access to smart charging infrastructure (ALD Electric offer available in more than 30 European countries).

The turnkey electric vehicle (EV) solution draws primarily on an international agreement with ChargePoint Holdings Inc., one of the leading EV charging networks for international and local businesses. This joint initiative aims to create a unique electric mobility service offering (eMSP) to speed up corporate fleet electrification. Powered by ChargePoint's innovative technology, the aim of this new solution is to offer drivers of company vehicles a simple, easy to access charging solution with invoicing and reimbursement reports.

Sustainable mobility is not just about vehicle technology, it is also about transforming how we use transport. It requires tailoring our offering to new customer expectations. Ayvens is investing in new shared, on-demand or multimodal mobility solutions. Take ALD Move, a mobility-as-a-service app: users can tap into daily advice on the best options for their travel needs (car, public transport, bike) and manage their "mobility budget". ALD recently acquired share capital in Skipr, which helps accelerate the ramp-up of Ayvens' solutions in this area.

Ayvens is also seeking to meet its customers' requirements in terms of flexibility. The company's new service, Flex, provides a broad range of vehicle categories, from compact to light commercial, on demand. Users can select by budget, transmission, fuel and emissions rating. Fleetpool, the leading German car subscription company and ALD's most recent acquisition, broadened Ayvens' capabilities in this new generation of flexible solutions.

5.1.4 A MINDFUL BANK

5.1.4.1 Dialogue with stakeholders

Societe Generale Group strives to take a constructive attitude when engaging in dialogue with its stakeholders. The approach is described on the Group's corporate website (*https://www.societegenerale.com/en/responsibility/dialogue-with-our-stakeholders*).

It strives to remain attuned to its stakeholders and adapt its approach to better meet their expectations whenever possible, in accordance with legislation and regulations in force.

The table below summarises the topics of dialogue with stakeholders implemented by the Group:

DIALOGUE WITH GROUP STAKEHOLDERS

Stakeholder	Topic of dialogue	Metrics	Additional information
Clients	■ Monitoring and analysis of customer satisfaction	■ More than 126,000 [(1)] employees in 65 countries serving ~ 25 million clients ■ Net Promoter Score©	*Prioritising client satisfaction*, page 361
Employees	■ Employee Survey ■ Dialogue with employee representative bodies ■ Employees' right to whistleblow	■ Employee engagement rate (survey response) 64% ■ 100% of employees covered by the global framework agreement on fundamental human rights with UNI Global Union© ■ 111 alerts received in the whistleblowing management tool	*Being a responsible employer*, page 368
Investors and shareholders	■ Events and meetings with shareholders and investors ■ Distribution of dedicated communications materials ■ Shareholders' Consultative Committee	■ Investor conferences, roadshows and presentations: 48 events ■ Earnings per share: EUR 2.17	*https://www.societegenerale.com/en/responsability/dialogue-with-our-stakeholders*
Rating agencies	■ Study and analysis of financial and extra-financial performance assessments ■ Regular discussion and follow-up with analysts	Financial rating agency ratings[(2)]: ■ Fitch Ratings: F1/A ■ Moody's: P-1/A1 ■ Standard & Poor's: A-1/A Extra-financial rating agency ratings: ■ MSCI: AA ■ Sustainalytics: 19.6/100 ■ Moody's ESG: 69/100 ■ S&P Global CSA: 69/100 ■ ISS ESG: C+ Prime ■ CDP: B	*https://www.societegenerale.com/en/responsability/dialogue-with-our-stakeholders*
Civil society	■ Regular meetings with NGOs ■ Monitoring projects, businesses or sectors, whether or not the Bank finances them, that are involved in controversies or subject to public campaigns from civil society ■ "Dialogue and transparency" section on the Group's website	In 2023, Societe Generale held numerous discussions with some ten NGOs, including Reclaim Finance, Les Amis de la Terre and Banktrack: ■ around ten bilateral meetings ■ around ten working groups organised by market bodies ■ around thirty documented responses to written solicitations from NGOs.	*https://www.societegenerale.com/en/responsability/dialogue-with-our-stakeholders* *https://www.societegenerale.com/en/responsibility/csr-ambition/dialogue-transparency*
Suppliers and service providers	■ Responsible Sourcing Policy ■ The Positive Sourcing Programme directs our purchasing strategy towards VSEs, SMEs and companies in the social and solidarity economy	■ Purchases made: EUR 6.2bn ■ Expenditure directed to SSE structures EUR 14.8m	*Responsible sourcing*, page 384

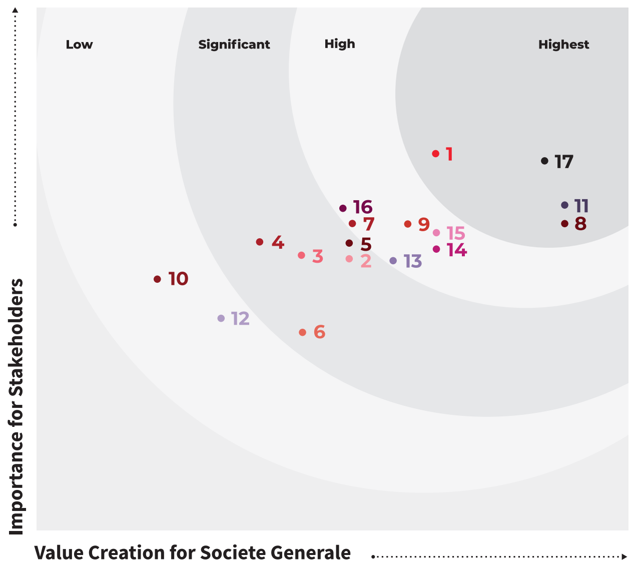
Stakeholder	Topic of dialogue	Metrics	Additional information
Regulatory and supervisory bodies	■ Relations with banking and financial supervisory authorities and regulatory bodies ■ Participation in market consultations and events (providing technical expertise in banking and finance) ■ Member of financial industry professional associations		*https://www.societegenerale.com/sites/default/files/documents/2023-05/2023-Dispositif-Groupe-pour-une-Representation-d-Interets- Responsable.pdf* *https://www.societegenerale.com/en/responsability/dialogue-with-our-stakeholders*

(1) *Headcount at end-2023 excluding temporary staff.*
(2) *Short-term senior rating/Long-term senior preferred rating*

5.1.4.1.1 MEASURING THE OBJECTIVES AND EXPECTATIONS OF STAKEHOLDERS

The Group consulted key internal and external stakeholders at the end of 2020 to update the priorities of its CSR ambition and ensure that it was aligned with risks and opportunities. It had adopted this approach during the definition of the previous Group strategic plan in 2017. This consultation gave rise to the creation of a materiality matrix, which is presented below.

MATERIALITY MATRIX



- **1** Accelerate the low-carbon transition and increase the positive impact of the Group's products and services dedicated to fighting climate change
- **2** Help preserve biodiversity
- **3** Include vulnerable stakeholders
- **4** Expand the Group's offering of products and services with a positive social impact
- **5** Contribute to the sustainable development of local communities and regions
- **6** Contribute to the sustainable development of Africa
- **7** Anticipate and support transformation and innovation
- **8** Commit to safe and responsible digital development
- **9** Ensure effective ESG risk management in all businesses
- **10** Co-develop ESG risk assessment methodologies
- **11** Enhance the satisfaction and trust of all the Group's clients
- **12** Nurture the drive to innovate among Group staff
- **13** Unite the teams around committed and responsible employer management
- **14** Attract and enhance talents
- **15** Value diversity in skills and talent management
- **16** Rely on Group and business governance with long-term vision
- **17** Conduct the Group's business in an exemplary manner

A qualitative approach was used to take the stakeholders' pulse: in-depth one-on-one interviews were conducted with a representative panel of Group stakeholders. More than 80 employee managers were specifically trained to conduct the campaign, which involved 141 interviews. Interviewees were selected from a diverse sample of professionals spanning the entire range of businesses and the geographical zones in which the Group operates. Some 1,000 Group managers were also interviewed. In order to compare their expectations with those of other stakeholders who participated in the survey, ten more interviews focused on Group Management, including three members of the Board of Directors. These findings were subsequently enriched with responses provided during image and client satisfaction surveys performed regularly by Societe Generale and with submissions from dedicated focus groups composed of internal and external participants.

Societe Generale performed a materiality analysis according to three complementary levels:

1. stakeholders surveyed ranked the 17 materiality considerations identified by an Internal Group Work Committee according to their impression of relative importance;
2. Group Management also ranked the materiality considerations according to their impact on the different value creation dimensions for the Company;
3. the recurrence of the considerations under review was analysed during stakeholder interviews. All their contributions were subsequently studied on a qualitative basis. The study was conducted in line with the main materiality assessment standards,*i.e.*, the GRI*, AA1000*, IIRC* and SDG standards.

The materiality matrix classifies the issues according to their impact (assessed by General Management) on the different dimensions of value creation in the Company (x axis) and according to their relative importance for internal and external stakeholders (y axis). As a result, four issues manifested in the core circle, followed by six issues in the second inner circle, five issues in the third circle and, last, two issues of minor impact in the outermost circle.

The Group is working on the analysis of double materiality as part of compliance with the CSRD (Corporate Sustainability Reporting Directive*).

5.1.4.1.2 PRIORITISING CLIENT SATISFACTION

The relationship with the client is central to the Group's business model, and client satisfaction and client protection objectives are integrated into its CSR policy. Accordingly, continuous improvement in client satisfaction, the Net Promoter Score© (NPS) and the client experience are all factored into the variable remuneration of the Chief Executive Officers.

In order to measure and monitor client satisfaction and to identify the practical actions to be taken, the SG network draws on various data collection processes to gain a full overview of the quality delivered and the quality perceived by its clients.

These processes draw on:

1. constantly listening to all client segments (individuals, asset management clients, professionals, corporates and non-profit associations) to measure perceived quality. This process is based on over 300,000 instances of client feedback over the year and is subject to in-depth analysis to define actions plans:
   - centrally, as part of the continuous improvement of all our client experiences,
   - locally, at branch level, by calling clients and surveying them based on a certain number of predefined criteria (especially if they are not satisfied).

   The main indicators used to measure this perceived quality are overall satisfaction, NPS and satisfaction with the client experience;
2. three visits per year by mystery clients to all SG Network branches (excluding Regional Business Centres) to measure the quality delivered based on set internal standards;
3. surveys of the competition on all markets. Every year the SG Network commissions a satisfaction survey by the CSA* research institute, polling 7,200 individuals, 2,000 asset management clients, 5,100 professionals and 3,200 corporate clients from 10 or 11 of themarket's leading banks. The results provide Societe Generale with its relative positioning and help steer its ambition to be a leader in client satisfaction;
4. feedback from "SG & Vous", a direct discussion channel with our clients on the different social networks (Facebook, X, Instagram).

Internationally, a client satisfaction survey (which includes an NPS© and competitive surveys) is conducted every year by Ipsos on individual and corporate clients. This is rounded out at KB*, BRD* and in overseas territories by on-the-spot surveys conducted among individual clients after they interact with the Bank to measure their satisfaction level.

In Central Europe, the NPSs of the Group's banks show positive trends in increasingly competitive markets for individual clients. In the Czech Republic, KB has shown progress and BRD has stabilised at a high level amid the ongoing work around the digital transformation and streamlining of the branch networks. In the corporate segment, the Group's subsidiaries maintained very high recommendations and confirmed their leading positions in their markets.

In Africa, the Group's banks delivered varied NPSs, in line with the market in general. In the individual client segment in North Africa, the Group's banks confirmed their leading positions with a high NPS in Algeria and consolidated their score in Morocco. In the corporate segment, the Group remains very well positioned in Algeria. Across the rest of the continent, in a context of market volatility, the Group's banks show varied NPS results.

The NPS survey for insurance activities fell slightly in 2023 to return to its 2021 level. Societe Generale Assurances prioritises the following areas for improvement in customer satisfaction: optimisation of omnichannel pathways, development of personalised and relationship communications, provision of new digital features and greater close-hand service in the key moments in customers' lives.

Ayvens has conducted measurements of its NPS based on the satisfaction of fleet managers and drivers. ALD and LeasePlan's NPSs are meeting at a satisfactory level and the methodology will be harmonised as of 2024.

Societe Generale Equipment Finance* (SGEF) focuses on a qualitative survey of its vendors' satisfaction. The NPS in a survey that includes all regions is stabilising at a very high level for these preferred partners at SGEF's customer relations centre.

For its Global Banking segment (large corporates and financial institutions), Societe Generale carried out its ninth satisfaction survey between May and December 2023 among clients in Europe. Overall, the clients polled across the scope in question represent almost 60% of the Group's NBI. The large corporates and financial institutions polled once again gave Societe Generale high scores, highlighting strong relationship management, the quality of products and services offered, and the high level of balance sheet commitments with them. The interviews held by members of the Bank's Management Committee with the executive management of our Global Banking clients continue to be rated positively.

5.1.4.2 Protecting clients and their assets in all circumstances

The Group pays special attention to issues relating to client protection, implementing strong employee training and awareness-raising initiatives, developing tools and strengthening internal rules on complaint processing, including on social networks. Processing a claim is a commercial act that impacts customer satisfaction. As such, it is covered in the Group's Code of Conduct.

When an ongoing disagreement occurs with a client, Societe Generale offers free and direct access to the Client Relations Department. This has been the case since 1996 (*i.e.*, before it became compulsory further to French legislation passed in 2001). The Client Relations Department responds within two months, and refers any unresolved complaints to the Ombudsman, who then responds within 90 days. Since 1 January 2023, Societe Generale French Retail Banking has adhered to mediation with the French Banking Federation (FBF). This is true for BoursoBank as well.

Mediation, a measure aimed at amicable settlement, is brought to customers' awareness on multiple information media, in particular through a permanent notice on the back of bank account statements. The decisions taken by the Ombudsman independently of the sales teams are binding on the entities concerned, which have undertaken in advance to comply with them.

The Group has also strengthened its client data protection systems (see Chapter 4.11.1 *Compliance risk/ Data protection* paragraph, page 298).

MEDIATION DATA

	2021	2022	2023
Requests for mediation received by the ombudsman			
▪ for Societe Generale	3,358	5,880	
▪ for Crédit du Nord	995	1,714	
SG Network[(1)]	4,353	7,594	5,763
Cases processed by the ombudsman, deemed admissible			
▪ for Societe Generale	681	1,369	
▪ for Crédit du Nord	215	305	
SG Network[(1)]	896	1,674	1,827
Cases processed by the ombudsman, decision made			
▪ for Societe Generale	947	1,072	
▪ for Crédit du Nord	280	305	
SG Network[(1)]	1,227	1,377	531

(1) SG Network since 2023 after the legal merger between Societe Generale network and Crédit du Nord.

For more information on client protection measures, see Chapter 4.11.1 *Compliance risk/ Client protection* paragraph, page 296.

5.1.4.2.1 DATA PROTECTION AND CYBERSECURITY

The personal data processing framework at Societe Generale Group has been enhanced by the enforcement of the General Data Protection Regulation (GDPR). This internal control system for the GDPR non-compliance risk is based on the Group's "three lines of defence" model.

The processes now in place to comply with the regulation include analysis of the legal basis for processing; responses to requests to exercise individual rights under GDPR, such as data correction and deletion; management of personal data breaches and implementation of action plans in relevant situations; application of security measures to personal data; and creation of processing registries.

The Group has tools for documenting data processing and risk analyses, ensuring Group-wide consistency in the interest of improving risk oversight. In addition, the normative documentation on the data protection system is in place. Purging, which incorporates the regulatory provisions on personal data protection, is managed within the larger context of archiving evidence of activities. Lastly, Societe Generale has named a Data Protection Officer (DPO) who reports to the Group Head of Compliance. The latter is a member of the Group Executive Committee, which is the governance body of the Group's General Management. Additionally, at least once a year, the DPO reports on implementation of GDPR requirements to the Audit and Internal Control Committee (as defined in the chapter on corporate governance, see Chapter 3, *Audit and Internal Control Committee,* page 101). The DPO is also the main contact person for the French Personal Data Protection Authority (CNIL).

For more information, see Chapter 4.11.1 *Compliance risk/ Data protection* paragraph, page 298).

Personal data are a portion of the data processed by Societe Generale. They are all under cybersecurity protection.

Data are classified by sensitivity, and organisational and technological protection measures are defined according to that sensitivity, throughout the data's life cycle, irrespective of the medium. The technology may include various methods for authenticating and identifying persons/applications accessing the data, encryption methods for protecting them, or anti-leak systems.

More information on cybersecurity measures is included in Chapter 4.10, *Operational risk*, paragraph: *Risks related to information and communication technology (ICT) and security risks,* page 289.

5.1.4.2.2 THE FIGHT AGAINST CORRUPTION, TAX EVASION AND MONEY LAUNDERING

This information is provided in Chapter 4.11.1 *Compliance risk / Anti-corruption measures*, page 298, 4.11.1 *Compliance risk / Anti-money laundering and countering the financing of terrorism (AML/CFT),* page 296 and 4.11.1 *Compliance risk / Tax transparency and evasion*, page 297. Societe Generale published a report on its 2022 tax contribution during 2023. This document, which completes the Group's Tax Code of Conduct, can be viewed on its website: *https://www.societegenerale.com/sites/default/files/documents/2023-07/report-on-our-2022-tax-contribution.pdf.*

5.1.4.3 Protecting clients' interests and tackling discrimination

5.1.4.3.1 A MARKETING POLICY THAT TAKES THE CLIENT'S INTERESTS INTO ACCOUNT

Protecting clients' interests is the banker's responsibility and a matter of major importance for the Group in terms of client satisfaction and reputation. Societe Generale maintains lasting relationships built on trust, expertise and respect for their legitimate interests.

The Group offers products and services suited to the needs of its clients, in compliance with the European and French international legal framework. The framework relating to the obligations introduced by European regulations on customer protection (MiFID II and the Insurance Distribution Directive or IDD) is in place, both in terms of product governance and advisory, and respect for reporting requirements. Information provided to customers was strengthened with new rules on ESG (Environmental and Social Governance) labelling and designations.

Robust initiatives are in place to train employees in the risks of customer protection and tighten the Group's internal rules for the purpose of offering clients appropriate products and services in full transparency.

The responsibility of Group employees with regard to the sale of financial products and services to clients is covered in the Code of Conduct (see page 8: *https://www.societegenerale.com/sites/default/files/documents/Code-conduct/code-of-conduct-en.pdf*). Stakeholders can view the Code of Conduct on the corporate website. It is based on the four core values that drive Societe Generale and which are shared by all its employees, namely team spirit, innovation, responsibility and engagement. These values were defined out of a shared objective to serve the client by striving to reach the highest possible standards of service. They form the basis of our employees' annual evaluations and are incorporated into the HR recruitment process.

Each year, an extensive training programme around this Code has been rolled out to all employees in all countries in which Societe Generale operates (see *Rolling out a Code of Conduct underpinned by shared values and human rights*, page 330). It stresses that the products and services offered to clients must be based on solid KYC procedures, and suit their situation and needs in order to best anticipate their projects and expectations.

Systematic reviews are done ahead of and during the marketing process. As product originator, Societe Generale sets up Product Review Committees to ensure the target market has been defined correctly and, if not, to adjust it accordingly.

Advisory and information factor in the clients' own expertise, and the conditions or risks of certain transactions or products. Thus, investment products and services are offered after an in-depth interview with the advisor, which is the opportunity to evaluate the client's profile (personal situation, assets, budget, financial expertise, risk profile, ESG investment preferences) in order to propose suitable advisory services and personalised solutions. Societe Generale enters into contracts only with corporate clients whose practices comply with the Group's Environmental and Social General Principles (*https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf*).

The Group has established rigorous procedures to prevent conflicts of interest.

Employee compensation policies and practices must combine the interests of clients, employees, the Group and its shareholders and avoid conflicts of interest in relations with clients. They encourage taking into account the actions of each party with regard to the values and commitments of the Code of Conduct, the respect of interests and the fair treatment of clients.

The Group has also established practices and usages to comply with legislation vis-à-vis financially vulnerable customers, in particular customers benefiting from the offer tailored to financially vulnerable customers. In 2019, additional measures were added to this framework:

- freezing bank fees;
- capping bank intervention fees for vulnerable clients;
- organising follow-up and support suited to the situation of customers experiencing difficulties in the wake of recent events.

These measures are closely monitored and covered in action plans aimed at identifying financially vulnerable customers.

In French Retail Banking, the Operational Risk Committee (COROC) has added the risk of misconduct to its remit, including tied selling. It examines the root causes and proposes an action plan. The "Client" and "Human Resources" teams send out guidelines on sales targets and appropriate conduct to managers every year, stressing the core concept of responsible sales. Mystery client visits throughout the year are another tool used to reinforce this policy. To further improve the client's experience and satisfaction, a client satisfaction target was added to the sales force evaluation criteria in 2021. A specific internal procedure expressly states that tied selling cannot be part of the criteria for individual performance bonuses. The issue is also tackled in initial training for sales operators and in "Excellence Client", the Societe Generale sales training centre attended by all sales personnel and their managers, which includes a presentation and explanation of the Eight Golden Rules of Retail Banking in France.

To ensure transparency, the retail banking service complies with its display obligations by making a pricing brochure available on the website and at all Group branches.

To make contracts easier to understand, efforts are being made to use plain, clear language in respect of all banking offers. For example, the contractual documentation for corporate clients has been harmonised to make the legal commitment concerning cash management services clearer.

Societe Generale has also strengthened its client data protection systems (see Chapter 4.11.1, *Compliance risk, Data protection* paragraph, page 298).

5.1.4.3.2 TACKLING DISCRIMINATION

In line with its Environmental and Social General Principles, the Group proposes financial products and services to all clients pursuant to French law, which penalises all forms of discrimination (for more information, see Articles 225-1 to 225-4 of the French Criminal Code (*Code pénal*) *https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006165298/*(in French)). These practices are transposed into the Group's standards documentation (Societe Generale Code) and its Code of Conduct and must be complied with by all employees. Societe Generale's standards documentation makes specific reference to discrimination and extends compliance with French law to all entities; it states that situations involving the rejection of a client's request may not be motivated by discrimination based on gender, ethnic origin or religion.

Since 2021, as part of the measures to raise employee awareness around the rules of client protection and efforts to combat discrimination, a library of the instructions and rules that are in force at national and international level is made available on the intranet for Societe Generale's employees:

- MiFID 2 regulation
- Insurance Distribution Directive (IDD)
- Products and Services offering
- Protection of retail clients
- Conflicts of interest – clients
- Protection of customer assets
- Customer complaints
- Employee compliance
- Rules applicable to advertising and promotional communications

5.1.4.4 Supporting vulnerable clients and promoting inclusive banking and education

SUPPORTING VULNERABLE CLIENTS

In France, the Group provides a free package of basic banking services in accordance with Article L. 312-1 of the French Monetary and Financial Code on the right to hold a bank account. Favourable terms are offered to young people with student loans. Societe Generale has renewed its partnership with Bpifrance, offering loans to students who have no income and nobody to act as guarantor for them.

The maximum amount of the government-backed student loan offered to students aged under 28 with Bpifrance, to fund higher education, was EUR 20,000 in 2023 (the same amount as in 2022); the total amount of loans issued was also the same in 2023. The distribution of these loans by level of studies remained stable compared to 2022: the share of these loans made to students in technical courses and universities (two-year studies) was 34% and 39% for studies in five-year higher education programmes and engineering schools.

Since 2021, the French Retail Banking business has galvanised around the *"1 Jeune 1 Solution"* programme created by the government under its "France Relance" stimulus plan to facilitate employment and inclusion among young people. In the space of three years, 30 recruitment events were organised in France, in Paris, Marseilles, Rennes, Lyons, Strasbourg, Lille, Bordeaux, Orléans, Tours, Nantes, Toulouse, Grenoble, Montpellier, Bourges, Bastia, Brest, Bayonne, Valenciennes, Montauban and Angers. Some 320 recruitment companies participated in the events together with 2,400 young people.

In accordance with Article R. 312-4-3 of the French Monetary and Financial Code introduced pursuant to Article L. 312-1-3 paragraph 2 of the same Code, SG has developed a system to identify financially vulnerable clients. Financially vulnerable clients can sign up to Généris, a day-to-day banking services package designed to help them manage their finances, for just EUR 1 a month. 2020 saw the Group introduce a new inclusive offer, Kapsul, for clients on a budget seeking more independence in the selection of their services. Available online or in-branch, this new account costs EUR 2 per month with no income conditions and no other account charges. Kapsul clients can pay for products and services from anywhere in the world and can also get an international Visa card with insurance and assistance cover.

With its Welcome range, BoursoBank offers a free account with no income requirements, including for clients previously denied bank accounts. Ranked the "least expensive bank in France" for sixteen consecutive years, BoursoBank also offers solutions to clients experiencing temporary financial difficulty, by offering all clients a free-of-charge, easy-to-use and educational financial management coaching service *via* its Wicount® Budget account offering. Wicount® Budget helps clients to manage their day-to-day budget and stay on top of their finances A specific vulnerable client account is also offered providing access to basic banking services free of charge, helping vulnerable clients to avoid being overdrawn on their account, and capping certain non-payment and intervention fees. This offer includes a deposit account, which can be opened, managed and closed online, a debit card requiring systematic authorisation, cash withdrawal at ATMs, unlimited transfers and SEPA direct debits, exemption from certain fees, etc. In addition, in 2023 and after the launch of the first personalised banking fee simulator in 2022, BoursoBank now offers its clients a personalised savings simulator for their everyday expenses. Amid ongoing inflation when day-to-day budget management is an important consideration, BoursoBank's clients can now run a personalised simulation in just a few clicks that shows them all the money they could save using the online platform The Corner. The Corner is a click away using the mobile app or the BoursoBank website. It offers an average savings of 7% (in discounts, cashback offers and/or vouchers) at more than 100 major brands they use every day, in every spending category, including groceries, apparel, culture, ticketing, cinema, holidays, home and childcare.

FINANCIAL INCLUSION

As part of its policy on financial inclusion, the Group supports innovative solutions designed to promote sustainable economic development, incorporating environmental and societal performance, through both non-profit associations and philanthropic activities. It also supports the microfinance sector by acquiring interests in such structures. It offers stakeholders financial training to help them keep up with current financial challenges.

Financing the non-profit sector in france and supporting clients' philanthropic projects

Societe Generale has developed close relationships in this sector, thanks to its network of non-profit specialists throughout the country. The Group offers its expertise to more than 100,000 non-profit structures of all sizes (representing market share of 10% overall, and as much as 15% in the management association segment) to help them achieve their day-to-day management goals.

At the end of 2022, Societe Generale set up a regional business centre for institutional clients located in Paris and its suburbs. Situated in the centre of Paris, the centre has around 80 employees who report hierarchically to the regional management team responsible for the Île-de-France Sud area. This centre will serve all institutional clients located in the Greater Paris area, according to three market segments:

- large non-profit associations: NGOs, educational, cultural, socio-medical bodies, international institutions, etc.;
- public sector players: local and regional authorities, semi-public bodies, social housing associations, etc.;
- financial institutions: mutual insurance companies, insurance companies, etc.

The centre's purpose is to help boost the Group's commercial competitiveness on these markets so that it can meet the growing need for expertise by its clients and effectively support their projects.

Through Societe Generale's solidarity-based savings service, clients can donate part or all of the annual interest on their savings accounts to up to three non-profits chosen from among those with which the Group partners for this scheme. All non-profits selected by the Group adhere to high standards and guarantee transparency as regards the use of funds. For each donation, the Group adds an additional 10% which it pays directly to the association. Other products and services – such as "Charity Collection" cards, cashback, or the "SG Solidarity" fund – generate gifts for non-profit organisations.

SG operates an initiative that provides free premises to some ten non-profits. Following a call for proposals launched in late 2022, each winning non-profit or organisation has use of the site for a three-year period. After the success of the experiment carried out with Life Project For Youth (LP4Y), an organisation that moved into a bank space in Saint Ouen (93), there are now nine non-profits benefiting from this initiative.

Since 2018, Societe Generale has been drawing on its Private Banking arm and its philanthropic expertise to provide support in different areas to clients looking to adopt a philanthropic approach. As at the end of 2022, nearly 200 clients or families had received support and six foundations or endowment funds were created. In parallel, the Private Banking arm sealed a partnership with Philanthro-Lab[(1)], a unique space and incubator for philanthropic projects in France. In 2023, the Phitrust Partenaires Part C fund was launched. It is a pure social impact fund, similar to venture philanthropy, which is a minority but active investor in social or community businesses that demonstrate economic consistency and financial viability. Private Banking has committed to paying EUR 1 for every EUR 1,000 invested for Habitat et Humanisme.

Created in 2009 under the aegis of the Fondation de France, the Societe Generale Private Banking initiative entitled "Fondation 29 Haussmann" aims to give children better opportunities in life and set them on track to become tomorrow's citizens. It operates as a philanthropic incubator favouring recently created associations that show strong growth potential, acting mainly as "first sponsor" while providing non-financial support. This approach fosters the development of new associations that seek to make a sustainable impact for the children being supported and is particularly devoted to helping disadvantaged children.

Moreover, since 2018, Societe Generale Private Banking has set itself apart by launching the first charity structured product on the market. To date, EUR 6.4 million in accumulated donations have been collected (EUR 550,000 in 2023) for distribution to non-profit organisations working in the areas of cancer prevention, services for disabled people, services for children and inclusion through housing, and to help combat exclusion among the most disadvantaged.

Since January 2018, the Private Banking arm has adopted a truly "collaborative philanthropic approach", designed to provide support each step of the way to entrepreneurs looking to make their investments count (particularly when selling a company) or to set up a philanthropic project for their family business. The approach is one of a kind in that the Banks work closely with the Fondation de France and the client's own advisers (lawyers, notaries, etc.) throughout the entire process, from initial discussions with the client through to creating and investing in a foundation, and then seeing their funds in action – a potentially complex undertaking.

In 2023, through its offering of social impact products and services, Societe Generale paid a total of EUR 3,1 million to some fifty French partner associations recognised as operating for the public good.

Microfinance

The Group has worked in partnership with ADIE (a non-profit promoting the right to economic initiative) since 2006 to support microfinance throughout both metropolitan and overseas France.

In Africa, Societe Generale has actively supported microfinance since the 2000s, a period during which it has grown enormously across Africa as a financial inclusion tool for micro-entrepreneurs and VSE-SMEs, themselves players in the struggle against poverty and for economic growth.

Societe Generale operates exclusively through its African subsidiaries that are supporting the sector in their respective countries with short- or medium-term loans and fundraising on the markets, generally in local currency. The microfinance institutions in which the Group has remained a minority shareholder from the beginning were serving more than 650,000 clients at the end of 2023, around 20% of whom are borrowers (with an average loan outstanding of less than EUR 2,500).

The Group's aim is to contribute EUR 200 million to financing the sector, in debt[(2)] and in capital. That contribution was EUR 135 million at the end of 2023, EUR 100 million at the end of 2021 and EUR 60 million at the end of 2018.

(1) Philanthro-Lab is a physical meeting place entirely dedicated to philanthropy. Its missions are twofold: to create an ecosystem for the development of philanthropy and to foster a broader culture of donation and engagement. For more information, see https://philanthro-lab.org.

(2) This includes outstanding private investments and/or bond issues arranged by Societe Generale.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES AND SENIORS

The Group strives to ensure that its services are accessible to clients with disabilities, adapting premises where necessary and making its applications more user-friendly:

- access to SG network cash machines;
- bank statements in Braille;
- outfitting: 96% of network branches were wheelchair accessible by the end of 2023;
- digital access to the Societe Generale mobile application.

Societe Generale is a signatory to the French manifesto for the inclusion of people with disabilities in economic life (*Manifeste pour l'inclusion des personnes handicapées dans la vie économique*) as part of which it is optimising access by people with disabilities to the Company's digital tools and integrating digital accessibility into the design of information system master plans and the development of digital solutions. Digital access is one of the four axes of Societe Generale's policy for the integration of people with disabilities, together with recruitment and integration, training and responsible purchasing. For more information on the manifesto, see *https://handicap.gouv.fr/le-manifeste-inclusion-enclenche-une-nouvelle-dynamique* (in French only).

The Group publishes its Multi-year Accessibility Plan on its institutional website *https://www.societegenerale.com/sites/default/files/documents/Digital-accessibility/multi-year-accessibility-plan-en.pdf*).

Many features are available on the BoursoBank online banking service, such as the read-aloud function for logging in, interface adapted for zoom magnification, video transcription and the revamped site navigation with specific shortcuts to make it easier for sight-impaired clients to use, or telephone accessibility services for deaf and hearing-impaired clients. The online Bank publishes its accessibility policy on its website (in French only) at *https://www.boursorama-group.com/fr/accessibilite-numerique-fr.*

Educational actions, supporting financial education

The Group's subsidiaries actively support financial education, which also helps in combating discrimination in the distribution of products and services. They make their websites a valuable source of information to help the general public keep up to date with and understand all the latest financial news.

With visits to its website at nearly 47 million a month, Boursorama.com is the leading portal for economic and financial news in France. It offers agency news dispatches, economic and stock market information, and budget management content, making it more accessible through a variety of resources: articles, videos, podcasts, fact sheets and discussion forums. It is an undisputed free source of financial education which is at the fingertips of the everyday person, whatever their background.

Giving everyone the ability to manage their money is also one of the purposes of BoursoBank, which helps educate its clients and visitors in financial matters by giving them access to information, advice and tools for making informed decisions about their money. It offers real-time live economic news broadcasts (Ecorama, Journal des Biotechs, etc.), for staying on top of the economic news in real time, and monthly live interactive webinars with experts from all walks of life, offered for free, including its daily one-minute videos providing viewers with key information and tips on everyday money-management (*Parlons cash*), to provide key information, tips and tricks to help clients manage their savings every day.

BoursoBank and the Boursorama.com website have financial education for all individuals, especially women. In fact, women traditionally do less investing than men. Being sensitive to this, in 2023, BoursoBank entered into a partnership with Vives Médias, an online magazine designed to help women become more familiar with finance. Together, BoursoBank and Vives Médias created a webinar series: *Investir, pourquoi pas moi?* (Investing - why not me?), broadcast on *Boursorama.com* and available on YouTube.

Finally, in 2023, for the third consecutive year, BoursoBank, in partnership with l'Oréal, TotalEnergies and *L'Étudiant magazine*, organised BoursoLive, the first-ever online conference on the stock exchange and financial markets open to the general public. During this free event that welcomed some 20 exhibitors, private individuals, both clients and non-clients of BoursoBank, had the opportunity to chat directly *via* chatrooms and video calls with listed companies, asset managers and issuers of financial products (ETF*, stock market instruments) to obtain advice on the most appropriate products for them, whether as a first foray into the stock markets or to diversify their portfolio. Complementing the many educational tools and content features on boursorama.com, this exceptional three-day event with industry experts helps private individual investors to enhance their knowledge of the stock markets, find out more about risk-taking and invest in a more responsible manner. For this second BoursoLive conference, the topics covered included tips on how best to navigate the current economic climate, understanding the US financial markets, investment by women investors, and a beginner's guide to technical analysis together with a presentation of derivative products, such as warrants, turbos, etc.

In 2020, the French Retail Banking business line launched "Le 5' des Experts", a five-minute educational video programme for the general public on all things related to money. Every Tuesday, an expert from Societe Generale spends five minutes answering questions from consumers (mainly individuals but also open to professionals, and sometimes businesses, once a month) on subjects relating to lending, saving and insurance. The videos are published on the app (one video a week), on the website page for individual clients under "Nos conseils" (Our advice), and on Facebook and Instagram, and are included in client newsletters.

To help start-up clients launch their business, the "Devenir entrepreneur" (Become an entrepreneur) programme is a unique four-step process aimed at potential entrepreneurs to help them take their first steps. The "start-up" section of the professional clients' web page has been completely revamped and now offers more than 80 pages of educational content for business creators, while the advisory section proposes dedicated e-learning courses and a series of four meetings with the prospective entrepreneur depending on the stage of their project.

Through the Boost platform launched in 2019, the Societe Generale network in France offers 12 services specifically designed for young clients aged 18-24 to support them as they embark on higher level education or enter the workplace. In 2022, this offering was extended to clients aged 16 to 24, with seven free services that include access to offers of apprenticeships, work-study programmes and job vacancies, a career and student advice blog, simplified financial support products, aid in preparing for the driving theory test, a straightforward accommodation rental platform tailored for students, adverts for voluntary positions, and more. Societe Generale's "Boost Privilège" offering gives access to additional services over a six-month period in cases where the young client has subscribed for an eligible product, or for a fee of EUR 2 per month. These services represent a total value of more than EUR 200 per month.

Furthermore, since the end of 2020, the Group has been offering young clients aged 10-17 a debit card with a dedicated app that gives visibility on their outgoings, supporting them as they begin the journey of managing their own payments and become more financially independent. This free offer, called Banxup, is 100% digital and only available online. It allows users to view their account activity and request money from their parents, and comes with a Banxup Mastercard – a no-overdraft debit card. Parents can manage their child's financial activity in real time, according to their level of maturity and the situation involved, by configuring the card, managing payment and withdrawal limits, and deciding which online and contactless payments to authorise. Using the app, they can also opt to receive real-time notification of the payments made by their child, chat with their child and instantly and easily send them money.

Societe Generale Private Banking has produced a series of educational videos on "Understanding Responsible Investment" which are available on *www.privatebanking.societegenerale.com*. These are also available on the Spotify and Apple Podcast streaming platforms *via* the "Private Talk by Societe Generale Private Banking" programme.

SUPPORTING VULNERABLE CLIENTS: KEY FIGURES

	2021	2022	2023
Number of clients benefiting from the Kapsul offer	5,170	5,622	5,400
Number of clients benefiting from the Généris offer	55,831	55,355	58,238
Provision of credit lines in partnership with ADIE(1) *(In EURm)*	18.4	22.2	23.5
Loan outstandings with ADIE(1) *(In EURm)*	20.6	18.5	35.9
Contribution to microfinance organisations in Africa *(In EURm)*	101	120	135

(1) Historical data for 2021 and 2022 were corrected.

5.1.4.5 Societe Generale Foundation projects

In addition to its long-standing commitments to sports (rugby, para sports, and others), Societe Generale Group is actively engaged in a policy of sponsoring education and employability in addition to its 30-plus years of supporting classical music and contemporary art. In the regions where it operates, the Group supports civil society and guides its development through various projects carried out directly or through foundations.

Pairing its long-standing sponsorships of solidarity and classical music, the Societe Generale Corporate Foundation supports young people who are building their future and continues to foster their education and employability. In 2023, 77 projects were supported in France and across Africa. In 2023, musical patronage had 42 partnerships to its credit.

In 2024, the Societe Generale Corporate Foundation will be renewed with a 50% budget increase, as announced by the Chief Executive Officer when the strategic plan was unveiled in September 2023. The Foundation will be committing more deeply to educational and cultural programmes. In November 2023, Societe Generale became a Major Partner of Villa Albertine, a pre-eminent cultural institution in the United States backed by the Ministry of Europe and Foreign Affairs and the French Embassy in the US. Villa Albertine supports professionals and emerging artists through innovative residencies in many artistic disciplines. By becoming a Major Sponsor of the Villa's residencies for three years, the Group is supporting artists' careers, artistic excellence and the international reach of French culture.

In late 2023, Societe Generale also announced a partnership with The Ocean Cleanup, becoming a Mission Partner in seabed clean-up operations. Societe Generale will make a financial contribution to this international non-profit organisation to support the development of technology that cleans plastics pollution from the oceans and stems the flow from rivers. The Group's international sponsorship policy will evolve in 2024 to include this new commitment.

The Group intends to enhance its global sponsorship policy overall, for greater consistency and impact in the regions in which it operates. Currently, this involves eight other Foundations outside France: the United Kingdom (Societe Generale UK Foundation), Côte d'Ivoire (Fondation Societe Generale Côte d'Ivoire), Morocco (*Fondation pour la Solidarité et la Culture*), Tunisia (*Solidarité et Innovation par l'IUB*; *Arts et Culture par l'IUB*), Romania (Fundatia9), Czech Republic (Jistota Foundation) and Brazil (Instituto de Responsabilidade Social Societe Generale). Furthermore, all of the Group's entities are encouraged to carry out their own sponsorship projects in the Group's focus areas of engagement.

To give even greater value and impact to its financial support, Societe Generale also has a policy of fostering its employees' skills development. In France, this means every employee is given three days per year to give back to the community during their working time. They can choose from a wide variety of opportunities to help young people meet their needs, which also gives employees the chance to share their skills in a hands-on, community-facing way while at the same time imbuing their own work with new meaning. These opportunities include one-time actions to support young people, financial education sessions, community days to support the growth of non-profits, and mentoring.

Each year, the Group's employees also band together for a major community sports event - Move for Youth - which benefits organisations working to advance education and employability for young people. This is a natural line of action for the Foundation. In 2023, some 25,000 employees rallied to the cause in 56 countries to support 60 non-profits that together received EUR 1 million in donations.

5.2 BEING AN EXEMPLARY FINANCIAL COMPANY

5.2.1 BEING A RESPONSIBLE EMPLOYER

	2021	2022	2023[(1)]
Group headcount (at end of period, excluding temporary staff)	131,293	117,576	126,822
Full-Time Equivalents (FTEs)	124,089	115,466	122,200
Number of countries	66	66	61[(2)]
Number of different nationalities within the Group	141	154	152

(1) *The Group headcount, the number of countries and the number of nationalities relate to the entities surveyed as part of the FY2023 social data reporting campaign.*
(2) *For 2023, LeasePlan entities are included and the four African subsidiaries currently in the process of being sold are excluded (Congo, Equatorial Guinea, Mauritania and Chad).*

Societe Generale strives to be a responsible employer in more than 60 countries and for over 126,000 employees. As such, it works to prevent and control social and operational risks related to its management of human resources. This ensures that its operations comply with regulations (labour law, health and safety standards, social legislation, etc.) and with the internal rules it has established, while also securing business continuity and decent working conditions for its employees.

The Group conducts its operations in line with the values and principles set out in the following major international conventions:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour Organization (ILO);
- the Unesco World Heritage Convention;
- the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights.

Details of the Group's commitments, the main human resources indicators it monitors and the associated policies and initiatives it deploys can be found in the Responsible Employer Report. (see: www.societegenerale.com, Responsibility, section: Responsible employer).

5.2.1.1 Details of key HR risks and how they affect the Group

ECONOMIC CONDITIONS AND STRUCTURAL FACTORS AFFECTING THE GROUP'S ACTIVITY AND THE MANAGEMENT OF ITS HUMAN CAPITAL

As an international group, Societe Generale operates within a competitive and changing environment, in which:

- new players and new technologies are disrupting the banking sector's make-up and revolutionising how it handles labour relations and conducts business with clients;
- traditional ideas surrounding how we work and how businesses operate have been profoundly shaken up by the climate and social crises, leading in particular to greater individual and collective awareness of what is at stake with digitalisation and working conditions in particular;
- the economic, social and environmental fall-out from the pandemic and geopolitical crises weigh heavily on individuals, in both their professional and their personal lives.

In light of these structural and economic factors, the Group is stepping up its transformation efforts in a bid to address the new challenges arising for its businesses, such as:

- intensifying job market competition, particularly for candidates with IT and data expertise;
- the emergence of new working arrangements and evolving aspirations and demands from employees in terms of how they relate to their work and their employer;
- emerging needs in response to environmental, social and governance (ESG) issues.

The Group recognises the impact of this accelerating pace of change and the HR risks that come with it. In line with the Group-level risk mapping detailed in Chapter 4.1 (see *Risk factors by category,* page 191), the Group HR Department has carried out its own risk assessment and identified three key HR risks for Societe Generale and its subsidiaries:

- the risk of a lack of qualified staff and the resulting risks of high staff turnover and loss of skills and expertise, which could lead to a loss of resources, know-how, efficiency and commitment. This would have a negative impact on individual and collective performance, client satisfaction and the Group's competitiveness;
- the risk in relation to working conditions and the resulting risks of reduced employer appeal, increased absenteeism and lack of motivation among employees, as well as the associated health and safety risks, in particular situations leading to psychosocial risks. The risk of occupational accidents and illnesses for the Group's employees is relatively limited given that they work in the banking sector rather than in an industrial setting;
- the risk of non-compliance with labour regulations and the Group's own labour rules, and the resulting legal and reputational risks.

5.2.1.2 Governance of key HR risks

The Group Human Resources Department has several bodies in place through which it deals with strategic subjects and related HR risks:

- a HR Executive Committee comprising human resources staff from the Corporate Centre functions and regional departments manages, harmonises and aligns the human capital strategy in France and internationally. It meets every week;
- an international HR community that gets together regularly to ensure effective communication and application of the Group's human capital strategy. The Group Head of Human Resources sits on the Group Executive Committee (see page 111), which meets every week;
- strategic topics concerning human capital are also presented to the Board of Directors several times a year, in particular the compensation policy, the diversity, equality and inclusion policy, the human capital strategy, the commitment of employees and regulatory changes such as the CSRD (Corporate Sustainability Reporting Directive).

The human capital strategy comprises three pillars: efficient organisations and appropriate skills, cultural transformation to promote a sense of pride, and a diversified and committed talent base. It draws on two catalysts, a global HR community and the digitisation and simplification of HR processes.

Moreover, the risks related to human resources management are covered by the Group's general risk management system, which is organised into three lines of defence (level 1: business lines, level 2: compliance, and level 3: inspection and audit) and applies to all sites (see Chapter 4, *Organisation of permanent control/Operational risk management system*, page 288).

The Human Resources Department and its teams draw on:

- global policies in the various HR areas, governing human resources management in each of the Group's BUs, SUs and subsidiaries;
- processes covering the five key missions for an employer: (i) ensuring administrative management of human resources and payroll, (ii) managing employees' careers, (iii) defining and managing compensation and benefits, (iv) managing jobs and skills, and (v) defining and managing social policies;
- operational procedures and user guides aimed at securing operations and ensuring satisfactory knowledge management within the Group;
- indicators to inform internal oversight.

They are also covered by the Group's risk management and permanent control systems, including:

- a set of controls on key HR processes deployed throughout the Group;
- risk identification and prevention exercises;
- business continuity plans and crisis exercises.

The Audit and Inspection teams also carry out periodic checks on HR activities.

5.2.1.3 Policies and measures implemented to identify and mitigate HR risks

To address the various structural and economic challenges faced by the banking sector as a whole, the Group has introduced a range of policies and measures that aim to respond to its key HR risks.

In 2023, Societe Generale defined its Responsible Employer strategy, which is one of the main pillars of its CSR strategy. It is founded on three ambitions broken down into commitments to enable it to be exemplary in terms of employer responsibility as well as to control the Group's main HR risks:

1. the first of these ambitions is to control the risk of a lack of qualified personnel by ensuring that each and every employee can reach their full potential through:
   - a wide and varied range of training courses that includes a broad programme of CSR courses to speed up the acquisition of skills by all Group employees and enable them to be key players in the Bank's CSR transformation,
   - appropriate career and skills management so that all employees have access to opportunities to improve their employability, to improve the internal mobility rate and ensure better management of staff turnover;
2. the second ambition, to control the risks related to a lack of qualified personnel and working conditions, is to offer a satisfactory and effective working environment that promotes the Group's employer appeal and helps to retain staff:
   - by broadening access to remote working and various social benefits that there is emphasis on the wellbeing and working conditions of the Group's employees,
   - as part of a diversity, equality and inclusion policy, the goal of which is to ensure respect for individuality, several commitments have been made to prevent discrimination (including against disability) and measures have been taken to narrow the gender pay gap and increase the number of women in management roles;
3. the third ambition, to control risks related to working conditions and non-compliance withlabour regulations and the Group's own labour rules, is to foster engagement on the part of employees, particularly through actions that promote a culture of dialogue (free expression and listening) and involvement in solidarity-based initiatives.

5.2.1.3.1 RISKS RELATING TO A LACK OF QUALIFIED STAFF

Poor management of careers, skills and talent and a dip in the Group's employer appeal could lead to staff shortages and less engaged employees. This in turn would have a direct impact on individual and collective performance, hampering the Group's ability to attract and retain employees and, ultimately, to implement its strategy.

To address this risk, the Group has introduced a series of policies and initiatives to address the following challenges.

Adapting the Group's recruitment strategy to the new environment

AN ATTRACTIVE RECRUITMENT STRATEGY THAT IS ALIGNED WITH MARKET EXPECTATIONS

Societe Generale adapts its recruitment methods to incorporate new IT and digital functionalities, such as the AI-based "CV Catcher" application which candidates can use to scan their CV and obtain a selection of offers that correspond to their skills, or the "InMind" application which can be used to scan the CVs of students on college forums and automatically integrate them into the Job@SG recruitment system. Societe Generale is diversifying its hiring methods to showcase new professions and better respond to candidates' aspirations.

In France, Societe Generale holds innovative recruitment events, such as gaming events (hackathon, eSport challenges), with a focus on the expertise and aspirations of candidates and not solely on their CV and past experience.

It also promotes its CSR commitments on its institutional websites and on its "Career" recruitment site so that potential candidates have an insight into its role as a responsible employer and how it can meet their environmental and social expectations.

SPECIFIC ACTIONS TO ATTRACT, RECRUIT AND RETAIN YOUNG GRADUATES

Societe Generale has put in place several initiatives as part of a deliberate approach to attract, recruit and retain young graduates, including:

- maintaining a special relationship with specific higher education and training bodies within the Group's 98 entities;
- a community of nearly 250 school ambassadors who are picked from among the Group's employees and host events in France to discuss with students the values, culture, business professions and working conditions in the Company;
- the organisation of events in France to promote diversity among younger profiles:
  - the *Meet, Match & Learn* forum is a fully-digital recruitment and conference platform involving multiple schools,
  - the "HER" programme raises awareness among girls at secondary school level of IT professions,
  - stories from women working in finance to put the spotlight on their experiences and career paths,
  - raising awareness around the LGBT+ community with conferences in schools in collaboration with *TÊTU* magazine or by hearing first-hand accounts from role models and the management at Societe Generale;
- in Senegal, the sponsorship of online school Simplon, by offering internships to graduates from this school, and a partnership agreement with six local schools and universities.

Moreover, each year, Societe Generale invites its interns, work-study participants and international business volunteers to complete the *HappyTrainees* survey conducted by ChooseMyCompany. This is an independent and anonymous survey in which they can give an assessment of their experience at the Group. In 2023, for the fourth year in a row, Societe General obtained the *Happy Trainee* label awarded to companies that offer carefully planned induction, support and management for their interns, work-study participants and international business volunteers.

A FAIR RECRUITMENT POLICY

Societe Generale's recruitment policy is tailored to the specific needs of its businesses and activities, as well as to the local context. Its hiring processes are nonetheless uniform across the Group and always include at a minimum an interview with the manager and an interview with a HR representative to assess the candidate's affinity with the Group's values (see *Rolling out a Code of Conduct underpinned by shared values and human rights*, page 330).

To avoid any risk of discrimination the Group makes hiring decisions based solely on skills. It takes concrete steps to ensure that HR staff and managers obtain training in non-biased and non-stereotyped hiring practices to ensure diversity, equality and inclusion.

In accordance with the regulations in France, hiring staff are given specific training in non-discriminatory recruitment practices, which must be retaken every five years at the latest. Managers are given guidelines setting out best practices in this area.

Promoting the integration of new arrivals

In order to build a long-term relationship based on trust and foster a sense of belonging, Societe Generale's induction programme focuses on the Group's values. The induction period is a chance not only for new employees to learn about the Group's culture, methods and values, but also for the Group to start building loyalty and encouraging solid commitment.

The following are some of the initiatives put in place by the Group:

- in France, throughout the induction period, new arrivals benefit from a specific orientation programme for the entity concerned or may be assigned a "Local Buddy" to help them integrate. An interactive application has been rolled out to connect new recruits with their future team to help create team spirit and share the Group's values before their actual start date. This innovative application was first deployed for permanent employees and work-study participants at the Bank branches in France and will eventually be extended to the entire scope of Societe Generale's French network (including the Corporate Centre functions);
- in China, the *New Joiner Experience Enhancement* programme was launched to improve the experience of new arrivals, involving a comprehensive induction process to help them adapt more rapidly and easily to the Group's culture;
- in India, improvements were made to the induction process in 2023, which included an update to the intranet home page specifically for new arrivals by centralising all useful information in the one place.

Planning ahead for future business developments and skills requirements

ROBUST STRATEGIC WORKFORCE PLANNING

Societe Generale aims to ensure it has the right skills to reach its goals in the medium and long term. To prevent risks associated with a talent shortage or mismatch, qualitative and quantitative Strategic Workforce Planning (SWP) is in place in all the Group's locations worldwide. The aim is to match human capital-related policies, particularly in terms of training and filling positions, to the skills required by the business lines to meet the Group's strategic challenges and changes in those skills. SWP provides employees with the means to boost their employability.

The SWP initiative is organised into three stages:

1. defining a qualitative and quantitative target for the skills the Group needs in the medium to long term to deliver on its strategic goals;
2. assessing and mapping the skills available to the Group;
3. identifying the gap between the current situation and the target in order to apply the right levers (training, internal mobility, recruitment, etc.) and action plans to bridge it. This analysis must be a regular process so that the corresponding action plans can be updated as needed.

SWP is in place for all of the Group's key businesses and in 2023 covered virtually all BUs and SUs, representing the foundation of an effective strategy for acquiring new skills and guiding the development of those already existing within the Group. In France, SWP is governed by a labour agreement which has been updated several times since its signature in 2019. In 2022, it was extended and is currently being renegotiated with the trade unions.

A DYNAMIC GLOBAL SKILLS BASE

Societe Generale's approach to skills mapping is based on the principle of self-empowerment: it gives employees a key role in developing their own careers and employability, offering two tools through which they can record their skills:

- the first of these is ACE (for *Appétences*, *Compétences*, *Expériences* – or Aspirations, Skills & Experience). This tool relies on a dynamic skills base and machine learning[1] technology and is available to 78,810 employees working in 77 entities and across 30 countries, representing 62% of the Group's workforce;
- MonDiag is specific to the French Retail Banking businesses and can be used by employees to build a personalised development plan to support them in upskilling. MonDiag is available to nearly 28,400 employees.

Enhancing each employee's employability throughout their career

Training is of vital importance to the Group: it is how employees develop their skills and boost their employability throughout their careers at Societe Generale. The Bank promises its employees the chance to shape their own career path, taking advantage of the multiple opportunities on offer.

A RANGE OF TRAINING OPPORTUNITIES ADAPTED TO THE GROUP'S BUSINESS PRIORITIES AND THE KEY SKILL SETS IT WILL NEED IN THE FUTURE

The training courses offered by various players (cross-business teams or academies specific to BUs, SUs or subsidiaries) come in a variety of formats (e-learning, face-to-face, MOOC, videos, etc.) and cover:

- business skills;
- the risk, responsibility and compliance culture. Compulsory training for all Group employees covers the following subjects: information security, anti-corruption measures, Code of Conduct, the General Data Protection Regulation, international sanctions, anti-money laundering and counter-terrorism financing, conflicts of interest and harassment;
- soft skills (agile working, collaborative working, people management, change management, etc.);
- managerial culture, and social and environmental responsibility.

As the Group moves ahead with its transformation, its existing businesses are evolving, creating needs for new skills in all functions.

The training offer is thus tailored to the Group's strategy and centres on the key businesses identified through professions observatory (*observatoire des métiers*) in France and Strategy Workforce Planning. It focuses mainly on innovation and digital transformation (including artificial intelligence subjects) in order to continue developing the client experience and satisfaction and the upskilling of all employees in CSR-related objectives.

GROUP-WIDE POLICIES ON MOBILITY

Societe Generale has expertise across a broad range of sectors and offers employees a host of career opportunities. The principles underpin the Group's policies on internal mobility and filling positions, and they apply to all entities. They focus on:

- ensuring transparency as regards vacancies, by systematically posting offers on the internal job exchange (Job@SG) available in 94 entities in 36 countries;
- filling positions from within the Group where possible;
- maintaining a community skilled in recruitment practices, including internationally, so that best practices can be shared and information can be passed around;
- and strictly adhering to the recruitment process defined by the Human Resources Department to avoid any potential risk of corruption or conflict of interest, or any form of discrimination or favouritism.

SPECIFIC PROGRAMMES TO DEVELOP STAFF EMPLOYABILITY

In 2021, the Group rounded off its internal mobility policies with initiatives to ensure its business units and service units have the talent they need and to help employees build and constantly upgrade their skill sets so that they can be sufficiently agile to respond to rapid change and seize career opportunities. In addition to being able to apply for vacancies advertised internally, employees can now be contacted by managers looking to fill a position. Employees' skills are matched with those sought by hiring managers thanks to the ACE skills self-reporting platform, which includes an AI-based recommendation engine that managers can use to quickly identify employees whose profiles meet their needs. This feature has proven extremely popular with managers and employees alike.

In 2023, 15,385 Group employees benefited from either functional or geographic mobility. A total of 51% of vacancies were filled through internal mobility in 2023, demonstrating Societe General's ambition to favour the employability of its human capital.

The Group also offers reskilling programmes. Initiated by the Group in 2020 and developed with business experts, these programmes aim to offer employees seeking to change job the opportunity to reskill and obtain positions in a growth area or hard-to-fill jobs within the Group. The programmes encourage internal mobility and are a means of fulfilling the promise of providing mobility opportunities for interested employees. They frequently involve the awarding of certificates or diplomas, combining theoretical learning *via* academic partnerships with practical experience through a mentorship process, thus facilitating the employee's integration in their new team. Over 235 employees signed up for 32 different reskilling programmes in 2023. This therefore is a means of adjusting the availability of skills and supporting the transformation of the businesses within the Group. It allows employees to thoroughly rethink their career options. New programmes on data and ESG issues were jointly devised in 2023, reflecting employees' aspirations as well as skills gaps within the Group.

During 2023, Societe Generale held its first "Learning Days", a two-day event during which employees are given advice on training courses, with a focus on priority areas of development and on topics that will be of key concern in the future, such as AI, future skills, CSR, new methods of learning, etc. This event also hosted the first edition of the "Societe Generale Learning Awards", which are handed out to the most effective, innovative and engaging development programmes deployed within the Group.

(1) Machine learning computers are not explicitly programmed for AI technology.

GROUP-WIDE ESG TRAINING PLAN

The Group rolled out an ESG training and awareness plan for all employees, with the goal of:

- developing a Group ESG culture based on a shared foundation of core knowledge;
- supporting the businesses in developing appropriate technical expertise.

It involves:

1. **an offering of around 150 training and awareness-raising modules available externally and internally.** These modules focus on six main themes, the basics of CSR, ESG risks, the environment and the environmental transition, responsible use of digital technology, the responsible employer, finance and sustainable investment. It includes several modules on areas of expertise proposed by the group's businesses, in particular the carbon reduction objectives of the different economic sectors, such as transport, aviation, automotive, real estate, etc. In particular, it features a structured upskilling process with five levels of expertise, where the fundamental level requires a minimum of five hours of training and the highest level requires more than 50 hours of training.

1. FUNDAMENTAL	2. INTERMEDIATE	3. ADVANCED	4. QUALIFIED	5. EXPERT
Minimum required for all employees	Available for all employees	Employees seeking greater CSR expertise	Employees looking for a qualification in CSR	Employees working in the area of CSR

The first two levels, fundamental and intermediate, are designed for all Group employees. The next three levels are designed for employees seeking advanced expertise in ESG, seeking a qualification, or working in the area of ESG. Specific training paths are also proposed for certain groups, such as Ambassadors (Top 1.400 managers), Executive Committee members, new hires and junior staff. The members of the Board of Directors obtained training on the climate and biodiversity. A CSR reskilling programme developed with the engineering school CentraleSupelec was launched for employees embarking on a new job with a CSR component. It involves ten days of training in face-to-face format covering themes such as the energy transition, sustainable finance and urban planning issues;

2. **a target to train 30% of employees in the use of the Climate Fresk.**

   The Group plans to deploy the Climate Fresk (which is included in the intermediate level of training) among 30% of its employees by September 2024.

Societe Generale was particularly active in ESG training and awareness-raising campaigns over 2023, including:

- **new training opportunities in its catalogue :**
  - *Climate School* modules involving 20 courses and 150 micro-videos teaching about climate change issues and levers for individual and collective action,
  - modules on energy efficiency and digital accessibility,
  - sector analyses of the automotive, real estate, maritime transport, oil and gas, building materials and other sectors;
- **the organisation of various training and awareness events :**
  - the *2tonnes* and *My* Co_2 day workshops, the 24-hour Fresk workshops, Fresk summer workshops, Sustainable Development weeks,
  - conferences on the elimination of single-use plastics, the circular economy, efficient use of water and carbon reduction;
- **targeted training for specific personnel :**
  - the *Ambassadors* attended workshops and conferences on climate objectives, decarbonisation scenarios and new regenerative economy models,
  - the members of the Executive Committee and the Management Committee all received training in climate issues,
  - the members of the Board of Directors obtained training on the climate and biodiversity.

Key figures

- at 31 December 2023, more than **80% of Group employees** had completed at least one ESG training course since 2021. Nearly 63% of Group employees completed ESG training in 2023, reflecting:
  - **316,866 training actions,** *i.e.* more than four training actions on average per trained employee,
  - **395,956 hours of training,** *i.e.* more than five hours of training on average per trained employee,
  - more than **30% of Group employees** completed training in each of the following themes: the basics of CSR, sustainable finance and related regulations, and issues relating to the ecological crisis;
- more than **25% of employees** have completed Climate Fresk workshops since 2021, of which 18% in 2023, *i.e.*:
  - a total of **29,320 employees** having completed Climate Fresk workshops, 21,000 of which in 2023,
  - more than **650 internal instructors** trained, of which 500 in 2023.

Societe Generale is keenly aware of the driving role it plays in helping to build more responsible development models, and during 2023 it contributed to the work of *Entreprises pour l'Environnement* (EpE) (businesses for the environment). Its HR experts participated in business committee meetings on the integration of transition objectives into all HR processes, demonstrating the Group's commitment to these important matters.

Identifying and supporting talent

Built around its Leadership Model and designed to optimise and develop the potential of its employees, while deepening commitment to the Group, Societe Generale's talent management policy applies across all entities, businesses and regions. The aim of the policy is not only to identify, develop and retain high-potential employees and the leaders of tomorrow, but also to ensure the Group has the right managers for its key positions through succession planning.

In 2023, the Group further strengthened its system for managing key positions and developing high-potential talents. It:

- reviewed succession plans for key positions in the Group;
- continued its efforts on diversity (see : www.societegenerale.com, Responsibility, section : Responsible employer) introducing two new professional development programmes designed to help women progress in their career (300 women per year);
- continued to support talent development and growth in expertise, making use of several leadership programmes and personalised development tools such as 360-degree feedback (from the employee's manager, colleagues and others with whom they interact), coaching, development centres and mentorship;
- supported its HR teams and fostered a community of talent managers.

Offering fair and competitive pay

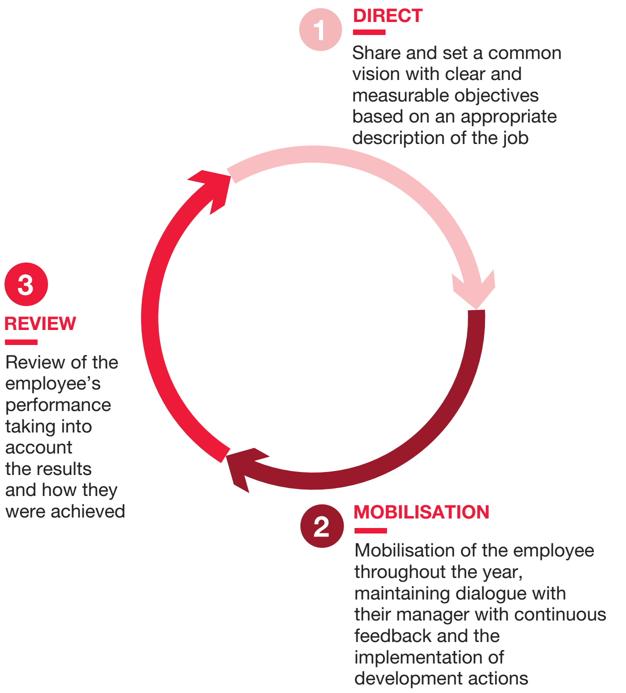
A BALANCED COMPENSATION POLICY

Adapted to the specific economic, social, regulatory and competitive environment in each of the markets in which the Group operates, the core tenets of this policy, shared by all entities, are non-discrimination and equal treatment, namely:

- rewarding individual and collective performance;
- promoting healthy and effective risk management and ensuring employees are not encouraged to take inappropriate risks;
- promoting equality, and professional and wage equality between employees without any form of discrimination;
- attracting, retaining and motivating strategic talents and key resources;
- aligning the interests of employees with those of the Group and its shareholders;
- checking that employees comply with the applicable internal rules and regulations while ensuring equal treatment of customers;
- reducing potential pay gaps between women and men within the Group by 2026 by allocating a budget of EUR 100 million between 2024 and 2025.

INDIVIDUAL PERFORMANCE REVIEWS TO BOOST COLLECTIVE RESULTS

To ensure equal treatment of its employees, the Group monitors their performance throughout their careers, particularly through development plans and performance reviews. As shown in the chart below, individual development plans are assessed as part of a three-stage process. The first stage, direct, involves a meeting between the line manager and the employee at the beginning of the year to set targets. This is followed by a second meeting, the review stage, at the end of the year to assess the achievement of the targets. In between those meetings is the mobilisation phase, throughout which the employee is monitored and supported. A dedicated tool is used for this purpose by all of the Group entities. This ensures that the performance review campaigns are uniform and consistent. The performance management process is key because it impacts other phases of the managerial cycle, such as training and skills development, career management, compensation, etc. In 2023, the Group launched an ambitious new strategy focused on sustainable development, entailing a culture of performance and responsibility.



In more concrete terms, the annual performance review provides a space for discussion between the employee and their line manager, on the job itself, the degree to which the targets set at the start of the year have been achieved and compliance with regulations and internal rules and procedures applicable to the job. It is also a time to look at the skills acquired during the year, ascertain the skills that need to be developed and identify the training and actions required for this purpose. Finally, for permanent Group employees, the process is completed by a professional meeting with their line manager during which they can discuss prospects for professional advancement over the medium and long term.

COLLECTIVE BENEFIT SCHEMES

A system of variable remuneration is in place based on the Company's overall performance and distributed to employees on the basis of their individual performance. Societe Generale offers its employees a number of collective benefits: profit-sharing and incentives, employee savings plans and employee share ownership together with an employer contribution.

At the end of 2023, Societe Generale employees and former employees (between them numbering around 93,000) held 9.8% of the Bank's share capital and 14.9% of SG's voting rights, through Company or Group savings plans.

Societe Generale SA profit-sharing and incentives paid out in 2023 in respect of 2022 amounted to EUR 158.8 million in total, of which EUR 10 million related to the Group's CSR objective.

And lastly, the 30th edition of the Global Employee Share Ownership Programme saw more than 46,000 employees subscribe to a capital increase in 2023 amounting to EUR 221.2 million.

In 2023, more than EUR 93 million was paid out under the employer contribution.

Adapting employee retention strategies to fit the local context

Alongside its attractive compensation schemes, Societe Generale also works to give its employees other reasons to stay, including:

- the ability to shape their own career paths, with special schemes for employees approaching retirement, careers in transition management, etc. (see *Responsible Employer Report: www.societegenerale.com*, Responsibility, section : Responsible employer);
- the opportunity to take part in civic-minded initiatives supported by the Societe Generale Foundation *C'est Vous l'Avenir* through skills sponsorship programmes under which employees can take three day's leave per year to work with partner associations of the Foundation involved in educating young people and promoting professional inclusion. The Group held solidarity events such as those under the "Move for Youth" association. The third edition of this solidarity sports challenge took place in 2023. 25,250 employees from across the globe (more than 20% of the Group's workforce) participated, supporting the work of non-profits in favour of young people (see *Responsible Employer Report: www.societegenerale.com*, Responsibility, section : Responsible employer);
- the attention paid to wellbeing and mental health, including the "Mind BRD" programme launched at BRD in Romania in 2023. This programme involves three strands the aim of which is to make the employee a central part of the strategy: psycho-emotional development (workshops for managers), training (webinars for employees) and support (24-hour telephone service);
- part-time seniors: Societe Generale has set up a system giving employees approaching retirement the option of working part time within a non-profit association while remaining an employee of their company. The structure benefits from the skills, experience and expertise acquired by the senior member of staff;
- a diverse and more responsible offering at its restaurants and canteens, including the *Too Good to Go* initiative that works to combat food waste by recovering unsold restaurant products. The Company restaurants worked on the mission to completely eliminate single-use plastics by the end of 2023 in France and by the end of 2025 in the rest of the world. This involved setting up return stations and the use of sustainable cutlery in the main buildings in the Paris region;

- benefits for those practising sports, such as subsidising a sports association or negotiating reduced rates at fitness centres through the Social and Economic Committee;
- in the area of mobility, a car pooling initiative for employees in the cross-business teams to share commute journeys. Additionally, sustainable mobility rates have been put in place at several Group entities, such as CGI France and ALD Automotive France (see *Responsible Employer Report: www.societegenerale.com*, Responsibility, section : Responsible employer);
- social benefits to help maintain a work-life balance such as support for employees who are caregivers and flexible working hours to allow colleagues to adapt and rearrange their work load, (see *Risk related to working conditions*, page 375);
- Societe Generale encourages those who wish to join the army reserve forces and allows specific "civil service" leave for this purpose. Any Societe Generale employee in France can take leave for this purpose, and must obtain the agreement of their manager if this leave surpasses ten days a year. Under an agreement signed between Societe Generale and the Ministry of the Armed Forces dated 10 December 2019, the Group goes beyond its regulatory requirements by continuing to pay remuneration for the first ten days of leave for this purpose per year, whether consecutive or not.

KEY INDICATORS ON THE RISKS RELATING TO A LACK OF QUALIFIED STAFF AND THE POTENTIAL IMPACT ON THE BANK'S EMPLOYER BRAND, PERFORMANCE AND ATTRITION

At Group level	2021	2022	2023
% of positions filled through internal mobility	56%	53%	51%
% of employees on permanent contracts who change jobs per year	14%	14%	13%
Number of training hours taken by Group employees (millions)	3.7	4.0	4.4
Average number of training hours per employee	26	32	34
Number of employees on permanent contracts who had an appraisal	106,687	97,969	103,052
% of the workforce on permanent contracts	94%	94%	91%
The Group's payroll expenses (in EUR billions)	9,764	10,052	10,645
Voluntary turnover rate for the workforce on permanent contracts	9.4%	8.6%	7.0%
Share of women in voluntary turnover rate	-	-	*47.8%*
Turnover rate excluding the Indian and Romanian subsidiaries	4%	7%	6%
Number of new hires	15,290	13,560	19,863
Share of women in new hires	*50%*	*47%*	*53%*
Number of employees involved in solidarity initiatives proposed by the Group	-	-	7,378
Number of days taken by employees for solidarity activities	-	-	10,758

To tackle high staff turnover at certain sites, particularly in India and Romania, partly attributable to local employment patterns on these markets, the Group subsidiaries in these countries have launched targeted actions to improve employee engagement and retention. These actions focus on benefit packages, working conditions and career progression. Ensuring a stable workforce is an important task of the Human Resources Department, as it is aware that the teams are the Bank's primary asset.

5.2.1.3.2 RISK RELATED TO WORKING CONDITIONS

To address these risks, the Group has introduced a series of policies and initiatives in the following areas.

Listening to and supporting employees in a changing work environment

CONSIDERING AND ADDRESSING EMPLOYEES' NEEDS, AS INDIVIDUALS AND AS A GROUP

As a responsible bank, Societe Generale has taken its employees' new aspirations on board, especially in terms of their well-being at work and the need to feel heard and to find meaning in what they do.

A new agreement on workplace well-being

In November 2022, the Human Resources Department signed an **agreement** with the French trade unions on **workplace well-being**. The aim was to galvanise efforts to improve working conditions and prevent occupational risks within the Group. This agreement entered into effect on 1 January 2023 for a three-year term and centres on six areas: work-life balance, new ways of working (remote/hybrid working), individual and collective freedom of expression, workload, living and working with cancer or another chronic illness, and the prevention of psychosocial risks (see *How the Group is stepping up its efforts on psychosocial risk prevention*, page 379). The goal is to emphasise wellbeing in the workplace on a broad level, using all possible levers to achieve it.

FOCUS ON THE EMPLOYEE SATISFACTION SURVEY

Societe Generale measures employee engagement through its Employee Satisfaction Survey, an annual, anonymous internal survey conducted throughout the Group. Employees are asked to freely give their opinion and impressions on a range of topics related to life at work. All answers are strictly confidential. The results are shared with employees and serve as the basis for drawing up action plans and putting together working groups in each of the BUs and SUs, with a view to continuous improvement. These action plans are then submitted to the Board of Directors.

In 2023, 72% of the Group's employees took part in the survey. This latest survey covered the following topics:

- **commitment:**

  The Group's rate of engagement is stable at 64%. The percentage of employees that would recommend the Group as an employer was up 2 points on 2022, at 66%, and pride in belonging to the Group was up 3 points on 2022 at 76%.

- **efficiency:**

  Everyday management practices and team spirit are two of the most important features of the Group's culture. Employees can count on help and constructive feedback from their manager (86%) and on the support of their colleagues (91%). More than half of employees believe that the processes and structures within their entity have been simplified (55%).

- **responsibility (CSR, culture & conduct, diversity, equality and inclusion, wellbeing in the workplace):**

  There is a solid culture of responsibility within the Group. 71% of employees believe that Societe Generale is socially and economically responsible.

  There is a well-established culture of dialogue within the Group: 86% of employees say they can give their opinion, and express new ideas or concerns within their team.

  In terms of diversity, equality and inclusion, 86% of employees feel included and accepted for who they are.

75% of employees perceive a positive change in the work-life balance, up 3 points on 2022. They rate their level of wellbeing in the workplace at 6.2 out of 10.

- **outlook:**

  59% of employees feel involved in the changes taking place within their entity, up 6 points on 2022.

Since 2018, the collective targets set for members of the Group's Management Committee each year have included a target employee engagement score, as measured through the Employee Satisfaction Survey (see Responsible Employer Report).

Making hybrid work and the associated managerial practices standard procedure

INTRODUCING REMOTE WORKING GROUP-WIDE

Societe Generale was an early endorser of remote working – employees have been allowed to work from home since 2016 – and the Group has been proactive in adapting how it operates to make this possible. The Covid-19 pandemic accelerated the trend, and the Group successfully implemented Group-wide remote working pour for all compatible positions.

In January 2021, General Management signed an open-ended Remote Working Agreement with the French trade unions. The agreement entered into force on 4 October 2021 and makes remote working available to all employees (*i.e.*, whether on permanent or temporary contracts and including interns, work-study participants and new hires). The agreement establishes the principle of regular remote working, setting two days' remote working per week as the standard. Each BU and SU can adjust the number of remote working days so that the system is implemented in a collective manner. In implementing this agreement, the Group's entities adhere to all principles of equality, rules on working hours, the right to disconnect, and health and safety requirements for staff working from home.

Remote working has gradually become widespread within the Group, in businesses and countries where the IT and telephone infrastructures permit.

Accordingly, some 155 Group entities have implemented remote working arrangements, tailoring them to local requirements, and at the end of 2023 more than 95,250 people had availed themselves of remote working within the Group (an increase of 16% on 2022, illustrating the ongoing familiarisation with hybrid working arrangements introduced during the health crisis).

SUPPORTING THE ASSOCIATED ADAPTATIONS IN MANAGERIAL PRACTICES

Local managers play an essential role in the context of remote working, being as they are in daily contact with employees. Special steps have been taken to raise awareness of and prevent risks related to isolation, remote communication and psychosocial distress. The Connect Manager platform pools a wide array of resources for managers to help their teams with remote working. It now includes a Remote Management module with a host of tools to help them learn how to support a hybrid-working team, such as guidelines, how-to guides and online training.

Providing a good working environment

WORKING IN A PLEASANT AND EFFICIENT ENVIRONMENT

As the hybrid work model becomes more widespread, Societe Generale is rethinking how its physical and digital workspaces are organised: redesigning office space and upgrading facilities and equipment.

In 2021, given the new working methods as a result of the increase in remote working, a plan to revamp working spaces was deployed at the Group's Corporate Centre buildings in the Paris region. The idea was to adapt workspaces to new practices and to reduce the Group's building footprint. Most of the Corporate Centre buildings now operate as a "flex office" and users benefit from a range of collaborative spaces to facilitate interaction on site (working spaces, meeting rooms of different configurations and layouts, etc.) and services to enhance their day-to-day lives (a business centre, wellness areas, responsible catering spaces, etc.).

Societe Generale has also rethought its digital workspaces to make sure its employees can work from home securely and seamlessly, just as easily as when they are at the office. To this end, a new virtual workspace, with specific features to optimise mobility and remote working, has been broadly deployed. In addition, the Group is upgrading its tools to make remote teamwork easier and revisiting the network infrastructure at its French branches to speed up their Internet connections. Rounding off its actions, it has developed an online platform offering access to team schedules as well as HR, logistics and compliance services and information. Employees can also submit IT requests and expense claims and manage their professional purchases *via* this platform.

PROMOTING WORK-LIFE BALANCE

In 2023, 121 entities, representing 80% of employees, put in place initiatives designed to promote a healthy work-life balance.

Working hours represent a key element in these initiatives:

- a flexible working-hours policy in 57 Group entities, representing 62% of employees;
- employees in France discuss their workload with their line manager or HR manager as part of their annual appraisal;
- the Group is pushing further ahead with communications campaigns and offers training and support to help managers and employees work out how to achieve optimal efficiency.

Societe Generale also considers each entity's local context when implementing measures to promote a healthy work-life balance, such as:

- maternity leave that exceeds the regulatory minimum in 99 entities;
- benefits to help with childcare in 92 entities covering 83% of the Group's workforce;
- support for employees who are caregivers and schemes through which their colleagues can donate leave;
- and in France more specifically, the Group:
  - has expanded eligibility for parental leave to take into account all family configurations,
  - supports employees suffering from chronic illness and/or returning to work after a lengthy period of sick leave,
  - has signed a new Corporate Parenthood Charter.

As a result of these initiatives to provide employees with a healthy and optimum working environment, certain Group entities have received recognition, B Corp certification for Boursorama and Shine, Great Place to Work certification for ALD Netherlands and SG Romania, and Top Employer recognition for LeasePlan Italy, SG Canada and ALD Automotive Madrid.

Ensuring health and safety in the workplace and during work time

A ROBUST HEALTH AND SAFETY FRAMEWORK

Societe Generale's occupational health and safety policy, applicable Group-wide, aims to provide each employee with a safe working environment – taking into consideration both the physical workplace and working practices – that guarantees their safety and their physical and psychological well-being. The Group complies with all local labour laws and legal obligations for occupational health and safety in all of its entities worldwide. Each local entity adapts the Group's occupational health and safety policy to their local environment and legislation.

Societe Generale is developing positive momentum in respect of workplace well-being (WW) at all levels throughout the Group. Everyone at every level has a role to play in improving workplace wellbeing:

- the Human Resources Department sponsors the occupational health and safety policy, bringing it to the attention of the highest echelons within the Group;
- the Group Security Division, reporting to the General Secretary, keeps people and property safe while on Societe Generale premises;
- all HR teams are involved in advising and offering support to managers and employees, working hand-in-hand with local healthcare professionals specialised in preventive action;
- managers help implement initiatives designed to improve workplace health and safety, and discuss the subject with their employees on a regular basis;
- the occupational health services also help in the area of prevention and providing support to employees throughout the Group. For instance, actions such as workshops on first aid, prevention campaigns (breast cancer, bowel cancer, tobacco-free month, addiction campaigns, anti-flu vaccination) and workshops on maintaining good posture to avoid physical ailments from hybrid working. These initiatives are announced through internal communications, during mandatory visits and *via* the staff mutual insurance service in France.

In France (46% of the Group's workforce), Societe Generale is committed to getting everyone involved in WW issues under the new workplace wellbeing agreement. This includes, in particular:

- WW and psychosocial risks (PSR) correspondents in each BU and SU, to coordinate actions on WW and PSR;
- staff representatives and bodies to carry out quarterly monitoring of the indicators sent by the Group (taking into account each type of contract, absenteeism, resignations, rotation, etc.);
- the WW observatory, to follow up on the agreement's implementation and review reports on what has been done each year;
- the WW team within the Group Human Resources Department, to raise awareness within the Group of the various factors involved;
- the internal occupational health and safety service and social assistants.

Moreover, during 2023, Societe Generale in France received an award from the WW observatory, a body connected to the French government Ministries of Labour, Solidarity and Health, and public sector for its actions in helping to promote this change in the managerial paradigm through support (in particular *via* dedicated training) for managers in adopting new practices to foster trust, autonomy and a work-life balance when implementing new managerial practices and managing teams in hybrid mode.

ENSURING CONTINUOUS IMPROVEMENT IN HEALTH AND SAFETY MATTERS

The Group's long-standing commitment to offering the best possible working conditions means:

- working towards providing all its employees worldwide with basic social, health and welfare protection. 85.5% of employees currently benefit from a supplementary company health or personal protection plan and the Group has set itself the target of providing each employee with coverage amounting to two years' salary in the event of death;
- a global approach to security adapted by the Group Security Division, with the aim of assessing risk levels and unifying all protection measures in order to be able to respond in an optimal manner to multiple exogenous and endogenous threats (cybercrime, terrorism, geopolitical risks, health risks, climate risks);
- a safety and security master plan, prepared by the Security Division for France and shared with the international entities and subsidiaries as standard practice, to be applied in addition to all local safety and security rules;
- continuous monitoring of health and safety risks and social risks in its buildings (see the *focus on preventing psycho-social risks* below), and implementation of targeted preventive and information actions to strengthen the culture of safety within the Group. In 2023, the Group Security Division defined key indicators for monitoring commercial risks (aggression, intrusion, armed robbery, etc.) and non-commercial risks (fire, securing the building, deterioration of equipment, etc.) within the Group. The management of health, safety and security risks forms part of the Group's Duty of Care Plan on human rights and the environment (see *Duty of Care Plan*, page 404). The Security Division also has a specialised monitoring and analysis team that liaises with a network of experts, and maintains close ties with the authorities in France and abroad. By sharing experiences with external experts Societe Generale can better assess the various situations that are exogenous to the Group in order to ensure the highest level of security for employees, suppliers and clients alike.

RAISING AWARENESS AMONG EMPLOYEES OF THE MAIN HEALTH AND SAFETY RISKS

The Group puts prevention programmes in place to tackle the main health and safety risks its employees may face in the course of their work:

Protecting staff from aggressive behaviour

Employees in the banking sector may encounter violence in their work (such as during a bank robbery). Societe Generale does everything possible to keep its staff safe. For example, all employees in French branches (including trainees, and employees on temporary contracts or providing holiday cover) receive safety training on how to manage flows of people on the premises, how to use the emergency equipment and protective devices provided, how to perform their day-to-day work (operating procedures, etc.), how to react to offensive or aggressive behaviour and what to do in the event of an accident or attack. The Group partners with *France Victime* to offer anonymous psychological support for any employees who are victims of offensive or aggressive behaviour or armed robbery.

All employees must also complete a mandatory online training module specifically dealing with attacks at the workplace.

Prevention of risks related to business travel and concerning expatriates

The Group is legally responsible for and must guarantee the safety of employees on business trips, including internationally. To this end, it has drawn up a safety policy to reduce as much as possible the exposure of employees to potential security risks and the impacts in the event of a crisis affecting their physical safety when on international business trips. The policy is based on a monitoring and prevention system (assessment of the security risks of countries, use of internal and external alerts, safety audits, preparation and distribution of instructions), an e-learning component and a component on safety during long assignments and for expatriates. The Group has also defined a procedure for approving travel in risky countries and has safety and evacuation plans in place which are prepared jointly with the local security and safety functions. Last, Societe Generale has a partnership agreement in place for the purposes of ensuring health and safety, and repatriation services.

Preventing isolation and loss of employability

To foster team spirit and employee motivation in the new world of hybrid working, the Group encourages its managers to take training on the risks associated with such working arrangements, in terms of isolation and feelings of exclusion. For their part, employees are made aware of their right to disconnect and how they can maintain social contact. Moreover, 84% of entities covering 97% of the Group's workforce have medical facilities available, ensuring that employees get regular health check-ups. In France, the 2021 Healthcare Act requires employers to take steps to address the risk of loss of employability, working together with occupational health doctors to offer check-ups to ensure that employees returning to work after maternity leave, extended sick leave (more than 30 days) or an occupational illness are indeed fit to do so. All employees aged 43-45 likewise get a medical check-up to reassess whether their health calls for adjustments to their duties and to explain what they themselves can do to ward off occupational risks.

Preventing data theft and cyberattacks

As part of its day-to-day operations, Societe Generale gathers, processes and disseminates confidential information. As a trusted third party, it is essential that it protects that information. Data protection is therefore a priority, to keep all information the Bank receives secure and confidential.

To ensure that employees do their best to maintain data protection, Societe Generale has made available a charter for the Protection of Information and IT Resources and a Group Policy on Information Security. It also provides training, in particular through mandatory e-learning courses, and organises communication drives and internal events to improve the security culture within the Group, for instance the *"security hours"* (see the section below *Improving the culture of security among Group employees*).

To keep employees on their toes and alert to the risks of cyberattacks (especially ransomware attacks), the Group conducts its own phishing campaigns as well as targeted actions to reinforce the message, help employees identify suspicious e-mails and make sure they know how to flag them up.

IMPROVING THE CULTURE OF SECURITY AMONG GROUP EMPLOYEES

The Group Security Division deploys a culture of security programme adapted for all employees throughout the Group. It includes:

- the hosting of a security community with a representative of the BUs and SUs present;

- a "Security Hours" event each month involving a conference to discuss a particular theme together with workshops and quizzes. A monthly event since September 2023, these conferences have examined topics such as security risks worldwide (with the participation of the *Institut français des relations internationales* – IFRI), social engineering and economic security. The topics for discussion during the first quarter of 2024 include responding to victims, information leaks and crisis management. All Group employees are invited to these events. More than 800 people attend them each month;
- a weekly press review of security news by the Group Security Division;
- a quarterly *Horizon sécurité* newsletter which has more than 2,000 readers. It features articles on topical security issues and related risks for the Group and its employees, such as AI manipulation, correct use of badges, creating passwords, best practices for business travel, etc.

FOCUS ON HOW THE GROUP IS STEPPING UP ITS EFFORTS ON PSYCHOSOCIAL RISK PREVENTION

As a responsible employer, the Group has been taking action for several years to ensure it provides a working environment in which the security and physical and mental health of its employees are protected no matter where they are located in the world. Societe Generale has adopted a global policy to preserve its human capital, further improve the wellbeing of its employees in the workplace and prevent psychosocial risks (PSRs). All Group players and entities are involved in fulfilling these objectives through different actions such as providing information, raising awareness, training courses and implementing concrete action plans.

Main achievements in 2023:

- **the annual global employer barometer** was strengthened across all of the wellbeing in the workplace factors referred to by the French institute for the prevention of occupational accidents and disease, *Institut National de Recherche et de Sécurité* (INRS). In particular, it takes into account at a global level the wellbeing in the workplace indicator and an indicator relating to mental health. A review was conducted of how the different factors related to wellbeing in the workplace are presented in order to facilitate analysis and the implementation of concrete action plans;
- **the policy for the prevention of PSRs was strengthened,** with testing and adaptation of a prevention methodology conducted in 2023 with a view to rolling it out broadly over the coming months. It draws on the work and research carried out by various expert bodies and tests carried out within the Group and externally. Rollout is being conducted by the Corporate Centre team responsible for this subject and the social relations team, with support from an external firm. The methodology centres around three themes, workload, recognition and transformation. A community of workplace wellbeing correspondents will be set up in 2024 to drive this initiative;
- **the HR indicators were shared with the trade unions** to ensure regular communication and discussion about them between the different stakeholders (line management, HR line management and staff representative bodies), the sharing of problems encountered and solutions put in place, and to promote continued constructive dialogue at the level of each entity;
- **a community of experts** on all subjects that contribute to workplace wellbeing was formed in certain entities, and plans are in place to extend this measure;
- **continued implementation of existing measures** to prevent and manage PSRs, in particular dedicated training (mandatory training module for managers and HR), occupational health services, a psychological support platform *(Preventis)* and other measures under the mutual insurance and protection insurance services.

Upholding fair and equal treatment

Beyond providing a safe and healthy working environment, being a responsible employer also means striving to ensure fair and equal treatment of all employees – an essential factor in fostering innovation and boosting the Group's performance.

PROMOTING EQUAL OPPORTUNITIES AND DIVERSITY IN THE GROUP AND TAKING STEPS TO COUNTER DISCRIMINATION

Societe Generale has a range of policies, actions and processes in place to counter the risk of discrimination, including in particular:

- a Diversity, Equality and Inclusion (DE&I) policy, reflecting the Group's determination to recognise and promote all promising employees, regardless of their beliefs, age, disability, parental status, nationality, gender identity, sexual orientation, membership of a political, religious or trade union organisation, or any other factors on the basis of which they could be discriminated against. This policy aims to create the conditions for an inclusive organisation offering equal treatment to all and does so by requiring action on various fronts:
  - fighting against all forms of discrimination,
  - communicating, raising awareness, training,
  - creating a work environment and management that is conducive to inclusion,
  - championing diversity and inclusion at governance level within the Group;
- sponsorship of non-discrimination at the highest level of the organisation, led by Pierre Palmieri (Deputy Chief Executive Officer);
- a DE&I Steering Committee which replaces the Diversity and Inclusion Committee, initiated in November 2021. It has twelve members from the Group Management Committee and a DE&I expert to guide discussions and proposals. Each member is tasked with:
  - promoting the Group's DE&I policy within the Group and externally,
  - sponsoring one of the Group's five priority areas, namely gender, disability, diversity of origin (socio-economic and socio-cultural), the intergenerational question, and the inclusion of LGBT+ persons;
- a special team responsible for promoting diversity, equality and inclusion, with support from a network of DE&I managers in rolling out the Group's commitments in the BUs and SUs, both in France and in the Group's international entities;

- an ambitious gender equality target of increasing the percentage of women in senior management positions (Top 250) to at least 35% by 2026;
- action to highlight all areas of disability so that employees can recognise and make the necessary arrangements to work stations used by persons with a disability. During European Week for Employment of People with Disabilities (SEEPH) in November 2023, Mission Handicap organised conferences and workshops to raise awareness of the importance of improving social and professional inclusion of people with a disability;
- a raft of new public commitments over the past years:
  - at Group level:
    - signature in 2023 of a new global agreement on fundamental rights with UNI Global Union,
    - signature of the initiative *Towards the Zero Gender Gap* during "Women's forum 2021",
    - to the UN's Guiding Principles on tackling discrimination against the LGBTQ+ community, supported since 2018,
    - to the Women's Empowerment Principles, signed in 2016,
    - to the International Labour Organization's Global Business & Disability Charter, signed in 2016,
  - in France:
    - a company collective agreement on professional gender equality in 2023,
    - renewal of Societe Generale's three-year agreement promoting the employment and professional integration of people with disabilities in France (the 2023-2025 agreement marks its sixth renewal),
    - signing of the OneInThreeWomen Charter to raise awareness of violence against women in 2022,
    - signing of a new Corporate Parenthood Charter, to support parents in all family configurations (single parents, same-sex parents, etc.) in 2022,
    - signing of two charters to foster gender diversity: #JamaisSansElles and Financi'Elles in 2021,
    - signing of the Autre Cercle Charter promoting an inclusive workplace for LGBTQ+ individuals in 2021.

Measures to counter the risk of discrimination at work also form part of the Group's Duty of Care Plan. The Group assesses the extent to which there is a risk of discrimination at its various sites, so as to identify and better understand local issues and how to address them (see "Duty of Care Plan", page 404).

IMPLEMENTING PRACTICAL MANAGEMENT, AWARENESS AND TRAINING ACTIONS AROUND DIVERSITY, EQUALITY AND INCLUSION

With over 126,000 employees of 152 nationalities working in more than 60 different countries, and with 54% of its workforce based outside of France, Societe Generale reiterates its commitment to making diversity, equality and inclusion a reality for all employees and a managerial priority for the Group.

Diversity is a matter of both ethical responsibility and performance, and the Group has thus maintained its objective of promoting women and international candidates to positions of responsibility and seats on Societe Generale's management bodies. To achieve this, it relies on certain key measures, including:

- monitoring indicators in respect of women and international employees, *i.e.*, their representation within high-potential pools and succession plans, their promotions, pay rises, grades and classes, etc.;
- a more collective approach to the appointment of senior executives (see Chapter 3: *Diversity, equality and inclusion policy within Societe Generale*, page 113);
- reviewing the inclusiveness of certain social policies (to ensure, for example, that they take into account different family configurations).

As part of its commitment to implementing a strong diversity policy, the Group has also rolled out a range of awareness-raising and training initiatives around diversity, including:

- at Group level:
  - the launch of an e-learning course on understanding and preventing discrimination in the hiring process, which is mandatory every four years for HR staff and managers,
  - an in-house resource hub (the Diversity & Inclusion SharePoint) available to all Group employees and containing articles, benchmark studies, reports and more;
- in France:
  - the "Diversity, equality and inclusion" playlist available to all employees on the e-learning platform was further enhanced in 2023 with nine new modules on the themes of disability, invisible disability, LGBT phobia, fat shaming, intergenerational inclusion, sexism, sexist and sexual violence and second-parent leave,
  - campaigns and programmes to raise awareness among employees of diversity, equality and inclusion issues and how our unconscious biases can affect our behaviour. For example, talks throughout the year on subjects such as disability, the inclusion of LGBTQ+ persons, neurodiversity, acts of microaggression, etc.;
- in the United Kingdom, mandatory Inclusion Training for all employees was deployed with active participation by local senior management;
- in the United States, a diversity, equality and inclusion target was included in the operational targets of managers.

The Group's commitment to diversity is also evident in how it:

- regularly surveys its employees on how inclusive they feel their work environment is;
- supports in-house employee networks set up to promote inclusion (women's networks, in particular women in digital professions, WAY (We Are Young), Pride&Allies (LGBT+), Dkrés (neurodiversity), networks supporting diversity of origin such as "Be Me Network" in the UK, "Black Leadership Network", "Vamos" and "Asian Professionals Network" in the US, "Cultural Diversity Network" in Asia, etc.

Staying with diversity, equality and inclusion, 138 entities representing 97% of the Group's workforce have local actions in place to strengthen gender equality, 89 entities representing 84% of the Group's workforce have local actions in place to support employees with disabilities, 61 entities representing 67% of the Group's workforce have local actions in place to support employees aged 50+, and 88 entities representing 88% of the Group's workforce have local actions in place to promote inclusion and professional integration. For more information, see *www.societegenerale.com,* Responsibility, section : *Responsible employer*.

KEY INDICATORS ON THE RISKS RELATING TO WORKING CONDITIONS

	2021	2022	2023
% of non-French employees among the Top 250	-	26%	30.5%
% of women in senior management roles (Top 250)	-	-	31.4%
Absenteeism rate(1)	3.5%	3.9%	3.4%
Number of occupational accidents	570	590	794
% of the workforce targeted by prevention and information campaigns on health	99%	98%	98%
% of the workforce targeted by prevention and information campaigns on safety	98%	99%	97%
Number of employees able to work remotely(2) worldwide	77,671	82,023	95,250
% of the workforce benefiting from measures to promote work-life balance(3)	89%	82%	80%
Engagement rate(4)	64%	63%	64%

(1) *The absenteeism rate is the ratio of the number of days' paid leave (sick leave, parental leave and other types of paid leave) to the total number of days paid, expressed as a percentage. It is counted in calendar days and calculated using the total headcount (workforce present multiplied by 365).*
(2) *Excluding remote working under the Business Continuity Plan.*
(3) *Any agreement, measure or action designed to foster a better work-life balance for employees.*
(4) *Change in the items that make up this indicator, which now covers six questions on pride of belonging, whether the employee would recommend the Group to their circle of acquaintances, feeling of personal accomplishment, optimism about the employee's future within the Group, confidence in the decisions taken by the management and support for the strategy and directions of their entity (instead of ten questions previously).*

5.2.1.3.3 RISKS RELATING TO NON-COMPLIANCE WITH LABOUR REGULATIONS AND THE GROUP'S OWN LABOUR RULES

The Group is required to comply with many different regulations around the world in terms of labour law and broader human rights (compensation and social rights, diversity and non-discrimination, dialogue with employees, freedom of association, etc.).

Very aware of the need to comply with human rights, Societe Generale has also adopted internal rules for human resources management. Failure to comply would not only be harmful to the Group's employees and could also impact Societe Generale's ability to continue its activities, and expose it to certain legal and reputation risks.

To avoid this, and to ensure that its practices comply with all regulations and internal rules, and that it has the ability to continue its activities, the Group relies on a range of policies and initiatives with a view to meeting certain objectives:

- ensuring compliance with all regulations concerning human resources management processes (health and safety standards, duty of care, remuneration policies including those applicable to regulated employees, General Data Protection Regulation, MiFID II, etc.);
- maintaining a labour relations climate that is favourable to interactions with the Group's stakeholders (in particular employee representative bodies and employees themselves), by guaranteeing its employees' fundamental rights and freedom to organise;
- fighting against all forms of discrimination at work and promoting workplace equality and diversity;
- guaranteeing health and safety in the workplace.

To this end, it also:

- monitors labour law developments in all countries where it operates;
- gets its Human Resources Department involved in regulatory projects;
- routinely updates its human resources information systems (HRIS) in line with regulatory developments (on a Group-wide or local basis, as appropriate).

Promoting the highest standards of Culture & Conduct

Societe Generale is vigilant when it comes to complying with legislation, internal rules and procedures, and the ethical principles governing its business activities. These principles are detailed in the Group's Code of Conduct.

Having coordinated the Group's Culture & Conduct programme since 2021 (see page 332) alongside the Compliance Division, the Human Resources Department is particularly active in promoting ethical and responsible conduct on the part of individuals and teams that will translate into ethical and responsible business for the Group as a whole. To this end, it organises annual campaigns involving training, workshops, videos, articles and the like, designed to foster an environment in which appropriate conduct prevails, in line with the Group's values.

A GROUP POLICY ON INAPPROPRIATE CONDUCT

Introduced in 2019, the Group's policy on inappropriate conduct in the workplace aims to detect and deter any conduct that contravenes the principles enshrined in its Code of Conduct. As part of its drive to stamp out inappropriate conduct, Societe Generale has adopted a zero-tolerance stance on bullying, sexual harassment and sexism at the workplace. It organises information campaigns and encourages employees to speak up to their managers and/or to HR if they become aware of or experience any form of harassment. Workplace harassment training is mandatory for all Group employees. At the same time, the Group has put in place a plan focused on awareness and training, involving in particular specific workshops for managers and employees to raise awareness of methods of preventing inappropriate behaviour. The human resources teams are given special support in order to best prevent and deal with such situations. This policy is designed to ensure that people are aware that such behaviour is subject to disciplinary action (criminal sanctions in certain cases) and dismissal where required.

WHISTLEBLOWING PROCEDURE

Set up for the entire Group, the whistleblowing procedure allows employees, members of the management bodies, Directors, shareholders and external and short-term employees to report any situations of which they are aware that either breach the Group's ethical standards or rules of business or could be illegal or contrary to applicable legislation. This may include situations of inappropriate behaviour or threats to the health and safety of individuals (see *Duty of Care Plan*, page 404 and *Code of Conduct underpinned by shared values*, page 330).

A GLOBAL DISCIPLINARY POLICY

Published in 2019, the global disciplinary policy formalises the Group's principles and best practices in relation to sanctions (recognition of the right to make a mistake but zero tolerance on misconduct, collective decision-making on sanctions, proportionality, managers' ultimate responsibility in upholding principles and enforcing sanctions, sanctions paired with corrective actions). This global policy translates into operating procedures and a record of disciplinary actions imposed in each Group entity. The key indicators are communicated to General Management.

STRONGLY ADVOCATING A SPEAK-UP CULTURE

By encouraging all employees to express their views, the Group seeks to meet the twin aims of identifying the best of ideas and more easily detecting risks. In order to foster freedom of expression and active listening, mandatory training is provided together with workshops to raise awareness, guidelines on maintaining a culture of dialogue and practical fact sheets. Regular feedback is also practised within the Group to build an environment that is conducive to dialogue (see *The results of the employee satisfaction survey*, page 376).

Ensuring compliance with regulations governing compensation

The principles governing Societe Generale's compensation policy, in particular for the categories of staff whose professional activities are liable to have a significant impact on the Group's risk profile, as per CRD V, Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019, are detailed in the Compensation Policies and Practices Report. This report will be published ahead of the General Meeting, as is the case each year, and submitted to the French oversight body for banks and prudential supervision (*Autorité de contrôle prudentiel et de résolution* – ACPR) in accordance with the provisions of EU Regulation No. 575/2013 (see www.societegenerale.com, Responsibility, section : Responsible employer).

In accordance with CRD V and its transposition into French law, the Compensation Committee ensures that the Group's compensation policies comply with the regulations and are aligned with the Group's risk management strategy and shareholders' equity targets (see Chapter 3 *Compensation Committee*, page 104).

Moreover, the governance of the compensation of members of the personnel, including executive management bodies and personnel who are generally considered material risk takers (regulated employees as per CRD V) at the Group level, is aligned with the Bank's risk management process at several levels:

- the Group's various control functions implement procedures at different levels each year to control the compliance of the Group's compensation policy (see the report on compensation policies and practices). Each year, the Risk and Compliance Divisions give an independent opinion to the Board of Directors' Risk Committee on the methods used to take compliance risks into account in the Group's compensation policy;
- variable remuneration is calculated in such a way that it takes into account the different risks to which the Bank is exposed and ensures that the total amount of variable remuneration would not hinder the Group's capacity to strengthen its equity position;
- the compensation policy based on the annual individual performance evaluations takes into strict consideration exemplary practices and compliance and risk management when determining individual variable remuneration. Risk takers (regulated employees as per CRD V) at the Group level who carry out professional activities in the Group's BUs are subject to an independent annual evaluation by the Risk and Compliance Departments of their risk management and level of compliance.

Maintaining a positive labour environment

The Group's commitment to labour relations is demonstrated by:

- the signature of a new global agreement on the rights of Group employees with UNI Global Union on the basis of the previous agreements signed in 2015 and 2019. Valid for four years, this agreement sets out a new framework of minimum guarantees of social rights for Group employee, such as 14-week maternity leave, 1-week paternity leave with maintenance of fixed salary, death benefit covering or supplementing existing local regimes of a minimum of two years of fixed salary. Under this agreement, the Group regularly communicates with UNI Global Union on how it is implementing its commitments. In addition, an annual follow-up meeting is held between UNI Global Union representatives, the Bank's Human Resources Departments, and representatives from the Group's trade unions. Several meetings were held over the year, and most recently in November 2023 (see Duty of Care Plan, page 404);
- the signature of several collective agreements with social partners, covering compensation and employee benefits, working conditions (working hours, employment conditions, remote working, etc.), strategic company projects, labour relations practices and equality in the workplace.

In 2023, 144 local agreements were signed within the Group, covering 68% of the workforce.

KEY PERFORMANCE INDICATORS ON RISKS RELATING TO NON-COMPLIANCE WITH LABOUR REGULATIONS AND THE GROUP'S OWN LABOUR RULES

	2021	2022	2023
Number of collective agreements signed with social partners	157	195	144
% of workforce covered	62%	68%	68%
Number of reports received via the Group tool	-	231	310
Number of admissible reports received in the Group tool	-	126	111
Speak-up rate[(1)]	85%	85%	86%

(1) Response to the question in the employee satisfaction survey as to whether employees can give their opinion and express new ideas or concerns to their managers or colleagues on their team.

HR SUPPORT FOR TRANSFORMATION PROJECTS WITHIN THE GROUP

Major transformations within the Bank can heighten risk, due to the associated recruitment needs, revised organisation and new operating procedures. They can also heighten employees' exposure to psychosocial risks.

Societe Generale is determined to uphold its commitments as a responsible employer in the context of major transformation projects, providing all employees impacted with the support they need.

2023 saw the completion of the legal and IT merger of the Societe Generale and Crédit du Nord banks (VISION2025 merger project), including their head offices, back offices and distribution networks. This merger involved major human capital issues for the Group:

- **management gave a firm undertaking not to force anyone out** throughout the project, instead preferring to rely on internal reassignments;
- **providing the necessary HR and skills development support** throughout the process. The Group offered all employees a skills assessment, allowing them to review where their strengths lie and what aspects of their work they most enjoy. It also drew up job descriptions and set up forums where employees can learn about the jobs available within the Bank following the merger. It furthermore earmarked an unprecedented EUR 100 million for training (three times the usual budget) and set up a Skills Academy with a view to encouraging employees to upskill. Training programmes for employees whose jobs were transformed (covering integration, starting a new job and skills improvement) were completely overhauled and revised;
- **the management of psychosocial risks** and the implementation of a system to identify, understand and act on the risks inherent in the merger as early as possible, *via* the production of a map for monitoring specific indicators and figures and the monitoring of action plans;
- **co-developing a shared culture.** This is essential to the merger's success. A first step was taken in 2022 in order to compile the perceptions of the different cultures and hold discussions between employees to work on a shared culture, particularly as part of a consultation of all employees of both banks *via* a Barrett questionnaire. This was followed by workshops involving more than 350 employees and discussions with senior management to co-develop the target culture that was approved in 2023: Simplicity, Trust, Proximity and Team Spirit. The new culture will be communicated to all employees in 2024;
- **maintaining and developing employer appeal** during the merger period. Work was carried out on the employer brand leading to external actions such as recruitment drives, local recruitment campaigns, co-optation, etc. There was a high level of recruitment, more than 2,200 new hires, to keep pace with needs throughout the merger process, ensure business as usual and maintain high standards of customer care at both banks;
- **a review of remuneration levels** got under way in January 2024 as part of a process to harmonise salaries over a number of years with the goal of finding a balance between the two banks (Societe Generale and Crédit du Nord), taking into account previous history, Group performance and individual performance;
- **the employee support measures** put in place apply for the entire duration of the project: a mentorship system to help Crédit du Nord employees get acquainted with the systems, processes and offers. This will develop into a system of mutual assistance between colleagues in order to continue and finalise the changeover.

5.2.2 RESPONSIBLE SOURCING

The Sourcing Function, led by the Group Head of Sourcing, handles the commercial and contractual aspects of all of the Group's external commitments other than payroll expenses.

The Sourcing Function plays an important role in implementing the Group's CSR strategy. It helps give tangible form to our values and strives to ensure the Group's social and environmental commitments are achieved.

In place since 2006, the responsible sourcing policy covers all stakeholders in the value chain (vendors, buyers and suppliers) and has two main strands:

- upholding the Duty of Care Plan (for more information, see *Duty of Care Plan*, page 404);
- promoting positive-impact sourcing strategies.

The Group's normative documentation on sustainable sourcing sets out how E&S risks are managed within the Group.

Societe Generale strives to continually improve its sourcing practices, in line with the rules of conduct and ethical standards applicable to procurement annexed to the Global Agreement on Fundamental Rights signed with UNI Global Union (see *Being a responsible employer*, page 368). As a result, its practices have evolved in recent years to systematically take environmental and social issues into account in the sourcing process.

Early in 2022, the French National Ombudsman (*Médiation des entreprises*) and National Procurement Council (*Conseil national des achats*) unanimously approved the renewal of Societe Generale's Responsible Sourcing and Supplier Relations certification for a further three years. This renewal was confirmed in early 2023 through an interim audit of the main issues covered by the label. This certification, underpinned by ISO 20400, attests to the Bank's commitment to the sustainable sourcing policy it has pursued with its suppliers for over 15 years. The Group has been awarded "exemplary" status in managing risk, seeking out CSR opportunities and adding CSR considerations to its expressions of requirements when preparing calls for tender. Societe Generale was the very first bank to be awarded this certification back in 2012, further to its signature of the Responsible Supplier Relations Charter, and has held this certification continuously since then.

5.2.2.1 System for managing identified and potential E&S risks

The management of E&S risks in the sourcing process and the management of supplier relations are provided for in the Group's normative documentation.

Operational implementation of the normative documentation and management of E&S risks at all stages of the sourcing process are based on a set of tools to identify, assess and manage E&S risks at a granular level: product or service and supplier or service provider. These tools are used for purchases made by the Group Sourcing Division and at least for high-risk categories in the Sourcing function in other countries. They are being phased in across the Group.

Details of all of these measures and the main indicators monitored are provided in the Group's Duty of Care Plan, page 404);

5.2.2.2 Promoting positive-impact sourcing strategies

Three priority CSR ambitions have been defined by the Group:

- quality of supplier relations: the Sourcing Division aims to set an example in its relations with its suppliers and to increasingly make CSR considerations a factor in those relations. In addition, Societe Generale prefers to resolve any disputes between buyers and suppliers through mediation if they cannot be resolved directly between the parties concerned. Societe Generale was the first bank to sign the SME Pact in December 2007 and continues to support SMEs, remaining attentive to their concerns and conducting regular satisfaction surveys. In the survey launched towards the end of 2021, SMEs reported an overall satisfaction score of 70%. At the SME Pact seminar held on 30 September 2022, Societe Generale was awarded the CSR Trophy for the environmental and social policy it pursues with its suppliers; A similar initiative was launched at the end of 2023 with a new 2023 survey. 145 French SME suppliers completed the survey, giving a response rate of 39%, which is an increase of 4 points. The overall satisfaction rate for that year is 70%. The Group Sourcing Division will invite the suppliers that responded to the survey to a dedicated webinar during which it will present these results and the action plan to be implemented over the coming months;
- the Social and Solidarity Economy (SSE): in 2023, Societe Generale spent EUR 14.8 million on SSE structures, surpassing the target of EUR 14 million set for this period. In addition to a growing contribution to the supported and sheltered employment sector, the scope of its action has been extended to partnerships with organisations that help with rehabilitation and other SSE players;
- climate action: the Sourcing Division plays a cross-cutting steering role for the Group and advises the BUs on how they can cut down on emissions from air and car travel in order to help the Group to meet its overall emission reduction target of -50% between 2019 and 2030. It also plays an active role in the Group's efforts to promote biodiversity. More specifically, it is working with its suppliers to come up with alternatives to single-use plastics in the Group's working environment by 2025.

DATA RELATED TO THE RESPONSIBLE PURCHASING POLICY

	2021	2022	2023	Target
Total Group purchasing	EUR 5.8bn	EUR 6.5bn	EUR 6.2bn	
Average invoice payment time (weighted by amount)	27 days	32 days	43 days[1]	< 30 days
Average weighting of CSR criteria in calls for tender	14%	14.5% in France 9.2% for international businesses	15% in France 13% for international businesses	
Expenditure directed to SSE[2] structures	EUR 12.4m	EUR 13.9m	EUR 14.8m	EUR 14.0m
Proportion of calls for tender in high-risk purchasing categories that included CSR criteria	99%	99%	99.7%	100%
Proportion of buyers trained in sustainable sourcing	100%	100%	100%	100%

(1) Supplier payment times in 2023 were impacted by the implementation of new tools and processes within Societe Generale.
(2) Social and Solidarity Economy.

5.2.3 BEING A COMPANY THAT CARES ABOUT THE ENVIRONMENT

5.2.3.1 Managing the Group's carbon footprint

As part of its CSR approach, Societe Generale has been working on reducing its carbon footprint for a number of years.

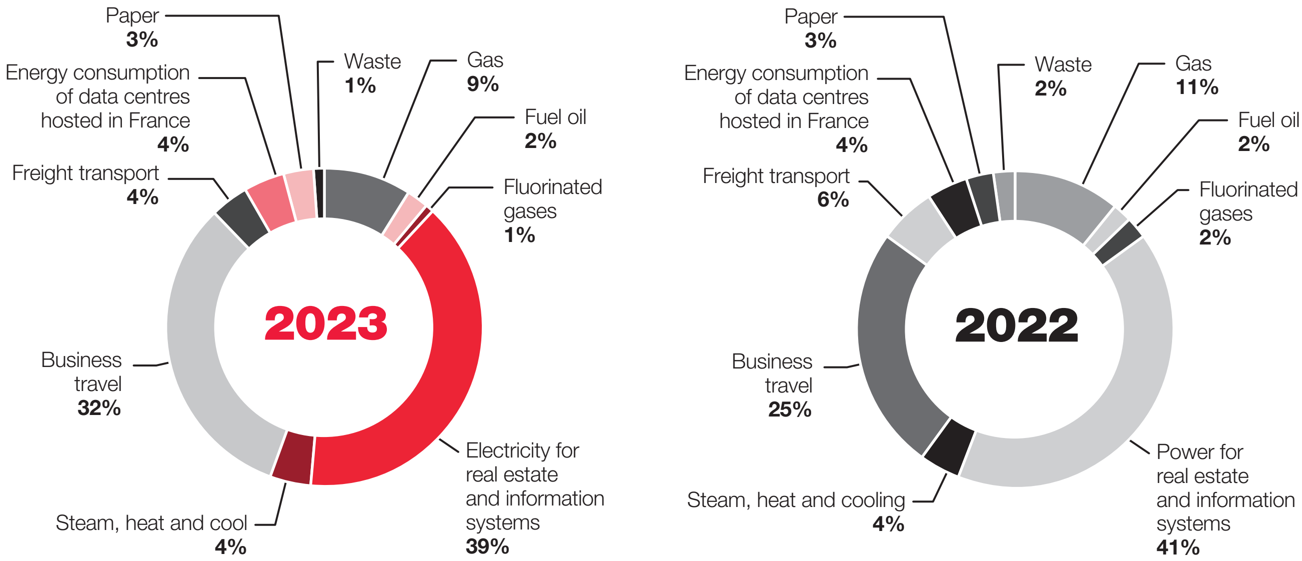
In 2021, the Group ramped its goals up a notch, announcing a target of a 50% reduction in its operational carbon emissions between 2019 and 2030, through measures focused on energy use relating to its premises, IT, air travel and car fleet. By the end of 2023, the Group had achieved a 34% reduction as compared to its 2019 carbon footprint and was thus on track to meet this target.

In 2023, the BUs and SUs took charge of implementing operational measures aimed at reducing greenhouse gas emissions.

The main areas identified as offering potential for emissions reductions were as follows:

- air transport and car fleet: by reducing business travel (*i.e.*, travelling less) and making it greener (*i.e.*, travelling cleaner, for example by switching to electric vehicles for the car fleet or opting for more efficient routes/airlines);
- IT systems: the Group keeps a very sharp eye on its IT carbon footprint and has a special programme in place to reduce it – CSR by IT, see the "Information Systems and IT infrastructure" paragraph, page 388;
- real estate: by using more renewable energies and benefiting from the reduction in consumption made possible by new ways of working post-pandemic (more remote working, smaller building footprint for the Group).

BREAKDOWN OF THE GROUP'S DIRECT CO_2 EMISSIONS IN 2023 AND 2022



* *Transport of goods, including transport of funds.*

		2019 Location-based recalculated(1)	2020 Location-based recalculated(1)	2021 Location-based recalculated(1)	2022 Location-based recalculated(1)	2023 Location-based	2023 Market-based
Group carbon footprint	tCO_2e	277,421	216,906	181,135	179,304	183,523	166,035
Carbon footprint per employee	$tCO_2eq./empl$	2.17	1.71	1.45	1.58	1.56	1.42
Scope 1(2)	$tCO_2eq.$	28,602	24,859	26,406	26,732	22,807	22,807
Scope 2(3)	$tCO_2eq.$	120,569	103,963	95,529	83,538	77,645	60,158
Scope 3(4)	$tCO_2eq.$	128,249	88,084	59,200	69,034	83,071	83,071

(1) *A change in scope in 2023 occurred following the disposal of Société Générale Congo, ALD Merrion Fleet, ALD Automotive Russia, ALD Automotive Portugal, and ALD Automotive Norway, and the addition of newly consolidated subsidiaries ALD Automotive Malaisie and LeasePlan.*

(2) *Scope 1 covers direct emissions related to energy consumption and fugitive emissions of fluorinated gases.*

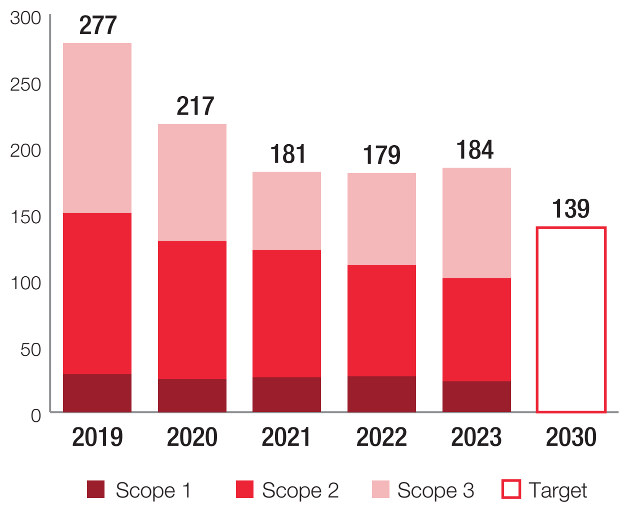
(3) *Scope 2 covers indirect emissions related to energy consumption (external electricity, steam and chilled water).*

(4) *Scope 3 covers GHG emissions from all office paper consumption, business travel, waste, transport of goods and energy consumption of data centres hosted since 2017.*

NB: Location-based: method for calculating a company's CO_2 emissions from electricity consumption based on emission factors relating to the average electricity mix in the country in question.

Market-based: method for calculating a company's CO_2 emissions from electricity consumption based on emission factors relating to the suppliers from which it buys its electricity.

GROUP CARBON FOOTPRINT (THOUSANDS OF $TCO_2EQ.$)



The historical data presented are recalculated according to the location-based method.

Note: there is some data uncertainty in the indicators reported for the Group's direct CO_2 emissions. The limits of the associated data collection, verification and reporting methods suggest that there is room for improvement in terms of data quality (for more information, see the Methodology note on page 398).

INTERNAL CARBON TAX AND THE ENERGY & ENVIRONMENTAL EFFICIENCY AWARDS

Societe Generale encourages its employees to come up with innovative environmental initiatives, awarding grants funded by the Group's internal carbon tax since 2011.

Each business line and functional division pays an internal carbon tax based on their carbon footprint. The funds collected are then redistributed among Group entities through its Energy and Environmental Efficiency Awards. These grants are spent on initiatives that have not only reduced the Group's environmental impact but also generated financial savings.

Through this internal carbon tax (EUR 25/tCO_2eq. since 2022), the Group hopes to encourage greener habits and efforts to make its buildings more efficient, stimulate low-carbon investment, identify and seize low-carbon opportunities and reduce the environmental impact of its sourcing.

Initiatives in real estate, IT, mobility and the circular economy are awarded by the Energy and Environmental Efficiency Awards and since 2023 water and catering have also been included.

The 2023 awards led to the identification of efficiency opportunities giving total savings of 4,900 tonnes of CO_2, *i.e.* 55,000 tonnes of CO_2 since the initiative was launched.

5.2.3.2 Responsible use of resources

5.2.3.2.1 ENERGY CONSUMPTION

To address the energy challenges, the French government announced an energy savings plan in 2022, involving broad commitments from players in the public and private sectors.

Societe Generale participated in the national effort requested by the French government through an energy savings plan to reduce its energy consumption (gas, electricity and fuel) and the signature of the EcoWatt Commitment Charter drawn up by RTE* and ADEME*, which aims to reduce electricity consumption and reduce the risk of power cuts in France. Societe Generale has implemented the following energy-saving measures:

- reducing the temperature of heating to 19 °C and reducing the use of air conditioning in premises where the temperature exceeds 26 °C. These measures will be managed internally for the Group's main buildings in France, and locally across the 3,000 sites of the SG network;
- changing the level of lighting in our premises by modernising technical solutions, accelerating the installation of LEDs, and turning off lights in unoccupied offices as well as unnecessary light displays;
- moderating energy consumption by continuing efforts to reduce standby times for electrical appliances, screens and photocopiers.

At the end of 2023, Societe Generale had reached the energy consumption reduction target of 10% that it had set for 2024 (versus the 2019 level) as part of its energy savings plan.

These energy-saving efforts, together with measures implementing other legislative requirements (those of the French Decree on reducing energy consumption in service sector buildings, for example) will help achieve the overall, more ambitious CO_2 emissions target set by the Group for 2030.

5.2.3.2.2 RENEWABLE ENERGIES

Societe Generale is committed to the environmental transition and strives to reduce its carbon footprint by using renewable electricity and renewable biomethane gas.

Over the last number of years, the Group has been increasing the share of renewable electricity in its total energy consumption through Guarantees of Origin and the Power Purchase Agreement (PPA), which have covered all the Group's Corporate Centre buildings in France since 2015 and all of the SG France network since 2019. All of ALD's French-based sites have been powered by French-sourced renewable electricity since 2021, guaranteed by an independent third party.

The SG network also signed its first guarantee of origin agreement in 2021 to supply renewable French biomethane gas to power all branches equipped with gas boilers. This three-year contract will reduce the French branch network's gas carbon footprint by 80% per kWh, which equates to 4,341 fewer tonnes of CO_2 emitted per year. The agreement will support the renewable energy sector in France and help to develop the biomethane sector in France and Europe.

Several entities have also embarked on the process of obtaining energy efficiency certificates for some of their buildings, such as in Romania, India and the Czech Republic. In Germany and Italy, renewable energy is purchased for all entities present in those countries. Other entities, mainly in Africa and overseas France, generate a portion of their own energy through solar panels installed on their buildings. Studies are conducted during real estate projects to expand this self-generation across various types of buildings (Corporate Centre buildings, bank branches, independent branches, car parks, etc.).

The share of renewable electricity used by the Group is given in the table showing resource management data.

5.2.3.2.3 WATER CONSUMPTION

In December 2023, Societe Generale signed the *Eco d'eau* Charter (see *http://ecodeau.org/organisations.html*). This is an initiative that brings together different players (citizens, public bodies, companies, non-profit associations) to enable them to immediately set out actions to preserve shared water resources and contribute to four key objectives:

- for territories: secure water supply for each territory and avoid crisis situations;
- for people: guarantee each and every one sustainable access to water and avoid conflicting uses;
- for ecology: respect nature and leave enough water to preserve natural systems;
- for the economy: ensure economic players carry out viable activities by reducing their dependence on water.

5.2.3.2.4 AN ECO-SCORE INTRODUCED IN FRANCE TO HELP WITH DECISION-MAKING WHEN PURCHASING PROMOTIONAL ITEMS

The catalogue of promotional items available to French entities now includes an "eco-score" to help buyers when deciding which suppliers to work with. This score, assigned to each item by a team of experts and representing its environmental and social impact, is an additional aid on top of the Group's rigorous supplier quality and Sustainability requirements. It is calculated based on seven criteria: provenance of the products, raw materials used, type of marking and ink used, recyclability, durability, packaging, and the regulatory standards met/ certifications awarded.

5.2.3.2.5 REAL ESTATE (OPTIMISING THE BANK'S BUILDINGS: SURFACES, TECHNOLOGIES AND ACCESSIBILITY)

Moving beyond energy supply, the Real Estate Division is working with all sites in France and abroad to improve the Group's building energy efficiency.

The Real Estate Division has set up an energy pilot programme for buildings larger than 1,000 m^2 to achieve the target of reducing building energy consumption by 40% by 2030, compared with 2019, as set by French regulations (French Decree on reducing energy consumption in service-sector buildings).

Since 2018, all French SG network branches have software producing a monthly breakdown of water, electricity and gas consumption data, thereby promoting the application of corrective measures, as required.

The Group Real Estate Division is also spearheading a programme over the period 2021-2025 to help meet challenges relating to business line performance, digital experience and the transformation of employee methods of working. It has four dimensions:

- a workspace layout offer co-designed with the business lines that meets building specifications and takes the needs of employees with a disability into account. 150 floors were fitted out and 22,000 transfers were made;
- the development and rollout of a system for managing the work of teams working in hybrid mode (visualisation of available workstations, declaration of place of work, shared planning, car pooling);
- streamlining of the carbon footprint of the Group's real estate, leading to the restoration of six buildings;
- support with change management linked to the appropriation of the new working spaces and the new management tool.

Societe Generale's Corporate Centre buildings in the Paris region have obtained the following environmental and energy management certification, the La Défense building has ISO 50001 certification, in Val de Fontenay the Sakura building has BREAAM NC 2016 Excellent, HQE *Bâtiment Durable* High Energy Performance certification and WELL building standard Core & Shell Gold level, and the Dunes building has HQE Excellent and LEED GOLD certification. The building in London is certified "BREAAM outstanding". Societe Generale's new head office in Luxembourg, at the Arsenal building, which was inaugurated in 2023, has both BREEAM Very Good and HQE Excellent certification.

5.2.3.2.6 INFORMATION SYSTEMS AND IT INFRASTRUCTURES

Societe Generale has a long-standing commitment to responsible digital technology. In November 2019, the Group was one of the first companies to sign the Sustainable IT Charter to help limit the environmental impact of technology and promote digital inclusion.

The charter is a French initiative developed by the *Institut du Numérique Responsable* (INR, a French think and do tank) in partnership with the General Commission on Sustainable Development (CGDD) of the French Ministry for the Ecological and Solidarity Transition, WWF*, ADEME* (the French Environment and Energy Management Agency) and Fing* (a leading think tank on digital transformation). It was launched in June 2019 and now boasts 600 signatories spanning companies, non-profit associations, VSBs and SMEs, and public entities. For more information on the charter, see *https://charte.institutnr.org/wp-content/ uploads/2020/10/english-charter-sustainable-it.pdf.*

Under this charter, Societe Generale has set out the following objectives:

- optimise digital tools to limit their environmental impact and consumption;
- develop accessible, inclusive and sustainable service offerings;
- circulate ethical and responsible digital practices;
- make digital technologies and services measurable, transparent and readable; and
- foster the emergence of new behaviours and values.

It has implemented several actions that are monitored and measured: the transformation of its data centres, the recycling and reuse of IT hardware, improved data and system management, training for IT experts in eco-design and e-accessibility, awareness training for future generations in these practices, to name a few.

In 2019, Societe Generale launched the Green IS programme, which continued to be rolled out in 2023. Led by the Cross-business Information Systems Division, under the responsibility of the Group's Chief Information Officer, the programme aims to disseminate operational deliverables to all IT Departments Group-wide. Its launch went hand-in-hand with the introduction of a united governance including the various CSR managers of the IT Departments. The work carried out covers normative documentation and standards, the development of CO_2 calculators, the *IT Foundation*, data, eco-design, e-accessibility, *CSR by* design transformation, and awareness-raising and training for employees.

It involves the following:

- migrating historical datacentres to more energy-efficient sites in France and abroad;
- optimising the energy consumption of our infrastructure, green energy use in France and abroad, and the recycling and reuse of end-of-life IT equipment (see section on waste management on page 390);
- rolling out training and tools to support our 25,000 IT experts in practices relating to eco-design, green coding, responsible data, and e-accessibility;
- rolling out dedicated training according to IT profile, with mandatory training targeted for 80% of employees which was surpassed: certified training, a Sustainable IT MOOC jointly developed with the French think and do tank, *Institut du Numérique Responsable*, and training in responsible digital technology in IT projects for project managers and architects;
- measurement of the carbon footprint of the Group's IT system with the in-house development of a calculator and dashboard. Two calculators are in the process of being deployed for the management of IT systems and to help with the eco-design of applications.

5.2.3.2.7 BUSINESS TRAVEL

Since 2021, the Group's Resources and Innovation Division have been helping all Group BUs and SUs to identify and implement levers for reducing the carbon emissions linked to their business travel, in particular air travel and travel using the Group's fleet of cars.

The Group has reduced its air travel in recent years and has kept it significantly lower than the 2019 level. The BUs and SUs are keenly aware of the carbon impact of their business travel. By way of example, the employees are advised to choose train over air travel, whenever possible, for all journeys of less than 3.5 hours.

The proportion of electric vehicles in the Group's fleet of cars is steadily increasing in France and in other countries, where permitted, allowing it to further reduce the overall carbon impact of its business travel.

For instance, in France, Societe Generale complies with the Mobility Law (LOM) which required that business car fleets be renewed with electric or rechargeable hybrid vehicles at a minimum rate of 10% in 2022; a renewal rate of 33% was reported officially in 2023 for 2022 for the Group's entire scope in France.

As part of its "mobility transition" project, which it launched in 2020, the car fleet of the French Retail Banking activity continued to grow its share of electric cars, and now registers more than 280 electric service vehicles in the regions.

Electric vehicles will gradually replace the corporate fleet of Komerční banka (KB) in the Czech Republic. At the end of 2023, ALD Automotive supplied 131 electric vehicles.

Other actions to optimise the total fleet of service vehicles include the rollout of a car sharing offer by Ayvens.

The Group also continued to increase the number of electric charging points at its premises. 200 were installed in 2023 at the Corporate Centre buildings in the Paris region.

In another pilot to encourage alternative modes of travel, the SG France network installed a shared electric bike station (in Marseille), using a solution offered by Ayvens and its partner GREEN ON.

All of these levers have been implemented as part of a Group-wide travel policy setting out rules to be applied by all of its entities but which also gives them leeway to define and apply more restrictive policies at the local level.

RESOURCE MANAGEMENT DATA

	2020	2021	2022	2023
Energy consumption				
2025 target: reduce consumption by 35% compared with 2014 (848,654 MWh)	-30%	-32%	-41%	-46%
Total energy consumption (MWh)	589,750	580,767	497,692	454,210
Total electricity (MWh)	441,984	421,823	367,365	334,446
Share of renewable electricity in Group electricity consumption (%)	50.5	52	62.5	68
Share of renewable energy in Group energy consumption (%)	38	38	46	51
Real estate				
Group real estate (m^2)	3,250,000	3,170,788	3,091,097	3,623,328
Corporate centre buildings ISO 50001* certified (number)	22	21	21	19
Mobility				
Km travelled by all employees (in millions)	272	201	242	305
Number of electric vehicles in the Group's fleet of cars	N/A	N/A	680	2,611
Portion of electric vehicles in the Group's fleet of cars	N/A	N/A	6.8%	18.7%

NB: Historical data are presented on a reported basis.

5.2.3.3 Waste management and the circular economy*

Societe Generale works on reducing consumption and waste of resources and also takes steps to cut down on food waste.

5.2.3.3.1 WASTE MANAGEMENT

In November 2021, the Group committed to banning single-use plastics from the workplace by 2025, and sooner if possible in some geographical areas. Since the end of 2023, there has been a progressive reduction in single-use plastics in our catering spaces in the Corporate Centre buildings (company restaurants, express services, cafeterias and room service), the subsidiaries and the SG France network. Plastic water bottles have been eliminated and the use of water fountains is favoured. In the cafeterias, the use of personal mugs is encouraged. Where necessary, drinks are served in zero-plastic cups. In the restaurants, dairy products are now available *via* self-service in glass jugs or bowls, and yoghurts are no longer available in plastic containers. Sweet and savoury condiments are provided in jars, dispensers, salt cellars and sugar bowls depending on the restaurant. Cookies and cakes are prepared on site to replace industrial style snacking such as chocolate bars and sweet products. Single-use advertising items have been banned along with those with a limited life span and/or unspecified usefulness.

The Group strives to minimise the direct impact of its waste on the environment through recycling. Selective sorting in five streams (paper and cardboard, metal, plastic, glass and wood) is widespread in all Societe Generale branches and central buildings.

Waste sorting was introduced in the Group's Corporate Centre buildings in 2018 with the removal of individual bins for each employee. Voluntary recycling, sorted by category in "print corners", kitchens and cafeterias are essential to improving waste management. On top of this, where possible, waste is further sorted before disposal at ground floor level to retrieve recyclable waste from ordinary industrial waste and place it in the correct bin.

Since 2019, all waste in the Corporate Centre buildings has been sorted, recycled or recovered. Paper (newspapers, sheets of paper, ads, boxes), plastic bottles, cans, glass, wood and bulky equipment and furniture items are all recycled. Ordinary industrial waste is converted to energy recovery and organic waste from company restaurants is turned into compost.

All non-recyclable waste is converted to energy during incineration for use in urban heating. This includes surgical masks, disposed of in accordance with government recommendations.

In another responsible innovation for its customers, Societe Generale launched the *Planet Smurfs* collection, its first debit card made from recycled materials, in 2021. Since 2023, these cards have been 100% made from recycled materials (85.5% previously).

The Group's new services reflect its commitment to protecting the environment, and these recycled PVC cards are part of a responsible approach to managing bank cards:

- made in France according to the strictest standards;
- limited quantities to avoid overproduction;
- eliminating the bulk of correspondence, using recycled paper and developing online services;
- waste collection, recycling and recovery system with certified partners.

Societe Generale processes dynamic cryptogram bank cards considered electrical and electronic waste as a priority; accordingly, these cards are collected in bank branches, sorted, and sent for recovery to the company Atelier du Bocage in the sheltered employment sector. Regular bank cards (without a dynamic cryptogram) recovered in the branches are sent to a service provider for recycling.

5.2.3.3.2 PAPER

Societe Generale has reduced paper consumption (the main consumable used by service activities) by a range of measures in place across the Group, including good printing practices, moves towards digital rather than paper resources, and using recycled paper.

In the context of the French AGEC law to encourage responsible policies among producers to eliminate waste and adopt more circular practices, Societe Generale has put in place an eco-design plan proposed by Citeo (*https://www.citeo.com/eco-concevoir*).

A Societe Generale representative sits on the Board of Directors of CITEO, a not-for-profit company formed from the merger between Eco-emballages and Ecofolio that promotes the circular economy*.

Societe Generale is continuously working to swap paper for electronic methods in its existing processes. To this end, it takes an overall approach, considering at the same time the client experience, internal processes and dealings with suppliers. It recently put in place the electronic transfer of contracts and amendments for business cards.

5.2.3.3.3 FURNITURE

The Group Real Estate Division is tasked with transferring occupants and outfitting workspaces in the Corporate Centre services in the Paris region, Lille and Strasbourg. It manages a significant supply of furniture which must be changed or transformed in accordance with current needs.

Aware of the need to recycle, several actions are being implemented to carry out these tasks in a more eco-responsible manner. Each year, the teams work out the best options for reusing furniture.

As far as possible, the furniture is reused, reconditioned or given to public bodies or non-profit associations, and as a last resort it is collected by an accredited body, such as Valdelia, for recovery or recycling into secondary raw materials that can be used to create new products. Furniture with a total volume of 2,493 m^3 was resold, including 149 m^3 to employees. A volume of 1,752 m^3 was given.

5.2.3.3.4 CIRCULAR ECONOMY AND REDUCTION OF DIGITAL-RELATED WASTE

The effort to reduce digital waste went together with two complementary partnerships:

- giving a second lease of life to IT equipment for which the Bank no longer has any use. In France, end-of-life equipment is sent to Recyclea in the supported and sheltered employment sector, under a 2019 agreement. Where possible, equipment is reconditioned for resale to other companies within France and throughout Europe. Any items that cannot be reconditioned are sent for recycling in France. Mobile phones are given to SMAAART, a French specialist that reconditions and recycles them in France;
- purchasing reconditioned devices. Since 2019, Societe Generale employees have been offered telephones reconditioned in France by SMAAART;

- the partnership with and investment in Quarnot which uses the heat produced by data centres in Kankaanpää, Finland to contribute to the city's heat network;
- since 2022, ahead of Cyber World CleanUp Day, the Group encourages employees to clean up their digital data and reminds them that all obsolete digital files and data consume energy without any need. In addition, they reduce the lifespan of digital devices and require additional equipment to be purchased to store the ever-growing volumes of data.

5.2.3.3.5 TACKLING FOOD WASTE

In 2019, Societe Generale signed the Charter against Food Waste and joined the non-profit *La Défense des Aliments* to team up with other companies from the business district to tackle the scourge of food waste.

In line with this commitment, the Group entered into a partnership in 2018 with another non-profit, *Le Chaînon manquant**, for the collection of leftover food from its cafeterias at La Défense and for meal distribution. This partnership was rounded off by several redistribution initiatives to donate leftover food from the Group's corporate events to local charities. Lastly, Societe Generale uses the Too Good To Go* app to sell unsold products from four cafeterias (at La Défense and Val-de-Fontenay) to employees at a reduced price.

All waste is sorted and recycled or recovered. All organic waste from company restaurants is collected and composted by our partner *Les Alchimistes*, whose processing centres are located alongside the Corporate Centre buildings.

The Group also works with a third non-profit, Phenix*, to cut food waste and raise awareness about more responsible practices.

WASTE MANAGEMENT AND CIRCULAR ECONOMY DATA

	2020	2021	2022	2023
Waste management				
Waste production *(in tonnes; including methane gas production)*	11,633	9,402	7,913	7,520
Total waste recycled *(tonnes)*	5,224	3,950	3,434	3,261
% of recycled waste	45%	42%	43%	43%
Paper				
Total paper use(1) *(tonnes)*	6,506	5,713	3,631	3,041
Proportion of paper recycled	41%	42%	44%	35%
Reduction of digital-related waste				
Items recycled by Recyclea	47,615	40,488	44,224	57,296

(1) Including office paper, documents for clients, envelopes, account statements and other types of paper.

5.3 CROSS-REFERENCE TABLES

5.3.1 SUMMARY OF THE INFORMATION PUBLISHED BY THE GROUP ON ITS CSR OBJECTIVES

As required under its regulatory and contractual obligations, the Group regularly publishes information on its actions in relation to corporate social responsibility. The table below provides a brief description of these publications and the links to access them.

Publication	Date of last update
Culture of responsibility	
Group Code of Conduct Sets out the Group's professional Code of Ethics, going beyond the strict application of the laws, standards and regulations in force in the different countries in which it operates. It puts in place a framework for compliance with the highest of ethical standards in terms of respecting human rights and protecting the environment. *https://www.societegenerale.com/sites/default/files/documents/Code-conduct/code-of-conduct-en.pdf*	Updated in April 2023 from the February 2019 version
Anti-Corruption and Influence Peddling Code Sets out a framework for the prevention of conflicts of interest and corruption and to combat money laundering and hidden funding. *https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code-governing-the-fight-against-corruption-and-influence-peddling-uk.pdf*	April 2021
Group Tax Code of Conduct Describes the principles and general framework applied by the Group in relation to its own tax affairs and those of its clients in their dealings with the Group. It also covers relations with the tax authorities. *https://www.societegenerale.com/sites/default/files/documents/code-conduct/tax-code-of-conduct-of-societe-generale-group-uk.pdf*	2019
Tax transparency Provides additional information on the amounts and types of tax paid by the Group each year, and on its policy and accountability in relation to tax. *https://www.societegenerale.com/sites/default/files/documents/2023-07/report-on-our-2022-tax-contribution.pdf*	2023
The Responsible Lobbying Charter for responsible representation to public authorities and representative institutions Sets out the main rules applied by the Group with regard to representation to public authorities and representative institutions. *https://www.societegenerale.com/sites/default/files/documents/charter-responsible-advocacy-sg.PDF*	
Societe Generale framework for responsible advocacy activities A description of Societe Generale's framework regarding advocacy activities and information on advocacy activities of the past year. *https://www.societegenerale.com/sites/default/files/documents/2023-05/2023-Dispositif-Groupe-pour-une-Representation-d-Interets-Responsable.pdf*	2023
Conflict of interest policy The policy applied by Societe Generale to ensure that it complies with the rules of professional best practice and performs its activities in an honest, loyal and professional manner, prioritising the interests of its clients. *https://www.societegenerale.com/sites/default/files/documents/corporate-culture/summary-of-societe-generale-conflicts-of-interests-policy.pdf*	2023
Sustainable Sourcing Charter Part of a joint initiative by French banking and insurance sector players to ensure that their suppliers remain vigilant in the application of their CSR policies. *https://www.societegenerale.com/sites/default/files/construire-demain/12112018-sustainable-sourcing-charter-vf-eng.pdf*	2010
Principles for responsible banking report (PRB) Presentation of an annual self-assessment by the Group showing how it complies with its commitments under the UNEP-FI Principles for Responsible Banking. *https://www.societegenerale.com/sites/default/files/documents/2023-03/Principles-for-Responsible-Banking-Report-and-Self-Assessment-2023.pdf*	2023
Environmental and Social General Principles A list of: ▪ E&S risks; ▪ the standards and initiatives that make up the Group's reference framework; ▪ the main aspects of the environmental and social risk management system implemented by the Group's activities and incorporated into its governance, as formalised in the Group's normative documentation. Includes the Group's commitments in relation to biodiversity, human rights and helping to combat climate change. *https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf*	2021

Publication	Date of last update
Sector policies The Group has ten sector policies covering common E&S issues and the various factors that require a sector-based or regional approach. ■ Industrial agriculture and forestry – February 2022 ■ Dams and hydroelectric power – November 2021 ■ Thermal power plants – June 2023 ■ Thermal coal – July 2020 ■ Defence and security – April 2023 ■ Mining – November 2021 ■ Shipping – November 2021 ■ Civil nuclear power – September 2014 ■ Oil and gas – September 2023 ■ Tobacco – September 2023 *https://www.societegenerale.com/en/responsability/ethics-and-governance*	
NZBA (*Net-Zero Banking Alliance*) progress report 2023 A progress report on alignment metrics and targets and a description of the actions taken by the Group. *https://www.societegenerale.com/sites/default/files/documents/CSR/Societe-Generale-NZBA-Progress-Report-2023.pdf*	November 2023
Climate and alignment report (in English only) A report on the Group's commitments in relation to ecological transition. *https://www.societegenerale.com/sites/default/files/documents/CSR/Climate-and-Alignment-Report.pdf*	December 2023
Statement related to sustainability risks and adverse impacts on sustainability factors A presentation of the measures put in place by Societe Generale pursuant to the SFDR in respect of its activities as a financial markets participant, operating under management mandates and in a financial, investment and insurance advisory capacity. *https://www.societegenerale.com/sites/default/files/documents/2023-07/statement-related-to-sfdr-obligations.pdf*	June 2023
Being a responsible employer	
Modern Slavery Act Statement issued in response to UK and Australian law requiring the disclosure of the steps taken to prevent modern slavery and human trafficking from occurring in our operations and supply chains. *https://www.societegenerale.com/sites/default/files/documents/CSR/Modern_Slavery_Act.pdf*	2023
***Responsible Employer* - thematic report** In its role as a responsible employer, each year the Group publishes a thematic report related to its HR policy. *www.societegenerale.com, Responsibility, section: Responsible employer*	2023
Report on compensation policies and practices 2022 Annual report presenting the Group's policies and principles in relation to compensation in accordance with the regulations. *https://www.societegenerale.com/sites/default/files/documents/2023-04/2022-compensation-policies-and-practices-report.pdf*	2023
Snapshot of employees (in French only) A snapshot of Societe Generale's employees in France as at 31 December 2022. *https://www.societegenerale.com/sites/default/files/documents/2023-05/Bilan-Social-2022.pdf*	2023
Supporting clients with their environmental transformation projects and making a positive impact on local communities	
Global Compact Report A Group self-assessment of its activities as part of it membership of the UN Global Compact, of which it has been a signatory since 2003. *https://unglobalcompact.org/what-is-gc/participants/8628*	2023
Equator Principles Report Sharing of information with our stakeholders on how Societe Generale applies the EP. Annual public reporting is one of the commitments the Bank made when joining this initiative. *https://wholesale.banking.societegenerale.com/fileadmin/user_upload/Wholesale/pdf/equator-principles/EQUATOR_PRINCIPLES_REPORT_2022.pdf*	2023
Framework for Societe Generale sustainable bond issues supporting its commercial activity	
Sustainable and Positive Impact Bond Framework Presents the reference framework applied by the Group in relation to the issuance of sustainable bonds. *https://www.societegenerale.com/sites/default/files/documents/2021-11/20211104_Societe-Generale-Sustainable-and-Positive-Impact-Bond-Framework.pdf*	November 2021
Sustainable & positive impact bond reporting Reporting on how the funds raised by Societe Generale from its sustainable bonds are used. *https://www.societegenerale.com/sites/default/files/documents/2023-04/SPIF-Reporting-as-of-2022-12-30.pdf*	2023

5.3.2 PRINCIPLES FOR RESPONSIBLE BANKING (PRB) CROSS-REFERENCE TABLE

The purpose of the cross-reference table below is to help readers locate the main publications illustrating Societe Generale's commitment in respect of the UN Principles for Responsible Banking. It was not subject to an independent review by the independent third-party body, the verified scope of work and detailed information of which are set out in their limited assurance report.

Principles for Responsible Banking	Page number
Principle 1 – Alignment	
■ Business model	Chapter 1, *Profile of Societe Generale*, page 10 Chapter 1, *A clear strategy for a sustainable future*, page 13 Chapter 1, *The Group's core businesses*, page 20 Chapter 2, *The Group's main activities*, page 30 Chapter 2, *Activity and results of the core businesses*, page 32 Chapter 2, *Extra-Financial Report*, page 46 Chapter 6, *Note 3.8.1 to consolidated financial statements / Outstandings and impairment by geography*, page 507
■ Alignment with the SDG, Paris Agreement and national frameworks	Chapter 1, *A clear strategy for a sustainable future*, page 13 Chapter 5, *Aligning activities with pathways consistent with a maximum temperature rise of 1.5 °C*, page 336 Chapter 5, *Rolling out a Code of Conduct underpinned by shared values and respect for human rights*, page 330 Chapter 5, *Duty of Care Plan*, page 404 Environmental and Social General Principles (*https://www.societegenerale.com/sites/default/files/documents/RSE/principes-generaux-environnementaux-sociaux.pdf*); Modern Slavery Act (https://www.societegenerale.com/sites/default/files/documents/CSR/modern-slavery-act.pdf).
Principle 2 – Impact and target setting	
■ Impact analysis	Chapter 4, *Risk factors by category*, page 191 Chapter 4, *Credit risk*, page 236 Chapter 4, *Process for identifying non-financial risk*, page 303 Chapter 5, *Aligning activities with pathways consistent with a maximum temperature rise of 1.5 °C*, page 336 Chapter 5, *Supporting large corporates in their environmental and social transition*, page 348 Chapter 5, *Measuring the objectives and expectations of stakeholders*, page 360 Chapter 5, *Duty of Care Plan*, page 404
■ Target setting	Chapter 1, *A clear strategy for a sustainable future*, page 13 Chapter 2, *The environmental transition: accelerating decarbonisation and accompanying clients*, page 49 Chapter 4, *E&S General Principles and sector policies*, page 306 Chapter 4, *Incorporating the environment in the risk management framework*, page 313 Chapter 5, *Corporate social responsibility (Dashboard), page* 325 Chapter 5, *Aligning activities with pathways consistent with a maximum temperature rise of 1.5 °C*, page 336 Chapter 5, *Supporting large corporates in their environmental and social transition*, page 348 Chapter 5, *Nature*, page 342 NZBA (*Net-Zero Banking Alliance*) *progress report* 2023 : *https://www.societegenerale.com/sites/default/files/documents/CSR/Societe-Generale-NZBA-Progress-Report-2023.pdf* Climate and alignment report : *https://www.societegenerale.com/sites/default/files/documents/CSR/Climate-and-Alignment-Report.pdf*

Principles for Responsible Banking	Page number
Principle 3 – Clients & Customers	
■ Client engagement	Chapter 4, *Managing E&S risks*, page 306 Chapter 5, *Supporting large corporates in their environmental and social transition*, page 348 Chapter 5, *Protecting clients and their assets in all circumstances*, page 361 Chapter 5, *Duty of Care Plan*, page 404
■ Opportunities	Chapter 1, *A clear strategy for a sustainable future*, page 13 Chapter 2, *Extra-Financial Report*, page 46 Chapter 5, *Supporting large corporates in their environmental and social transition*, page 348
Principle 4 – Stakeholders	
■ Identification and consultation with stakeholders	Chapter 5, *Dialogue with stakeholders*, page 359
Principle 5 – Governance & Culture	
■ Governance structure for the implementation of the PRB	Chapter 3, *The Board of Directors' Committees*, page 100 Chapter 3, *The Board of Directors' work / The Board of Directors and ESG*, page 98 Chapter 3, *Remuneration of Group Senior Management*, page 114 Chapter 4, *Process for identifying non-financial risk*, page 303 Chapter 5, *Incorporating CSR at the highest level of governance*, page 328
■ Promoting a responsible banking culture	Chapter 2, *Ensuring ethical and responsible conduct of business*, page 55 Chapter 3, *Remuneration of Group Senior Management*, page 114 Chapter 4, *Managing E&S risks*, page 306 Chapter 5, *CSR training plan*, page 372 Chapter 5, *Rolling out a Code of Conduct underpinned by shared values and respect for human rights*, page 330 Chapter 5, *Duty of Care Plan*, page 404
■ Due diligence policies and processes	Chapter 4, *Managing E&S risks*, page 306 Chapter 5, *Duty of Care Plan*, page 404
Principle 6 – Transparency & Accountability	
	Chapter 2, *Declaration of Extra-Financial Performance*, page 46 Chapter 5, *Cross-reference tables*, page 392 Chapter 5, *Duty of Care Plan*, page 404 Chapter 5, *Independent third party's report*, page 401 **Report on Principles for a sustainable banking sector (PRB)** *https://www.societegenerale.com/sites/default/files/documents/2023-03/Principles-for-Responsible-Banking-Report-and-Self-Assessment-2023.pdf*

5.3.3 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) RECOMMENDATIONS CROSS-REFERENCE TABLE

The purpose of the cross-reference table below is to help readers locate the main items related to the recommendations of the TCFD. It was not subject to an independent review by the independent third-party body, the verified scope of work and detailed information of which are set out in their limited assurance report.

TCFD recommendation	Page number
Governance	
(a) Describe the way in which the Board of Directors supervises climate-related risks and opportunities.	Chapter 3, *Board of Directors' Committees*, page 100; Chapter 3, *Board of Directors and CSR,* page 98 Chapter 5, *Incorporating CSR at the highest level of governance*, page 328.
(b) Describe the management's role in assessing and managing climate-related risks and opportunities.	Chapter 3, *Board of Directors' Committees*, page 100; Chapter 3, *The Board of Directors' work / The Board of Directors and ESG*, page 98 Chapter 4, *Analytical approach to extra-financial risk factors*, page 303; Chapter 5, *Incorporating CSR at the highest level of governance*, page 328.
Strategy	
(a) Describe the short-, medium- and long-term climate-related risks and opportunities identified by the Company.	Chapter 1, *A clear strategy for a sustainable future*, page 13 Chapter 4, *Analytical approach to extra-financial risk factors*, page 303; Chapter 4, I*ncorporating ESG risk factors in the risk management framework - General principle*s, page 310 ; *Introduction and definitions* page 310 *Identifying risks induced by ESG factors* page 311; *Materiality assessment* page 311 Chapter 4, *Incorporating environmental factors into the risk management framework*, page 313
(b) Describe the impact of climate-related risks and opportunities on the Company's activities, strategy and financial planning.	Chapter 4, *Managing E&S risks*, page 306 Chapter 4, *Incorporating environmental factors into the risk management framework*, page 313 of which *Processes and tools for identifying and measuring climate risks and mitigation,page* 315.
(c) Describe the resilience of the company's strategy, taking into account different climate scenarios, including a global warming of 2°C or less.	Chapter 5, *Aligning the activities with pathways consistent with a maximum temperature rise of 1.5 °C*, page 336
Risk management	
(a) Describe the processes implemented by the Company to identify and assess climate-related risks.	Chapter 4, *Analytical approach to extra-financial risk factors*, page 303 Chapter 4, *Incorporating environmental factors into the risk management framework*, page 313, *Identification of environmental risks, page 313; Risk appetite and climate risks*, page 315, *Quantifying climate risks and stress tests*, page 315, *Processes and tools for identifying and measuring climate risks and mitigation,* page 315.
(b) Describe the processes implemented by the Company to manage climate-related risks.	Chapter 4, *Environmental and Social (E&S) General Principles and sector policies*, page 306; Chapter 4, *Incorporating environmental factors into the risk management framework*, page 313, *Processes and tools for identifying and measuring climate risks and mitigation*, page 315.
(c) Describe the way that the processes used to identify, assess and manage climate-related risks are incorporated into the Company's overall risk management framework.	Chapter 4, *Incorporating environmental factors into the risk management framework*, page 313, *Identifying risks induced by ESG factors, page* 311, *Materiality assessment*, page 311 .

TCFD recommendation	Page number
Metrics and objectives	
(a) Provide the metrics used by the Company to evaluate climate-related risks and opportunities in the context of its strategy and risk management processes.	Chapter 4, *Incorporating ESG risk factors in the risk management framework - General principles* page 310; Chapter 4, *Incorporating environmental factors into the risk management framework*, page 313, *Processes and tools for identifying and measuring climate risk and mitigation*, page 315; Chapter 5, *Aligning activities with pathways consistent with a maximum temperature rise of 1.5 °C*, page 336.
(b) Describe the scopes 1 and 2 and, where relevant, scope 3 greenhouse gas emissions and the related risks.	Chapter 2, Anchoring a culture of responsibility, page 55 Chapter 5, *Managing the Group's carbon footprint*, page 385.
(c) Describe the objectives set as part of the management of climate-related risks and opportunities and the results obtained in relation to these objectives.	Chapter 2, *The environmental transition, Accelerating decarbonation and supporting clients page* 49 *;* Chapter 5, *Aligning activities with pathways consistent with a maximum temperature rise of 1.5 °C*, page 336. Chapter 5, *A Bank that supports its clients*, page 347

5.4 METHODOLOGY NOTE

This note presents the corporate social responsibility (CSR) reporting methodology used by Societe Generale. This methodology is also explained in detail in the Group's reporting protocols, available on request.

Reporting protocols

Information included in the Universal Registration Document (URD), the Responsibility section of the Group's website (*www.societegenerale.com/en*) and other Societe Generale communications, as well as the Group's Integrated Report in respect of financial year 2023 and previous years, has been prepared on the basis of contributions from the Group's internal network of CSR officers and in accordance with the CSR reporting protocols and CSR initiatives programme. Part of the quantitative and qualitative data was provided by the Planethic Reporting tool, used to standardise collection of information on management and monitoring indicators. This reporting is coordinated by the Group's CSR Department, which has reported to General Management since 1 January 2022 and in conjunction with the Finance Department.

Continuous improvements are made to the reporting protocols, in relation to data quality and production times. There is an ongoing process to keep contributors informed.

Data collection

Data collection methods are defined for each reporting scope:

- for social and environmental data, the bulk of the quantitative indicators are collected by each Group entity using the Planethic Reporting tool. Data collectors enter their subsidiary's data, which are approved by validators who perform post-input checks, then by administrators at the local level who check and validate the data at the business level and lastly by Corporate Centre administrators (Human Resources Department and Sustainable Development Department) at Group level, who carry out the final checks prior to consolidation. LeasePlan having been acquired during the financial year, the social and environmental data will be integrated into the group's collection and control system for the next closing, in particular through direct access to the Planethic Reporting tool;
- for business, SPI and SPIF data, collection from each Group entity is carried out by the Group Finance Department teams. The data collectors enter their subsidiary's data, which are approved by validators who perform post-input checks, then by administrators at the local level who check and validate the data, then by Corporate Centre administrators (Finance Department) at Group level, who carry out the final checks prior to consolidation;
- other data is collected directly from the CSR officers of the business divisions or from the relevant departments by the Finance Department.

Reporting periods

SOCIAL, PROCUREMENT, AND BUSINESS DATA

Quantitative indicators are calculated for the period running from 1 January 2023 to 31 December 2023 (12 months), with data taken at 31 December 2023, unless otherwise specified.

ENVIRONMENTAL DATA

Quantitative indicators are calculated for the period running from 1 October 2022 to 30 September 2023 (12 months), with data closed at 30 September 2023, unless otherwise specified.

CSR consolidation scope

The entities included in the reporting scope satisfy at least one of the following criteria:

1. entity in which Societe Generale SA (SGSA), the parent company, directly or indirectly holds a controlling interest of over 50%. By definition, all branches are wholly-owned, since there are no shareholders;
2. entities in which SGSA holds a controlling interest of at least 20% but less than 50% and over which SGPM has significant influence as regards management and financial policy; in particular, entities whose management team has been appointed by Societe Generale and whose activity is regularly monitored by the Group's core businesses.

The CSR consolidation scope included 173 companies within the Group's financial consolidation scope at 31 December 2023.

Indicators

An information campaign aimed at all contributors is rolled out at the start of the data collection period, providing the data collection schedule, a Group guideline and a protocol for each category of indicators. The protocols serve as a reminder of indicator definitions and application criteria.

The 2023 indicators were selected with a view to satisfying the legal and regulatory requirement for the Group to present a consolidated Declaration of Extra-Financial Performance (Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code) and in light of the Group's CSR strategy.

For the most part, these indicators cover a global scope, or conversely will be otherwise specified in brackets or in this Methodology note.

The Group makes no representation and provides not guarantee as to the exhaustiveness and accuracy of the environmental data, as all of the source data have not been verified. Any statement to the effect that a significant reduction in carbon emissions has been achieved has not been verified by an independent third party.

Scope and rules for calculating employment-related indicators

The workforce taken into account for all employment-related indicators (unless explicitly stated otherwise) corresponds to the total number of employees on either permanent or fixed-term contracts (including work-study contracts), regardless of whether they are present or on leave.

The frequency rate of occupational accidents is the ratio of the number of workplace accidents (as defined by local regulations) to the total number of hours worked (workforce present on either permanent or fixed-term contracts multiplied by the number of annual working hours in the entity) multiplied by 1,000,000.

The absenteeism rate is the ratio of the total number of paid days' leave (sick leave, parental leave or other types of leave, such as for bereavement, moving house, getting married, looking after a sick child, as well as any unjustified absence) to the total number of days paid, expressed as a percentage. It is counted in calendar days and calculated using the total headcount (workforce present multiplied by 365).

Data were collected on 126,822 employees. Societe Generale therefore estimates the coverage – *i.e.* where at least the data on occupants and surface area were provided – to be approximately 100% of the workforce.

Scope and main management rules for proprietary environmental indicators

The scope corresponds to the CSR consolidation scope as defined above. Coverage of the total data collection scope corresponds to the ratio of the headcount of all entities that participated in the data collection campaign to the total Societe Generale headcount. Data were collected on 124,261 employees (30 septembre 2023). Societe Generale therefore estimates the coverage – *i.e.* where at least the data on occupants and surface area were provided – to be approximately 99% of the workforce.

Restatement of historical data

In the interests of transparency and comparability of data, the emissions for the reference years and for 2019-2022 are given in the table of quantitative data published on the Group's corporate website.

Reported data for previous financial years do not correspond to data adjusted for changes in scope.

Environmental data: general rules

Environmental data are calculated on the basis of invoices, direct readings, information received from suppliers and estimates. The reported data is managed by means of the following checks and ratios:

- all environmental indicators are checked for any changes relative to the previous year. Contributors receive alerts asking them to check the data recorded if the variation exceeds 30%;
- data collected on energy, office paper and transport are expressed in relation to the number of occupants declared by the entity;
- energy consumption (electricity, steam, chilled water, oil, gas) is also expressed in relation to the surface area (per m^2);
- with a view to continually improving data reliability, qualitative questions (requiring answers in the form of written comments) are used to identify the various data scopes and best practices, and to understand variations from year to year;
- with the exception of the Societe Generale France network, most subsidiaries consolidate their data in the Group's reporting tool. The Sustainable Development Department centralises the reporting of transport and paper consumption data for France based on data from the Sourcing Division.

METHODOLOGY CHANGES

In 2021, the Group made a change to the methodology used for presenting carbon footprint data related to car travel. The emissions data presented for years prior to 2021 are calculated based on the distance travelled, multiplied by an emissions factor for each country defined according to manufacturer's data on g/km of CO_2 emitted. The emissions data presented for 2021 and subsequent years are calculated based on actual consumption in litres per type of fuel used, multiplied by a specific emissions factor for each type of fuel (source: ADEME*).

In cases where information is not available, the following method is used: distance travelled multiplied by an emissions factor for each country defined according to manufacturer's data (g/km) and an uplift factor.

In 2022, Societe Generale decided to round out its carbon footprint calculation methodology in respect of energy consumption:

- until 2021, emissions were calculated using the location-based method of the GHG Protocol which reflects the average emissions intensity of the networks where the energy consumption takes place; and
- since 2022, emissions have also been calculated according to the market-based protocol method of the GHG Protocol based on specific data relating to a product or a supplier in the form of contractual instruments to measure specific emissions from renewal energies consumed.

The most appropriate, accurate, precise and highest-quality emission factors available must be used for each method.

Calculation of greenhouse gas emissions

Calculation of the Group's greenhouse gas (GHG) emissions breaks down into three categories:

- Scope 1 covers direct emissions related to energy consumption and fugitive emissions of fluorinated gases;
- Scope 2 covers indirect emissions related to energy consumption (external electricity, steam and chilled water);
- Scope 3 covers GHG emissions from all office paper consumption, business travel, transport of goods, waste, and energy consumption of French data centres.

CO_2 emissions are calculated according to the GHG Protocol.

Main management rules for SPIF and SPI indicators

In order to support clients in their sustainable transformation initiatives, the Group has devised two measurement standards to follow up action plans:

- Sustainable and Positive Impact Finance (SPIF) to monitor credit and/or leasing activities, and/or to help customers develop their positive impact activities;
- Sustainable and Positive Investment (SPI) for wealth and asset management activities, including the structuring of products aimed at both institutional and individual investors.

SCOPE

Reporting of SPIF and SPI indicators began in 2018 and the scope has broadened to include relevant businesses and regions. The following methodology choices ensure consistency and reliability when filtering reporting results:

- annual production in loan volumes recorded in the Group's balance sheet or off-balance sheet, *i.e.* the SPIF indicator is based on the proportion borne by Societe Generale upon closing;
- annual production in investment products sold to clients;
- outstanding managed overall according to SPI criteria by Group entities;

- advisory activities, client services and/or hedging rates or exchange rates on SPIF and/or structured transactions with ESG indicators, designed to promote a sustainable and inclusive transition within the Societe Generale ecosystem, detailed separately from SPIF/SPI volumes (*e.g.* bond issuance mandates, custodian services, nominal hedging operations, etc.).

SUSTAINABLE AND POSITIVE IMPACT FINANCE (SPIF)

The SPIF framework is based on the three pillars of sustainable development (economic, environmental and social), basing its approach on various external frameworks defined by the European Investment Bank (EIB), the UNEP-FI and the European green taxonomy, which have been consolidated in:

- all financing referenced as Social and/or Environmental, involving assets, equipment, projects and/or activities with an environmental or social benefit; and
- respecting the E&S risk management framework (ESRM), which designates all the rules and procedures applicable within the Group, as well as the rules and procedures specific to each BU and SU, to identify and reduce risks of an Environmental and Social nature (for more information, see Chapter 4.13.3, *Managing E&S risks*, page 306).

SUSTAINABLE AND POSITIVE INVESTMENT (SPI)

To be considered SPI-compliant, investment products must meet one of the following criteria:

1. structured products put together with anESG selection (positive impact and/or exclusion) that filters at least 20% of the eligible investment universe;
2. investment products involving Articles 8 and 9 of the SFDR* regulation;
3. investment solutions for whichSociete Generale commits to holding on its balance sheet an equivalent value in Positive Impact Finance assets or loans to counterparties with a high rating based on the ESG Research team's criteria (see structured notes or cash investment products for corporates);
4. products with a “solidarity” or “sharing” component, involving return-sharing or a donation, or risk-taking on the amount invested, of more than 20%.

NB: these guidelines have been developed by the Asset Management, Private Banking and Markets teams and by Societe Generale Assurances. They have been prepared with reference to existing market guidelines.

The advisory, proxy voting and ESG reporting services offered by Societe Generale Securities Services are mentioned but not included in the SPI production process.

5.5 INDEPENDENT THIRD PARTY'S REPORT ON CONSOLIDATED NON-FINANCIAL STATEMENT

For the year ended 31st December 2023

This is a free translation into English of the original report issued in the French language. It is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and the professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your company (hereafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended 31st December 2021 (hereafter referred to as the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereafter referred to as the "Information") prepared in accordance with the entity's procedures (hereafter referred to as the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225- 105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments: the framework for managing E&S risks continues to be phased into Business Units and Service Units risk management policies and processes.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- prepare the Statement in accordance with the Entity's Guidelines as mentioned above; and to
- implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors in accordance with the Entity's Guidelines as mentioned above.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, our own audit program (Audit Program for the Extra-Financial Information, dated July 7, 2023) and the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière,* and with the international standard ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the requirements of article L. 821-28 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilized the skills of eight people and took place between October 2023 and February 2024 on a total duration of intervention of about sixteen weeks.

We conducted about fifty interviews with the persons responsible for the preparation of the Statement, in charge of either the risk analysis, the definition and the implementation of the policies, the collection and the control of the information, or the writing of the texts published.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the main risks;
- we assessed the suitability of the Guidelines with respect to their relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- we verified that the Statement includes each category of information provided in article L. 225- 102-1 III of the French commercial Code, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French commercial Code;
- we verified that the Statement provides the information required under article R. 225-105 II where relevant to the main risks;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation; including, if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, of which the key performance indicators associated with the main risks are part;
- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators selected, in accordance with the main risks and the policies presented;
  - corroborate the qualitative information (actions and results) that we considered to be the most important (presented in the annex). For certain risks (the fight against corruption, tax evasion, and cybercrime as well as the protection of personal data), our work was carried out on the consolidation entity. For the other risks, our work was carried out on the consolidating entity and on a selection of Business Units (BUs) and Service Units (SUs) listed hereafter: French retail banking (SGRF), private banking (PRIV), international retail in Europe (EURO) and in Africa, Mediterranean Basin and Overseas (AFMO), Ayvens (ALDA), global banking and investor solutions (GLBA), financial market activities (MARK), Global Transactions & Payment Services (GTPS), securities services (SGSS) for Business Units, as well as the departments in charge of sustainable development (RSE), human resources (HRCO), risks (RISQ), and compliance (CPLE) for Service Units;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16 of the French commercial Code, within the limitations set out in the Statement;
- we obtained an understanding of the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important (presented in the annex), we implemented:
  - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions;
  - detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with supporting documents. This work was carried out with the contributing entities listed above and cover between 15% and 23% of consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of the entities included in consolidated scope.

We believe that the work we have carried out by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Paris-La Défense, the 11 March 2024

French original signed by:

Independent third party EY & Associés	Caroline Delérable Partner, Sustainable Development

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

Annex: Information considered as the most important

SOCIETAL AND BUSINESS INFORMATION

Qualitative Information (Actions or results)	**Quantitative information** (Key performance indicators and coverage)
■ Definition and deployment of voluntary commitments. ■ Identification and management of E&S risks posed by transactions and clients. ■ Approach for analysing and managing (direct and indirect) climate risks. ■ Implementation of both approaches, Sustainable and Positive Impact Finance (SPIF) and Sustainable and Positive Investment (SPI).	■ Number and new funding of transactions subject to an E&S review (20% of the new funding for the transactions reported in Corporate and Investment Banking, including 15% for the transactions under the Equator Principles scope). ■ Total production in SPIF-compliant financing commitments (17% of new funding) and total SPI- compliant assets under management (22% of the assets).

SOCIAL INFORMATION

Qualitative Information (Actions or results)	**Quantitative information** (Key performance indicators and coverage)
■ Management of jobs and skills.	■ Share of positions filled through internal mobility (19% of the workforce). ■ Average number of hours of training per employee (19% of the workforce).

ENVIRONMENTAL INFORMATION

Qualitative Information (Actions or results)	**Quantitative information** (Key performance indicators and coverage)
■ General environmental policy.	■ Carbon footprint (23% of the Group's GHG emissions) including review of GHG emissions (tCO_2e) scope 1, 2 and 3 (scope 3 including paper consumption, business trips, freight transport, energy consumption of data centers hosted in France and waste production).

5.6 DUTY OF CARE PLAN

5.6.1 INTRODUCTION

5.6.1.1 Purpose

Societe Generale Group is subject to French legislation passed on 27 March 2017 on the duty of care for parent and subcontracting companies (the Duty of Care Act). The law requires Societe Generale Group to prepare and implement a duty of care plan to identify risks and prevent serious breaches of human rights, fundamental freedoms, or damage to the health, safety and security of persons and the environment as a result of its activities. In particular, this plan must include a mapping of risks (section 5.6.2), regular assessment procedures regarding the situation of subsidiaries, subcontractors and suppliers with which the Group has established a business relationship (section 5.6.3); suitable actions to mitigate risks or prevent serious violations (section 5.6.4); a whistleblowing system to report any violations (section 5.6.5); a procedure to monitor the measures taken and assess their effectiveness (section 5.6.6).

Even before duty of care legislation was introduced, Societe Generale Group had already voluntarily adopted procedures and tools to identify, assess and manage risks related to human rights, fundamental freedoms, health and safety and the environment as part of how it manages its human resources, supply chain and businesses. Societe Generale has been implementing this legal obligation for six years, allowing it to strengthen the Group's existing framework as part of a continuous improvement process.

5.6.1.2 Scope of application

The Group bases its definition of serious violation on the reference texts. Accordingly, risks related to human rights, fundamental freedoms, health and safety were identified based in particular on the Universal Declaration of Human Rights (1948) and the fundamental conventions of the International Labour Organization. They are: forced labour and slavery; child labour; respect for the rights of indigenous peoples; rights of ownership; discrimination; freedom of association; health and safety; decent working conditions; decent pay; decent social protection and the right to privacy. The standard reference document for identifying environmental risks is the Rio Declaration on Environment and Development (1992). They are climate change and air quality; preservation of water resources and their quality; responsible land use; preservation of natural resources; preservation of biodiversity; and minimisation and treatment of waste.

This Duty of Care plan covers Societe Generale and consolidated companies over which Societe Generale exercises exclusive control[1], (hereinafter the **"Group"**).

It is structured around three core themes:

- **Group employees:** aiming to prevent or mitigate the risk of serious violations in respect of human rights, fundamental freedoms or the health and safety of Societe Generale Group employees;
- **Group suppliers and subcontractors:** aiming to manage or mitigate the risk of serious breaches of human rights, fundamental freedoms, health, safety and security and the environment associated with the activities of the Group's suppliers and direct[2] (*i.e.* level 1) Group subcontractors;
- **Group activities pillar:** aiming to prevent the risk of serious violations in respect of human rights, fundamental freedoms, health, safety and security and the environment that are directly associated with the products and services provided by the Group.

5.6.1.3 Governance

The Duty of Care Plan was drawn up by the Sustainable Development Department, the Compliance Division, the Human Resources Department and the Sourcing Division, in coordination with the Legal Department and the Group Security Division. This document is presented to General Management every year; it is also included in the Management Report prepared by the Board of Directors and published in the Universal Registration Document.

Roll-out is coordinated by the Sustainable Development Department, the Human Resources Department, the Sourcing Division and the Compliance Division. The Business Units and Service Units are responsible for implementing the plan within their scope.

The Duty of Care Plan was devised in accordance with the principle of continuous improvement. How it evolves over time reflects the results of the risk mapping, regular assessments, developments in the Group's activities, new environmental and social (E&S) commitments, and updates to the E&S risk management policies and tools.

(1) These are subsidiaries controlled directly or indirectly by Societe Generale, pursuant to Article L. 233-16-II of the French Commercial Code.

(2) Suppliers and subcontractors with whom the various Group companies maintain an "established commercial relationship", i.e. a direct, ongoing and stable commercial relationship (in accordance with the definition developed by French case law).

5.6.2 MAPPING OF INHERENT E&S RISKS: IDENTIFYING, ANALYSING AND RANKING THE RISKS

Societe Generale periodically identifies the risks of violations of human rights, fundamental freedoms, health, safety and security, and the environment that are inherent in its activities (referred to as **"inherent E&S risks"**[(1)]). This identification process, which served as the basis for the Group's existing E&S risk management tools and procedures, was completed by mapping the inherent E&S risks for each of the three core themes: employees, suppliers and subcontractors, and its activities.

Each of the risks identified for each core theme has been analysed and ranked based on both sector and geographic data, where relevant. This was done based on information obtained from recognised external databases[(2)] as well as internal experts.

5.6.2.1 Relations with employees

Societe Generale operates in 60 countries. The Human Resources Department sees the local context as critical to both the analysis of inherent E&S risks applicable to its employees and the policies and measures implemented to prevent them. The Group assesses exposure to risks of serious violations of human rights and fundamental freedoms, together with employee health and safety, in all its host countries to identify where and how operations are at risk and gain deeper insights into local issues.

Any failure by the Group to live up to its commitments to combat serious violations of human rights and fundamental freedoms, together with employee health and safety, could be detrimental to the Group's employees, affect its ability to continue as a going concern, and carry legal and reputation risks for the Group.

The mapping of inherent E&S risks was updated in 2023[(3)] using an external database[(4)] of indicators, which is reviewed annually, detailing the risk levels specific to the country and to financial sector activities.

The methodology for risk mapping is structured around the following parameters:

- country the Societe Generale entity operates in;
- entity's business sector;
- entity's share of the Group's workforce.

For each subject area assessed, the following table sets out the proportion of the Group's workforce operating in countries considered to have a high, medium-high, moderate and low level of inherent risk.

Risk exposure	Low	Moderate	Average	High
Freedom of association and collective bargaining rights	68.8% of the workforce	30.9% of the workforce	0.3% of the workforce	None
Discrimination[(1)]	68.2% of the workforce	31.8% of the workforce	None	None
Health and safety	69.3% of the workforce	21.2% of the workforce	9.5% of the workforce	None
Working conditions[(2)]	68% of the workforce	22.4% of the workforce	9.6% of the workforce	None

(1) Verisk Maplecroft's "Discrimination" index highlights the extent to which individuals are treated less favourably in the workplace on account of their gender, ethnic origin, religion or beliefs, disability, HIV/AIDS status, migration status, nationality, sexual orientation or gender identity, or for any other reason unrelated to the person's job requirements.

(2) Covers forced labour and modern slavery, child labour, decent working hours, the right to privacy and decent wages.

(1) We distinguish between inherent and residual E&S risks; the latter is the remaining level of risk following the implementation of measures to prevent the risks or mitigate their consequences.

(2) HR relies on data from Verisk Maplecroft; Activities relies on the same source, together with RepRisk and ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure); Sourcing relies mainly on data from Transparency international, the World Bank, the ILO, and UNICEF.

(3) In light of the ongoing disposal of certain African subsidiaries (Mauritania, Congo, Chad and Equatorial Guinea), said entities have not been included in this analysis.

(4) Verisk Maplecroft FY2023 and ITUC FY2023 for the additional analysis of the "freedom of association and collective bargaining" risk.

For each subject area assessed, the following table sets out the countries in which the Group operates that have “moderate” and “average” risk levels. The Group’s other countries of operation are all “low” risk.

Group countries of operation exposed to moderate or average risk	Moderate	Average
Freedom of association and collective bargaining rights(1)	Algeria, Benin, Brazil, Bulgaria, Burkina Faso, Cameroon, Colombia, Côte d’Ivoire, Ghana, Guinea, Hong Kong, Hungary, India, Lithuania, Madagascar, Mexico, Morocco, Mozambique, Peru, Poland, Romania, Senegal, Serbia, Singapore, South Korea, Taiwan, Turkey, Ukraine and the United States of America	China and United Arab Emirates
Discrimination	Algeria, Benin, Brazil, Bulgaria, Burkina Faso, Cameroon, China, Colombia, Côte d’Ivoire, Ghana, Greece, Guinea, Hungary, India, Japan, Madagascar, Mexico, Morocco, Mozambique, Peru, Poland, Romania, Senegal, Serbia, Singapore, South Korea, Tunisia, Turkey, Ukraine, United Arab Emirates and United States of America	None
Health and safety	Algeria, Benin, Brazil, Bulgaria, Burkina Faso, Cameroon, China, Colombia, Côte d’Ivoire, Ghana, Madagascar, Mexico, Morocco, Mozambique, Peru, Romania, Senegal, Singapore, Tunisia, Turkey, Ukraine, United Arab Emirates and United States	Guinea and India
Working conditions	Algeria, Benin, Brazil, Bulgaria, Burkina Faso, Cameroon, Chile, Colombia, Côte d’Ivoire, Ghana, Greece, Hong Kong, Hungary, Japan, Madagascar, Mexico, Morocco, Mozambique, Peru, Romania, Senegal, Serbia, Singapore, Spain, Taiwan, Tunisia, Turkey, Ukraine, United Arab Emirates and United States of America	China, United Arab Emirates, Guinea and India

(1) As last year, Societe Generale conducted an additional analysis on the subject of “Freedom of association and collective bargaining” based on the ***International Trade Union Confederation (ITUC) Index,*** *which relies in particular on the feedback of local trade unions in 149 countries. For the sake of comparison, the ITUC Index shows the following risk spread for the Group’s workforce: 63% in countries considered to be low to medium risk, 7% in medium-high risk countries and 28.6% in high-risk countries (1.4% of our workforce is located in countries not covered by the ITUC). The differences that emerged in 2022 between the results based on the ITUC and the Verisk Maplecroft – Financial Sector indices were examined with UNI Global Union throughout 2023.*

5.6.2.2 Relations with suppliers and subcontractors

Inherent E&S risk mapping for sourcing was based on the main purchasing categories for the banking sector (from a classification including more than 150 sourcing sub-categories in total). The risk level assessment for each purchasing category took in three main areas: business practices and ethics (including fraud and corruption, personal data protection, rights of ownership and patents), the environment (including depletion of natural resources, pollution(1), erosion of biodiversity, climate change and greenhouse gas emissions, waste and end-of-life management), human rights and employment conditions (including health and safety, working conditions and freedom to organise, discrimination, forced labour and modern slavery, child labour). Additional contextual factors were also built into the risk assessment for the purchasing category: supply chain characteristics (complexity, including the number of actors and distance from the intermediaries to the end purchaser) and labour intensity.

The inherent E&S risks of each purchasing category were mapped in conjunction with three other French banks in 2018, with the support of a specialised consulting firm. The mapping was subsequently updated and supplemented within the Group.

The inherent E&S risk levels of each purchasing category are cross-referenced with the corresponding expenditure amounts per category to identify the share of Group purchases in medium-high and high-risk categories.

Accordingly, for the scope analysed by the Sourcing Division France and the Sourcing Function abroad, around 6.02% of the spend was on purchasing categories representing a high E&S risk, and around 7.75% on purchasing categories representing a medium-high E&S risk.

Of the purchasing categories with a high E&S risk, building work was found to bear the greatest risk (renovations and outfitting but also construction of new buildings), and IT equipment.

5.6.2.3 Group activities

The Group provides financial products and services to customers in many sectors, and some may expose it to inherent E&S risks. At Societe Generale, we know that everything is linked: people and society, climate and biodiversity. The Group takes a science-based approach. In 2023, the Group identified, assessed and ranked inherent E&S risks related to its credit portfolio for each sector (and region, for some subjects), based on external sources covering the climate, biodiversity (through three main components: ecosystems, pollution and water) and human rights (through the following main risks: child labour; unfair remuneration; excessive working hours; violation of migrant workers’ rights; violation of workplace health and safety rules; forced labour; violation of indigenous peoples’ rights; violation of property rights; violation of freedom of association and collective bargaining; violation of minority rights; modern slavery; human rights violations by security forces; discrimination in the workplace; violation of young workers’ rights; violation of sexual minorities’ rights; violation of women’s and girls’ rights; undeclared work).

(1) Water, air, soil, etc.

CLIMATE

In terms of the **climate**, the risk levels for each business sector (based on Maplecroft data) were cross-referenced with the Group's activity data to show the sectors bearing an inherent climate risk in which the Group has a material financing activity. The risk levels are then assessed by way of a linearly increasing four-point scale: Low (L), Medium-Low (ML), Medium-High (MH) and High (H).

To ensure this exercise is accurate, the Group based its mapping on a list of sectors with a high level of granularity[1].

The results of this exercise, summarised in the table below, reveal two high-risk sectors (extraction and production of hydrocarbons; electricity production) and five medium-risk sectors (agriculture and forestry, fishing; metallurgy; organic chemistry; freight forwarding by road and storage; gas distribution).

Sector	Risk score CLIMATE
Oil & Gas exploration and production	H
Electricity production	H
Agriculture, forestry, fisheries	MH
Metallurgy (primary production)	MH
Organic chemical production	MH
Freight transportation by road, warehousing and storage	MH
Gas distribution	MH

BIODIVERSITY

The same exercise was carried out on **biodiversity** (which has three components: ecosystems, pollution and water[2]), using data from ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), a database jointly developed by UNEP-FI, UNEP-WCMC and the NGO Global Canopy. ENCORE is a web-based tool that provides an analytical framework of the physical impacts and potential direct dependencies of business activities on natural capital through a qualitative assessment of the production processes. ENCORE does not take geography into account or consider value chain impacts. These inherent limitations reflect the complexity of Nature-related challenges. In the interest of continuous improvement, the Group will gradually refine the mapping results.

As with the Climate-related risks, the risk data was cross-referenced with the Group's activity data. This biodiversity mapping is based on the same list of highly granular sectors as in the Climate component. The results were obtained on a scale from 0 (zero risk) to five (high risk) for each of the three components (ecosystems, pollution and water), thus generating a consolidated "Biodiversity" score of between 0 and 15.

As summarised in the table below, the sectors in which the Group has a material financing activity and which appear to bear the greatest risk are: electricity production; the agri-food industry; the extraction and production of hydrocarbons (oil and gas). They are followed by: civil engineering and building works; building construction.

Sector	Risk score BIODIVERSITY
Electricity production	15
Agri-food industry	15
Oil & Gas exploration and production	15
Civil engineering/Public infrastructure works	13
Building construction	13

HUMAN RIGHTS

An additional mapping focused on **human rights risks** was developed through an assessment of the following main risks: child labour; unfair remuneration; excessive working hours; violation of migrant workers' rights; violation of workplace health and safety rules; forced labour; violation of indigenous peoples' rights; violation of property rights; violation of freedom of association and collective bargaining; violation of minority rights; modern slavery; human rights violations by security forces; discrimination in the workplace; violation of young workers' rights; violation of sexual minorities' rights; violation of women's and girls' rights; undeclared work. The results of this mapping show that the human rights risk levels depend on the business sector and the countries of operation. The sectors that stand out are mining, agriculture, heavy industry and hydrocarbon production, with high levels of risk depending on the geographic location of the business.

The results of this mapping will inform the Group's continuous improvement approach to help manage its human rights and fundamental freedoms risks and to prepare the actions implemented.

Based on the results of these three mapping exercises, suitable actions were implemented as described in section 5.6.4, with a view to informing the Group's continuous improvement approach to help manage its environmental and human rights risks.

(1) For example, the Utilities sector has not been considered as a whole, but on the basis of its various activities: electricity generation; electricity transmission and distribution; gas distribution; etc.

(2) Scores on the three biodiversity components were assigned identical weightings.

5.6.3 REGULAR E&S RISK ASSESSMENT PROCEDURES

The aim of the Duty of Care Plan is to provide an appropriate framework for managing inherent E&S risks. In other words, it should cover the main risks pinpointed by the risk mapping exercise and be correctly deployed in the Group. Accordingly, the Group regularly reviews its inherent E&S risk management framework to identify risks of serious violations that may not be adequately covered by the existing framework and to step up prevention and mitigation measures.

5.6.3.1 Relations with employees

The Group's major risk assessment model is underpinned by a set of operational systems, which are constantly updated to meet continuous improvement goals.

THE GROUP CONDUCTS SELF-ASSESSMENT EXERCISES TO ASSESS RISK MITIGATION MEASURES

Every year the Group asks all entities with more than 50 employees to contribute to two self-assessment exercises:

- the first is on hedging operational risk (Risk control self-assessment);
- the second is specific to how Group entities exercise their duty of care. It is based on a questionnaire (Planethic Reporting) that covers how local policies and processes are implemented, as well as checks performed on all the topics presented in the Universal Registration Document, "Being a responsible employer" on page 368. The Human Resources Department governs and consolidates these data.

THE GROUP ASSESSES THE SATISFACTION AND WELL-BEING OF ITS EMPLOYEES

In addition to these measures, the Group gauges employee engagement and gathers direct feedback on working conditions through the Employee Satisfaction Survey, an anonymous internal survey carried out throughout the Group every year. In 2023, the survey covered engagement, efficiency, occupational well-being, responsibility (CSR, Culture & Conduct, Diversity, Equity and Inclusion) and the changes that will be taking place in the Group. As part of this initiative, Societe Generale also ensures that employees are aware of the Group's whistleblowing procedure. An Ethics and Conduct course, which is mandatory for all employees, was launched in 2023 and includes a specific module on whistleblowing. A sign that the speak-up culture is a core value within the Group, 86% of employees confirmed that they were comfortable giving their opinion.

5.6.3.2 Relations with suppliers and subcontractors

The Group's normative documentation governs inherent E&S risk management in terms of Sourcing and supplier relationship management.

Operational implementation of the normative documentation and management of inherent E&S risks at all stages of the sourcing process are based on a set of tools to identify, assess and manage E&S risks at a granular level: product or service and supplier or service provider. These tools are used for purchases made by the Group Sourcing Division and at least for high-risk categories in the Sourcing function in other countries. They are being phased in across the Group.

To support the effective implementation of these inherent E&S risk management measures when sourcing, **specific training courses** on Responsible Sourcing and E&S risk management tools are provided to all professional buyers in the Sourcing Division. These training courses were adapted and extended to buyers in the Sourcing function in other countries and to entities that are likely to regularly manage purchases and that express a need for the training. In addition, to make sure occasional buyers are mindful of what is at stake, a "motion design" video presents the Group's sustainable sourcing programme.

To identify and assess inherent E&S risks, the Sourcing Division draws primarily on:

- identifying the level of E&S risks for purchasing categories using the dedicated E&S risk mapping tool;
- including E&S criteria in calls for tender involving purchasing categories ranked as medium-high or high E&S risk, at least covering the scope of procurement overseen by the Sourcing Division and, since 2021, for calls for tenders conducted by the Sourcing function in other countries involving purchasing categories ranked as high E&S risk;
- including E&S criteria in the KYS (Know Your Supplier) assessment for shortlisted suppliers, including verifying compliance with the E&S exclusion list;
- non-financial assessment of certain "targeted"(1) suppliers by independent third parties;
- identifying whether a supplier represents a potential source of E&S controversy – a process that was improved in 2022. Using a dedicated tool designed to identify and assess ESG controversies, it monitors a targeted scope of more than 600 suppliers and/or suppliers assessed as posing a medium or high E&S risk for procurement overseen by the Sourcing Division in France, and a high E&S risk for procurement overseen by the Sourcing function in other countries.

In May 2020, the Sourcing Division strengthened the measures included in the KYS analysis it had put in place in 2016 to manage the **risks of corruption and reputation damage** related to the suppliers it monitors, extending the KYS process to all suppliers representing significant sums or sensitive purchases for the Group. It now systematically conducts the process at the beginning of the business relationship as well as periodically over the contract's term, in line with the supplier's risk level.

5.6.3.3 Group activities

The Group's normative documentation includes information on inherent E&S risk management processes and the measures introduced to prevent these risks, especially who does what in the management of each of these areas. It governs consideration of controversy assessments and integration of E&S policies into existing risk management processes, such as transactional, onboarding and periodic client review processes.

(1) Suppliers accounting for large purchase volumes at Group level or directly representing the brand.

The system in place to manage inherent E&S risks extends across corporate clients, dedicated transactions, products and services and issuers, and breaks down into three key steps:

- inherent **E&S risk identification:** this step entails identifying whether the clients' activities or the transaction with those clients could represent an E&S risk. This is done primarily by checking whether the client businesses or their underlying activities are on the E&S exclusion list[1] or the E&S identification list[2], whether they are the subject of any E&S-related controversy and whether they are covered by one or more sector policies[3]. This process is designed to confirm compliance with the criteria from the sector policies. In addition to these checks, governance due diligence is conducted as part of KYC procedures and measures to counter corruption, financing of terrorism, tax evasion and money laundering;
- **E&S assessment (of client businesses or transactions identified as presenting an inherent E&S risk):** when an inherent E&S risk is identified, the business line assesses compliance with the criteria from the applicable E&S policy or policies and the Group's other E&S commitments, and weighs up the severity of any E&S controversies. This assessment may include a prospective analysis of these criteria. A policy setting out Group-wide guidelines for assessing adverse E&S information has been in force since June 2022. Based on the conclusions of the assessment, an E&S opinion is then issued. The opinion may be positive, conditional (subject to contractual conditions, action plans, restrictions) or negative;
- **E&S actions:** E&S mitigation actions, which are subject to regular monitoring, may be recommended to mitigate the risks identified. These actions are detailed in Section 5.6.4 of this plan.

E&S assessments and actions are reviewed by the second line of defence in accordance with the Group's escalation procedure and may be submitted for mediation by General Management if necessary. The Business Units are also phasing monitoring and controls into their inherent E&S risk management processes.

To ensure a smooth and systematic roll-out of this inherent E&S risk management framework across the Group, a new compulsory online training module was developed in 2021 for all Business Units and Service Units covered by the framework. It is available in 11 languages, ensuring that the same content is consistently implemented and available to everyone in the Group wherever it operates.

Group entities are accountable for managing and controlling inherent E&S risks within their respective scopes. They implement the normative system defined by the Group and adapt it to their activities, applying it to their own processes. Each entity's management ensures that these requirements are rolled out and implemented into operations within its scope and assigns the necessary resources and expertise. Process governance by the entities is detailed in section 4.13.3.3 / Operational implementation in the Group's Business Units, page 308.

DEVELOPING TRAINING RESOURCES

Societe Generale Group initiated a plan to provide training and establish an E&S culture for all employees, with the aim of:

- developing a cross-business culture based on a shared core of E&S knowledge;
- ensuring the businesses have the requisite technical expertise available to them.

This plan draws on:

- **a skills development course with five levels of expertise.**

  The training plan includes an employee skills development course with five levels of expertise. The most basic level requires employees to complete five hours of training, while the highest level requires 50 hours of training.

1. FUNDAMENTAL	2. INTERMEDIATE	3. ADVANCED	4. QUALIFIED	5. EXPERT
Minimum required for all employees	Available for all employees	Employees seeking greater CSR expertise	Employees looking for a qualification in CSR	Employees working in the area of CSR

- The first two levels (Beginner and Intermediate) are for all Group employees, while the three higher levels are for employees who work in ESG or are seeking ESG expertise or certifications.

  As of the end of December 2023, over 30% of employees had completed the Beginner training modules:

  - 45,000 took training on CSR basics,
  - 38,000 took training on sustainable finance and its regulations,
  - 33,000 took training on issues related to the ecological crisis;
- **a goal to roll out the Climate Fresk to 30% of employees.**

  In addition, the Group is aiming to roll out the Climate Fresk (which is part of the Intermediate level) to 30% of employees by 2024.

  29,320 Group employees had attended Climate Fresk training by end-2023, including 21,000 in 2023 alone.

  Furthermore, the e-learning module on E&S risk management, which had been made compulsory for staff in direct or indirect contact with corporate clients, is now available as an optional module for all staff. The module covers the scope, governance and main stages in managing E&S risks: identifying and assessing risk and ensuing action plans.

*(1) An **E&S exclusion list,** which contains businesses that are excluded under certain E&S sector policies, is updated and distributed to the operations teams at least once a year. Societe Generale has pledged that it will not knowingly supply banking or financial services to such companies, their parent companies or their subsidiaries. New tools to beef up this risk identification process are being developed and added to verify exclusion lists, check the sector policies that apply and help identify new negatives. This list is now included in the Group's financial security tool and is available to all employees who deal with corporate clients.*

*(2) An **E&S identification list** is updated by in-house experts on a regular basis and sent to all businesses concerned. This internal list details any projects, company, activity sectors or countries that are the object of severe controversy or public campaigns on the part of civil society for E&S reasons, irrespective of whether they are financed by Societe Generale. 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 E&S assessment of any transactions and clients concerned.*

(3) Operational guides associated with each sector policy started to be rolled out in 2023 and will continue to be deployed in 2024. They are used to help employees apply sector policies across the Group. The Group is currently developing a tool to help identify companies whose main activity is covered by a sector policy to strengthen operational security in the application of these policies.

5.6.4 ACTIONS TO PREVENT AND MITIGATE INHERENT E&S RISKS

5.6.4.1 Relations with employees

To prevent and mitigate inherent E&S risks in the Group's relationships with employees, the Group defines specific guidelines that cover issues related to human rights, freedom of association and collective bargaining rights, in addition to a number of policies that apply Group-wide, which are then implemented by the Business Units and Service Units:

- **normative documentation** that sets out all the operating and organisational rules (the Societe Generale Code);
- **a Code of Conduct** that applies to all of the Group's activities worldwide: it promotes respect for human rights, sets out the standards to meet and the commitments to all stakeholders;
- policies and procedures to promote human rights:
  - **social dialogue, freedom of association and collective bargaining:** through local staff representative bodies, where they exist, in the entities, countries and in the European Works Council. Social dialogue also takes place through local unions, where they exist. In 2023, Societe Generale and UNI Global Union signed a new global agreement on the rights of Group employees[1]. The agreement formalises the positive practices observed since 2019 through new commitments on remote working (including trade union rights), the digital environment, health, safety, security and quality of life at work, including prevention and the fight against discrimination, harassment and inappropriate behaviour, the development of diversity and respect for gender equality, as well as universal commitments to social protection. Through this agreement, UNI Global Union is recognised as a "stakeholder" in the Duty of Care Plan for the HR pillar. As such, UNI Global Union is consulted annually when the Duty of Care Plan is being drafted, on the part relative to its pillar, and provides comments on the draft version of the document before it is reviewed by the Board of Directors. This agreement covers 100% of the Group's employees,
  - **discrimination:** through its Diversity, Equity and Inclusion (DE&I) policy, rolled out across the Group, and the commitments made under the agreement with UNI Global Union (detailed above), Societe Generale is determined to recognise the full array of talent within its ranks. The Group is committed to creating the conditions conducive to an inclusive organisation in all its HR processes and entities, and prohibits all forms of discrimination, specifically through compulsory training on non-discrimination for teams responsible for hiring across the world. A DE&I Steering Committee replaced the Diversity and Inclusion Committee that was created in November 2021. The Committee includes 12 members of the Group Management Committee and a DE&I expert who supports the other members in their analysis and strategic choices. The Group has also set itself ambitious targets in terms of the number of women in senior management, with a goal of women occupying at least 35% of the Top 250 positions by 2026,
  - **health, wellbeing and workplace conditions:** the Group's Health policy is implemented by the entities working with local support teams (HR, logistics managers, occupational health, etc.). This Health policy is enhanced by the terms of the agreement with UNI Global Union. Each Group subsidiary defines a level of supplementary health cover depending on the compulsory scheme in its country and with a level of protection at least comparable to local market practices. Moreover, since 2019 the Group has been working to ensure a minimum level of social, health and welfare protection for all its employees worldwide. A new agreement was signed in France between the Human Resources Department and the trade unions on wellbeing and workplace conditions in 2022. It is intended to further improve working conditions and prevent occupational risks, paying particular attention to preventing psychosocial risks,
  - **safety and security:** the safety of people and property on Societe Generale premises is supervised by the Group Security Division within the General Secretariat. The Group adopts a global security approach that aims to assess risk levels and then bring together all protection mechanisms to respond in the best possible way to the increasing number of exogenous and endogenous threats (cybercrime, terrorism, geopolitical, public health and climate risks). This includes continuously monitoring risks that may have an impact on occupational health and safety and social risks at the Group's locations and implementing targeted prevention actions and information campaigns to reinforce the safety and security culture within the Group. Societe Generale has also developed a specific plan enabling the Group to minimise its exposure to potential security risks and reduce the impacts if a crisis occurs that could jeopardise the physical safety of employees on international mobility. This initiative is based on a monitoring and prevention system that includes security and evacuation plans developed jointly with the local safety and security function. Finally, at Group level, the DSG has developed a safety culture programme aimed at all employees, delivered *via* conferences and press reviews.
  - **working conditions:** the Group has set the minimum age for employment at 16. Group entities are required to check the age of all new employees at the hiring stage. All forms of forced labour are prohibited. Societe Generale also strives to offer attractive remuneration to nurture employee loyalty and boost the Group's performance over the long term. In addition, the Group is committed to equitable and sustainable compensation, specifically taking into consideration the decent wage guidelines developed by FairWage for each country and world region. The compensation policy is based on principles of non-discrimination and other principles shared by all. It is then adjusted to the businesses and geographic areas in which the Group operates, taking into account market practices and contexts;
- the Group consistently ensures that everyone in all our host countries knows the rules. Furthermore, the training courses offered must guarantee skills development (especially behavioural) and employability for employees throughout their professional careers with the Company. This offer specifically targets environmental and social risks and challenges, as well as the risk, responsibility and compliance culture. This compulsory training for all Group employees covers subjects including information security, anti-corruption measures, Code of Conduct, the General Data Protection Regulation, international sanctions, anti-money laundering and counter-terrorism financing, conflicts of interest and harassment. The Group also offers training courses specific to each business line or function, thereby limiting operational risks and maintaining employee skills. In addition, the speak-up culture

(1) The UNI Global Union agreement can be viewed at the following link: https://www.societegenerale.com/sites/default/files/documents/2023-06/2023-global-agreement-on-the-rights-of-societe-generale-group-employees.pdf

reference document distributed in 2023 was supported by various tools to onboard the information, including workshops and presentations. The business lines have rolled out over 200 local initiatives including communications, training, workshops and surveys.

Further information on what the Group is doing in this area is available in the Group's Declaration of Extra-Financial Performance (see *Being a responsible employer* in Chapter 5, page 368 of the Universal Registration Document).

5.6.4.2 Relations with suppliers and subcontractors

In addition to the measures to identify and assess inherent E&S risks when conducting business, various **actions to prevent and mitigate inherent E&S risks** have been implemented, and consist of:

- including in calls for tender E&S requirements covering the main risks for the purchasing categories identified in the risk mapping, at least for the purchasing categories ranked as medium-high or high E&S risk for procurement overseen by the Sourcing Division in France and, since 2021, for calls for tenders conducted by the Sourcing function in other countries involving purchasing categories ranked as high E&S risk;
- weighting E&S criteria according to the degree of E&S risk represented by the purchasing category in question, according to the rating criteria for service or product bids;
- adding a CSR clause to contract templates used by the Sourcing Division and the Sourcing function in other countries, which includes a contractual commitment to comply with:
  - the Group's Sustainable Sourcing Charter (*https://www.societegenerale.com/sites/default/files/construire-demain/12112018_charte_achats_responsables _vf_fr.pdf*). This charter is the result of a joint initiative started in 2017 between French banking and insurance operators looking to involve their suppliers in the due diligence process. It sets out the Group's CSR commitments, obligations and expectations with respect to its suppliers, and has been translated into six different languages. The reciprocal commitments set out in the charter are based on the fundamental principles of the United Nations Global Compact as regards human rights, working conditions (health and safety), the environment and countering corruption (See Compliance risk - Countering corruption, page 295),
  - principles that are at least equivalent to the Group Code of Conduct and the right to audit (to perform E&S audits if necessary) and a request for non-financial assessment of "targeted" suppliers[1];
- for procurement that does not go through the Sourcing Division ranked as high E&S risk, simplified E&S risk management tools are provided;
- if E&S performance falls short:
  - encourage remedial action plans,
  - review E&S controversies or changes in non-financial ratings,
  - option to conduct on-site E&S audits.

5.6.4.3 Group activities

As part of a continuous improvement process and to take into account the inherent E&S risks pinpointed by successive risk mapping exercises (see details in section 5.6.2) or captured through the whistleblowing process (see section 5.6.5.1) and stakeholder dialogue (see section 5.6.5.2), the Group has put in place a set of appropriate measures, the details of which are provided below, together with the changes made in 2023.

STRONGER SECTOR POLICIES

To prevent and mitigate E&S risks inherent in its activities, the Group has defined E&S standards which are formally set out in its Environmental and Social General Principles[2] and split into sector policies covering those sectors that are deemed potentially sensitive from an environmental or social perspective. Designed to limit potential direct adverse environmental and social impacts of the Group's activities, these policies set out the main risks of infringing human rights or causing damage to the environment from the sector concerned and specify the criteria used to assess clients or transactions with operators in these specific sectors:

- industrial agriculture and forestry[3] (including criteria applicable to clients and dedicated transactions, especially as regards deforestation);
- dams and hydroelectric power[4] (exclusions on financing the construction or expansion of hydroelectric plants with pondage in sensitive sites);
- thermal power stations[5];
- thermal coal[6] (including the commitment to reduce exposure to the thermal coal sector to zero by 2030 for EU and OECD countries and by 2040 for the rest of the world);
- defence[7] (exclusion list encompassing all activities linked to controversial weapons: anti-personnel mines, cluster bombs, depleted uranium weapons, chemical, biological and nuclear weapons – non-NPT countries);

(1) Suppliers accounting for large purchase volumes at Group level or directly representing the brand.
(2) https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf
(3) https://www.societegenerale.com/sites/default/files/documents/CSR/industrial-agriculture-and-forestry-sector-policy.pdf
(4) https://www.societegenerale.com/sites/default/files/documents/CSR/dams-hydropower-sector-policy.pdf
(5) https://www.societegenerale.com/sites/default/files/documents/CSR/thermal-power-sector-policy.pdf
(6) https://www.societegenerale.com/sites/default/files/documents/CSR/thermal-coal-sector-policy.pdf
(7) https://www.societegenerale.com/sites/default/files/documents/CSR/defense-and-security-sector-policy.pdf

- mines[1] (exclusions apply to dedicated financing for mining of asbestos and metallurgic-grade coal);
- shipping[2] (financing exclusions include non-double hull tankers, vessels for the shipment of Arctic oil, oil sands and coal);
- civil nuclear power[3];
- oil and gas[4] (exclusion policy applicable to unconventional hydrocarbons and, since the end of 2023, very firm restrictions on new oil and gas developments);
- tobacco[5] (exclusion policy applicable to companies that make more than 25% of their revenue from tobacco).

This set of sector policies is gradually being added to and updated to improve the management of inherent E&S risks identified within the specified sectors or to include new sectors within the scope of its application. These developments mainly stem from the results of the various risk mapping exercises carried out by the Group (see details in section 5.6.2) but also from warnings, information and controversies identified by the Group through its internal whistleblowing procedure (see section 5.6.5.1) and its stakeholder dialogue process (see section 5.6.5.2).

For instance, in 2023, the Group introduced a new sector policy on tobacco, strengthened its existing sector policy on oil and gas and added to its policy on thermal power stations.

New sector policy on tobacco

Having identified the E&S risks associated with the tobacco industry, in particular in relation to health, biodiversity and local communities, in September 2023 the Group published a new tobacco sector policy describing its exit strategy for this sector. In parallel, the Group signed the "Tobacco-free finance pledge" founded by the Tobacco Free Portfolios initiative and developed in collaboration with the United Nations Environment Programme Finance Initiative.

Stronger restrictions on the oil and gas sector

In September 2023, Societe Generale set out new commitments on the decarbonisation of activities linked to the oil and gas sector, which have been included in its updated policy on the sector:

- from 1 January 2024, it is ceasing to offer financial products and services (dedicated or non-dedicated) to all private companies that generate almost all of their revenue from upstream oil and gas activities, namely exploration, development and production, by managing these exposures in run-off;
- from 1 January 2024, it is ceasing to offer dedicated financial products and services to new oil and gas production projects developed by diversified sector companies for which the final investment decision was made after 31 December 2021;
- it will take a heightened proactive approach to reviewing the strategies of oil and gas sector companies with a view to their impact on climate change. Particular attention will be paid to: (i) their carbon footprint; (ii) their climate objectives; (iii) the diversification of their activities; (iv) the resources deployed, such as R&D, and the level of investment allocated to transition-related activities; and (v) the governance structures they have put in place to implement their climate objectives.

Concerning climate, the hydrocarbon production and extraction and electricity production sectors, which are identified as areas of high risk in the map presented in section 5.6.2, are covered by specific sector policies. Among the six sectors identified as showing a medium-high risk, the "agriculture, forestry and fishing" sector is covered by a specific sector policy and the metal industry is partly covered through the mining sector policy (including exclusion criteria applicable to metallurgical coal). The organic chemistry and road freight transport sectors will be examined over the coming months with a view to better mitigating inherent risks.

Other sectors, such as gas distribution, are not directly covered by specific sector policies but are taken into account in the targets for aligning the portfolios with trajectories that are compatible with the objectives of the Paris Agreement, as detailed below.

STRENGTHENED ALIGNMENT TARGETS

Since it joined the UNEP-FI Net-Zero Banking Alliance (NZBA) as a founding member in 2021, **the Group has progressively implemented carbon reduction targets** (to align its corporate lending portfolios with trajectories 1,5°C) **for sectors that emit the most greenhouse gases,** in line with the timeframe defined by the NZBA, which has set a deadline of April 2024. In 2022, following the commitment made in 2019 to fully exit the coal sector by 2030 for companies domiciled in EU or OECD countries and by 2040 in the rest of the world, we set a **CO_2 emission intensity target for our exposure to the power generation sector of 125 g CO_2 per kWh by 2030,** representing a 43% reduction in the carbon intensity of this exposure by 2030 compared with the 2019 level. This target is aligned with the NZE 2050 scenario.

In 2023, we strengthened our alignment targets as follows:

- a sharp acceleration in the reduction of our exposure to the upsteam oil and gas, with a **target reduction of 80% by 2030 *versus* the 2019 level, and an intermediary target of -50% by 2025** (compared with the previous objective of -20% in 2022);
- a **decrease in financed greenhouse gas emissions in the oil and gas sector of 70% by 2030 compared with the 2019 level** (absolute greenhouse gas emissions, across the entire oil and gas value chain, incorporating scope 1, 2 and 3 emissions related to the end-use of oil and gas).
- for the **automotive sector:** reduction in average emissions intensity for car manufacturers (based on their annual sales and vehicle use life) to 90g CO eq./v-km by 2030 (vs. 184g CO eq./v-km in 2021), i.e. a 51% reduction. This goes further than the target of 106g CO eq./v-km by 2030 under the IEA's scenario;
- for the **cement sector:** reduction in the carbon intensity of cement production to 535kg CO eq./t cement produced by 2030 (vs. 671kg CO eq./t in 2022), i.e. a 20% reduction in emissions intensity;
- for the **commercial real estate sector:** reduction in carbon emissions intensity from 49kg CO eq./m in 2022 to 18kg CO eq./m by 2030 (based on the current composition of the Group's portfolio), i.e. a 63% reduction, in line with the CRREM 1.5°C scenario (v2.02);

(1) https://www.societegenerale.com/sites/default/files/documents/CSR/mining-sector-policy.pdf
(2) https://www.societegenerale.com/sites/default/files/documents/CSR/shipping-sector-policy.pdf
(3) https://www.societegenerale.com/sites/default/files/documents/CSR/civil-nuclear-power-sector-policy.pdf
(4) https://www.societegenerale.com/sites/default/files/documents/CSR/oil-gas-sector-policy.pdf
(5) https://www.societegenerale.com/sites/default/files/documents/CSR/tobacco-sector-policy-en.pdf

- a target alignment of the **crude steel production** portfolio with the IEA's NZE scenario based on the methodology developed under the Sustainable Steel Principles (*i.e.* achieve an alignment score of 0 by 2030);

This process will be continued in 2024.

The Group has published a climate and alignment report(1) detailing its approach to combating climate change. It features the benchmark measurements and target figures set for the oil and gas, thermal coal, thermal power plant, cement, steel, automotive, maritime transport and commercial real estate sectors, with details of the related assumptions and methodologies.

SPECIFIC FOCUS ON BIODIVERSITY

Societe Generale acknowledges that a proportion of the world's economic activity is harmful to nature. The Group wishes to pursue an approach that reflects the momentum of the Kunming-Montréal Global Biodiversity Framework adopted by COP15 in December 2022, by promoting measures that have a positive impact on nature and reducing activities that are harmful to nature.

In November 2022, as a signatory to the *Act4nature* international initiative, Societe Generale set out updated tangible and measurable biodiversity targets for the entire Group. *Act4Nature international* is an initiative led by business networks with scientific partners, environmental NGOs and public bodies. Its objective is to develop the mobilisation of companies in favour of biodiversity through pragmatic commitments supported by their CEOs. Societe Generale's commitments in this area are publicly available(2).

The mapping of inherent biodiversity risks has highlighted the sensitivity of certain sectors (see details in section 5.6.2) but has also confirmed that the negative effects on biodiversity as a result of pollution, pressure on water resources and the use of land ecosystems stem from a broad swathe of economic activity.

The electricity generation, agri-food and hydrocarbon extraction and production sectors, identified as the most sensitive in the mapping, are covered by sector policies.

To mitigate these risks more broadly, the Group has taken the following measures:

- since 2017, it has been applying the Equator Principles, a risk management framework for **project financing** to determine risks related to biodiversity erosion in particular. It also uses this framework to determine risks when financing projects in the civil engineering, public works and construction sectors. Additionally, the Bank has strengthened its sector policies to exclude all financing of new projects located in key internationally protected sites (UNESCO, RAMSAR, IUCN I-IV, Alliance for Zero Extinction). The rollout of the Integrated Biodiversity Assessment Tool (IBAT) within the Group has been crucial in implementing this measure. The Group has committed to apply a policy of exclusion to the financing of projects for the exploration and production of oil in the Arctic, the exploration, production or trading of oil from the Equatorial Amazon, and soy production and cattle breeding in the Amazon;
- it has also strengthened the monitoring of biodiversity risks arising from its dealings with **corporate clients**. By the end of 2024, all major corporate clients of the Corporate and Investment Banking arm will have undergone an assessment of the environmental and social risks they present, including biodiversity risks. As part of its efforts to help curb deforestation, particular attention is paid to clients that operate upstream of supply chains in the South American soy and cattle sectors and upstream of palm oil supply chains. The Group is already in dialogue with existing client companies that operate in these sectors to assess their strategies to curb deforestation and their status in terms of alignment with its Industrial Agriculture and Forestry sector policy. Concerning its **SME clients** in France, in 2023 the Group began proposing an E&S interview guide incorporating a biodiversity component to foster dialogue on environmental issues and committed to training 100% of its client relationship managers on biodiversity.

Particular emphasis has been placed on **training** for its teams in these subjects. To continue enhancing its internal expertise in nature-related subjects, biodiversity training modules have been made available to staff in addition to the biodiversity fresk workshops. The Board of Directors was assigned specific training by the Sustainable Development Division.

FOCUS ON HUMAN RIGHTS

The Group takes a proactive approach to complying with and promoting human rights, which is a core element of its E&S risk management process. It acknowledges the fundamental role played by States and governments in defining legal frameworks for the protection and full exercise of human rights. The Group complies with the legal and regulatory provisions of the territories in which it operates, and is also aware of its role in preventing serious infringements of human rights in the performance of its activities. In this regard, it acknowledges the value of the following standards, initiatives and best practices that it uses as a guideline for its own activities: the Universal Declaration of Human Rights and its additional commitments, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the fundamental conventions of the International Labour Organization (ILO), the Unesco World Heritage Convention, the United Nations Sustainable Development Goals (SDD), and the United Nations Guiding Principles on Business and Human Rights of 16 June 2011.

In order to manage human rights risks associated with the services provided by it, the Group applies sector policies(3) that require compliance with human rights criteria and its E&S identification and exclusion list.

These policies are regularly updated and strengthened (see details in section 5.6.2).

As required under Section 54 of the Modern Slavery Act 2015, Societe Generale publishes an annual statement on its website outlining the steps it has taken to prevent modern slavery and human trafficking.

(1) https://www.societegenerale.com/sites/default/files/documents/CSR/climate-and-alignment-report.pdf
(2) https://www.act4nature.com/wp-content/uploads/2022/11/SOCIETE-GENERALE-VF.pdf
(3) With the exception of policies covering sectors that the Group has decided to exit.

5.6.5 WHISTLEBLOWING PROCEDURE

5.6.5.1 Whistleblowing system

Under the Duty of Care Act and the French Act on Transparency, the Fight against Corruption and Modernisation of the Economy, (known as the Sapin II Act), a whistleblowing mechanism is compulsory. To comply with both these laws, a Group-wide whistleblowing system was introduced in 2019 in addition to existing measures. The French representative trade unions were consulted and the system proposed was presented to and discussed with French and European bodies before being introduced. The policy is now available at *www.societegenerale.com* and on the Societe Generale Group's Intranet. It has been rolled out in France and other countries and is available in 20 languages. This is in addition to local whistleblowing channels, the managerial channel, HR channels and direct referral *via* the Chief Compliance Officer, to whom issues can be reported.

The whistleblowing system was updated in 2023 in accordance with the Waserman Law, which modifies the Sapin II law. This new law extends the protection provided by whistleblowing rights to include people who were previously excluded from the regulation (third parties who are considered "facilitators, shareholders, Directors") and removes the requirement of "disinterestedness", replacing it with the criterion that the whistleblower may not be in receipt of any direct financial compensation.(1) These changes have been incorporated into the Group's normative documentation and have led to the deployment of local whistleblowing tools offering a new channel to whistleblowers in addition to the Group channel.

Whistleblowers can use the system to report any suspected potential or actual violation or attempt to conceal a violation of an international commitment, a law or a regulation; in respect of human rights, fundamental freedoms, health and safety or the environment; and regarding behaviour or a situation that runs counter to the Group's Code of Conduct. It can be used by employees, members of the management, Directors, shareholders, external and part-time employees, subcontractors and suppliers with which a business relationship exists, and third party facilitators. It is hosted on a secure external platform offering the guarantees required by the French Act on Transparency, the Fight against Corruption and Modernisation of the Economy, namely protection of personal data and strict confidentiality (to protect the whistleblower's identity) of any information provided. Whistleblowing is a right and no employee will be sanctioned in any way whatsoever for having made disclosures in good faith.

The Group's Code of Conduct explains how to use the whistleblowing system (see *A Code of Conduct underpinned by shared values* page 330 of the Universal Registration Document).

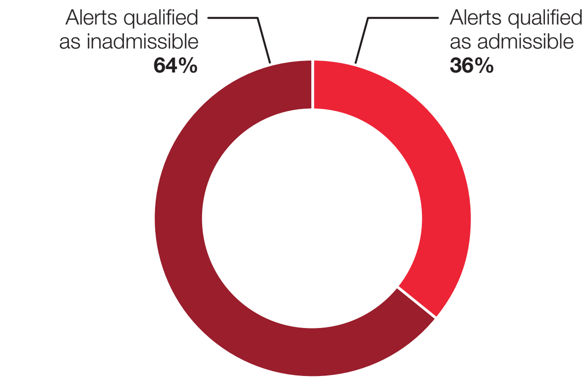
REPORTS AND ALERTS IN 2023

In 2023, the Group observed an increase in the number of reports made using the whistleblowing system (310 *versus* 231 in 2022). Among these, nearly one third were qualified as alerts eligible for consideration under the whistleblowing procedure, *i.e.* 111 alerts *versus* 126 in 2022. The share of alerts relating to HR issues (moral or sexual harassment, sexist behaviour, discrimination) remained high, accounting for three out of four alerts. Other alerts concerned issues such as corruption, conflicts of interest, data protection, etc. In addition to the alerts made *via* the Group system, others were made using local or managerial channels or reported directly to HR staff.

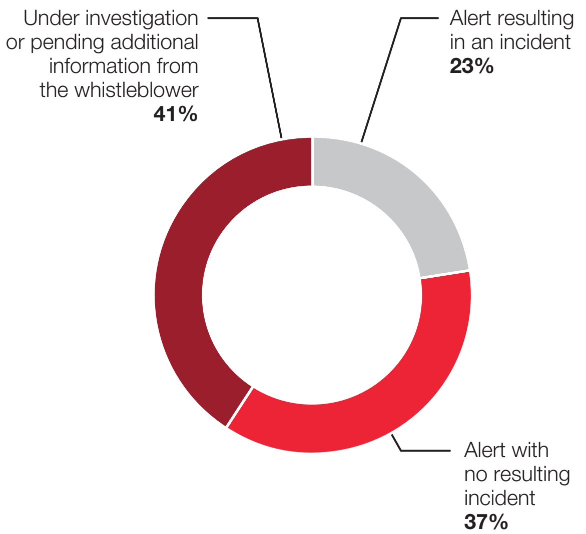
Out of the total reports that were qualified as alerts, 23% highlighted incidents that required the implementation of corrective action, of which 72% involved sanctions (ranging from reprimand to lay-off).

The charts below show an analysis derived from the Group's whistleblowing system.

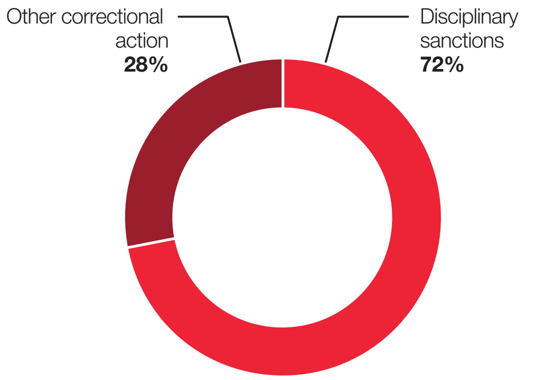
ADMISSIBILITY OF ALERTS - GROUP TOOL



RESULTS OF WHISTLEBLOWER INVESTIGATIONS - GROUP TOOL*



ACTION TAKEN FOLLOWING AN ALERT RESULTING IN AN INCIDENT - GROUP TOOL*



* *based on data as at 04 January 2024.*

(1) *Unless authorised by local law.*

COMMUNICATION ON AND AWARENESS OF THE WHISTLEBLOWING SYSTEM

Links to the whistleblowing channels have been made available by the Group on its intranet and its institutional website, to which staff, external and part-time employees, members of the management, Directors and shareholders have access. In accordance with the Duty of Care Act, all service providers (subcontractors, suppliers, etc.) with which the Group has a business relationship also have access.

Since its introduction in 2019, there has been communication and other measures to heighten awareness of the whistleblowing system each year among staff, external and part-time employees and members of the management. Additionally, all employees are required to complete training on the subject of whistleblowing each year. The Group provides this training. The objective is to ensure that all employees understand the issues involved in whistleblowing, and are aware of the resources available to them and the protections afforded to whistleblowers. Subcontractors and suppliers obtain information on the whistleblowing system through the Code of Conduct.

5.6.5.2 Promotion of dialogue with stakeholders

The Group is also involved in an ongoing process of dialogue with its stakeholders, through which it can receive alerts from third parties that are not covered by the whistleblowing system described above.

Such dialogue 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 risk management system, for instance by adding to identification lists or enhancing sector policies.

The Group has set up a comprehensive system for treating complaints that is available to any natural person or legal entity that subscribes for or is likely to subscribe for its products and services, on a private or professional basis. This includes all clients (retail, professional and business) that have an existing business relationship with Societe Generale as well as third parties that are not clients (prospective clients or any other third party interested in a product or service offered by the Group). Such complaints include any type of dissatisfaction in connection with the sale, compliance or management of a product or service offered (*e.g.* investment advice). They may concern a product or banking or financial service, the failure to provide a product or service, the payment of expenses or fees, pricing levels, fraud, damages suffered by a client, contact with a staff member, refusal to provide a service, or failure by a professional to fully comply with a regulation.

5.6.6 MONITORING OF DUTY OF CARE MEASURES AND REPORTING ON THEIR EFFECTIVE IMPLEMENTATION

Societe Generale has developed management and reporting tools to comply with its extra-financial reporting obligations and monitor implementation of its E&S risk management processes. These tools provide the Human Resources Department, Security Division, Sourcing Division and Sustainable Development Department with key extra-financial performance indicators.

Duty of care measures are also monitored by means of internal self-assessment exercises, to:

- monitor how E&S risk management processes are applied in Business Units, Service Units and further down the chain (at individual legal entity level);
- identify areas for improvement and monitor the ensuing action plans; and
- leverage additional indicators for monitoring the measures taken by the Group.

5.6.6.1 Relations with employees

THE GROUP HAS A SET OF CONTROLS TO ASSESS MONITORING OF APPLICABLE RULES

The Group manages the E&S risks inherent to its relations with employees through a series of control systems. The choice of which system to use and how it is determined and monitored all play a crucial role.

For the sake of efficiency, the Group provides all its entities with normative documentation specific to the nature of their activities and taking into account all types of risk, including risks relating to employees' human rights and fundamental freedoms, as well as their health and safety. This documentation is disseminated and kept updated and accessible.

The Human Resources Department and its local teams are also covered by the Group's risk management and permanent control systems, including:

- a set of **controls on key HR processes** deployed throughout the Group;
- **business continuity plans** and crisis exercises;
- **periodic controls** (including on how measures to mitigate the risk of E&S violations have been implemented) performed by the Audit and Inspection teams.

THE GROUP MAINTAINS ACTIVE DIALOGUE WITH EMPLOYEES AND THEIR REPRESENTATIVES

Societe Generale has signed a global agreement on fundamental rights with UNI Global Union. Under this agreement, it organises discussions between representatives of its Human Resources Department and of UNI Global Union to make sure that the duty of care remains front and centre in structuring social dialogue within the Group, and that all aspects of the agreement are being properly upheld. As part of its commitment under this agreement to continuous improvement in labour relations, the Group also presents its published Duty of Care Plan to UNI Global Union, taking questions from union members.

THE GROUP IMPLEMENTS FRAMEWORKS TO MONITOR ITS DUTY OF CARE MEASURES

Each year, the Group's HR teams review and update its various self-assessment tools, such as the Planethic Reporting questionnaire, before they are sent out to Group entities. The labour relations team reviews the questions on freedom of association and collective bargaining; the diversity, equity and inclusion team reviews those on discrimination; and the corporate teams responsible for health & safety and working conditions review those relating to such matters. In 2023, Societe Generale began work on making its Duty of Care Plan compliant with the future Corporate Sustainability Reporting Directive (CSRD) requirements and amending its questionnaires accordingly.

The Human Resources Department also reviews the entities' responses to the questionnaires.

In addition, the Group conducts an Employee Satisfaction Survey each year. The results, shared with employees, help to take the pulse of our workforce and their expectations and to read the labour relations climate. Based on the survey findings, action plans are implemented in every BU and SU to continuously improve employees' daily working conditions. These action plans are then submitted to the Board of Directors.

Main achievements as regards the Group's duty of care over 2023:

- awareness training for HR staff on why duty of care matters;
- stricter preventive measures for psychosocial risks, especially in populations affected by transformation projects (such as the banking network merger in France or ALD's acquisition of LeasePlan);
- awareness-raising for all staff on why data security is important, through a compulsory e-learning module, information campaigns and various in-house events;
- continued roll-out of the initiative to propose workplace layouts that facilitate remote working locally, seeking to balance the Group's operational needs and employee expectations;
- training and information for all employees on how to prevent inappropriate behaviour;
- increased training and information on non-discrimination, with training sessions for the Group's ambassadors, recruiters within HR and communication officers, as well as monthly talks open to all staff.

As part of negotiations on the new agreement with UNI Global Union, it was agreed that the Group would send the section of its Duty of Care Plan dealing with Group employees to UNI Global Union for review before submitting it to the Board of Directors. It was also agreed that UNI Global Union and the Group would set up working groups to regularly discuss how best to analyse and mitigate residual risks (locally in certain countries as well as at corporate level), ensuring that duty of care remains the Group's focus in structuring social dialogue, as part of a continuous improvement approach.

Results: the 2023 evaluation of what the Group is doing to implement duty of care and risk mitigation measures in countries exposed to high, medium-high or moderate inherent E&S risk pointed to the following residual E&S risks:

Risk	Workforce exposure level
Freedom of association and collective bargaining rights	Entities that need to pay special attention to requests for employee representation systems employ **3.74%** of the workforce.
Discrimination(1)	The entity that needs to have official policies and strengthen checks to ensure that HR processes are non-discriminatory employ **0.04%** of the workforce
Health and safety	The two entities that need to have official policies and strengthen their checks on workplace health and safety employ **0.08%** of the workforce
Working conditions(2)	The entity that needs to have official policies and strengthens their checks to ensure that working conditions meet International Labour Organization standards employ **0.03%** of the workforce.

(1) Verisk Maplecroft's discrimination index measures the extent to which individuals experience unfavourable treatment in the workplace because of their gender, ethnic origin, religion or beliefs, disability, HIV/AIDS status, migratory status, nationality, sexual orientation or gender identity, or on the basis of any other matters unrelated to their job requirements.

(2) Covers forced labour and modern slavery, child labour, decent working hours and the right to privacy and decent wages.

- looking at **freedom of association and collective bargaining**, countries in which some Group entities need to take particular care in the event of requests for information on this topic are: Bulgaria, China, Colombia, Hong Kong, Hungary, India, Lithuania, Mexico, Poland, Serbia, Singapore, Turkey, Ukraine, the United Arab Emirates and the US;
- on **discrimination,** the country in which a Group entity needs to have official policies and strengthen their checks to make sure that HR processes are not discriminatory is: Ukraine;
- on **health and safety,** the two countries in which some Group entities need to have official policies and strengthen their checks are: Bulgaria and India;
- as for **working conditions,** the country in which a Group entity needs to have official policies and strengthen their checks to ensure that working conditions meet International Labour Organization standards is: Bulgaria.

In 2023, entities representing 100% of the Group's headcount performed self-assessments.

5.6.6.2 Relations with suppliers and subcontractors

The Sourcing Division tracks E&S risk indicators on suppliers and calls for tender on a quarterly basis to assess how effective its risk management framework is

For procurement overseen by the Sourcing Division:

- proposed E&S requirements and criteria for inclusion in calls for tender exist for 99% of the purchasing categories representing a high or medium-high E&S risk. The requirements and criteria vary according to the sector and the products or services in question. Proposed E&S criteria and requirements also exist for a further 50 or so purchasing categories beyond these medium-high and high risk categories. In total, around 100 purchasing categories are covered;
- 99,7% of calls for tender in high E&S risk categories included E&S criteria in 2023;
- a tool has been developed to help tackle controversies involving companies suspected of using forced labour in their supply chains;
- by the end of 2023, 100% of the Sourcing Division's active buyers had received training in Responsible Sourcing, as defined in the Group's normative documentation, and in E&S risk management tools for sourcing;
- over 90% of the Sourcing Division's active buyers had attended Climate Fresk training by the end of 2023.

The Group continued to enhance its risk management framework over 2023, with the following main achievements:

- E&S requirements and criteria for calls for tender reviewed for 26 purchasing categories representing varying levels of E&S risk;
- further training on Responsible Sourcing and E&S risk management tools provided to buyers in the Sourcing Division and the Sourcing Function for the international market;
- responsible Sourcing training materials for purchases not managed by the Sourcing Division updated, and training provided to 20 entities that source directly (of which 18 do so internationally);
- continued monitoring of the action plans drawn up further to the four supplier CSR audits conducted in 2020 and the two conducted in 2022 in partnership with other banks;
- two supplier CSR audits on a medium-high risk category of purchases;
- process for how the Group identifies whether a supplier represents a potential source of E&S controversy improved. Using a dedicated tool designed to identify and assess E&S controversies, it monitors a scope more than 600 "targeted"[(1)] suppliers and/or suppliers assessed as posing a medium-high or high E&S risk in France, or a high E&S risk within the Sourcing Function for the international market;
- 11 questionnaires sent out to sensitive suppliers to assess what they are doing to prevent forced labour within their supply chains. All responses analysed (and challenged where appropriate).

5.6.6.3 Group activities

The Group continued to implement procedures and controls aimed at managing E&S risks intrinsic to its activities.

Using these internal management tools, the Group assessed, in particular:

- familiarity with the normative framework for managing E&S risks in the Group (E&S policies, E&S watch list, E&S exclusion list) and their transposition into the Business Units' own procedures;
- those Business Units that had the highest exposure and had implemented specific procedures (transposing the Societe Generale Code) with respect to the E&S risk management framework;
- implementation of Group procedures and associated controls, as part of the Group's permanent control system;
- the human resources and skills devoted to E&S risk management;
- the governance framework in place to address complex E&S issues at local level, before escalation to Group level;
- the number of people trained in managing E&S and climate risks;
- the number of customers that pose an E&S risk and that were the subject of in-depth E&S due diligence, as well as the main findings of such due diligence.

To evaluate how effective the E&S risk management framework is for Group activities, the Compliance Division conducted a new risk identification and assessment exercise (Compliance Risk Assessment) in 2023. The exercise consisted of 17 questions put to the businesses, and the Compliance Division defined monitoring metrics based on the results. The main conclusions were as follows:

- 100% of the Group's Business Units have correspondents or people dedicated to E&S risk management;
- out of the 191 entities included in the Compliance Risk Assessment conducted in 2023, 189 check the E&S exclusion and watch lists properly during the corporate client onboarding process and client reviews;
- 100% of the Group's Business Units have introduced controls to assess E&S risks in their transaction processes and when onboarding a new corporate client. The rate of deployment in the Business Units is monitored by their Compliance Departments;
- the e-learning module on E&S risk management was updated in 2023 and offered to over 71,000 employees by the end of the year (at end-December 2023, almost 26% of employees had completed the module). In addition, around 32,000 employees had completed the Group's e-learning module on the European Union's sustainable investment regulations;
- Business Units conducted 1,993 environmental and social assessments of client groups. The results of these evaluations were 82.6% positive, 15.8% conditional and 1.6% negative.

(1) Suppliers accounting for large purchase volumes at Group level or directly representing the brand.

5.6.7 OUTLOOK AND PLANNED DEVELOPMENTS

The Group plans to maintain and, where necessary, enhance its existing E&S risk management frameworks (policies, formal processes and/or additional checks) over 2024.

5.6.7.1 Employees

Changes in the environment, in society and in the technologies we use are reshaping the banking professions and how banks operate. These shifts also have consequences for how work is organised, which, in turn, has a direct impact on the health and safety of the workforce. Societe Generale has taken the measure of just how fast these transformations are taking place. It is committed to doing whatever it takes to manage and prevent workplace health and safety risks, especially psychosocial risks.

Societe Generale will beef up risk management across the Group by:

- monitoring the labour relations climate to identify where tensions exist and put actions in place to contain psychosocial risk drivers;
- analysing the results of its Employee Satisfaction Survey, communicating on them more openly and implementing appropriate action plans;
- taking steps to foster a culture of dialogue with all staff to pick up weak signals and prevent psychosocial risks.
- upskilling and raising awareness among Societe Generale Group managers, using the Connect Manager platform to disseminate training and fact sheets (especially on topics covered by the Duty of Care Plan, such as discrimination and working conditions);
- working towards the ambitious targets set out under its responsible employer strategy, so as to offer Group employees a working environment conducive to excellence and job satisfaction. To support these efforts, the Group has approved a budget of EUR 100 million to reduce the gender pay gap, get more women into senior leadership roles (35% of such roles by 2026), extend its remote working charter, roll out benefits internationally and boost employee engagement and wellbeing at work;
- progressively rolling out the key risk indicators defined by the Group Security Division in 2023 to all commercial entities over 2024. These indicators cover the Group's main commercial (attacks, intrusions, armed robbery, etc.) and non-commercial (fire, property damage, triggering of safety measures, etc.) risks and were piloted in 18 entities in 2023;
- continuing social dialogue with the various employee representation bodies on topics covered by the Duty of Care Plan.

In 2024, the Group will continue to implement measures to protect and support staff in managing transformation projects and establishing new ways of working. Being attentive to stakeholders will clarify changes in its environment and help the Group address them in an agile manner. Appropriate channels have been set up to foster constructive dialogue with all stakeholders by considering the feedback and results of internal surveys.

5.6.7.2 Suppliers and subcontractors

The Group is planning to implement the following main actions:

- gradually imposing stricter E&S risk management for purchasing within the Sourcing Function for the international market, introducing a minimum 15% weighting for E&S criteria in calls for tenders for purchasing categories representing a high E&S risk by 2025;
- continuing to provide training on Responsible Sourcing and E&S risk management tools to buyers in the Sourcing Division and the Sourcing Function for the international market, as well as to entities that regularly manage their own sourcing, if they should request it;
- conducting CSR audits, jointly with other banks where possible, on suppliers presenting E&S risk factors, and following them up with action plans when necessary;
- continuing to improve the process of identifying and managing E&S controversies for Group suppliers, and pursuing targeted dialogue with and, where appropriate, challenging those suppliers identified as being involved in significant controversies;
- collecting data on and challenging Group suppliers on issues relating to biodiversity preservation and the carbon emissions associated with products and services sourced by the Group.

5.6.7.3 Group activities

The Group is planning to implement the following main actions:

- continuing to step up the operational application of its risk management framework, by developing tools to help the *Business Units* categorise the E&S risks attaching to a particular company or a transaction's underlying activities and check whether the sector policies apply;
- continuing to assess its impact on nature, by means of an in-depth analysis of the priority sectors identified through the risk mapping exercise conducted in 2023 (see section 5.6.2 for more details), incorporating value chain and location factors whenever possible;
- continuing to look at what clients are doing to prevent deforestation, as per the Group's commitment to curb deforestation, set out in its industrial agriculture & forestry sector policy;
- expanding its E&S exclusion list to identify companies that do not comply with the exclusion criteria from the oil & gas sector policy;
- extension of alignment objectives to new sector portfolios, chosen according to how emissions-intensive they are and how material they are for the Group;
- human Rights component: Amending the sector policies on mining and industrial agriculture & forestry to add in criteria on respecting human rights;
- continuing to roll out training within the Group (target: Climate Fresk training completed by 30% of employees by end of 2024).

6

FINANCIAL INFORMATION

The information on the types of risks, the risk management linked to financial instruments as well as the information on capital management and compliance with regulatory ratios, required by IFRS as adopted by the European Union, are disclosed in Chapter 4 of the present Universal Registration Document (Risks and capital adequacy).

The main characteristics of Societe Generale stock-option plans and free share plans are disclosed in Chapter 3 of the present Universal Registration Document (Corporate governance).

This information belongs to the notes to the consolidated financial statements and has been audited by Statutory Auditors; it is identified as such in Chapters 3 and 4 of the present Universal Registration Document.

6.1 CONSOLIDATED FINANCIAL STATEMENTS

The amounts for 2022 have been restated (identified by a "R") following the first retrospective application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance subsidiaries (see Note 1).

6.1.1 CONSOLIDATED BALANCE SHEET – ASSETS

(In EUR m)		31.12.2023	31.12.2022 R	01.01.2022 R
Cash, due from central banks		223,048	207,013	179,969
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	495,882	427,151	446,717
Hedging derivatives	Notes 3.2 and 3.4	10,585	32,971	13,592
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	90,894	92,960	112,695
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	28,147	26,143	24,149
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	77,879	68,171	57,204
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	485,449	506,635	497,233
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(433)	(2,262)	131
Insurance and reinsurance contracts assets	Note 4.3	459	353	380
Tax assets	Note 6	4,717	4,484	4,747
Other assets	Note 4.4	69,765	82,315	90,045
Non-current assets held for sale	Note 2.5	1,763	1,081	27
Investments accounted for using the equity method		227	146	95
Tangible and intangible fixed assets	Note 8.3	60,714	33,958	32,848
Goodwill	Note 2.2	4,949	3,781	3,741
TOTAL		**1,554,045**	**1,484,900**	**1,463,573**

6.1.2 CONSOLIDATED BALANCE SHEET – LIABILITIES

(In EUR m)		31.12.2023	31.12.2022 R	01.01.2022 R
Due to central banks		9,718	8,361	5,152
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	375,584	304,175	311,703
Hedging derivatives	Notes 3.2 and 3.4	18,708	46,164	10,425
Debt securities issued	Notes 3.6 and 3.9	160,506	133,176	135,324
Due to banks	Notes 3.6 and 3.9	117,847	133,011	139,177
Customer deposits	Notes 3.6 and 3.9	541,677	530,764	509,133
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(5,857)	(9,659)	2,832
Tax liabilities	Note 6	2,402	1,645	1,573
Other liabilities	Note 4.4	93,658	107,315	105,973
Non-current liabilities held for sale	Note 2.5	1,703	220	1
Insurance contracts related liabilities	Note 4.3	141,723	135,875	150,562
Provisions	Note 8.2	4,235	4,579	4,850
Subordinated debts	Note 3.9	15,894	15,948	15,959
TOTAL LIABILITIES		**1,477,798**	**1,411,574**	**1,392,664**
SHAREHOLDER'S EQUITY				
Shareholders' equity, Group share				
Issued common stocks and capital reserves	Note 7.1	21,186	21,248	21,913
Other equity instruments		8,924	9,136	7,534
Retained earnings		32,891	33,816	36,624
Net income		2,493	1,825	-
SUB-TOTAL		**65,494**	**66,025**	**66,071**
Unrealised or deferred capital gains and losses	Note 7.3	481	945	(973)
SUB-TOTAL EQUITY, GROUP SHARE		**65,975**	**66,970**	**65,098**
Non-controlling interests		10,272	6,356	5,811
TOTAL EQUITY		**76,247**	**73,326**	**70,909**
TOTAL		**1,554,045**	**1,484,900**	**1,463,573**

6.1.3 CONSOLIDATED INCOME STATEMENT

(In EUR m)		2023	2022 R
Interest and similar income[1]	Note 3.7	53,087	30,738
Interest and similar expense	Note 3.7	(42,777)	(17,897)
Fee income	Note 4.1	10,063	9,400
Fee expense	Note 4.1	(4,475)	(4,183)
Net gains and losses on financial transactions[1]		10,290	866
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 3.1*	*10,327*	*1,044*
o/w net gains and losses on financial instruments at fair value through other comprehensive income		*(9)*	*(152)*
o/w net gains and losses from the derecognition of financial instruments at amortised cost		*(28)*	*(26)*
Income from insurance activities	Note 4.3	3,539	3,104
Expenses from insurance services	Note 4.3	(1,978)	(1,606)
Income and expenses from reinsurance held	Note 4.3	17	(19)
Net Finance income or expenses from insurance contracts issued[1]	Note 4.3	(6,285)	4,030
Net Finance income or expenses from reinsurance contracts held	Note 4.3	5	45
Cost of credit risk of financial assets from insurance activities	Note 3.8	7	1
Income from other activities	Note 4.2	21,005	13,301
Expenses from other activities	Note 4.2	(17,394)	(10,625)
Net banking income		**25,104**	**27,155**
Other operating expenses	Note 5	(16,849)	(16,425)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(1,675)	(1,569)
Gross operating income		**6,580**	**9,161**
Cost of risk	Note 3.8	(1,025)	(1,647)
Operating income		**5,555**	**7,514**
Net income from investments accounted for using the equity method		24	15
Net income/expense from other assets		(113)	(3,290)
Value adjustments on goodwill	Note 2.2	(338)	-
Earnings before tax		**5,128**	**4,239**
Income tax	Note 6	(1,679)	(1,483)
Consolidated net income		**3,449**	**2,756**
Non-controlling interests	Note 2.3	956	931
Net income, Group share		**2,493**	**1,825**
Earnings per ordinary share	Note 7.2	2.17	1.50
Diluted earnings per ordinary share	Note 7.2	2.17	1.50

(1) The Interest and similar income and Net gains and losses on financial transactions lines include in particular the gains and losses on the investments of insurance activities. These amounts must be assessed by taking into account the financial gains and losses arising from the measurement of the insurance and reinsurance contracts associated with these investments, which are presented in the Net financial income or expenses of the insurance contracts issued (see Note 4.3).

6.1.4 STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In EUR m)	2023	2022 R
Consolidated net income	**3,449**	**2,756**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**(166)**	**578**
Translation differences	(356)	1,820
Revaluation differences for the period	*(429)*	*1,278*
Reclassified into income	*73*	*542*
Revaluation of debt instruments at fair value through other comprehensive income(1)	2,402	(10,849)
Revaluation differences for the period	*2,374*	*(11,029)*
Reclassified into income	*28*	*180*
Revaluation of insurance contracts at fair value through other comprehensive income(1)	(2,134)	10,050
Revaluation of hedging derivatives	(68)	(610)
Revaluation differences of the period	*(36)*	*(482)*
Reclassified into income	*(32)*	*(128)*
Related tax	10	167
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**(177)**	**539**
Actuarial gains and losses on defined benefit plans	12	92
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	(257)	671
Revaluation of equity instruments at fair value through other comprehensive income	1	(26)
Related tax	(67)	(198)
Total unrealised or deferred gains and losses	**(343)**	**1,117**
Net income and unrealised or deferred gains and losses	**3,106**	**3,873**
o/w Group share	*2,085*	*3,080*
o/w non-controlling interests	*1,021*	*793*

(1) The Revaluation of the debt instruments at fair value through other comprehensive income" line includes the revaluation gains and losses on the investments of the insurance activities measured at fair value through other comprehensive income. Their net amounts must be perceived taking into account the financial gains and losses from the revaluation of the insurances contracts associated with these investments; these gains and losses are presented in the line Revaluation of insurance contracts at fair value through other comprehensive income (see Note 4.3).

6.1.5 CHANGES IN SHAREHOLDERS' EQUITY

	Shareholders' equity, Group share							
(In EUR m)	Issued common stocks and capital reserves	Other equity instruments	Retained earnings	Net income, Group share	Unrealised and deferred gains and losses	Total	Non-controlling interests	Total consolidated shareholder's equity
At 1 January 2022	**21,913**	**7,534**	**36,412**	**-**	**(792)**	**65,067**	**5,796**	**70,863**
Effect of the application of IFRS 17 and IFRS 9 for insurance subsidiaries (see Note 1)	-	-	212	-	(181)	31	15	46
At 1 January 2022 R	**21,913**	**7,534**	**36,624**	**-**	**(973)**	**65,098**	**5,811**	**70,909**
Increase in common stock and issuance/ redemption and remuneration of equity instruments	(233)	1,602	(590)	-	-	779	(33)	746
Elimination of treasury stock	(524)	-	(66)	-	-	(590)	-	(590)
Equity component of share-based payment plans	92	-	-	-	-	92	-	92
2022 R Dividends paid (see Note 7.2)	-	-	(1,371)	-	-	(1,371)	(754)	(2,125)
Effect of changes of the consolidation scope	-	-	(88)	-	-	(88)	543	455
Sub-total of changes linked to relations with shareholders	***(665)***	***1,602***	***(2,115)***	**-**	**-**	***(1,178)***	***(244)***	***(1,422)***
2022 R Net income	-	-	-	1,825	-	1,825	931	2,756
Change in unrealised or deferred gains and losses	-	-	-	-	1,255	1,255	(138)	1,117
Other changes*	-	-	(693)	-	663	(30)	(4)	(34)
Sub-total	**-**	**-**	**(693)**	**1,825**	**1,918**	**3,050**	**789**	**3,839**
At 31 December 2022 R	**21,248**	**9,136**	**33,816**	**1,825**	**945**	**66,970**	**6,356**	**73,326**
Allocation to retained earnings								
At 1 January 2023	**21,248**	**9,136**	**33,816**	**1,825**	**945**	**66,970**	**6,356**	**73,326**
Increase in common stock and issuance/ redemption and remuneration of equity instruments (see Note 7.1)	(1,133)	(212)	(1,143)	-	-	(2,488)	(70)	(2,558)
Elimination of treasury stock (see Note 7.1)	961	-	(62)	-	-	899	-	899
Equity component of share-based payment plans	110	-	-	-	-	110	-	110
2023 Dividends paid (see Note 7.2)	-	-	1,362	-	-	1,362	499	1,861
Effect of changes of the consolidation scope (see Note 7.1)	-	-	(34)	-	-	(34)	3,523	3,489
Sub-total of changes linked to relations with shareholders	***(62)***	***(212)***	***(2,601)***	**-**	**-**	***(2,875)***	***2,954***	***79***
2023 Net income	-	-	-	2,493	-	2,493	956	**3,449**
Change in unrealised or deferred gains and losses	-	-	-	-	(408)	(408)	65	(343)
Other changes	-	-	(205)	-	-	(205)	(59)	(264)
Sub-total	**-**	**-**	**(205)**	**2,493**	**(408)**	**1,880**	**962**	**2,842**
At 31 December 2023	**21,186**	**8,924**	**32,891**	**2,493**	**481**	**65,975**	**10,272**	**76,247**

* *Includes the reallocation to Unrealised and deferred gains and losses recognised directly in equity of the currency translation adjustment on US dollar financial assets classified as net investment in a foreign operation.*

6.1.6 CASH FLOW STATEMENT

(In EUR m)	2023	2022 R
Consolidated net income (I)	**3,449**	**2,756**
Amortisation expense on tangible and intangible fixed assets (including operational leasing)	7,710	5,342
Depreciation and net allocation to provisions	(346)	(18)
Net income/loss from investments accounted for using the equity method	(24)	(15)
Change in deferred taxes	209	209
Net income from the sale of long-term assets and subsidiaries	(101)	(168)
Other changes	4,748	5,368
Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)	**12,196**	**10,718**
Income on financial instruments at fair value through profit or loss	(379)	11,739
Interbank transactions	(18,239)	(11,795)
Customers transactions	23,841	3,632
Transactions related to other financial assets and liabilities	9,753	28,161
Transactions related to other non-financial assets and liabilities	6,802	(6,130)
Net increase/decrease in cash related to operating assets and liabilities (III)	**21,778**	**25,607**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)	**37,423**	**39,081**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments	(206)	578
Net cash inflow (outflow) related to tangible and intangible fixed assets	(11,867)	(9,579)
Net cash inflow (outflow) related to investment activities (B)	**(12,073)**	**(9,001)**
Cash flow from/to shareholders	(3,928)	(712)
Other net cash flow arising from financing activities	26	498
Net cash inflow (outflow) related to financing activities (C)	**(3,902)**	**(214)**
Effect of changes in foreign exchange rates on cash and cash equivalents (D)	(2,320)	2,354
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)	**19,128**	**32,220**
Cash, due from central banks (assets)	207,013	179,969
Due to central banks (liabilities)	(8,361)	(5,152)
Current accounts with banks (see Note 3.5)	34,672	28,205
Demand deposits and current accounts with banks (see Note 3.6)	(10,455)	(12,373)
Cash and cash equivalents at the start of the year	**222,869**	**190,649**
Cash, due from central banks (assets)	223,048	207,013
Due to central banks (liabilities)	(9,718)	(8,361)
Current accounts with banks (see Note 3.5)	39,798	34,672
Demand deposits and current accounts with banks (see Note 3.6)	(11,131)	10,455
Cash and cash equivalents at the end of the year	**241,997**	**(222,869)**
Net inflow (outflow) in cash and cash equivalents	**19,128**	**32,220**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 7 February 2024.

NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES

NOTE 1.1 Introduction

ACCOUNTING STANDARDS

Under European Regulation 1606/2002 of 19 July 2002 on the application of International Accounting Standards, the Societe Generale group ("the Group") prepared its consolidated financial statements for the year ended 31 December 2023 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date. The Group includes the Societe Generale parent company (including the Societe Generale foreign branches) and all the entities in France and abroad that it controls either directly or indirectly (subsidiaries and joint arrangements) or on which it exercises significant influence (associates).

These standards are available on the European Commission website.

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

FINANCIAL STATEMENTS PRESENTATION

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

The disclosures provided in the notes to the consolidated financial statements focus on information that is both relevant and material to the financial statements of the Societe Generale group, its activities, and the circumstances in which it conducted its operations during the period under review.

The Group publishes its Annual Financial Report 2023 using the European Single Electronic Format (ESEF) as defined by the amended Delegated Regulation (EU) 2019/815.

PRESENTATION CURRENCY

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

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

NOTE 1.2 New accounting standards applied by the Group as of 1 January 2023

IFRS 17 “Insurance Contracts”

Amendments to IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments”

Amendments to IAS 1 “Disclosure of Accounting Policies”

Amendments to IAS 8 “Definition of Accounting Estimates”

Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

Amendments to IAS 12 “International Tax Reform – Pillar 2 Model Rules”

Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback” (early application)

IFRS 17 “INSURANCE CONTRACTS” – AMENDMENTS TO IFRS 17 PUBLISHED ON 25 JUNE 2020 AND AMENDMENTS TO IFRS 17 AND IFRS 9 PUBLISHED ON 9 DECEMBER 2021

The impacts of the first application of IFRS 17 and IFRS 9 by the insurance subsidiaries are presented in paragraph 4 below.

AMENDMENTS TO IAS 1 “DISCLOSURE OF ACCOUNTING POLICIES”

The aim of these amendments is to help companies improve the materiality of the information on accounting policies disclosed in the Notes to the financial statements and the usefulness of that information to investors and financial statement users.

The Group takes into account these amendments for the preparation of its consolidated financial statements.

AMENDMENTS TO IAS 8 “DEFINITION OF ACCOUNTING ESTIMATES”

The aim of these amendments is to facilitate distinguishing between changes in accounting methods and changes in accounting estimates.

The Group takes into account these amendments for the preparation of its consolidated financial statements.

AMENDMENTS TO IAS 12 “INCOME TAXES – DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION”

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

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

Since the date of first application of IFRS 16 “Leases”, the Group has been considering the rights of use and the lease-related debt as a single transaction. Consequently, on the initial recognition date, the amount of deferred tax asset offsets the amount of deferred tax liability. The net temporary differences arising from later variations in the right of use and lease debt subsequently result in the recognition of a deferred tax. This amendment thus has no impact on the Group’s consolidated financial statements.

AMENDMENTS TO IAS 12 “INTERNATIONAL TAX REFORM – PILLAR 2 MODEL RULES”

These amendments introduce a mandatory temporary exemption from the recognition of deferred income tax assets and liabilities stemming from the OECD Pillar 2 rules and apply retrospectively for the financial years beginning on or after 1 January 2023.

This exemption involves specific reporting requirements for the consolidated financial statements.

The Group has put in place a project structure in order to identify the impacts of these amendments to conform with the new obligations imposed by the latter in relation to the OECD’s Pillar 2 global tax reform (see Note 6).

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

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

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

NOTE 1.3 Accounting standards, amendments or interpretations to be applied by the Group in the future

The IASB published accounting standards and amendments, some of which have not yet been adopted by the European Union as at 31 December 2023. Their application is required for the financial years beginning on or after 1 January 2024 at the earliest or on the date of their adoption by the European Union. They have thus not been applied by the Group as at 31 December 2023.

The provisional timetable for the application of these standards is as follows:

2025	• Amendments to IAS 21 "Lack of Exchangeability"

AMENDMENTS TO IAS 21 "LACK OF EXCHANGEABILITY"

Published on 15 August 2023.

These amendments specify the situations in which a currency is considered convertible, and the procedure for assessing the exchange rate of a non-convertible currency. They also detail the supplementary information to provide in the Notes to the financial statements for non-convertible currencies.

These amendments will be consolidated in IAS 21 "The Effects of Changes in Foreign Exchange Rates" and IFRS 1 "First-time Adoption of IFRS" in March 2024.

The impact of these amendments is currently being analysed.

NOTE 1.4 Initial application of IFRS 17 "Insurance contracts" and of IFRS 9 "Financial instruments" to insurance subsidiaries

IFRS 17 "Insurance Contracts", issued on 18 May 2017 and modified by the 25 June 2020 and 9 December 2021 Amendments, replaces IFRS 4 "Insurance Contracts" which allowed, in particular, insurance contracts to be recognised using methods set out by the local accounting regulations.

On 23 November 2021, the European Commission (EC) published in the Official Journal, Commission Regulation (EU) 2021/2036 of 19 November 2021 adopting IFRS 17 "Insurance Contracts". This adoption included the possibility for European companies not to apply the requirement laid out in the standard to group some insurance contracts by annual cohort for their measurement; this exemption will be reassessed by the European Commission by 31 December 2027 at the latest.

Since 1 January 2023, the Group has been applying IFRS 17. On that same date, the Group' insurance subsidiaries started applying IFRS 9 "Financial Instruments" for the first time; this application had been delayed as a result of the possibilities offered by the Amendments to IFRS 17 and to IFRS 4 issued by the IASB on 25 June 2020 and extended by Regulations (EU) 2017/1988 and 2020/2097 of the European Commission.

On 8 September 2022, the European Union adopted the amendments to IFRS 17 published by the IASB on 9 December 2021 with the aim of improving the usefulness of the comparative information about financial assets presented on the initial application of IFRS 17 and IFRS 9.

The main consequences of the application of IFRS 17 concern:

- the measurement of insurance contracts, materialised mainly as liabilities on the balance sheet: their value will be updated on each closing date based on a re-estimate of the future cash flows related to their fulfilment. This re-estimate will take account, in particular, of market data in relation to financial elements and the behaviour of policyholders;
- the recognition of the margin: although the profitability of the insurance contracts remains unchanged, the pace of recognition of the margin in the income statement is modified. Any expected profit is deferred in the balance sheet and spread in the income statement over the coverage period of the insurance contracts. Conversely, any expected loss is immediately recognised in the income statement upon its initial recognition or in subsequent measurements; and
- the presentation of the income statement: the operating expenses attributable to the fulfilment of insurance contracts is hence presented in reduction of the net banking income as Insurance service expenses and thus does not impact the total operating expenses on the consolidated income statement anymore.

TRANSITIONAL AND INITIAL APPLICATION REQUIREMENTS

IFRS 17 standard

The initial application of IFRS 17 on 1 January 2023 is retrospective and the comparative data of the 2022 financial year have been restated.

The differences in measurement of the insurance assets and liabilities resulting from the retrospective application of IFRS 17 as at 1 January 2022 are presented directly in equity.

The retrospective measurement of these assets and liabilities, and in particular of the different insurance contract portfolios, may be subject to simplified alternate approaches when the necessary data are not all available. The standard then allows for the use of:

- either a modified retrospective approach that provides, based on reasonable information available at no cost or undue effort, measurements that are as close as possible to those that would result from the retrospective application of the standard;
- or an approach based on the fair value of the insurance contracts portfolios as at 1 January 2022.

The Group has applied a modified retrospective approach for the savings life insurance contracts and savings retirement contracts which represent the large majority of its contracts. Protection-Property and casualty contracts were subject to a full retrospective approach. For Protection-Provident contracts a retrospective approach, either full or modified, has been applied on a case-by-case basis.

The measurement of the insurance contracts made on a current basis, taking into account the time value of money and the financial risks related to future cash flows, required to adjust the measurement of some assets held to back the contracts in order to reduce the possible accounting mismatches.

Since 1 January 2023, initial application date of IFRS 17, the Group is measuring at fair value the investment properties held by insurance companies to back the insurance contracts issued. These are investment properties held as part of the management of insurance contracts with direct participations features.

IFRS 17 requires to include in the measurement of the insurance contracts general operating expenses (personnel expenses, amortisation expenses for fixed assets and other operating expenses) directly attributable to the fulfilment of contracts and to present them as Insurance service expenses in the net banking income.

The Group's insurance subsidiaries systematically identify in the fulfilment cash flows of their contracts the amount of administrative costs they expect to bear. These administrative costs are presented under Insurance service expenses in the net banking income. Consequently, the administrative costs presented by nature on the consolidated income statement are reduced by the amounts allocated to the fulfilment of the insurance contracts.

Furthermore, the Group's banking entities sell, through their retail networks, the insurance contracts issued by the Group's insurance subsidiaries and thus invoice fees to these entities. These fees cover the costs incurred by the banking entities plus a margin. As this invoicing takes place between Group-controlled entities, the internal margin received by the banking entity and incurred by the insurance entity is eliminated in the consolidated accounts. The administrative costs incurred by the banking entities for the distribution of contracts are regarded as expenses directly attributable to the fulfilment of the contracts and are thus incorporated into the measurement of the contracts and presented under the "Insurance service expenses" heading. The contractual service margin of the insurance contracts distributed by the Group's banking entities is thus determined by taking into account both the costs incurred by the distributing banking entity (excl. internal margin) and the other directly attributable costs incurred by the insurance entity.

IFRS 9 standard

The initial application of IFRS 9 by the Group's insurance subsidiaries as at 1 January 2023 is retrospective.

For the sake of consistency with the IFRS 17 transition arrangements, and in order to provide more relevant and useful information, the Group has restated the comparative figures of the 2022 financial year related to the relevant financial instruments of its insurance subsidiaries (including the financial instruments derecognised during the 2022 financial year in accordance with IFRS 17 amendment which allows the presentation of comparative information concerning a financial asset as if IFRS 9 had previously been applied to that asset).

Following the retrospective application of IFRS 9 as at 1 January 2022, the differences in measurement (including the impairment for credit risk) of the financial assets and liabilities impacted are recognised directly in equity.

New presentation of the financial statements

On the balance sheet, the accounting outstanding amounts related to insurance contracts, previously booked under Other assets, Insurance contracts related liabilities and Other liabilities are now presented under Insurance and reinsurance contracts assets and Insurance and reinsurance contracts liabilities.

The accounting outstanding amounts related to the financial instruments and investments properties of insurance activities, previously booked on the assets side under Investments of insurance companies and on the liabilities side under Insurance contracts related liabilities, are now presented under the different headings of the balance sheet according to their classification and valuation technique.

In the consolidated income statement, in the net banking income, the income and expenses related to the insurance contracts issued and the reinsurance contracts were previously grouped under Net income from insurance activities. These income and expenses are now measured and recognised according to IFRS 17, and presented in the net banking income under the following headings:

- income from insurance contracts issued;
- insurance service expenses;
- income and expenses from reinsurance contracts held;
- net finance income or expenses from insurance contracts issued; and
- net finance income or expenses from reinsurance contracts held.

The incomes and expenses related to the financial instruments of insurance activities, previously presented under Net income from insurance activities, are now presented under the consolidated income statement headings dedicated to the valuation of financial instruments, with the exception of the expenses and incomes related to credit risk which are presented in the net banking income under Cost of credit risk of the financial assets related to insurance activities.

Furthermore, in the context of the application of IFRS 17, the Group has modified the presentation of the general operating expenses in the consolidated income statement to improve the readability of the Group's performance. The Other general operating expenses heading now includes the amounts previously presented under Personnel expenses and Other operating expenses, from which are deducted the general operating expenses related to insurance contracts that will henceforth be presented under the Insurance service expenses heading in the net banking income.

IMPACTS ON THE GROUP'S BALANCE SHEET AND PERFORMANCE

The following tables reconcile the balance sheet as at 31 December 2021, presented taking into account the application of IAS 39 and IFRS 4 by the insurance subsidiaries, and the balance sheet as at 1 January 2022, presented taking into account the application of IFRS 9 and IFRS 17. The tables also include the balance sheet as at 31 December 2022 restated as a result of the application of IFRS 9 and IFRS 17.

		A	B	C	D	
		IFRS 9 reclassifications			Other reclassifi-cations	
(In EUR m)	Balances as at 31.12.2021	of available for-sale financial assets	of loans and receivables regarding their business model	of non-SPPI loans and receivables	Others	Reclassified balances
Cash, due from central banks	179,969	-	-	-	-	179,969
Financial assets at fair value through profit or loss	342,714	15,879	-	2,085	85,826	446,504
Hedging derivatives	13,239	-	-	-	353	13,592
Financial assets at fair value through other comprehensive income	43,450	67,632	1,454	-	-	112,536
Securities at amortised cost	19,371	4,975	-	-	22	24,368
Due from banks at amortised cost	55,972	-	-	-	1,232	57,204
Customer loans at amortised cost	497,164	-	-	-	69	497,233
Revaluation differences on portfolios hedged against interest rate risk	131	-	-	-	-	131
Investments of insurance companies	178,898	(88,486)	(1,454)	(2,085)	(86,873)	-
Financial assets at fair value through profit or loss (trading portfolio)	*211*	-	-	-	*(211)*	
Financial assets at fair value through profit or loss (fair value option)	*84,448*	-	-	-	*(84,448)*	
Hedging derivatives	*353*	-	-	-	*(353)*	
Available-for-sale financial assets	*88,486*	*(88,486)*	-	-	-	
Due from banks	*4,771*	-	*(1,454)*	*(2,085)*	*(1,232)*	
Customer loans	*69*	-	-	-	*(69)*	
Held-to-maturity financial assets	*22*	-	-	-	*(22)*	
Real estate investments	*538*	-	-	-	*(538)*	
Insurance and reinsurance contracts assets						
Tax assets	4,812	-	-	-	-	4,812
Other assets	92,898	-	-	-	(1,167)	91,731
Non-current assets held for sale	27	-	-	-	-	27
Deferred profit-sharing	-	-	-	-	-	-
Investments accounted for using the equity method	95	-	-	-	-	95
Tangible and intangible fixed assets	31,968	-	-	-	538	32,506
Goodwill	3,741	-	-	-	-	3,741
TOTAL ASSETS	**1,464,449**	**-**	**-**	**-**	**-**	**1,464,449**

		E			F	G			H		
		Adjustment of book value related to investments			Adjustment of book value related to insurance contracts				Deferred taxes		
					IFRS 4 derecognition	IFRS 17 insurance contracts accounting					
(In EUR m)	Reclassified balances	Reclassification effects	Impairment and provisions for credit risk	Total		through reserves	Through OCI	Total		Balances as at 01.01.2022 R	Balances as at 31.12.2022 R
Cash, due from central banks	179,969	-	-	-	-	-	-	-	-	179,969	207,013
Financial assets at fair value through profit or loss	446,504	213	-	213	-	-	-	-	-	446,717	427,151
Hedging derivatives	13,592	-	-	-	-	-	-	-	-	13, 592	32,971
Financial assets at fair value through other comprehensive income	112,536	159	-	159	-	-	-	-	-	112, 695	92,960
Securities at amortised cost	24,368	(218)	(1)	(219)	-	-	-	-	-	24,149	26,143
Due from banks at amortised cost	57,204	-	-	-	-	-	-	-	-	57,204	68,171
Customer loans at amortised cost	497,233	-	-	-	-	-	-	-	-	497,233	506,635
Revaluation differences on portfolios hedged against interest rate risk	131	-	-	-	-	-	-	-	-	131	(2,262)
Investments of insurance companies	-										
Insurance and reinsurance contracts assets	-					355	25	380	-	380	353
Tax assets	4,812	-	-	-	-	-	-	-	(65)	4,747	4,484
Other assets	91,731	-	(0)	-	(1,702)	16	-	16	-	90,045	82,315
Non-current assets held for sale	27	-	-	-	-	-	-	-	-	27	1,081
Deferred profit-sharing	-	-	-	-	-	-	-	-	-		
Investments accounted for using the equity method	95	-	-	-	-	-	-	-	-	95	146
Tangible and intangible fixed assets	32,506	356	-	356	(14)	-	-	-	-	32,848	33,958
Goodwill	3,741	-	-	-	-	-	-	-	-	3,741	3,781
TOTAL ASSETS	**1,464,449**	**510**	**(1)**	**509**	**(1,716)**	**371**	**25**	**396**	**(65)**	**1,463,573**	**1,484,900**

		I	J			K	L			M		
		Reclassifi-cations(1)	Adjustment of book value related to investments			Adjustment of book value related to insurance contracts				Deferred taxes		
						IFRS 4 derecogni-tion	IFRS 17 insurance contracts accounting					
(In EUR m)	Balances at 31.12.2021		Reclassifi-cation effects	Impair-ment and provisions for credit risk	Total		through reserves	through OCI	Total		Balances as at 01.01.2022 R	Balances as at 31.12.2022 R
Due to central banks	5,152	-	-	-	-	-	-	-	-	-	5,152	8,361
Financial liabilities at fair value through profit or loss	307,563	4,140	-	-	-	-	-	-	-	-	311,703	304,175
Hedging derivatives	10,425	-	-	-	-	-	-	-	-	-	10,425	46,164
Debt securities issued	135,324	-	-	-	-	-	-	-	-	-	135,324	133,176
Due to bank	139,177	-	-	-	-	-	-	-	-	-	139,177	133,011
Customer deposits	509,133	-	-	-	-	-	-	-	-	-	509,133	530,764
Revaluation differences on portfolio hedged against interest rate risk	2,832	-	-	-	-	-	-	-	-	-	2,832	(9,659)
Tax liabilities	1,577	-	-	-	-	-	-	-	-	(4)	1,573	1,645
Other liabilities	106,305	-	-	-	-	(360)	28	-	28	-	105,973	107,315
Non-current liabilities held for sale	1	-	-	-	-	-	-	-	-	-	1	220
Insurance contracts related liabilities	155,288	(4,140)	-	-	-	(151,148)	-					
Underwriting reserves of insurance companies	*151,148*	-				*(151,148)*	-					
Financial liabilities of insurance companies	*4,140*	*(4,140)*										
Insurance and reinsurance contracts liabilities	-	-	-	-	-	-	144,936	5,626	150,562	-	150,562	135,875
Provisions	4,850	-	-	-	-	-	-	-	-	-	4,850	4,579
Subordinated debts	15,959	-	-	-	-	-	-	-	-	-	15,959	15,948
TOTAL LIABILITIES	**1,393,586**	**-**	**-**	**-**	**-**	**(151,508)**	**144,964**	**5,626**	**150,590**	**(4)**	**1,392,664**	**1,411,574**
Shareholders' equity												
Shareholders' equity, Group share												
Issued common stocks and capital reserves	21,913	-	-	-	-	-	-	-	-	-	21,913	21,248
Other equity instruments	7,534	-	-	-	-	-	-	-	-	-	7,534	9,136
Retained earnings	30,631	5,781	3,318	(20)	3,298	140,983	(143,944)	-	(143,944)	(125)	36,624	33,816
Net income	5,641	(5,641)	-	-	-	-	-	-	-	-	-	1,825
SUB-TOTAL	**65,719**	**140**	**3,318**	**(20)**	**3,298**	**140,983**	**(143,944)**	**-**	**(143,944)**	**(125)**	**66,071**	**66,025**
Unrealised or deferred capital gains and losses	(652)	(140)	(2,810)	19	(2,791)	8,143	-	(5,600)	(5,600)	67	(973)	945
SUB-TOTAL EQUITY, GROUP SHARE	**65,067**	**-**	**508**	**(1)**	**507**	**149,126**	**(143,944)**	**(5,600)**	**(149,544)**	**(58)**	**65,098**	**66,970**
Non-controlling interests	5,796	-	2	(0)	2	666	(649)	(1)	(650)	(3)	5,811	6,356
TOTAL EQUITY	**70,863**	**-**	**510**	**(1)**	**509**	**149,792**	**(144,593)**	**(5,601)**	**(150,194)**	**(61)**	**70,909**	**73,326**
TOTAL	**1,464,449**	**-**	**510**	**(1)**	**509**	**(1,716)**	**371**	**25**	**396**	**(65)**	**1,463,573**	**1,484,900**

(1) This column includes the allocation to retained earnings of 2021 net income and gains and losses recognised directly in equity that will not be reclassified subsequently to income.

DESCRIPTION OF THE RECLASSIFICATIONS MADE FOR THE FINANCIAL INSTRUMENTS AND OTHER INVESTMENT ASSETS AS AT 1 JANUARY 2022 (COLUMNS A, B, C, D AND I)

Reclassification of available-for-sale financial assets (column A)

Applying IFRS 9 causes the disappearance of the Available-for-sale financial assets accounting category. Consequently, the instruments previously included in this category have been reclassified under IFRS 9 accounting headings according to the characteristics of their contractual cash flows and their business model.

The Available-for-sale assets of insurance companies included, as at 31 December 2021, debt securities (bonds and equivalent securities) for EUR 74,084 million and equity securities (shares and equivalent securities) for EUR 14,402 million.

Basic debt securities (financial instruments, whose contractual cash flows are solely payments of principal and interests) were reclassified as follows:

- debt securities held as part of a business model whose objective is to hold assets in order to collect contractual cash flows business model were reclassified as Financial assets at amortised cost for EUR 4,975 million. These are mainly debt securities acquired for the purpose of reinvesting the own funds of insurance subsidiaries;
- debt securities held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets business model were reclassified as Financial assets at fair value through other comprehensive income for EUR 67,632 million. These debt securities are mainly acquired for the management of insurance contracts.

Non-basic debt securities and equity securities were reclassified into Financial assets at fair value through profit or loss for EUR 15,879 million. These securities are held for the purpose of managing insurance contracts.

Reclassification of loans and receivables (columns B, C and D)

Basic loans and receivables (financial instruments whose contractual cash flows are Solely Payments of Principal and Interests) were reclassified as follows:

- loans and receivables held as part of a business model whose objective is to hold assets in order "to collect contractual cash flows" business model were reclassified as Due from banks at amortised cost for EUR 1,232 million and as Customer loans at amortised cost for EUR 69 million (column D);
- loans and receivables held as part of a business model whose objective is achieved by both "collecting contractual cash flows and selling financial assets" business model were reclassified as Financial assets at fair value through other comprehensive income for an amount of EUR 1,454 million. These loans and receivables are Due from banks (column B).

Non-basic loans and receivables were reclassified as Financial assets at fair value through profit or loss for EUR 2,085 million (column C).

Financial instruments reclassified as Financial assets at fair value through other comprehensive income or as Financial assets at fair value through profit or loss are mainly bonds recognised at amortised cost following the amendment of IAS 39 in 2008. This amendment provided, under certain conditions, the option to reclassify Available-for-sale Financial Assets into the Loans and Receivables category.

Other reclassifications (columns D and I)

In addition to the reclassifications described above, the other reclassifications are intended to reallocate the remaining outstanding amounts related to insurance activities to the accounting items commonly used by the rest of the Group.

The financial assets at fair value through profit or loss of the trading portfolio of the insurance subsidiaries (EUR 211 million) on the one hand, the financial assets measured at fair value through profit or loss under the fair value option (EUR 84,448 million) on the other hand, and an asset resulting from a indexed co-insurance agreement, previously shown under other assets (EUR 1,167 million), have been reclassified under Financial assets at fair value through profit or loss. Included in these financial assets, EUR 69,383 million of non-basic instruments have thus been transferred under Financial assets measured mandatorily at fair value through profit or loss; they mainly consist in underlying financial assets of unit-linked contracts previously measured at fair value using the fair value option under IAS 39 to eliminate accounting mismatches with the related insurance liabilities.

Hedging derivatives were reclassified into the corresponding heading for EUR 353 million.

Real estate investments were reclassified as Tangible and intangible fixed assets for EUR 538 million.

Financial liabilities of insurance companies were reclassified as Financial liabilities at fair value through profit and loss for an amount of EUR 4,140 million. These include investments contracts (outside the scope of IFRS 17) and trading derivatives in the scope of IFRS 9.

Description of the book value adjustments made for the financial instruments and other investments assets as at 1 January 2022 (columns E and J)

The Balance sheet value of the Investments of insurance companies whose valuation method was modified, was adjusted in equity as at 1 January 2022 for a total amount of EUR 509 million before tax effects. This amount includes:

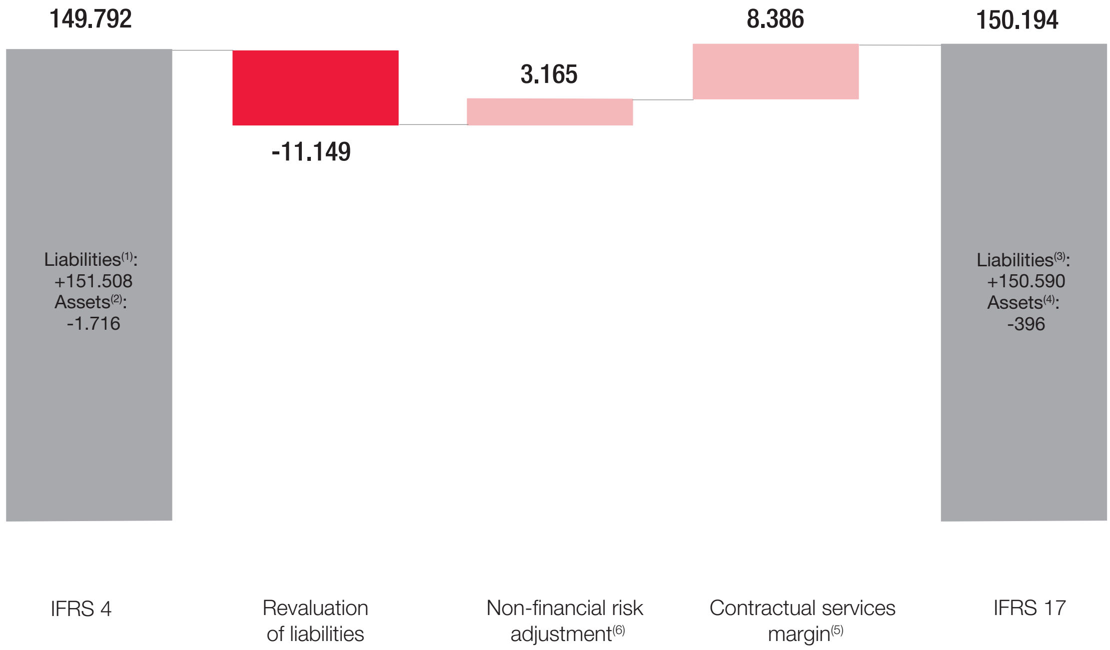
- the revaluation at fair value of investment properties for an amount of EUR 356 million in application of IAS 40 “Investment property”, in order to avoid an accounting mismatch between the measurement method applied to the properties and the insurance contracts they are backing;
- the adjustment of the book value of financial assets for a net amount of EUR 153 million as a result of their new measurement method in application of IFRS 9. This amount includes the recognition of additional expected credit losses for EUR 1 million for the Securities at amortised cost.

Gains and losses recognised directly in equity for Financial assets at fair value through other comprehensive income relating to credit risk were reclassified at 1 January 2022 to retained earnings for an amount of EUR 19 million. This refers to the expected credit loss related to the impairment of loans in Stage 1 or Stage 2.

Description of the derecognition of IFRS 4 insurance contracts and the recognition of insurance contracts under IFRS 17 as at 1 January 2022 (columns F, G, K and L)

The adjustment of the book value of the insurance contracts assets and liabilities, resulting from the replacement of IFRS 4 (prudent valuation) by IFRS 17 (economic valuation), was recorded as at 1 January 2022 in equity for a negative amount of EUR 402 million before tax effects.

This amount is broken down as follows:



(1) *This amount is composed of Underwriting reserves for EUR 151,148 million and of Other Liabilities for EUR 360 million.*

(2) *This amount is composed of other assets for EUR 1,702 million and of tangible and intangible fixed assets for EUR 14 million.*

(3) *This amount is composed of Insurance contracts liabilities for EUR 150,562 million and of Other Liabilities for EUR 28 million.*

(4) *This amount is composed of Insurance contracts assets for EUR 380 million and of other assets for EUR 16 million.*

(5) *The contractual service margin (CSM) represents the unearned profit that the entity will recognise in the income statement as the insurance services are provided in the future.*

(6) *The non-financial risk adjustment corrects the present value of future cash flows in insurance contracts to reflect uncertainty about the amount and timing of these flows.*

Marginal total impact on the Total equity as at 1 January 2022

As at the transition date (1 January 2022), the retrospective application of IFRS 17 and IFRS 9 by the Group's insurance subsidiaries resulted in a EUR 46 million increase in the Total consolidated equity.

This impact is broken down as follows: a decrease of EUR 402 million related to the transition from IFRS 4 to IFRS 17, an increase of EUR 509 million related to the transition to IFRS 9 and the revaluation of investment properties according to IAS 40, and a decrease of EUR 61 million related to the adjustment of deferred tax assets and liabilities.

Positive total impact on the Total equity as at 1 January 2023

The retrospective application of IFRS 9 and IFRS 17 by the Group's insurance subsidiaries resulted in an adjustment of the comparative data for the financial year 2022 for an amount of EUR -191 million on the consolidated net income and an amount of EUR +689 million on the unrealised or deferred gains and losses recognised directly in equity.

As at the date of initial application (1 January 2023), the cumulative impact on the Total equity amounted to EUR +544 million.

The table below shows the Group's consolidated income statement for 2022 as published in the last Annual Financial Report and then the restated income statement (2022 R) following the application of IFRS 17 and IFRS 9 by the Group's insurance subsidiaries.

In the Notes to the financial statements, the restated data are identified with "R".

(In EUR m)	**2022 R**	**2022**
Interest and similar income(1)(2)	30,738	28,838
Interest and similar expense(1)(2)	(17,897)	(17,552)
Fee income	9,400	9,335
Fee expense	(4,183)	(4,161)
Net gains and losses on financial transactions(1)(2)	866	6,691
o/w net gains and losses on financial instruments at fair value through profit or loss	*1,044*	*6,715*
o/w net gains and losses on financial instruments at fair value through other comprehensive income	*(152)*	*(10)*
o/w net gains and losses from the derecognition of financial instruments at amortised cost	*(26)*	*(14)*
Net income from insurance activities		2,211
Income from insurance contracts issued	3,104	
Insurance service expenses(3)	(1,606)	
Income and expenses from reinsurance contracts held	(19)	
Net finance income or expenses from insurance contracts issued(2)	4,030	
Net finance income or expenses from reinsurance contracts held(2)	45	
Cost of credit risk from financial assets related to insurance activities	1	
Income from other activities(1)(2)	13,301	13,221
Expenses from other activities	(10,625)	(10,524)
Net banking income	**27,155**	**28,059**
Other general operating expenses(3)	(16,425)	(17,061)
Amortisation, depreciation and impairment of tangible and intangible fixed assets	(1,569)	(1,569)
Gross operating income	**9,161**	**9,429**
Cost of credit risk	(1,647)	(1,647)
Operating income	**7,514**	**7,782**
Net income from investments accounted for using the equity method	15	15
Net income/expense from other assets	(3,290)	(3,290)
Value adjustments on goodwill	-	-
Earnings before tax	**4,239**	**4,507**
Income tax	(1,483)	(1,560)
Consolidated net income	**2,756**	**2,947**
Non-controlling interests	931	929
Net income, Group share	**1,825**	**2,018**

(1) *The variations between the 2022 financial year published and the 2022 financial year restated are linked to the new presentation and measurement of insurance companies' investments, now including in the same headings used by the rest of the Group, previously recorded as Net income from insurance activities.*

(2) *The financial performance of insurance companies must be analysed by taking into account on one hand the income and expenses from the investments backing in the insurance contracts and on the other hand the net finance income or expenses from insurance contracts measured according to IFRS 17. Both components of expenses and income mentioned above partly offset each other (see Note 4.3, table Detail of liabilities).*

(3) *The change in Other general operating expenses between the 2022 financial year published and the 2022 financial year restated is related to the allocation within Insurance service expenses of general operating expenses attributable to the fulfilment of insurance contracts.*

The table below presents the statement of net income and unrealised or deferred gains and losses published in 2022 and the one restated (2022 R) following the application of IFRS 17 and IFRS 9 by the Group's insurance subsidiaries.

(In EUR m)	2022 R	2022
Consolidated net income	**2,756**	**2,947**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**578**	**(111)**
Translation differences	1,820	1,820
Revaluation of debt instruments at fair value through other comprehensive income(1)(2)	(10,849)	(731)
Revaluation of available-for-sale financial assets(3)		(1,223)
Revaluation of insurance and reinsurance contracts through other comprehensive income(2)	10,050	
Revaluation of hedging derivatives	(610)	(380)
Related tax	167	403
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**539**	**539**
Total unrealised or deferred gains and losses	**1,117**	**428**
Net income and unrealised or deferred gains and losses	**3,873**	**3,375**
o/w Group share	*3,080*	*2,592*
o/w non-controlling interests	*793*	*783*

(1) The variations between the 2022 financial year published and the 2022 financial year restated are linked to the new presentation and measurement of insurance companies' investments, under the same headings used by the rest of the Group.

(2) The financial performance of insurance companies must be analysed by taking into account on one hand the gains and losses of the investments backing the insurance contracts (now presented according to the nature of the investment considered) and on the other hand the net finance gains and losses from insurance contracts measured according to IFRS 17. Both components of losses and gains mentioned above partly offset each other.

(3) This amount of EUR -1,223 million included, pursuant to the application of IAS 39 and IFRS 4, the re-measurement of the Available-for-sale assets for EUR -11,297 million, and the related Deferred profit-sharing for EUR 10,074 million.

NOTE 1.5 Use of estimates and judgement

To prepare the Group's consolidated financial statements, in application of the accounting principles described in the Notes, the Management makes assumptions and estimates that may impact the amounts recognised in the income statement or as Unrealised or deferred capital gains and losses, on the valuation of assets and liabilities on the balance sheet, and on the information disclosed in the related notes to the consolidated financial statements.

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

The assumptions and estimates made for the preparation of these consolidated financial statements take account of the uncertainties related to the economic consequences of geopolitics crisis and to the current macroeconomic context. The effects of these events on the assumptions and estimates used are specified in paragraph 6 of this Note.

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

- the fair value on the balance sheet of the financial instruments not listed on an active market that are recognised as Financial assets and liabilities at fair value through profit or loss, Hedging derivatives, Financial assets at fair value through other comprehensive income (described in Notes 3.1, 3.2, 3.3 and 3.4), as well as the fair value of the instruments measured at amortised cost for which this information is disclosed in the Notes to the financial statements (see Note 3.9);
- the impairment and provisions for credit risk related to financial assets measured at amortised cost or at fair value through other comprehensive income and loan commitments and guarantee commitments granted measured using models or internal assumptions based on historical, current and prospective data (see Note 3.8). The use of estimates and judgment relates in particular to the assessment of the deterioration in credit risk observed since the initial recognition of financial assets and the measurement of the amount of expected credit losses on these same financial assets;
- the assumptions and amortisation conventions used to determine the maturities of financial assets and liabilities for the purpose of measuring and monitoring structural interest rate risk and documenting the related macro fair value hedge accounting (see Note 3.2);
- the impairment of Goodwill (see Note 2.2);
- the provisions recorded under liabilities on the balance sheet (see Notes 5.2 and 8.2);
- the estimates related to the valuation of insurance contracts assets and liabilities and of the implementation of the transition methods in the context of the initial application of IFRS 17 (see Note 4.3);
- the tax assets and liabilities recognised on balance sheet (see Note 6);
- an analysis of the characteristics of the contractual cash flows of financial assets in order to determine the appropriate accounting classification (see Note 3);
- the assessment of the degree of control for the determination of the scope of consolidated entities, especially with regard to structured entities (see Note 2.4);
- the determination of the lease period to be applied for recognising the right-of-use assets and lease liabilities (see Note 8.3).

CLIMATE RISK

The Group continues its work to gradually integrate climate risks in the preparation of its consolidated accounts. Climate change-related risks are not a new risk category but rather an aggravating factor for categories already covered by the Group's risk management system. In this regard, the impact of transitional risk on the credit risk of the corporate customers of Societe Generale remains one of the major climate risks for the Group.

As at 31 December 2023, the determination of the expected credit losses includes the possible impact of climate risks considered when assessing individual risks and sectoral risks, provided it is compatible with the provisioning horizon. The impact of the Group's commitments in favour of the energy and environmental transition and the development of the territories are still taken into account in the estimated budgets to determine the recoverable amount of the cash-generating units and the recoverability of the deferred tax assets.

Furthermore, the Group is currently analysing the provisions in the European Sustainability Reporting Standards (ESRS) adopted by the European Commission on 31 July 2023, notably those related to the connections between the future Sustainability reports and the consolidated financial statements.

NOTE 1.6 Geopolitical crises and macroeconomic context

2023 was a year of cumulative uncertainties with, in particular, the continuing conflict in Ukraine but also tensions in the banking sector in the United States and Europe at the beginning of the year, as well as the situation in the Middle East at the end of the year. Monetary policies were clearly restrictive. Focusing on inflation control, central banks increased interest rates rapidly and significantly. In the euro area:

- the slowdown in economic activity observed during the first half of 2023 continued and was accentuated during the second half of the year;
- inflation remained high in 2023; it is expected to ease to around 3% in 2024 and fall back to the target in the midterm.

In the US, the economy performed better than expected by most forecasters. Warning signs point to an already apparent sharper slowdown towards the end of the year.

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

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

NOTE 1.6.1 MACROECONOMIC SCENARIOS

As at 31 December 2023, the Group selected three macroeconomic scenarios to help understand the uncertainties related to the current macroeconomic context.

The assumptions selected to build these scenarios are described below:

- the central scenario ("SG Central") predicts a continuing economic slowdown in the euro area in 2024 with only a modest rebound in 2025. The fall in inflation, to around 2.5%, will be accompanied by an increase in the unemployment rate. The ECB would lower its interest rates starting in Spring 2024, but would continue scaling down its balance sheet at least until 2025 (reducing its direct purchases on the market). Economic growth is also expected to decelerate in 2024, interest rates are likely to decrease and inflation should remain on a downward trend while the unemployment rate increases;
- the favourable scenario ("SG Favourable") describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions. In both cases, stronger growth will have a positive impact on employment and the profitability of companies;
- the stressed scenario ("SG Stress") corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (like the 2008 crisis, euro area crisis, etc.), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research Division of Societe Generale for all the entities in the Group based, in particular, on the information published by the statistical institutes in each country.

Institutional forecasts produced by organisations like the IMF, the World Bank, the ECB and the OECD and the consensus among market economists serve as a reference to challenge the Group's forecasts.

NOTE 1.6.2 FINANCIAL INSTRUMENTS: EXPECTED CREDIT LOSSES

The scenarios provided by the Group economists are incorporated into the expected credit loss provisioning models over a three-year horizon, followed by a two-year period to gradually return by the fifth year to the average probability of default observed during the calibration period. The assumptions made by the Group with a view to developing these macroeconomic scenarios have been updated during the fourth quarter 2023 to account for uncertainties about the macroeconomic context.

Variables

The GDP growth rate, the profit margin of companies in France, the unemployment rates, the inflation rate in France and the yield on France 10-year government bonds are the main variables used in the expected credit losses measurement models.

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

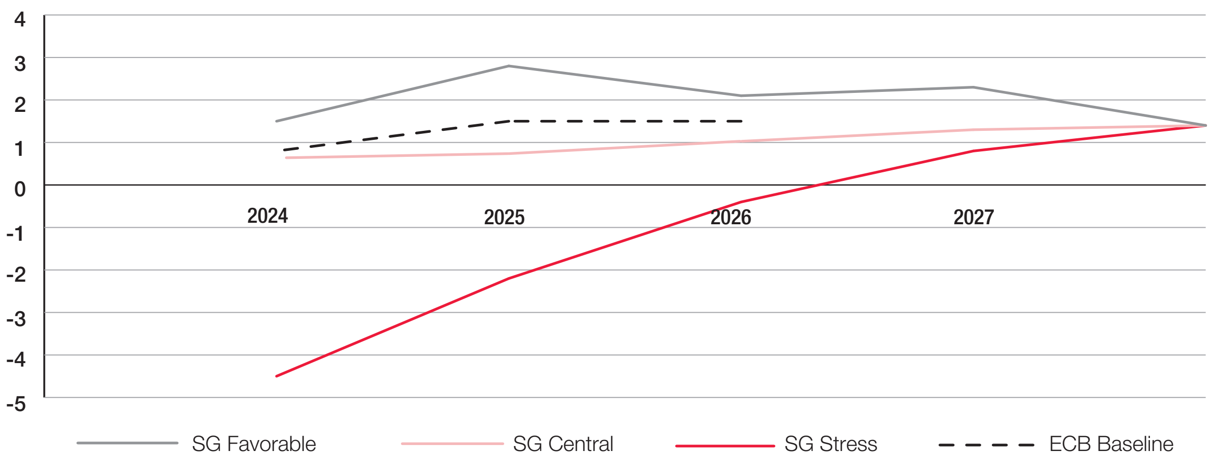
"SG Favourable" scenario	2024	2025	2026	2027	2028
France GDP	1.5	2.7	2.1	2.3	1.5
Corporate profit margin in France	33.0	32.7	32.9	32.9	32.4
Euro area GDP	1.5	2.8	2.1	2.3	1.4
United States GDP	1.9	3.5	2.8	3.0	2.2
China GDP	5.4	6.0	4.8	4.8	3.8
Czech Republic GDP	3.0	4.0	3.1	3.3	2.3
Romania GDP	3.8	4.8	3.8	4.2	3.2

"SG Central" scenario	2024	2025	2026	2027	2028
France GDP	0.5	0.7	1.1	1.3	1.5
Corporate profit margin in France	32.4	32.4	32.4	32.3	32.4
Euro area GDP	0.5	0.8	1.1	1.3	1.4
United States GDP	0.9	1.5	1.8	2.0	2.2
China GDP	4.4	4.0	3.8	3.8	3.8
Czech Republic GDP	2.0	2.0	2.1	2.3	2.3
Romania GDP	2.8	2.8	2.8	3.2	3.2

"SG Stress" scenario	2024	2025	2026	2027	2028
France GDP	(4.5)	(2.3)	(0.4)	0.8	1.5
Corporate profit margin in France	30.2	30.2	30.2	30.1	32.4
Euro area GDP	(4.5)	(2.2)	(0.4)	0.8	1.4
United States GDP	(4.1)	(1.5)	0.3	1.5	2.2
China GDP	(0.6)	1.0	2.3	3.3	3.8
Czech Republic GDP	(3.0)	(1.0)	0.6	1.8	2.3
Romania GDP	(2.2)	(0.2)	1.3	2.7	3.2

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

The graph below compares the GDP forecasts in the euro area used by the Group for each scenario with the scenarios published by the ECB in December 2023.



WEIGHTING OF THE MACROECONOMIC SCENARIOS

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

In order to better account for a possible reversal in the cycle, the Group applies a weighting methodology to its scenarios (mainly based on the observed output gaps for the USA and the euro area) and assigns a higher weight to the SG Central scenario when the economy is depressed. Conversely, the methodology provides for a higher weight to be assigned to the SG Stress scenario when the economy moves towards the peak of the cycle. Accordingly, the weighting applied to the SG Central scenario was set at 62% at 31 December 2023.

PRESENTATION OF THE CHANGES IN WEIGHTS

	31.12.2023	30.06.2023	31.12.2022
SG Central	62%	62%	60%
SG Stress	28%	28%	30%
SG Favourable	10%	10%	10%

CALCULATION OF EXPECTED CREDIT LOSSES AND SENSITIVITY ANALYSIS

Credit risk costs as at 31 December 2023, insurance subsidiaries excluded, amount to a net expense of EUR 1,025 million, decreasing by EUR 622 million (38%) compared to 31 December 2022 (EUR 1,647 million).

Sensitivity tests have been performed to measure the impact of the changes in weights on the models. The sectoral adjustments (see Note 3.8) have been taken into account in these sensitivity tests. The scope of these tests includes the Stage 1 and Stage 2 outstanding loans subject to a statistical modelling of the impacts of the macroeconomic variables (which accounts for 88% of the expected credit losses on the outstanding loans concerned compared to 72% as at 31 December 2022).

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

- of the SG Stress scenario, the impact would be an additional allocation of EUR 570 million;
- of the SG Favourable scenario, the impact would be a reversal of EUR 378 million;
- of the SG Central scenario, the impact would be a reversal of EUR 248 million.

COVID-19 CRISIS: STATE GUARANTEED LOANS ("PGE")

Until 30 June 2022, the Group offered its crisis-impacted clients (professionals and corporate clients) the allocation of State Guaranteed Loan facilities ("PGE"). Within the framework of the 2020 French Amending Finance Act and the conditions set by the French decree of 23 March 2020, these are financings granted at cost price and guaranteed by the government for a share of the borrowed amount between 70% to 90% depending on the size of the borrowing enterprise (with a waiting period of two months after disbursement at the end of which the guarantee period begins).

With a maximum amount corresponding, in the general case, to three months of turnover before tax, these loans came with a one-year repayment exemption. At the end of that year, the customer could either repay the loan or amortise it over one to five more years, with the possibility of extending the grace period for the repayment of principal for one year (in line with the announcements made by the French Ministry of Economics, Finance and Industrial and Digital Sovereignty on 14 January 2021) without extending the total duration of the loan. The remuneration conditions of the guarantee have been set by the State and applied by all French banking institutions: the Bank keeps only a share of the guarantee premium paid by the borrower (the amount of which depends on the size of the Company and the maturity of the loan) remunerating the risk it bears, which corresponds to the part of the loan not guaranteed by the State (*i.e.*, between 10% and 30% of the loan depending on the size of the borrowing company). A French decree published on 19 January 2022, amending the decree published on 23 March 2020, allows some companies to benefit, under certain conditions, from an extension of their PGE repayment deadlines from 6 to 10 years.

The contractual characteristics of the PGE are those of basic loans (SPPI criterion) and these loans are held by the Group within the framework of a business model whose objective is to collect their contractual cash flows until their maturity; as a result, these loans have been recorded in the consolidated balance sheet under “Customer loans at amortised cost”.

As at 31 December 2023, after the first repayments made in 2022 and in 2023 at the end of the moratorium period, the amount outstanding corresponding to the State Guaranteed Loans (PGE) granted by the Group is approximately EUR 8.8 billion (of which EUR 1.8 billion classified as Stage 2 and EUR 1.1 billion as Stage 3). The portion of PGE granted by the French Retail networks amounts, as at 31 December 2023, to EUR 7.8 billion (of which EUR 1.6 billion classified as Stage 2 and EUR 0.9 billion as Stage 3); the State guarantee for these loans covers, on average, 90% of their amount.

The expected credit losses recognised as at 31 December 2023 for PGE (French state guaranteed loans) amount to some EUR 240 million of which EUR 171 million booked by the French Retail networks (including EUR 28 million in Stage 2 and EUR 124 million in Stage 3).

CONSEQUENCES OF THE WAR IN UKRAINE

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

(In EUR billion)	31.12.2023 Exposure at default	31.12.2023 Gross outstanding/ commitments	30.06.2023 Exposure at default	30.06.2023 Gross outstanding/ commitments	31.12.2022 Exposure at default	31.12.2022 Gross outstanding/ commitments
Onshore exposures on consolidated subsidiaries	0	0	0	0	0.3	0.3
Offshore exposures[(1)]	0.9	1	1.6	1.7	1.8	2
Rosbank residual exposures	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL	**1**	**1.1**	**1.7**	**1.8**	**2.2**	**2.4**

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

Exposures in Russia and Ukraine

On 11 April 2022, ALD had announced that it would not engage in any new commercial transactions in Russia, Kazakhstan and Belarus without challenging the going concern status over the next twelve months of ALD Automotive OOO in Russia and ALD Automotive LLC in Belarus; the two entities continuing to serve their clients and manage the existing vehicle fleet without encountering any specific difficulties in relation to business activities.

On 27 April 2023, ALD announced the completion of the sale of its ALD Automotive OOO subsidiary in Russia.

ALD Automotive LLC in Belarus was sold on 30 October 2023.

As at 31 December 2023, the Group operates in Russia through its LeasePlan subsidiary with very low residual exposures.

The Group also operates in Ukraine through its ALD Automotive Ukraine Limited Liability Company subsidiary the total balance sheet of which amounts to EUR 82 million as at 31 December 2023.

Offshore exposures

The Group also holds assets on Russian counterparties the volume of which dropped significantly between 31 December 2022 and 31 December 2023 (owing in particular to the disposal of assets but also to customer reimbursements completed without incident). These outstanding loans including the residual exposures on Rosbank (EUR 1.1 billion against EUR 2.1 billion in 2022) have been classified as “sensitive” from the very beginning of the conflict (see Note 3.8) and declassified to Stage 2 of impairment for credit risk or to Stage 3 when necessary.

The consequences of these classifications, as well as the account taken of the new macroeconomic scenarios to determine expected credit losses as at 31 December 2023 are described in Note 3.8.

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

NOTE 1.7 Hyperinflation in Turkey and Ghana

Publications from the Centre for Audit Quality’s International Practices Task Force, the usual reference for identifying countries in hyperinflation, show that Turkey and Ghana have been considered hyperinflationary economies since 2022 and 2023 respectively.

Accordingly, the Group applies the provisions of IAS 29 (“Financial Reporting in Hyperinflationary Economies”) to prepare the individual financial statements presented in Turkish liras of the ALD Group entities located in Turkey (including the Turkish subsidiary LeasePlan Otomotiv Servis ve Ticaret A.S acquired in the first half of 2023) and the individual financial statements in cedis of the entity Societe Generale Ghana PLC located in Ghana (before their conversion into euro in the frame of the consolidation process) since 1st January 2022 and 1st January 2023 respectively.

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

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

On the date of first application of this hyperinflation treatment, the consideration for these adjustments is recognised in the Group retains earnings and Non-Controlling Investments; on that date, the translation differences on the entities concerned are reclassified to the same balance sheets items. At subsequent closing dates, inflation adjustments for the assets concerned and equity items, as well as for income and expenses for the period, are recognised as income or expenses on foreign exchange transactions under Net gains and losses on financial transactions.

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

On 1 January 2023, in the context of the first implementation of the accounting requirements of IAS 29 for the Societe Generale Ghana PLC entity, the total consolidated shareholders’ equity was increased by EUR 21 million, including a reduction in the consolidated reserves of EUR -121.5 million before tax for the different adjustments and the reclassification of the translation differences recorded at that date.

On 31 December 2023, a gain of EUR 122.1 million was recognised in the Net gains and losses on financial transactions from financial adjustments for the period. After taking into account the adjustments of the other income and expense lines of the period, the impact of the restatements for hyperinflation of the consolidated accounting result before tax is EUR 76.9 million.

NOTE 2 CONSOLIDATION

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

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

Consolidated entities

SUBSIDIARIES

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

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

Power

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

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

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

Exposure to variable returns

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

Link between power and variable returns

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

Special case of structured entities

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

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

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

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

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

JOINT ARRANGEMENTS

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

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

ASSOCIATES

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

Consolidation rules and methods

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

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

CONSOLIDATION METHODS

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

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

The portion of non-controlling interests in the subsidiary is presented separately in the consolidated balance sheet and income statement. However, in consolidated structured entities that are controlled by the Group, the portions of these entities not owned by the Group are recognised as Debt in the balance sheet.

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

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

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

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

TRANSLATION OF FOREIGN ENTITY FINANCIAL STATEMENTS

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

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

CHANGES IN GROUP'S OWNERSHIP INTEREST IN A CONSOLIDATED ENTITY

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

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

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

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

Commitments to buy out minority shareholders in fully consolidated subsidiaries

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

The commitments are recorded as follows:

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

NOTE 2.1 Consolidation scope

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

The main changes to the consolidation scope as at 31 December 2023, compared with the scope applicable at the closing date of 31 December 2022, are as follow:

SALE OF SOCIETE GENERALE CONGO

The Group sold the totality of its holding in SG Congo, its Congolese subsidiary. This sale led to a reduction of EUR 0.3 billion in the total Group's balance sheet.

LEASEPLAN ACQUISTION BY ALD

On 22 May 2023, following the approval of ALD's Board of Directors and relevant regulatory authorities' approvals, ALD acquired 100% of LeasePlan for a consideration of EUR 4,897 million. This amount is subject to a contingent additional consideration of an amount up to EUR 235 million in cash, according to the achievements of objectives related to LeasePlan's regulatory ratios particularly.

The consideration includes:

- a cash component: EUR 1,828 million mainly financed *via* a capital increase of EUR 1,212 million in 2022. Societe Generale held 79.82% of ALD's capital prior to this increase. In accordance with its commitment to remain ALD's majority shareholder in the long term, Societe Generale subscribed to new shares for an amount of EUR 803 million representing 66.26% of the capital increase and held, at the end of 2022, 75.94% of ALD;
- a share component: 251,215,332 new ALD shares have been issued, representing 30.75% of ALD capital after the completion of the acquisition, and before the exercise of the attached warrants. The value of this share component amounts to EUR 2,871 million, based on the fair value of ALD's shares of EUR 11.43 at the completion date;
- a warrant component: ALD has issued 26,310,039 warrants attached to ALD's share for the benefit of LeasePlan's selling shareholders, so that their total shareholding could reach 32.91% in case of full exercise of warrants. Their main characteristics are as follows: exercise price of EUR 2.00 per share; parity of 1 warrant for 1 share; and exercisable one to three years after their issuance, if the ALD share price reaches EUR 14.07 per share in the exercise period. The fair value of these warrants' amounted, as at 22 May 2023, EUR 128 million. This value was determined based on a Black & Scholes mathematical valuation model, taking as main assumptions the exercise possible at any time between one and three years; a euro area risk-free interest rate and an assumed historical volatility of the observed ALD share of around 30%. In the Group's financial statements, the warrants attached to shares are recorded in Retained earnings;
- a contingent consideration: estimated by the Group at its fair value of EUR 70 million, as at 31 December 2023. The earn-out mechanism will last until 31 December 2024, subject to an additional 6-month period in certain limited circumstances, with potential payments every quarter. In the Group's financial statements, the contingent consideration is recorded as Other liabilities.

After the completion of the LeasePlan acquisition, Societe Generale remains the majority shareholder of the new combined entity, named Ayvens since 16 October 2023, with a stake of 52.59% (the Group voting interest is 68.97% as at 31 December 2023 due to double voting rights). This stake may be reduced to 50.95% in the event of the exercise of the shares with warrants attached that have been granted to LeasePlan shareholders to allow them to increase their stake up to 32.91% of Ayvens' social capital. As of 31 December 2023, the former LeasePlan shareholders consortium led by TDR Capital holds 30.75% of the combined entity, while the free float represents 16.6%.

Following the completion of the whole transaction, the Ayvens group will remain fully consolidated by the Group.

Details of the purchase price are set out in the table below:

(In EUR m)	
Purchase price paid in ALD shares[1]	2,871
Fair value of warrants attached to shares	128
Acquisition price paid in ALD equity instruments	**2,999**
Acquisition price paid in cash	**1,828**
Total acquisition price	**4,827**
Contingent consideration	70
Total acquisition price including contingent consideration	**4,897**

(1) o/w 26,310,039 shares with warrants attached.

As at 31 December 2023, subject to any purchase price allocation and/or acquisition price adjustment within one year from closing, the Group has recognised a goodwill of EUR 1,396 million (see Note 2.2).

As a result of the allocation of LeasePlan's purchase price, the assessment of the entity's identifiable assets acquired and liabilities assumed at fair value led the Group to revise upwards the value of LeasePlan's net assets by EUR 230 million.

(In EUR m)	Certified balance sheet at acquisition date	Fair value adjustment	Allocation as at 31 December 2023
Cash, due from central banks	3,812	-	3,812
Customer loans at amortised cost	615	-	615
Net non-current assets and liabilities held for sale(1)	617	33	650
Tangible and intangible fixed assets	23,891	330	24,221
o/w Assets under operating leases	*20,983*	*429*	*21,412*
Debts securities issued	(9,327)	7	(9,320)
Due to bank	(2,687)	(7)	(2,694)
Customer deposits	(11,334)	33	(11,301)
Net tax assets/liabilities	(505)	(64)	(569)
Net other assets and liabilities	(1,298)	(102)	(1,400)
Fair value of assets and liabilities acquired (C)	3,784	230	4,014
Non-controlling interests(2) (B)	513	-	513
Total purchase price (A)	4,897	-	4,897
GOODWILL (A) + (B) - (C)	**1,626**	**(230)**	**1,396**

(1) Amount after elimination of intra-group transactions.
(2) Other equity instruments issued.

As part of the purchase price allocation update, the table above includes mainly the following adjustments to the assets acquired and liabilities assumed disclosed as at 31 December 2023:

Assets/liabilities of LeasePlan	Description of the valuation approach
Asset under operating leases – rental fleet	Fair value of the fleet is obtained by adding the sum of the future discounted cash flows of lease and additional services with the discounted terminal value (residual value of the vehicle which is its expected sales price). The implemented valuation relies on DCF model for each contract and considers regional parameters such as specific tax rates and country risk premia.
Intangible assets – customer relationships of Business to Business segment of LeasePlan	Customer relationships intangible asset has been recognised separately from goodwill and it materialises the loyalty of Business to Business fleet customers to LeasePlan. The valuation is based on Multi-period excess earnings method (M.P.E.E.M.).
Intangibles assets – softwares	In the framework of the valuation, the Group has estimated the cost that would be incurred to develop each domains needed to have a fully functional technology multiplied by a completion rate by domain.

The combined entity is well-positioned to deliver profitable growth drawing on a fleet of around 3.4 million vehicles, including worldwide biggest multi-brand electric vehicle fleet, and a direct presence in 44 countries covering all customers categories.

ALD and LeasePlan serve the same three client segments (large corporates, SMEs, individual consumers), but each of them has specific areas of leadership. LeasePlan has a network of large and very large blue-chip international and national corporate clients and has been particularly strong in this segment in which a customer overlap with ALD is limited. ALD has developed a strong network of partnerships with more than 200 partners across a large spectrum of sectors. It allowed the Company to rapidly develop its presence in the SME and individual consumers segments. This complementarity must offer to the combined entity the best footprint across all segments.

ALD benefits a financing structure and strong credit ratings facilitating efficient access to external funding. LeasePlan relies on its deposit collection platforms in Germany and the Netherlands. The combined entity would therefore have an enlarged funding source base.

The consolidated income of the Group includes the income of LeasePlan's activities from 22 May 2023. As at 31 December 2023, the contribution of LeasePlan's activities amounts to EUR 693 million in net banking income and EUR 24 million in Consolidated net income.

On 22 March 2023, the Group announced that ALD entered into a share agreement to sell its subsidiaries in Ireland, Portugal and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and Czech Republic. These disposals have been initiated to fulfil the commitments made by ALD in the context of the clearance by the European Commission of the acquisition of LeasePlan by ALD, to address concentration risk in the involved countries. As at 31 December 2023, the Group has completed these disposals.

CREATION OF A JOINT VENTURE BY SOCIETE GENERALE AND ALLIANCEBERSTEIN

On 6 February 2023, Societe Generale and AllianceBernstein signed a *Memorandum* of Understanding for the creation of a joint venture combining their cash equities and equity research businesses.

On the date of completion of the transaction, scheduled in the first half of 2024 the joint venture will be organised under two separate legal entities, one focusing on North America and the other on Europe and Asia.

The Group asseses that, in the consolidated statements, the entity responsible for the Europe and Asia activities should be fully consolidated and the entity responsible for the North America activities should be accounted for using the equity method.

Subject to the relevant regulatory approvals, some options might allow Societe Generale to eventually reach 100% ownership in both entities.

NOTE 2.2 Goodwill

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

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

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

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

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

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

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

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

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

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

As at 31 December 2023, goodwill is split into the following nine CGUs:

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

PERIMETER OF CGUS AS OF 31 DECEMBER 2023

As part of the change in the Group's governance in the second half of 2023, the organisation of the perimeter of CGUs has evolved:

- the CGU Insurances is now attached to the RPBI Pillar (Retail and Private Banking and Insurance);
- the former CGU Europe consisted of the retail banking activities in Europe (KB and BRD) and the consumer finance activities in France (CGL), Germany (Hanseatic Bank and BDK) and Italy (Fiditalia). From now on, two separate CGUs are presented:
  - the CGU Consumer Finance brings together consumer credit activities in France, Germany and Italy. This CGU is now part of the Mobility and Leasing Services operating segment,
  - and the residual CGU Europe including KB and BRD. This CGU remains integrated in the International Retail Banking operating segment.

The table below shows by CGU and by operating segment (Note 8.1) the changes over the year 2023 in the values of goodwill:

(In EUR m)	Value as at 31.12.2022	Acquisitions and other increases	Disposals and other decreases	Transfers	Impairment	Value as at 31.12.2023
French Retail and Private Banking	**1,068**	**81**	**-**	**-**	**-**	**1,149**
French Retail and Private Banking	1,068	81	-	-	-	1,149
Insurances	**334**	**14**	**-**	**-**	**-**	**348**
Insurances	334	14	-	-	-	348
International Banking	**1,473**	**-**	**(4)**	**(528)**	**(110)**	**831**
Europe	1,359	-	-	(528)	-	831
Africa, Mediterranean Basin and Overseas	114	-	(4)	-	(110)	-
Mobility and Leasing Services	**849**	**1,415**	**-**	**528**	**(228)**	**2,564**
Equipment and Vendor Finance	228	-	-	-	(228)	-
Auto Leasing Financial Services(1)	621	1,398	-	-	-	2,019
Consumer finance	-	17	-	528	-	545
Global Markets and Investor Services	**-**	**-**	**-**	**-**	**-**	**-**
Global Markets and Investor Services	-	-	-	-	-	-
Financing and Advisory	**57**	**-**	**-**	**-**	**-**	**57**
Financing and Advisory	57	-	-	-	-	57
TOTAL	**3,781**	**1,510**	**(4)**	**-**	**(338)**	**4,949**

(1) The increase is almost completely related to the acquisition of LeasePlan (see Note 2.1).

IMPAIRMENT TEST OF CGU

The Group performed an annual impairment test on 31 December 2023 for each CGU to which goodwill had been allocated.

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

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

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

- for each CGU, estimates of future distributable dividends are determined over a five-year period, based on a four-year budget trajectory (2024-2027) extrapolated to 2028, the latter year being used as a "normative" year to calculate the terminal value;
- these estimates consider the equity target allocated to each CGU, in increase compared to 31 December 2022 (12% of the risk-weighted assets of each CGU *versus* 11% for 2022);
- the growth rates used to calculate the terminal value are determined using forecasts on sustainable long-term economic growth and inflation. These rates are estimated using two main sources, namely the International Monetary Fund and the economic analyses produced by SG Cross Asset Research which provide 2027 or 2028 forecasts;
- the projected dividends are then discounted based on a rate equal to the risk-free rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free rate available around monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued (mainly US dollar area or Euro area), in proportion with risk-weighted assets for CGUs covering several countries.

As of 31 December 2023, the specific discount rates and long-term growth rates to the CGUs of the Group's three pillars are as follows:

Assumptions as at 31 December 2023	Discount rate	Long-term growth rate
French Retail Banking and Private Banking	9.6%	2.0%
Insurances	10.2%	2.5%
Global Markets and Investor Services	11.7%	2.0%
Financial Services	10,3%	2.0%
International Retail Banking	11.9% to 13.7%	2.0% to 3.0%
Mobility and Leasing Services	10.5% to 10.6%	2.0%

The budget trajectories take into account in particular the impacts of the commitments in favor of the energy and environmental transition and the development of the territories detailed in the Declaration of Non-Financial Performance.

These budgets are based on the following main business and macroeconomic assumptions:

Pillars	
French Retail Banking, Private Banking and Insurances	
French Retail Banking and Private Banking	■ Ongoing efforts to shift operations and relationship banking at Societe Generale towards a digital model
	■ Consolidation of commercial and operational efficiency in Wealth Management and continued development of synergies with retail banking network
	■ Confirmation of Boursorama's customer acquisition plan to reach more than 8 millions clients in 2026
Insurances	■ Reinforcement of integrated bank insurance model and continued dynamic growth in France and abroad in synergy with the retail banking network, Private Banking and financial services to businesses
Global Banking and Investor Solutions	
Global Markets and Investor Services	■ Thanks to the restructuring initiated, better balance of the portfolio of businesses securing future revenues and enabling an optimisation of the use of resources in a standardised market context
	■ Consolidation of market-leading franchises (equities) and growth mainly supported by financing and investment solutions activities
	■ Continued of optimisation measures and investments in information systems
Financing and Advisory	■ Consolidation of origination momentum of financing activities oriented towards capital consumption optimisation
	■ Consolidation of market-leading franchises (commodity and structured financing) and continued RSE business development
International Retail Banking, Mobility and Leasing Services	
Europe	■ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations
	■ Strict discipline applied to operating expenses and normalisation of cost of risk
Africa, Mediterranean Basin and Overseas	■ Continued development of Societe Generale's sales network
	■ Continued focus on operating efficiency (automatisation, dematerialisation, digitalisation and mutualisation initiatives) and gradual reduction cost of risk
Equipment and Vendor Finance	■ Consolidation of leadership in these corporate financing businesses
	■ Strict discipline applied to operating expenses and scare resources
Auto Leasing Financial Services	■ Creation of a leading global player in mobility with the integration of LeasePlan
	■ New strategic plan articulated around four priorities: clients, operational efficiency, responsibility and profitability
Consumer Finance	■ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations
	■ Strict discipline applied to operating expenses and normalisation of cost of risk

The goodwill on Africa, Mediterranean Basin and Overseas and Equipment and Vendor Finance CGUs was fully written down on 30 September 2023 as a result of the appearance of indications of impairment.

As of 31 December 2023, the CGU impairment tests were carried out on both the old and the new CGUs, to neutralise any structural effect related to the splitting of the CGU Europe into two CGUs (Europe: KB and BRD and Consumer Credit: Fiditalia, Hanseatic Bank, BDK and CGL).

The tests carried out in this way show that the recoverable amount of these CGUs remains higher than their carrying value.

For CGUs, the tests carried out on 31 December 2023 show that the recoverable amount remains higher than the book value.

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

- a 50 basis point increase applied to all CGU discount rates shown in the table above would result in a decrease in the total recoverable amount of 6.5% without requiring additional impairment of any CGU;
- a 50 basis point reduction in long-term growth rates would result in a 2.4% decrease in the total recoverable amount without requiring additional depreciation of any CGU;
- by combining these two sensitivity cases, the total recoverable amount would result in a 8.4% decrease without requiring additional depreciation of any CGU.

NOTE 2.3 Additional disclosures for consolidated entities and investments accounted for using the equity method

This Note provides additional disclosures for entities included in the consolidation scope.

These disclosures concern entities over which Societe Generale exercises exclusive control, joint control or significant influence, provided these entities have significant impact on the Group's consolidated financial statements. The significance of the impact is considered in particular regarding Group consolidated total assets and gross operating income.

NOTE 2.3.1 CONSOLIDATED STRUCTURED ENTITIES

Consolidated structured entities include:

- collective investment vehicles such as SICAVs (open-ended investment funds) and mutual funds managed by the Group's asset management subsidiaries;
- securitisation funds and conduits issuing financial instruments that can be subscribed for by investors and that generate credit risks inherent in an exposure or basket of exposures which can be divided into tranches; and
- asset financing vehicles (aircraft, rail, shipping or real estate finance facilities).

The Group has entered into contractual agreements with certain consolidated structured entities that may lead to financial support for these entities due to their exposure to credit, market or liquidity risks.

The Group did not provide any financial support to these entities outside of any binding contractual arrangement and, as of 31 December 2023, does not intend to provide such support.

Securities issued by structured debt vehicles carry an irrevocable and unconditional guarantee from Societe Generale for payment of amounts due by the issuer. These issuers also enter into hedging transactions with Societe Generale to enable them to meet their payment obligations. As at 31 December 2023, the amount of outstanding loans thus guaranteed is EUR 55.4 billion.

As part of its securitisation activities on behalf of its clients or investors, Societe Generale grants two liquidity lines to ABCP (Asset Back Commercial Paper) conduits for a total amount for EUR 28.3 billion as at 31 December 2023.

NOTE 2.3.2 NON-CONTROLLING INTERESTS

Non-controlling interests refer to equity holdings in fully consolidated subsidiaries that are neither directly nor indirectly attributable to the Group. They include equity instruments issued by these subsidiaries and not held by the Group, as well as the share of income and accumulated reserves, and of unrecognised or deferred gains and losses attributable to the holders of these instruments.

Non-controlling interests amount to EUR 10,272 million as at 31 December 2023 (versus EUR 6,356 million as at 31 December 2022) and account for 13% of total shareholders' equity as at 31 December 2023 (versus 9% as at 31 December 2022).

INFORMATION ON SHAREHOLDER'S EQUITY OF NON-CONTROLLING INTERESTS

(In EURm)	31.12.2023	31.12.2022 R
Capital and reserves	9,095	5,733
Other equity instruments issued by subsidiaries (see Note 7.1)	1,300	800
Unrealised or deferred gains and losses	(123)	(177)
TOTAL	**10,272**	**6,356**

The Non-controlling interests, of significant amount in terms of contribution to the total shareholders' equity in the Group's consolidated balance sheet, relate to:

- listed subsidiaries Komercni Banka A.S., BRD – Groupe Societe Generale S.A. and SG Marocaine de Banques;
- ALD and Leaseplan, whose data presented here correspond to those of the AYVENS group;
- Sogécap, fully owned, with the subordinated notes issued in December 2014.

(In EURm)	31.12.2023 Group voting interest	Group ownership interest	Net income attributable to non-controlling interests	Total non-controlling interests	Dividends paid during the year to holders of non-controlling interests
KOMERCNI BANKA A.S.	60.73%	60.73%	247	1,881	(185)
BRD – GROUPE SOCIETE GENERALE S.A.	60.17%	60.17%	126	681	(48)
GROUPE AYVENS	68.97%	52.59%	353	5,324	(186)
SG MAROCAINE DE BANQUES	57.67%	57.67%	49	545	(14)
SOGÉCAP	100.00%	100.00%	33	829	(33)
Other entities			148	1,012	(103)
TOTAL			**956**	**10,272**	**(569)**

(In EURm)	31.12.2022 R Group voting interest	Group ownership interest	Net income attributable to non-controlling interests	Total non-controlling interests	Dividends paid during the year to holders of non-controlling interests
KOMERCNI BANKA A.S.	60.73%	60.73%	276	1,875	(297)
BRD – GROUPE SOCIETE GENERALE S.A.	60.17%	60.17%	107	530	(205)
GROUPE ALD	75.94%	75.94%	251	1,681	(97)
SG MAROCAINE DE BANQUES	57.67%	57.67%	41	500	(12)
SOGÉCAP	100.00%	100.00%	33	829	(33)
Other entities			223	941	(143)
TOTAL			**931**	**6,356**	**(787)**

SUMMARISED FINANCIAL INFORMATION FOR MAIN NON-CONTROLLING INTERESTS

The information below are the data of the entities or subgroups (excluding Sogécap) taken at 100% and before the elimination of intra-group operations.

(In EURm)	31.12.2023 Net banking income	Net income	Net income and unrealised or deferred gains and losses	Total balance sheet
KOMERCNI BANKA A.S.	1,448	640	489	60,369
BRD – GROUPE SOCIETE GENERALE S.A.	752	332	502	16,361
GROUPE AYVENS	3,317	1,907	1,921	80,488
SG MAROCAINE DE BANQUES	475	120	144	10,425

(In EURm)	31.12.2022 R Net banking income	Net income	Net income and unrealised or deferred gains and losses	Total balance sheet
KOMERCNI BANKA A.S.	1,523	715	793	53,209
BRD – GROUPE SOCIETE GENERALE S.A.	667	272	(64)	14,449
GROUPE ALD	2,632	1,268	1,350	57,881
SG MAROCAINE DE BANQUES	445	102	39	10,169

NOTE 2.3.3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)

SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES

	Joint ventures		Associates		Total investments accounted for using the equity method	
(In EURm)	2023	2022	2023	2022	2023	2022
Group share:						
Net income	7	6	16	9	24	15
Unrealised or deferred gains and losses (net of tax)	-	-	-	-	-	-
NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES	**7**	**6**	**16**	**9**	**24**	**15**

COMMITMENTS TO RELATED PARTIES FOR ASSOCIATES AND JOINT VENTURES

As at 31 December 2023, the Group has no commitments with related parties linked to associates and joint ventures.

NOTE 2.3.4 SIGNIFICANT RESTRICTIONS ON THE ABILITY TO ACCESS OR USE THE ASSETS OF THE GROUP

Legal, regulatory, statutory or contractual constraints or requirements may restrict the ability of the Group to transfer assets freely to or from entities within the Group.

The ability of consolidated entities to distribute dividends or to grant or repay loans and advances to entities within the Group depends on, among other things, local regulatory requirements, statutory reserves and financial and operating performance. Local regulatory requirements may concern regulatory capital, exchange controls or non-convertibility of the local currency (as it is the case in countries belonging to the West African Economic and Monetary Union or to the Economic and Monetary Community of Central Africa), liquidity ratios (as in the United States) or large exposures ratios that aim to cap the entity's exposure in relation to the Group (regulatory requirement to be fulfilled in most countries in Eastern and Central Europe, Maghreb and sub-Saharan Africa). Since May 2022, Russia published legislation providing for temporary restrictions and a special procedure on cash and capital movements initiated by Russian limited companies in favour of their foreign stakeholders related to "unfriendly countries".

The ability of the Group to use assets may also be restricted in the following cases:

- assets pledged as security for liabilities, notably guarantees provided to the central banks, or assets pledged as security for transactions in financial instruments, mainly through guarantee deposits with clearing houses;
- securities that are sold under repurchase agreements or that are lent;
- assets held by insurance subsidiaries in representation of unit-linked liabilities with life-insurance policyholders;
- assets held by consolidated structured entities for the benefit of the third-party investors that have bought the notes or securities issued by the entity;
- mandatory deposits placed with central banks.

NOTE 2.4 Unconsolidated structured entities

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

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

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

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

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

NOTE 2.4.1 INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

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

Such interests can be evidenced by:

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

	Asset financing		Asset management		Others	
(In EUR m)	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Total balance sheet(1) of the entity	**4,799**	**5,898**	**19,509**	**18,090**	**11,740**	**23,085**
Net carrying amount of Group interests in unconsolidated structured entities						
Assets	**2,664**	**2,646**	**769**	**2,579**	**8,044**	**8,719**
Financial assets at fair value through profit or loss	156	138	647	2,377	557	1,181
Financial assets at fair value through other comprehensive income	-	-	-	-	-	51
Financial assets at amortised cost	2,505	2,503	122	43	7,487	7,486
Others	3	5	-	159	-	1
Liabilities	**1,356**	**1,419**	**784**	**2,941**	**2,147**	**1,410**
Financial liabilities at fair value through profit or loss	105	99	422	2,530	456	175
Due to banks and customer deposits	1,159	1,257	294	384	1,635	1,235
Others	92	63	68	27	56	-

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

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

However, this year, the Group has not provided any financial support to these entities, except if bound to by contract, and, as of 31 December 2023, does not intend to provide such support.

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

	Asset financing		Asset management		Others	
(In EUR m)	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Amortised cost or fair value (according to the measurement of the financial instrument) of non-derivative financial assets entered into with the structured entity	2,633	2,538	2,395	4,340	514	1,932
Fair value of derivative financial assets recognised in the balance sheet	42	59	484	620	69	346
Notional amount of CDS sold (maximum amount to be paid)	-	-	-	-	-	-
Notional amount of loan or guarantee commitments granted	574	367	734	112	1,382	1,498
Maximum exposure to loss	**3,249**	**2,964**	**3,613**	**5,072**	**1,965**	**3,776**

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

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

These mitigating amounts must be capped in case of legal or contractual limitation of their realisable or recoverable amounts. They amounted to EUR 1,006 million and mainly concern Asset financing.

NOTE 2.4.2 INFORMATION ON UNCONSOLIDATED STRUCTURED ENTITIES SPONSORED BY THE GROUP

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

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

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

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

As at 31 December 2023, the total amount of the balance sheet of these unconsolidated structured entities, sponsored by the Group, and in which the Group does not have any interest, was EUR 4,356 million.

In 2023, no significant revenue has been recognised for theses structured entities.

NOTE 2.5 Non-current assets held for sale and related debt

ACCOUNTING PRINCIPLES

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

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

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

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

(In EUR m)	31.12.2023	31.12.2022
Assets	**1,763**	**1,081**
Fixed assets and Goodwill	122	839
Financial assets	1,335	95
Financial assets at fair value through profit or loss	*4*	-
Securities at the amortised cost	*350*	-
Due from banks	*20*	*93*
Customer loans	*961*	*2*
Other assets	306	147
Liabilities	**1,703**	**220**
Allowances	44	-
Financial liabilities	1,609	57
Financial liabilities at fair value through profit or loss	-	*1*
Due to banks	*42*	*56*
Customer deposits	*1,542*	-
Subordinated debt	*25*	-
Other liabilities	50	163

As on 31 December 2023, the Non-current assets held for sale and Non-current liabilities held for sale items encompass the assets and liabilities related to subsidiaries Societe Generale de Banques en Guinée Équatoriale, Societe Generale Mauritanie, Societe Generale Tchad and Societe Generale Burkina Faso.

NOTE 3 FINANCIAL INSTRUMENTS

MAKING IT SIMPLE

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

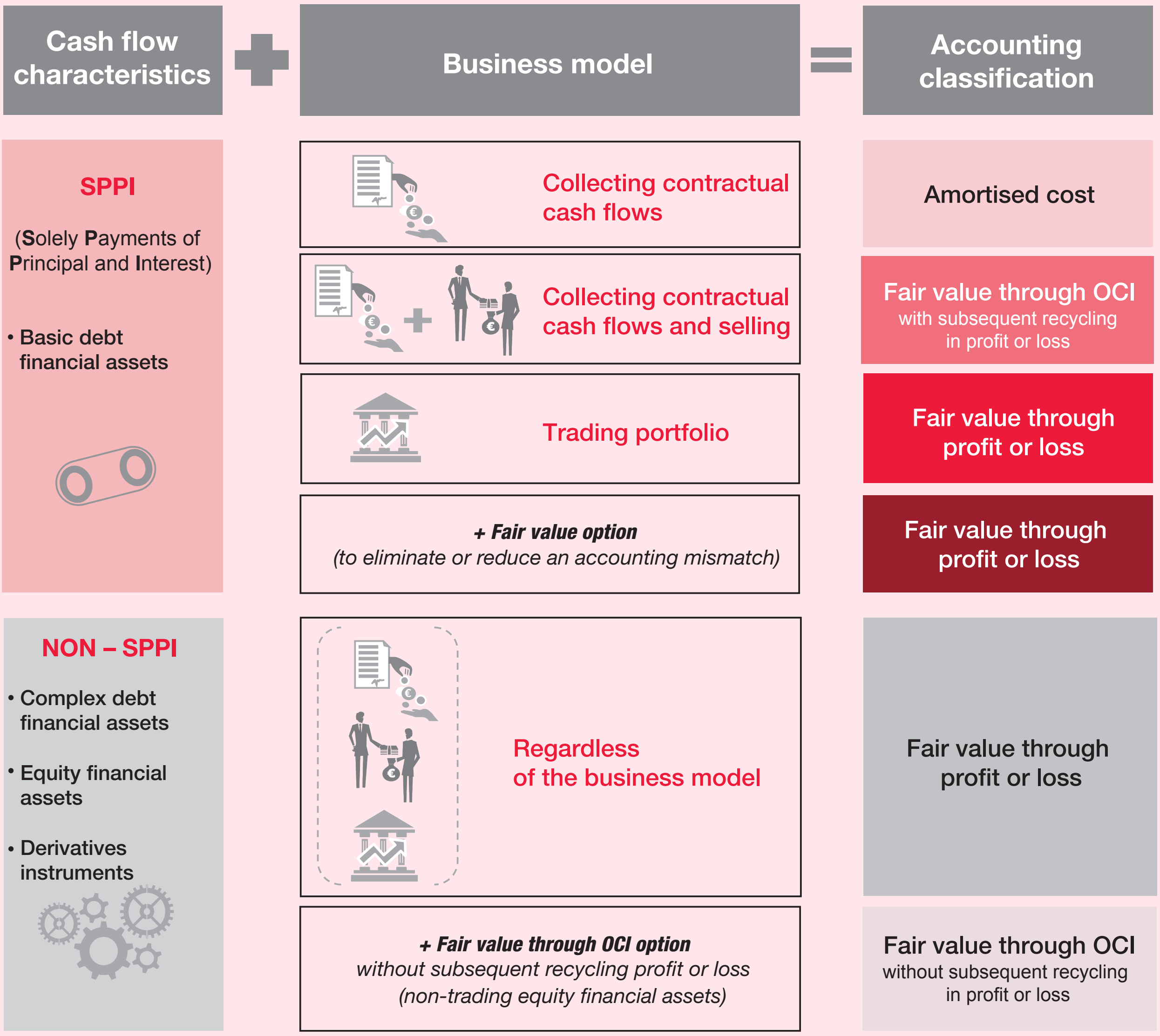
In the financial statements, the classification and valuation of financial assets and liabilities depend on their contractual characteristics and the way the entity manages those financial instruments.

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

ACCOUNTING PRINCIPLES

Classification of financial assets

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



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

ANALYSIS OF CONTRACTUAL CASH FLOW CHARACTERISTICS

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

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

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

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

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

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

ANALYSIS OF THE BUSINESS MODEL

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

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

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

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

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

FAIR VALUE OPTION

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

Classification of financial liabilities

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

- financial liabilities at fair value through profit or loss: these are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Group upon initial recognition to be measured at fair value through profit or loss using the fair value option;
- debts: these include the other non-derivative financial liabilities and are measured at amortised cost.

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

Reclassifications of financial assets

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

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

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.4.

Initial recognition

Financial assets are recognised on the balance sheet:

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

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

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

If the initial fair value is exclusively based on observable market data, any difference between the fair value and the transaction price, *i.e.* the sales margin, is immediately recognised in profit or loss. However, if one of the valuation inputs is not observable or if the used valuation model is not recognised by the market, the recognition of the sales margin is then generally deferred in profit or loss.

For some instruments, due to their complexity, this margin is recognised at their maturity or upon disposal in the event of an early sale. When valuation inputs become observable, any portion of the sales margin that has not yet been recorded is then recognised in profit or loss (see Note 3.4.7).

Derecognition of financial assets and liabilities

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

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

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

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

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

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

Foreign exchange transactions

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

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

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

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

TREATMENTS OF THE CHANGES IN THE BASIS FOR DETERMINING THE CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS AND LIABILITIES – IBOR REFORM

In the context of the reference interest rates reform (IBOR reform) the basis for determining the contractual cash flows of a financial asset or liability may be modified:

- either by amending the contractual terms and conditions set during the initial recognition of the financial instrument (example: when the agreement is renegotiated, the contractual terms and conditions are amended to replace the initial reference interest rate by an alternative one);
- either by applying the appropriate external disposals without requiring a change in contractual terms (example: the adoption of European regulations requiring the migration of all contracts still indexed to Libor CHF and Eonia in the European Union respectively on 1 January and 3 January 2022);
- or as a result of the activation of an existing contractual term or condition (example: application of the contractual rate replacement provision, or "Fallback").

If, in the context of the reference interest rates reform (IBOR reform), there is a change in the basis for determining the contractual cash flows of a financial asset or liability at amortised cost or of a financial asset at fair value through other comprehensive income, the modification is considered a simple forward-looking update of the interest rate applied to determine the interest income or expense and does not generate a gain or loss in the income statement.

This treatment depends on compliance with the following conditions:

- a change in the basis for determining the contractual cash flows is required and results directly from the IBOR reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the former basis used before the change.

The cases giving rise to a new basis for determining the contractual cash flows considered economically equivalent to the former basis are, for example:

- the replacement of an existing reference interest rate used to determine the contractual cash flows of a financial asset or liability by an alternative reference interest rate (or by changing the method used to determine the reference interest rate in question) and the addition of a fixed spread necessary to compensate for the difference in basis between the existing reference interest rate and the alternative one;
- the addition of a Fallback provision to the contractual terms and conditions of a financial asset or liability to allow for the implementation of the changes described above;
- changes in the determination of the amount of interest resulting from the use of a new reference interest rate (rate revision procedure, number of days between interest payment dates…).

Changes to a financial asset or liability, in addition to those deriving directly from the application of the IBOR reform, are treated according to the principles usually applicable to changes in financial instruments.

METHOD OF ANALYSIS OF CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS

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

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

The prepayment compensation is considered as reasonable especially when:

- the amount is calculated as a percentage of the outstanding amount of the loan and is capped by regulations (in France, for example, compensation for the prepayment of mortgage loans by individuals is legally capped at an amount equal to six months of interest or 3% of the principal outstanding), or is limited by competitive market practices;
- the amount is equal to the difference between contractual interest that should have been received until the maturity of the loan and the interest that would be obtained by the reinvestment of the prepaid amount at a rate that reflects the relevant benchmark interest rate.

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

Basic financial assets (SPPI) are debt instruments which mainly include:

- fixed-rate loans;
- variable-rate loans that can include caps or floors;
- fixed or variable-rate debt securities (government or corporate bonds, other negotiable debt securities);
- securities purchased under resale agreements (reverse repos);
- guarantee deposits paid;
- trade receivables.

Contractual terms that would introduce exposure to risks or volatility in the contractual cash flows, unrelated to a basic lending arrangement (such as exposure to changes in equity prices or stock indexes for instance, or leverage features), could not be considered as being SPPI, except if their effect on the contractual cash flows remains minimum (*de minimis* character of their variability).

Non-basic financial assets (non-SPPI) mainly include:

- derivative instruments;
- shares and other equity instruments held by the entity;
- equity instruments issued by mutual funds;
- debt financial assets that can be converted or redeemed into a fixed number of shares (convertible bonds, equity-linked securities, etc.);
- structured instruments whose cash flows are indexed, in part or in whole, to a benchmark index.

The Basic financial assets (SPPI) held by the Group include the financing of sustainable development projects (labelled Environment Social and Governance) in the form of Sustainability-linked bonds, social bonds and Green bonds with SPPI-compliant contractual cash flows.

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

Impact loans have been granted by the Group to support enterprises in their Sustainability approach through an incentive mechanism that reviews the margin according to ESG criteria specific to the borrower or to the achievement by the latter of sustainable development goals (Sustainability-linked loans). At the end of 2023, the outstanding amount of impact loans valued at amortised cost reached approximately EUR 6 billion and came jointly with financing commitments of EUR 24 billion. The Sustainability objectives set can be, for example, the reduction of greenhouse gas emissions, the development of cultivated areas with alternatives to synthetic plant protection products, the increase in the representation of women in management bodies, the reduction of water use. As a result of their analysis, these loans have been classified as basic financial assets (SPPI) provided that their flows meet the SPPI criteria and the ESG component fulfills the *de minimis* criterion.

During the second half of 2022, the IASB decided to propose amendments to the IFRS 9 “Implementation Guidance” regarding classification as SPPI as well as new information to be disclosed for the financial instruments whose contractual conditions may change the timetable or the amount of contractual cash flows depending on a potential event. The objective of the project is to clarify how the SPPI qualification criteria apply to financial assets with ESG factors or similar characteristics. Societe Generale followed the IASB proposals included in the exposure draft published in 2023. To date, these proposals will not significantly change the classification of the assets concerned.

When the time value component of interest can be modified according to the contractual term of the instrument, it may be necessary to compare the contractual cash flow with the cash flow that would arise from a benchmark instrument. For instance, that is the case when an interest rate is periodically reset, but the frequency of that reset does not match the tenor of the interest rate (such as an interest rate reset every month to a one-year rate), or when the interest rate is periodically reset to an average of short- and long-term interest rates.

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

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

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

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

Following the initial application of IFRS 9 by insurance subsidiaries (see. Note 1). the data shown in Note 3 include those relating to the financial instruments entered into by these subsidiaries.

The information on the types of risks, the risk management linked to financial instruments as well as the information on capital management and compliance with regulatory ratios, required by IFRS as adopted by the European Union, are disclosed in Chapter 4 of the present Universal Registration Document (Risks and capital adequacy).

NOTE 3.1 Financial assets and liabilities at fair value through profit or loss

IMPACT ON GROUP FINANCIAL ASSETS AND LIABILITIES OF THE FIRST IFRS 9 APPLICATION BY INSURANCE SUBSIDIARIES (SEE NOTE 1)

		Reclassifications					Adjustment of book value related to investments		
(In EURm)	**31.12.2021**	**of available for-sale financial assets**	**of non-SPPI loans and receivables**	**others**	**of financial liabilities of insurance activities**	**Reclassified balances**	**Reclassification effects**	**01.01.2022 R**	**31.12.2022 R**
Financial assets at fair value through profit or loss									
Trading portfolio	319,789			211		320,000	61	320,061	310,945
Financial assets measured mandatory at fair value through profit or loss	21,356	15,879	2,085	70,550		109,870	152	110,022	101,602
Financial instruments measured at fair value through profit or loss using the fair value option	1,569			15,065		16,634		16,634	14,604
TOTAL	**342,714**	**15,879**	**2,085**	**85,826**	**-**	**446,504**	**213**	**446,717**	**427,151**
Financial liabilities at fair value through profit or loss									
Trading portfolio	243,112				520	243,632		243,632	235,433
Financial liabilities measured mandatory at fair value through profit or loss	64,451				3,620	68,071		68,071	68,742
TOTAL	**307,563**	**-**	**-**	**-**	**4,140**	**311,703**	**-**	**311,703**	**304,175**

OVERVIEW

	31.12.2023		31.12.2022 R	
(In EURm)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio	366,087	281,335	310,945	235,433
Financial assets measured mandatorily at fair value through profit or loss	114,651		101,602	
Financial instruments measured at fair value through profit or loss using the fair value option	15,144	94,249	14,604	68,742
TOTAL	**495,882**	**375,584**	**427,151**	**304,175**
o/w securities purchased/sold under resale/repurchase agreements	*159,119*	*139,145*	*122,786*	*103,365*

NOTE 3.1.1 TRADING PORTFOLIO

ACCOUNTING PRINCIPLES

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

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

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

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

TRADING ACTIVITIES

Financial assets held for trading are:

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

Global market activities
The trading business model is applied by Global Banking and Investor Solutions to manage its global market activities.

It is also applied for managing syndicated loan commitments and loans that are not intended to be kept by the Group and that have been identified since their origination as to be sold in the short term (within 6 to 12 months) on the secondary market, as well as for loans originated by the Group through originate-to-distribute activities and that are expected to be sold shortly.

Financial assets held in run-off portfolios are also monitored based on their fair value. Although those portfolios are not related to market activities, those assets are presented amongst trading portfolio and are measured at fair value through profit or loss.

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

ASSETS

(In EURm)	**31.12.2023**	**31.12.2022 R**
Bonds and other debt securities	39,427	26,022
Shares and other equity securities	71,694	74,404
Securities purchased under resale agreements	159,073	122,752
Trading derivatives(1)	83,535	76,775
Loans, receivables and other trading assets	12,358	10,992
TOTAL	**366,087**	**310,945**
o/w securities lent	*14,509*	*12,455*

(1) See Note 3.2 Financial derivatives.

LIABILITIES

(In EURm)	31.12.2023	31.12.2022 R
Amounts payable on borrowed securities	42,483	51,101
Bonds and other debt instruments sold short	7,306	5,186
Shares and other equity instruments sold short	2,091	1,244
Securities sold under repurchase agreements	137,019	102,673
Trading derivatives[1]	89,803	72,656
Borrowings and other trading liabilities	2,633	2,573
TOTAL	**281,335**	**235,433**

(1) See Note 3.2 Financial derivatives.

NOTE 3.1.2 FINANCIAL INSTRUMENTS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

ACCOUNTING PRINCIPLES

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

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

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

(In EURm)	31.12.2023	31.12.2022 R
Bonds and other debt securities	30,677	22,413
Shares and other equity securities	68,691	62,756
Loans, receivables and securities purchased under resale agreements	15,283	16,433
TOTAL	**114,651**	**101,602**

BREAKDOWN OF LOANS AND RECEIVABLES AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

(In EURm)	31.12.2023	31.12.2022 R
Short-term loans	1,360	1,897
Equipment loans	10,052	11,338
Other loans	3,871	3,198
TOTAL	**15,283**	**16,433**

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

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

NOTE 3.1.3 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS USING FAIR VALUE OPTION

ACCOUNTING PRINCIPLES

In addition to the financial assets and liabilities held for trading, and the financial assets measured mandatorily at fair value through profit or loss, the same items in the financial statements include the non-derivative financial assets and liabilities that the Group has designated at fair value through profit or loss. Changes in the fair value of these instruments (including interest) are recorded in profit or loss under Net gains or losses on financial instruments at fair value through profit or loss, except the share related to the Group's own credit risk on financial liabilities which is booked under Unrealised or deferred gains and losses.

Furthermore, in case of derecognition of a financial liability at fair value through profit or loss using the fair value option before its contractual maturity, any gains and losses, related to the Group's own credit risk are booked under Unrealised or deferred gains and losses and then reclassified under Retained earnings at the beginning of the subsequent financial year.

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

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

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

The Group thus recognises structured bonds issued by Societe Generale Corporate and Investment Banking at fair value through profit or loss. These issuances are purely commercial and the associated risks are hedged on the market using financial instruments managed in trading portfolios. By using the fair value option, the Group can ensure consistency between the accounting treatment of these bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

ASSETS

(In EURm)	31.12.2023	31.12.2022 R
Bonds and other debt securities	13,821	13,369
Loans, receivables and securities purchased under resale agreements	68	55
Separate assets for employee benefits plans[1]	1,255	1,180
TOTAL	**15,144**	**14,604**

(1) Including, as at 31 December 2023, EUR 1,076 million of separate assets for defined post-employment benefits compared to EUR 1,002 million as at 31 December 2022 (see Note 5.1.2).

LIABILITIES

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

	31.12.2023		31.12.2022 R	
(In EURm)	Fair value	Amount redeemable at maturity	Fair value	Amount redeemable at maturity
Financial instruments measured using fair value option through profit or loss	94,249	99,500	68,742	70,288

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

Changes in fair value attributable to own credit risk generated an equity loss of EUR 257 million before tax. As at 31 December 2023, the total amount of changes in fair value attributable to own credit risk represents a total gain of EUR 68 million before tax.

NOTE 3.1.4 NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(In EURm)	2023	2022 R
Net gain/loss on trading portfolio (excluding derivatives)	8,844	(5,644)
Net gain/loss on financial instruments at fair value through profit or loss[1]	6,272	(9,135)
Net gain/loss on financial instruments measured using fair value option	(4,793)	3,715
Net gain/loss on derivative instruments	(1,310)	12,353
Net gains/loss on hedging instruments[2]	169	(237)
Net gain/loss on fair value hedging derivatives	*3,141*	*(16,246)*
Revaluation of hedged items attributable to hedged risks[3]	*(2,973)*	*16,019*
Ineffective cut of the cash flow hedges	*1*	*(10)*
Net gain/loss on foreign exchange transactions	1,145	(8)
TOTAL[4]	**10,327**	**1,044**
o/w gains on financial instruments at fair value through other comprehensive income	*1,148*	*1,181*

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

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

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

(4) Including EUR +5,638 million for insurance subsidiaries in 2023 (EUR -5,683 million in 2022). This amount shall be understood taking into account the financial income and expenses of the insurance contracts (see Note 4.3, Detail of performance of insurance activities).

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

NOTE 3.2 Financial derivatives

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

Derivatives are financial instruments meeting the following three criteria:

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

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

Special case – derivatives having Societe Generale shares as their underlying instrument

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

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

Embedded derivatives

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

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

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

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

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

NOTE 3.2.1 TRADING DERIVATIVES

ACCOUNTING PRINCIPLES

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

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

FAIR VALUE

	31.12.2023		31.12.2022 R	
(In EURm)	Assets	Liabilities	Assets	Liabilities
Interest rate instruments	42,479	38,681	35,004	23,784
Foreign exchange instruments	18,805	20,025	24,272	25,324
Equities and index Instruments	19,772	28,612	15,517	21,209
Commodities Instruments	84	208	199	154
Credit derivatives	1,986	963	1,756	1,404
Other forward financial instruments	409	1,314	27	781
TOTAL	**83,535**	**89,803**	**76,775**	**72,656**

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

COMMITMENTS (NOTIONAL AMOUNTS)

(In EURm)	31.12.2023	31.12.2022 R
Interest rate instruments	**10,688,510**	**9,804,009**
Firm instruments	8,733,370	8,002,813
Swaps	*6,927,744*	*6,416,536*
FRAs	*1,805,626*	*1,586,277*
Options	1,955,140	1,801,196
Foreign exchange instruments	**4,515,280**	**4,163,080**
Firm instruments	3,389,444	3,047,062
Options	1,125,836	1,116,018
Equity and index instruments	**924,940**	**794,584**
Firm instruments	143,886	138,533
Options	781,054	656,051
Commodities instruments	**19,471**	**20,714**
Firm instruments	13,723	20,472
Options	5,748	242
Credit derivatives	**133,748**	**170,225**
Other forward financial instruments	**25,456**	**28,066**
TOTAL	**16,307,405**	**14,980,678**

NOTE 3.2.2 HEDGING DERIVATIVES

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

ACCOUNTING PRINCIPLES

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

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

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

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

Fair value hedges

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

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

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

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

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

Cash flow hedges

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

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

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

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

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

Hedging of a net investment in a foreign operation

The purpose of a hedging of a net investment in a foreign company is to protect against exchange rate risk.

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

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

Portfolio hedges (macro-hedge)

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

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

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

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

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

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

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

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

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

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

TREATMENT OF THE CHANGES IN THE BASIS USED FOR DETERMINING THE CONTRACTUAL CASH FLOWS OF THE COMPONENTS OF A HEDGING RELATIONSHIP – IBOR REFORM

NON-DISCONTINUATION OF HEDGING RELATIONSHIPS

The documentation of the existing hedging relationships shall be updated to reflect the changes brought about by the reform of the reference interest rate (IBOR reform) on the basis for determining the contractual cash flows of the hedged items and/or of the hedging instruments.

These updates resulting from the IBOR reform do not cause the discontinuation of the hedging relationship nor the designation of a new accounting hedge as long as they meet the following conditions:

- the change in the basis for determining the contractual cash flows is required and results directly from the IBOR reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the former basis used before the change.

When those conditions are met, the update of the hedging documentation only consist in:

- designate the alternative reference interest rate (contractually or non-contractually specified) as a hedged risk;
- update the description of the hedged item, including a description of the hedged portion of cash flows or of the fair value;
- update the description of the hedging instrument;
- update the description of the method used to assess the effectiveness of the hedge.

These updates are performed as and when changes are made to the hedged items or the hedging instruments but before the end of the reporting period during which the change was made; an accounting hedge may be updated several successive times.

Changes not directly resulting from the application of the IBOR reform and impacting the basis used for determining the contractual cash flows of the hedging relationship components or the hedging documentation are analysed beforehand in order to confirm compliance with the qualifying criteria for hedge accounting.

SPECIFIC ACCOUNTING TREATMENTS

Regarding fair value hedges and cash flow hedges, the applicable accounting requirements remain unchanged for the recognition of gains and losses resulting from the reassessment of the hedged component and the hedging instrument taking account of the changes described above.

For the purpose of the retrospective effectiveness assessment, the cumulative fair value changes may be reset to zero on a case by case basis for each hedging relationship modified.

With regard to hedged cash flows, when the benchmark rate on which the future hedged cash flows were based changes, the amounts of gains or losses recorded for the hedging instrument are carried in equity until the recording in the income statement of the adjusted hedged cash flows as long as the transaction remains highly probable.

An alternative reference interest rate used as a risk component not specified by an agreement (example, a three month alternative reference interest rate used to determine the fixed rate of a loan and for which the Group intends to hedge the changes in value) may be used, provided it is, as reasonably expected, separately identifiable (*i.e.*, quoted on a sufficiently liquid market) in the 24 months after its first use.

FAIR VALUE

	31.12.2023		31.12.2022 R	
(In EURm)	Assets	Liabilities	Assets	Liabilities
Fair value hedge	**10,113**	**18,182**	**32,272**	**45,539**
Interest rate instruments	10,112	18,181	32,252	45,538
Foreign exchange instruments	1	1	20	1
Equity and index Instruments	-	-	-	-
Cash flow hedge	**321**	**475**	**469**	**511**
Interest rate instruments	309	394	420	443
Foreign exchange instruments	5	56	43	51
Equity and index Instruments	7	25	6	17
Net investment hedge	**151**	**51**	**230**	**114**
Foreign exchange instruments	151	51	230	114
TOTAL	**10,585**	**18,708**	**32,971**	**46,164**

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

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

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

As part of its structural interest rate risk management, the Group has adjusted the level of hedging of the fixed rate liabilities (*i.e.*, customer deposits). While fixed-rate receiver swaps were contracted to hedge the interest rate risk, fixed-rate payer swaps were used to reduce the hedge. Under IAS 39, these instruments were designated as portfolio hedging instruments (macro hedge accounting). In 2023, the Group transferred to a trading portfolio both the swaps taken out to reduce the macro-hedge and the corresponding initial hedging swaps (receiver interest rate). The tables in this note include the effect of this reclassification. The remaining negative cumulative remeasurement adjustment to be amortised over the residual life of the hedged instruments as at 31 December 2023, resulting from discontinued hedges corresponding to the swaps transferred to the trading portfolio, reduces liabilities by EUR 1,858 million.

As at 31 December 2023, the revaluation differences on macro-hedged fixed-rate assets portfolios and fixed-rate liabilities portfolios are still negative as a result of the high interest rate environment. On the asset side of the balance sheet, the revaluation difference on portfolios hedged against interest rate risk amounts to EUR -433 million as at 31 December 2023 (compared to EUR -2,262 million as at 31 December 2022); and on the liabilities side, the revaluation differences on portfolios hedged against interest rate risk amounts to EUR -5,857 million as at 31 December 2023 (against EUR -9,659 million as at 31 December 2022).

COMMITMENTS (NOTIONAL AMOUNTS)

(In EURm)	31.12.2023	31.12.2022 R
Interest rate instruments	**668,657**	**862,372**
Firm instruments	668,657	862,030
Swaps	*523,652*	*729,222*
FRAs	*145,005*	*132,808*
Options	-	342
Foreign exchange instruments	**8,355**	**8,333**
Firm instruments	8,355	8,333
Equity and index instruments	**226**	**179**
Firm instruments	226	179
TOTAL	**677,238**	**870,884**

MATURITIES OF HEDGING FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

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

(In EURm)	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	31.12.2023
Interest rate instruments	69,087	203,984	264,416	131,170	668,657
Foreign exchange instruments	1,865	5,148	1,328	14	8,355
Equity and index instruments	65	35	125	1	226
TOTAL	**71,017**	**209,167**	**265,869**	**131,185**	**677,238**

FAIR VALUE HEDGE: BREAKDOWN OF HEDGED ITEMS

	31.12.2023		
(In EURm)	Carrying amount	Cumulative change in the fair value(2)	Change in the fair value booked during the period(3)
Hedge of interest rate risk			**(2,973)**
Hedged assets	97,107	(189)	3,111
Due from banks, at amortised cost	*1,382*	*(56)*	*45*
Customer loans, at amortised cost	*8,016*	*(145)*	*160*
Securities at amortised cost	*2,391*	*(59)*	*202*
Financial assets at fair value through other comprehensive income	*26,455*	*504*	*971*
Customer loans (macro hedged)(1)	*58,863*	*(433)*	*1,733*
Hedged liabilities	166,359	(10,743)	(6,084)
Debt securities issued	*41,632*	*(2,666)*	*(1,756)*
Due to banks	*20,426*	*(1,082)*	*(850)*
Customer deposits	*13,856*	*(3)*	*(83)*
Subordinated debts	*10,815*	*(1,135)*	*(280)*
Customer deposits (macro hedged)(1)	*79,630*	*(5,857)*	*(3,115)*
Hedge of currency risk			**1**
Hedged liabilities	195	1	1
Subordinated debts	*195*	*1*	*1*
Hedge of equity risk			**(0)**
Hedged liabilities	2	(0)	(0)
Other liabilities	*2*	*(0)*	*(0)*
TOTAL			**(2,972)**

	31.12.2022 R		
(In EURm)	**Carrying amount**	**Cumulative change in the fair value**(2)	**Change in the fair value booked during the period**(3)
Hedge of interest rate risk			**16,019**
Hedged assets	86,051	(3,613)	(4,637)
Due from banks, at amortised cost	*1,282*	*(100)*	*(102)*
Customer loans, at amortised cost	*8,074*	*(316)*	*(638)*
Securities at amortised cost	*1,827*	*(257)*	*(100)*
Financial assets at fair value through other comprehensive income	*27,502*	*(678)*	*(1,654)*
Customer loans (macro hedged)(1)	*47,366*	*(2,262)*	*(2,143)*
Hedged liabilities	201,845	(17,353)	20,656
Debt securities issued	*43,501*	*(4,195)*	*4,354*
Due to banks	*18,744*	*(1,933)*	*2,034*
Customer deposits	*10,341*	*(90)*	*197*
Subordinated debts	*13,434*	*(1,476)*	*1,760*
Customer deposits (macro hedged)(1)	*115,825*	*(9,659)*	*12,311*
Hedge of currency risk			**(1)**
Hedged liabilities	192	2	(1)
Subordinated debts	*192*	*2*	*(1)*
Hedge of equity risk			**(0)**
Hedged liabilities	4	(0)	(0)
Other liabilities	*4*	*(0)*	*(0)*
TOTAL			**16,018**

(1) The carrying amount of the macro-hedged items represents the sum of the hedged outstanding and the revaluation differences on portfolios hedged against interest rate risk.

(2) The cumulative change in fair value is taken into account excluding accrued interest for the items hedged against interest rate risk. The amount shown also includes the fair value adjustment remaining to be amortised on the items for which the hedging relationship has been derecognised.

(3) Changes in fair value attributable to the hedged risk only and used to determine the ineffective portion of the fair value of the hedging instrument. This change is excluding accrued interests for the items hedged against interest rate risk.

As at 31 December 2023, EUR 1,773 million of cumulative fair value change remains to be amortised following the termination of hedging relationships, including €1,858 million of cumulative fair value remaining to be amortised relating to the transfer of swaps to the transaction portfolio as at 31 December 2023 presented above.

BREAKDOWN OF HEDGING INSTRUMENTS

	31.12.2023				
		Fair value(2)			
(In EURm)	Commitments (notional amounts)	Asset	Liabilities	Change in fair value booked during the period	Ineffectiveness recognised during the period
Hedge of interest rate risk	**274,565**	**10,112**	**18,181**	**3,141**	**168**
Firm instruments – Swaps	274,565	10,112	18,181	3,141	168
For hedged assets	*36,665*	*1,538*	*1,794*	*(1,351)*	*27*
For hedged portfolios of assets (macro hedge)(1)	*56,723*	*1,585*	*1,041*	*(1,807)*	*(75)*
For hedged liabilities	*96,289*	*1,360*	*5,822*	*3,096*	*128*
For hedged portfolios of liabilities (macro hedge)(1)	*84,888*	*5,629*	*9,524*	*3,203*	*88*
Options	-	-	-	-	-
For hedged portfolios of assets (macro hedge)(1)	-	-	-	-	-
Hedge of currency risk	**195**	**1**	**1**	**(1)**	**-**
Firm instruments	195	1	1	(1)	-
For hedged liabilities	*195*	*1*	*1*	*(1)*	-
Hedge of equity risk	**4**	**0**	**0**	**0**	**(0)**
Options	4	0	0	0	(0)
For hedged liabilities	*4*	*0*	*0*	*0*	*(0)*
TOTAL	**274,764**	**10,113**	**18,182**	**3,140**	**168**

	31.12.2022 R				
		Fair value(2)			
(In EURm)	Commitments (notional amounts)	Asset	Liabilities	Change in fair value booked during the period	Ineffectiveness recognised during the period
Hedge of interest rate risk	**314,235**	**32,252**	**45,538**	**(16,246)**	**(227)**
Firm instruments – Swaps	313,893	32,215	45,538	(16,251)	(227)
For hedged assets	*37,495*	*2,187*	*1,259*	*2,432*	*(62)*
For hedged portfolios of assets (macro hedge)(1)	*45,575*	*2,811*	*712*	*2,200*	*61*
For hedged liabilities	*105,049*	*825*	*8,235*	*(8,621)*	*(274)*
For hedged portfolios of liabilities (macro hedge)(1)	*125,774*	*26,392*	*35,332*	*(12,262)*	*48*
Options	342	37	-	5	-
For hedged portfolios of assets (macro hedge)(1)	*342*	*37*	-	*5*	-
Hedge of currency risk	**192**	**20**	**1**	**1**	**-**
Firm instruments	192	20	1	1	-
For hedged liabilities	*192*	*20*	*1*	*1*	-
Hedge of equity risk	**4**	**0**	**0**	**(1)**	**(1)**
Options	4	0	0	(1)	(1)
For hedged liabilities	*4*	*0*	*0*	*(1)*	*(1)*
TOTAL	**314,431**	**32,272**	**45,539**	**(16,246)**	**(228)**

(1) For macro fair value transactions, the commitment described above equals the net hedging derivatives position in order to represent the economic exposure from these instruments. This position should be linked with the carrying amount of the hedged items which represents the hedged exposure.

(2) The fair value of interest rate hedging derivatives includes accrued interests.

CASH FLOW HEDGE: BREAKDOWN OF HEDGED ITEMS

The following table describes the change of fair value of hedged items used to book the ineffective portion of the hedge during the current period. Regarding the cash flow hedges, the change in fair value of hedged items is assessed using the hypothetical derivative method described in the accounting principles above.

	31.12.2023	31.12.2022 R
(In EURm)	Change in the fair value	Change in the fair value
Hedge of interest rate risk	**2**	**550**
Hedged assets	33	135
Due from banks, at amortised cost	*30*	-
Financial assets at fair value through other comprehensive income	*(22)*	*135*
Customer loans (macro hedged)	*25*	-
Hedged liabilities	(31)	415
Debt securities issued	*80*	*(110)*
Due to banks	*(20)*	*(51)*
Customer deposits	*(91)*	*576*
Hedge of currency risk	**40**	**(55)**
Hedged assets	(16)	-
Financial assets at fair value through other comprehensive income	*(16)*	-
Hedged liabilities	41	(54)
Debt securities issued	*41*	-
Subordinated debts	-	*(54)*
Forecast transactions	15	(1)
Hedge of equity risk	**6**	**43**
Forecast transactions	6	43
TOTAL	**48**	**538**

CASH FLOW HEDGE: BREAKDOWN OF HEDGING INSTRUMENTS

	31.12.2023					
		Fair value		Changes in fair value recorded during the period		
(In EURm)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss	Cumulative change in fair value recorded in unrealised or deferred gains and losses
Hedge of interest rate risk	**13,592**	**309**	**394**	**(2)**	**1**	**(432)**
Firm instruments – Swaps	13,587	309	394	(2)	1	(432)
For hedged assets	*1,726*	*156*	*10*	*(9)*	*16*	*(121)*
For hedged portfolios of assets (macro hedge)(1)	*1,120*	*57*	*1*	*(24)*	*(16)*	*24*
For hedged liabilities	*10,741*	*96*	*383*	*31*	*1*	*(335)*
Firm instruments – FRAs	5	-	-	-	-	-
For hedged liabilities	*5*	-	-	-	-	-
Hedge of currency risk	**2,356**	**5**	**56**	**(40)**	**-**	**(3)**
Firm instruments	2,356	5	56	(40)	-	(3)
For hedged assets	-	-	-	-	-	-
For hedged liabilities	*1,602*	*5*	*46*	*(25)*	-	*(5)*
For hedged future transactions	*754*	-	*10*	*(15)*	-	*2*
Options	-	-	-	-	-	-
For hedged future transactions	-	-	-	-	-	-
Non-derivative financial instruments	-	-	-	-	-	-
For hedged future transactions	-	-	-	-	-	-
Hedge of equity risk	**222**	**7**	**25**	**(6)**	**-**	**(8)**
Options	222	7	25	(6)	-	(8)
For hedged future transactions	*222*	*7*	*25*	*(6)*	-	*(8)*
TOTAL	**16,170**	**321**	**475**	**(48)**	**1**	**(443)**

(1) *For macro fair value transactions, the commitment described above equals the net hedging derivatives position in order to represent the economic exposure from these instruments.*

	31.12.2022 R					
		Fair value		Changes in fair value recorded during the period		
(In EURm)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss	Cumulative change in fair value recorded in unrealised or deferred gains and losses
Hedge of interest rate risk	**12,302**	**420**	**444**	**(551)**	**(10)**	**(374)**
Firm instruments – Swaps	12,294	420	444	(551)	(10)	(374)
For hedged assets	*849*	*121*	-	*(188)*	-	*(170)*
For hedged portfolios of assets (macro hedge) (1)	*1,185*	*39*	-	*52*	*(8)*	*46*
For hedged liabilities	*10,260*	*260*	*444*	*(415)*	*(2)*	*(250)*
Firm instruments – FRAs	8	-	-	-	-	-
For hedged liabilities	*8*	-	-	-	-	-
Hedge of currency risk	**1,827**	**44**	**50**	**55**	**9**	**(1)**
Firm instruments	1,827	36	41	55	10	-
For hedged assets	*1,008*	*12*	*19*	-	-	-
For hedged liabilities	*213*	*17*	*3*	*54*	-	-
For hedged future transactions	*606*	*7*	*19*	*1*	*10*	-
Options	-	-	-	-	(1)	-
For hedged future transactions	-	-	-	-	*(1)*	-
Non-derivative financial instruments	-	8	9	-	-	-
For hedged future transactions	-	*8*	*9*	-	-	-
Hedge of equity risk	**175**	**6**	**17**	**(43)**	**-**	**(6)**
Options	175	6	17	(43)	-	(6)
For hedged future transactions	*175*	*6*	*17*	*(43)*	-	*(6)*
TOTAL	**14,304**	**470**	**511**	**(539)**	**(1)**	**(381)**

(1) For the macro hedge transactions, the commitment described above equals the net hedging derivatives position in order to represent the economic exposure from these instruments.

NET INVESTMENT HEDGE: BREAKDOWN OF HEDGED ITEMS

	31.12.2023		31.12.2022 R	
(In EURm)	Change in the fair value of the hedged item during the period(1)	Cumulative translations differences related to the hedged items	Change in the fair value of the hedged item during the period(1)	Cumulative translations differences related to the hedged items
Hedge of currency risk	**(156)**	**(454)**	**(77)**	**(298)**
Hedged net investment in GBP	60	(208)	(170)	(268)
Hedged net investment in CZK	(46)	293	76	339
Hedged net investment in RUB	-	-	106	-
Hedged net investment in RON	(4)	(71)	5	(66)
Hedged net investment in USD	(23)	(16)	(21)	6
Hedged net investment (other currencies)	(143)	(452)	(73)	(309)

(1) Changes in fair value attributable to the hedged risk only and used to determine the ineffective portion of the fair value of the hedged instruments. A positive amouount corresponds to an unrealised gain recorded directly in shareholders' equity in respect of the foreign exchange variation recorded on the hedged item.

NET INVESTMENT HEDGE: BREAKDOWN OF HEDGE INSTRUMENTS

	31.12.2023					
		Carrying amount(1)		Changes in fair value recorded during the period(2)		
(In EURm)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss(3)	Cumulative change in fair value recorded in unrealised or deferred gains or losses
Hedge of currency risk	**5,804**	**151**	**2,817**	**156**	**72**	**454**
Firm instruments	5,804	151	51	166	72	265
Hedged net investment in GBP	*1,149*	*18*	*10*	*(21)*	*5*	*(151)*
Hedged net investment in CZK	*1,258*	*43*	*6*	*29*	*30*	*(89)*
Hedged net investment in RUB	*-*	*-*	*-*	*-*	*-*	*-*
Hedged net investment in RON	*599*	*2*	*-*	*4*	*6*	*55*
Hedged net investment in USD	*249*	*14*	*7*	*23*	*11*	*50*
Hedged net investment (other currencies)	*2,549*	*74*	*28*	*131*	*20*	*400*
Non derivatives instruments	-	-	2,766	(10)	-	189
Hedged net investment in GBP	*-*	*-*	*1,867*	*(39)*	*-*	*359*
Hedged net investment in CZK	*-*	*-*	*720*	*17*	*-*	*(204)*
Hedged net investment in RUB	*-*	*-*	*-*	*-*	*-*	*-*
Hedged net investment in RON	*-*	*-*	*34*	*-*	*-*	*16*
Hedged net investment in USD	*-*	*-*	*-*	*-*	*-*	*(33)*
Hedged net investment (other currencies)	*-*	*-*	*145*	*12*	*-*	*51*

(In EURm)	31.12.2022 R					
		Carrying amount[1]		Changes in fair value recorded during the period[2]		
	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss[3]	Cumulative change in fair value recorded in unrealised or deferred gains or losses
Hedge of currency risk	**6,314**	**229**	**2,975**	**76**	**(81)**	**298**
Firm instruments	6,314	229	114	17	(81)	99
Hedged net investment in GBP	*1,320*	*58*	*9*	*48*	*(6)*	*(130)*
Hedged net investment in CZK	*1,352*	*4*	*43*	*(51)*	*(52)*	*(118)*
Hedged net investment in RUB	*-*	*-*	*-*	*(57)*	*20*	*-*
Hedged net investment in RON	*470*	*2*	*5*	*(5)*	*(5)*	*51*
Hedged net investment in USD	*732*	*49*	*11*	*21*	*(12)*	*27*
Hedged net investment (other currencies)	*2,440*	*116*	*46*	*61*	*(26)*	*269*
Non derivatives instruments	-	-	2,861	59	-	199
Hedged net investment in GBP	*-*	*-*	*1,761*	*124*	*-*	*398*
Hedged net investment in CZK	*-*	*-*	*837*	*(25)*	*-*	*(221)*
Hedged net investment in RUB	*-*	*-*	*-*	*(50)*	*-*	*-*
Hedged net investment in RON	*-*	*-*	*38*	*-*	*-*	*15*
Hedged net investment in USD	*-*	*-*	*-*	*-*	*-*	*(33)*
Hedged net investment (other currencies)	*-*	*-*	*225*	*10*	*-*	*40*

(1) *The carrying value equals fair value in the case of derivative instruments and equals amortised cost, translated at the closing date, in the case of loans and borrowings in foreign currencies.*

(2) *A positive change in value reflects a gain.*

(3) *In the case of foreign exchange risk hedging using derivative, the change in fair value attributable to the hedged foreign exchange risk is presented under the Portion booked in unrealised or deferred gains and losses heading and perfectly offsets the foreign exchange difference recognised on the hedged item. The amounts presented under Ineffective portion recognised in profit or loss correspond to the effects relating to risks other than foreign exchange risk.*

NOTE 3.3 Financial assets at fair value through other comprehensive income

IMPACT ON GROUP FINANCIAL ASSETS AND LIABILITIES OF THE APPLICATION OF IFRS 9 BY INSURANCE SUBSIDIARIES (SEE NOTE 1)

		Reclassifications			Adjustment of book value related to investments		
(In EURm)	31.12.2021	of available for-sale financial assets	of loans and receivables regarding their business model	Reclassified balances	Reclassification effects	01.01.2022 R	31.12.2022 R
Debt instruments	43,180	67,632	1,454	112,266	159	112,425	92,696
Bonds and other debt securities	*43,081*	*67,632*	*1,417*	*112,130*	*159*	*112,289*	*92,655*
Loans and receivables and securities purchased under resale agreements	*99*		*37*	*136*		*136*	*41*
Shares and other equity securities	270			270		270	264
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**43,450**	**67,632**	**1,454**	**112,536**	**159**	**112,695**	**92,960**

OVERVIEW

(In EURm)	31.12.2023	31.12.2022 R
Debt instruments	90,630	92,696
Bonds and other debt securities	*90,614*	*92,655*
Loans and receivables and securities purchased under resale agreements	*16*	*41*
Shares and other equity securities	264	264
TOTAL	**90,894**	**92,960**
o/w securities lent	*228*	*249*

NOTE 3.3.1 DEBT INSTRUMENTS

ACCOUNTING PRINCIPLES

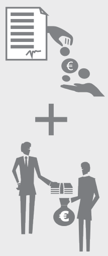
Debt instruments (loans and receivables, bonds and bond equivalents) are classified as Financial assets at fair value through other comprehensive income when their contractual cash flows are consistent with basic lending arrangements (SPPI) and they are managed under a “Collect and Sell business model”.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

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

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

BUSINESS MODEL "HOLD TO COLLECT AND SELL"

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



Cash management
Within the Group, except for the insurance activities, the "hold to collect and sell" business model is mainly applied by cash management activities for managing HQLA securities (High Quality Liquid Assets) included in the liquidity reserve. Only a few subsidiaries apply a "hold to collect" business model for managing their HQLA securities.

CHANGES OF THE PERIOD

(In EURm)	2023
Balance as at 1 January	**92,696**
Acquisitions/disbursements	37,720
Disposals/redemptions	(42,448)
Transfers towards (or from) another accounting category	30
Change in scope and others	(132)
Changes in fair value during the period	3,607
Change in related receivables	(60)
Translation differences	(783)
Balance as at 31 December	**90,630**

CUMULATIVE UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

(In EURm)	31.12.2023	31.12.2022 R
Unrealised gains	993	798
Unrealised losses	(3,666)	(5,873)
TOTAL(1)	**(2,673)**	**(5,075)**

(1) Including EUR -2,298 million for insurance sector subsidiaries as at 31 December 2023 (EUR -4,479 million as at 31 December 2022). This amount must be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts for EUR +2,314 million as at 31 December 2023 (EUR +4,448 million as at 31 December 2022).

NOTE 3.3.2 EQUITY INSTRUMENTS

ACCOUNTING PRINCIPLES

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

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

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

NOTE 3.4 Fair value of financial instruments measured at fair value

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

Definition of fair value

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

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

Fair value hierarchy

For information purposes, in the notes to the consolidated financial statements, the fair value of the financial instruments is classified using a fair value hierarchy that reflects the observability level of the inputs used. The fair value hierarchy is composed of the following levels:

LEVEL 1 (L1): INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES

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

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

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

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

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

LEVEL 2 (L2): INSTRUMENTS VALUED USING INPUTS OTHER THAN THE QUOTED PRICES INCLUDED IN LEVEL 1 AND THAT ARE OBSERVABLE FOR THE ASSET OR LIABILITY CONCERNED, EITHER DIRECTLY (I.E. AS PRICES) OR INDIRECTLY (I.E. DERIVED FROM PRICES)

These are the instruments measured using a financial model based on market inputs. The inputs used shall be observable in active markets; using some unobservable inputs is possible only if the latter have only a minor impact on the fair value of the instrument. The prices published by an external source, derived from the valuation of similar instruments are considered as data derived from prices.

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

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

LEVEL 3 (L3): INSTRUMENTS VALUED USING INPUTS A SIGNIFICANT PART OF WHICH ARE NOT BASED ON OBSERVABLE MARKET DATA (REFERRED TO AS UNOBSERVABLE INPUTS)

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

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

The main L3 complex derivatives are:

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

NOTE 3.4.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE

(In EURm)	31.12.2023				31.12.2022 R			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	**104,493**	**171,245**	**6,814**	**282,552**	**96,221**	**131,547**	**6,402**	**234,170**
Bonds and other debt securities*	32,843	6,275	308	39,426	22,857	3,007	158	26,022
Shares and other equity securities*	71,524	170	-	71,694	73,362	1,042	-	74,404
Securities purchased under resale agreements	-	152,944	6,130	159,074	-	116,586	6,166	122,752
Loans, receivables and other trading assets	126	11,856	376	12,358	2	10,912	78	10,992
Trading derivatives	**6**	**81,276**	**2,253**	**83,535**	**-**	**73,393**	**3,382**	**76,775**
Interest rate instruments*	5	40,806	1,668	42,479	-	32,527	2,477	35,004
Foreign exchange instruments*	-	18,575	230	18,805	-	23,826	446	24,272
Equity and index instruments	1	19,581	189	19,771	-	15,411	106	15,517
Commodity instruments	-	84	-	84	-	199	-	199
Credit derivatives	-	1,820	166	1,986	-	1,403	353	1,756
Other forward financial instruments	-	410	-	410	-	27	-	27
Financial assets measured mandatorily at fair value through profit or loss	**72,451**	**23,683**	**18,517**	**114,651**	**60,538**	**25,183**	**15,881**	**101,602**
Bonds and other debt securities	26,750	2,579	1,347	30,676	19,645	1,904	864	22,413
Shares and other equity securities*	45,701	9,169	13,822	68,692	40,893	11,934	9,929	62,756
Loans, receivables and securities purchased under resale agreements*	-	11,935	3,348	15,283	-	11,345	5,088	16,433
Financial assets measured using fair value option through profit or loss	**13,732**	**1,412**	**-**	**15,144**	**13,277**	**1,327**	**-**	**14,604**
Bonds and other debt securities	13,732	89	-	13,821	13,277	92	-	13,369
Loans, receivables and securities purchased under resale agreements	-	68	-	68	-	55	-	55
Separate assets for employee benefit plans	-	1,255	-	1,255	-	1,180	-	1,180
Hedging derivatives	**-**	**10,585**	**-**	**10,585**	**-**	**32,971**	**-**	**32,971**
Interest rate instruments	-	10,421	-	10,421	-	32,672	-	32,672
Foreign exchange instruments	-	157	-	157	-	293	-	293
Equity and index instruments	-	7	-	7	-	6	-	6
Financial assets measured at fair value through other comprehensive income	**88,231**	**2,384**	**279**	**90,894**	**91,430**	**1,250**	**280**	**92,960**
Bonds and other debt securities*	88,231	2,382	-	90,613	91,404	1,250	1	92,655
Shares and other equity securities	-	-	265	265	-	-	264	264
Loans and receivables	-	2	14	16	26	-	15	41
TOTAL	**278,913**	**290,585**	**27,863**	**597,361**	**261,466**	**265,671**	**25,945**	**553,082**

* *The restatement of amounts as at 31 December 2022 includes some adjustments of the classification among levels in order to reflect the observability level of the inputs used to carry out the valuation of the considered financial instruments. They mainly concern a transfer within Shares and other equity securities of the trading portfolio from Level 2 to Level 1 (EUR 3,780 million).*

NOTE 3.4.2 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

(In EURm)	31.12.2023				31.12.2022 R			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	**9,396**	**177,622**	**4,514**	**191,532**	**6,424**	**152,967**	**3,386**	**162,777**
Amounts payable on borrowed securities	-	42,461	22	42,483	8	51,037	56	51,101
Bonds and other debt instruments sold short	7,305	1	-	7,306	5,172	-	14	5,186
Shares and other equity instruments sold short	2,091	-	-	2,091	1,244	-	-	1,244
Securities sold under repurchase agreements	-	132,532	4,487	137,019	-	99,366	3,307	102,673
Borrowings and other trading liabilities	-	2,628	5	2,633	-	2,564	9	2,573
Trading derivatives	**12**	**85,741**	**4,050**	**89,803**	**14**	**68,701**	**3,941**	**72,656**
Interest rate instruments*	11	36,343	2,327	38,681	-	21,122	2,662	23,784
Foreign exchange instruments*	1	19,563	461	20,025	6	25,046	272	25,324
Equity and index instruments	-	27,555	1,056	28,611	7	20,464	738	21,209
Commodity instruments	-	208	-	208	-	154	-	154
Credit derivatives	-	757	206	963	-	1,135	269	1,404
Other forward financial instruments	-	1,315	-	1,315	1	780	-	781
Financial liabilities measured using fair value option through profit or loss	**657**	**56,503**	**37,089**	**94,249**	**-**	**32,071**	**36,671**	**68,742**
Hedging derivatives	**-**	**18,708**	**-**	**18,708**	**-**	**46,164**	**-**	**46,164**
Interest rate instruments	-	18,575	-	18,575	-	45,981	-	45,981
Foreign exchange instruments	-	108	-	108	-	166	-	166
Equity and index instruments	-	25	-	25	-	17	-	17
TOTAL	**10,065**	**338,574**	**45,653**	**394,292**	**6,438**	**299,903**	**43,998**	**350,339**

* *The restatement of amounts as at 31 December 2022 includes some adjustments of the classification among levels in accordance with the financial instruments observability. They mainly concern a transfer within Foreign exchange instruments of the trading derivatives portfolio from Level 1 to Level 2 (EUR 336 million).*

NOTE 3.4.3 VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

(In EURm)	Balance as at 31.12.2022 R	Acquisitions	Disposals/ redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 31.12.2023
Trading portfolio (excluding derivatives)	**6,402**	**5,829**	**(3,368)**	**(1,451)**	**5**	**(589)**	**(14)**	**-**	**6,814**
Bonds and other debt securities	158	724	(570)	(65)	5	60	(4)	-	308
Securities purchased under resale agreements	6,166	4,802	(2,798)	(1,386)	-	(653)	(1)	-	6,130
Loans, receivables and other trading assets	78	303	-	-	-	4	(9)	-	376
Trading derivatives	**3,382**	**76**	**(4)**	**(382)**	**84**	**(809)**	**(94)**	**-**	**2,253**
Interest rate instruments	2,477	-	-	(348)	59	(451)	(69)	-	1,668
Foreign exchange instruments	446	-	-	-	3	(200)	(19)	-	230
Equity and index instruments	106	76	(4)	(5)	1	16	(1)	-	189
Credit derivatives	353	-	-	(29)	21	(174)	(5)	-	166
Financial assets measured mandatorily at fair value through profit or loss	**15,881**	**5,844**	**(5,078)**	**(1,256)**	**2,559**	**(293)**	**(69)**	**929**	**18,517**
Bonds and other debt securities	864	1,606	(1,523)	-	38	14	-	348	1,347
Shares and other equity securities	9,929	4,238	(2,897)	(472)	2,480	(37)	-	581	13,822
Loans, receivables and securities purchased under resale agreements	5,088	-	(658)	(784)	41	(270)	(69)	-	3,348
Financial assets measured at fair value through other comprehensive income	**280**	**4**	**(5)**	**-**	**-**	**-**	**-**	**-**	**279**
Debt instruments	1	4	(4)	-	-	(1)	-	-	-
Equity instruments	264	-	-	-	-	1	-	-	265
Loans and receivables	15	-	(1)	-	-	-	-	-	14
TOTAL	**25,945**	**11,753**	**(8,455)**	**(3,089)**	**2,648**	**(1,691)**	**(177)**	**929**	**27,863**

FINANCIAL LIABILITIES

(In EURm)	Balance as at 31.12.2022 R	Issues	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 31.12.2023
Trading portfolio (excluding derivatives)	**3,386**	**3,810**	**(1,488)**	**(295)**	**-**	**(818)**	**(81)**	**-**	**4,514**
Amounts payable on borrowed securities	56	-	-	-	-	(34)	-	-	22
Bonds and other debt instruments sold short	14	-	-	-	-	(14)	-	-	-
Securities sold under repurchase agreements	3,307	3,810	(1,488)	(295)	-	(766)	(81)	-	4,487
Borrowings and other trading liabilities	9	-	-	-	-	(4)	-	-	5
Trading derivatives	**3,941**	**1,382**	**(458)**	**(527)**	**274**	**(236)**	**(326)**	**-**	**4,050**
Interest rate instruments	2,662	-	-	(399)	246	119	(301)	-	2,327
Foreign exchange instruments	272	856	(403)	(1)	1	(263)	(1)	-	461
Equity and index instruments	738	526	(55)	(84)	18	(70)	(17)	-	1,056
Credit derivatives	269	-	-	(43)	9	(22)	(7)	-	206
Financial liabilities measured using fair value option through profit or loss	**36,671**	**13,184**	**(12,866)**	**(1,793)**	**188**	**2,397**	**(692)**	**-**	**37,089**
TOTAL	**43,998**	**18,376**	**(14,812)**	**(2,615)**	**462**	**1,343**	**(1,099)**	**-**	**45,653**

NOTE 3.4.4 VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices may be adjusted, if they are not available at the balance sheet date in order to incorporate the events that have an impact on prices and occurred after the closing of the stock markets but before the measurement date or in the event of an inactive market.

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

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

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

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

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

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

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

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

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

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

SHARES AND OTHER EQUITY SECURITIES

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

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

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

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

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

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

OTHER DEBTS

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

CUSTOMER LOANS

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

NOTE 3.4.5 ESTIMATES OF MAIN UNOBSERVABLE INPUTS

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

(In EURm)

Cash instruments and derivatives	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs min.	Range of inputs max.
Equities/funds	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	1.00%	623.30%
			Equity dividends	0.00%	16.00%
			Correlations	-80.10%	99.90%
			Hedge fund volatilities	7.60%	7.60%
			Mutual fund volatilities	1.70%	26.80%
Interest rates and Forex	Hybrid forex/interest rate or credit/interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	-80.00%	85.00%
	Forex derivatives	Forex option pricing models	Forex volatilities	1.00%	31.00%
	Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayment modelling	Constant prepayment rates	0.00%	20.00%
	Inflation instruments and derivatives	Inflation pricing models	Correlations	72.00%	90.00%
Credit	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0.00%	100.00%
			Recovery rate variance for single name underlyings	0.00%	100.00%
	Other credit derivatives	Credit default models	Time to default correlations	0.00%	100.00%
			Quanto correlations	0.00%	100.00%
			Credit spreads	0,0 bps	82,4 bps
Commodities	Derivatives on commodities baskets	Option models on commodities	Correlations	NA	NA
Long term equity investments	Securities held for strategic purposes	Net Book Value/Recent transactions	Not applicable	-	-

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

(In EURm)	31.12.2023 Assets	31.12.2023 Liabilities
Equities/funds	12,833	22,771
Rates and Forex	13,031	22,676
Credit	166	206
Long term equity investments	1,833	-
TOTAL	**27,863**	**45,653**

NOTE 3.4.6 SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

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

To quantify this, fair value sensitivity was estimated at 31 December 2023 on instruments whose valuation requires certain unobservable inputs. This estimate was based either on a "standardised" variation in unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

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

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

	31.12.2023		31.12.2022	
(In EURm)	**Negative impact**	**Positive impact**	**Negative impact**	**Positive impact**
Shares and other equity instruments and derivatives	**(31)**	**52**	**(30)**	**82**
Equity volatilities	(16)	16	-	5
Dividends	(10)	10	-	20
Correlations	(5)	25	(30)	56
Hedge Fund volatilities	-	0	-	-
Mutual Fund volatilities	(0)	1	(0)	1
Rates or Forex instruments and derivatives	**(13)**	**25**	**(15)**	**28**
Correlations between exchange rates and/or interest rates	(13)	24	(14)	27
Forex volatilities	(0)	0	(1)	1
Constant prepayment rates	-	-	-	-
Inflation/inflation correlations	(0)	0	(0)	0
Credit instruments and derivatives	**(4)**	**4**	**-**	**5**
Time to default correlations	(0)	0	-	0
Quanto correlations	(0)	0	-	3
Credit spreads	(3)	3	-	2
Commodity derivatives	**NA**	**NA**	**NA**	**NA**
Commodities correlations	NA	NA	NA	NA
Long term securities	**NA**	**NA**	**NA**	**NA**

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

NOTE 3.4.7 DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

At initial recognition, financial assets and liabilities are measured at fair value, that is to say the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

(In EURm)	2023	2022
Deferred margin as at 1 January	**1,248**	**1,191**
Deferred margin on new transactions during the period	470	794
Margin recorded in the income statement during the period	(638)	(737)
o/w amortisation	*(390)*	*(497)*
o/w switch to observable inputs	*(20)*	*(12)*
o/w disposed, expired or terminated	*(228)*	*(228)*
Deferred margin as at 31 December	**1,080**	**1,248**

NOTE 3.5 Loans, receivables and securities at amortised cost

IMPACT ON GROUP FINANCIAL ASSETS AND LIABILITIES OF THE APPLICATION OF IFRS 9 BY INSURANCE SUBSIDIARIES (SEE NOTE 1)

		Reclassifications			Adjustment of book value related to investments				
(In EURm)	31.12.2021	of available for-sale financial assets	others	Reclassified balances	Reclassifi-cation effects	Impairment and provisions for credit risk	Total	01.01.2022 R	31.12.2022 R
Securities at amortised cost	19,371	4,975	22	24,368	(218)	(1)	(219)	24,149	26,143
Due from banks at amortised cost	55,972	-	1,232	57,204	-	-	-	57,204	68,171
Customer loans and receivables at amortised cost	497,164	-	69	497,233	-	-	-	497,233	506,635
TOTAL	**572,507**	**4,975**	**1,323**	**578,805**	**(218)**	**(1)**	**(219)**	**578,586**	**600,949**

OVERVIEW

(In EURm)	31.12.2023		31.12.2022 R	
	Carrying amount	*o/w impairment*	Carrying amount	*o/w impairment*
Due from banks	77,879	(23)	68,171	(39)
Customer loans	485,449	(10,070)	506,635	(10,634)
Securities	28,147	(84)	26,143	(63)
TOTAL	**591,475**	**(10,177)**	**600,949**	**(10,736)**

ACCOUNTING PRINCIPLES

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

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

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

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

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

BUSINESS MODEL "HOLD TO COLLECT"

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

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

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

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

Financing activities

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

NOTE 3.5.1 DUE FROM BANKS

(In EURm)	31.12.2023	31.12.2022 R
Current accounts	39,798	34,672
Deposits and loans	12,939	15,053
Securities purchased under resale agreements	24,622	17,669
Subordinated and participating loans	200	237
Related receivables	383	655
Due from banks before impairments(1)	**77,942**	**68,286**
Credit loss impairments	(23)	(39)
Revaluation of hedged items	(40)	(76)
TOTAL	**77,879**	**68,171**

(1) As at 31 December 2023, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 37 million compared to EUR 68 million as at 31 December 2022. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

NOTE 3.5.2 CUSTOMER LOANS

(In EURm)	31.12.2023	31.12.2022 R
Overdrafts	21,629	29,244
Other customer loans	428,614	444,612
Lease financing agreements	31,165	29,499
Securities purchased under resale agreements	9,413	10,159
Related receivables	4,845	4,071
Customer loans before impairments(1)	**495,666**	**517,585**
Credit loss impairment	(10,070)	(10,634)
Revaluation of hedged items	(147)	(316)
TOTAL	**485,449**	**506,635**

(1) As at 31 December 2023, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 15,711 million compared to EUR 15,687 million as at 31 December 2022. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

BREAKDOWN OF OTHER CUSTOMER LOANS

(In EURm)	31.12.2023	31.12.2022 R
Trade notes	7,736	7,547
Short-term loans	138,568	146,274
Export loans	13,030	13,801
Equipment loans	74,205	70,293
Housing loans	145,076	152,282
Loans secured by notes and securities	84	246
Other loans	49,915	54,169
TOTAL	**428,614**	**444,612**

ADDITIONAL INFORMATION ON LEASE FINANCING AND SIMILAR AGREEMENTS

(In EURm)	31.12.2023	31.12.2022
Gross investments	**33,438**	**31,339**
Amount for the next five years	28,206	26,129
Less than one year	*9,866*	*9,657*
From one to two years	*6,987*	*6,418*
From two to three years	*5,407*	*4,855*
From three to four years	*3,629*	*3,190*
From four to five years	*2,317*	*2,009*
More than five years	5,232	5,210
Present value of minimum payments receivable	**29,153**	**27,846**
Rental receivables due for the next five years	25,231	23,799
Less than one year	*9,098*	*8,982*
From one to two years	*6,361*	*5,926*
From two to three years	*4,780*	*4,403*
From three to four years	*3,140*	*2,831*
From four to five years	*1,852*	*1,657*
Rental receivables due for more than five years	3,922	4,047
Unearned financial income	**2,273**	**1,840**
Unguaranteed residual values receivable by the lessor	**2,012**	**1,653**

NOTE 3.5.3 SECURITIES

(In EURm)	31.12.2023	31.12.2022 R
Government securities	14,303	13,480
Negotiable certificates, bonds and other debt securities	13,731	12,742
Related receivables	256	242
Securities before impairments	**28,290**	**26,464**
Impairment	(84)	(63)
Revaluation of hedged items	(59)	(258)
TOTAL	**28,147**	**26,143**

NOTE 3.6 Debts

ACCOUNTING PRINCIPLES

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

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

Subordinated debts are all dated or undated borrowings, whether or not in the form of debt securities, which in the event of the liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

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

The Group's obligations arising from mortgage savings accounts and plans are recorded under Customer deposits – Regulated savings accounts. A provision may be recorded in respect of such mortgage savings instruments (see Note 8.3).

NOTE 3.6.1 DUE TO BANKS

(In EURm)	31.12.2023	31.12.2022 R
Demand deposits and current accounts	11,131	10,455
Overnight deposits and borrowings	1,049	392
Term deposits[1]	100,307	120,163
Related payables	1,464	301
Revaluation of hedged items	(1,082)	(1,933)
Securities sold under repurchase agreements	4,978	3,633
TOTAL	**117,847**	**133,011**

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

TLTRO

The European Central Bank (ECB) launched in 2019 a third series of Targeted Longer-Term Refinancing Operations (TLTRO) with the aim of maintaining favourable credit conditions in the euro area. As in the two previous systems, the return on these loans depended on the performance of the borrowing banking institutions in terms of loans granted to their household customers (excluding real estate loans) and business customers (excluding financial institutions); depending on these performances, it was possible for the borrowing institutions to benefit from a reduced interest rate and an additional temporary bonus applicable from 24 June 2020 to 23 June 2021 (reduction by 50 basis points of the average deposit facility rate with a floor rate set at -1%). These TLTRO III operations were conducted on a quarterly basis between September 2019 and December 2021, for a possible total of 10 drawdowns. Each such operation has a three-year maturity and includes an early repayment option. Some terms and conditions were modified in March 2020, in particular the loan production objectives, rate conditions and drawdown limit, in order to further support the granting of loans at the outset of the Covid-19 crisis. In January 2021, the ECB decided to extend the additional temporary bonus over the period from 24 June 2021 to 23 June 2022 subject to performance in terms of number of granted loans observed over a new reference period from 1 October 2020 to 31 December 2021.

The Group, *via* Societe Generale and Crédit du Nord, subscribed to TLTRO III loans through quarterly drawdowns staggered between December 2019 and December 2021. The residual amount of TLTRO loans on the liability side of the balance sheet is 24 billion euros as at 31 December 2023, following the early repayments made in the 2023 financial year for an amount of 28.7 billion euros.

As at 31 December 2021, the Group had already achieved the stability objectives for outstanding loans allowing it to benefit from the reduced interest rate as well as from the two temporary additional bonuses applied respectively over the periods from 24 June 2020 to 23 June 2021 and from 24 June 2021 to 23 June 2022. The additional bonuses were qualified for accounting purposes as subsidies according to IAS 20 and the loans as liabilities at adjustable rates under IFRS 9.

On 27 October 2022, the ECB changed the methods for calculating the interest rate relating to the last period of TLTRO III. These new calculation methods have been applied since 23 November 2022.

As at 31 December 2023, the total cost of TLTRO borrowings including interest and bonuses is therefore between 1.40% and 3.10% depending on the drawdown dates. For the financial year 2023, the total amount of interests and bonuses on the TLTRO borrowings recorded under Interest and similar expense is EUR 1.2 billion.

NOTE 3.6.2 CUSTOMER DEPOSITS

(In EURm)	31.12.2023	31.12.2022
Regulated savings accounts	122,172	111,496
Demand	*99,105*	*86,368*
Term	*23,067*	*25,128*
Other demand deposits[1]	262,954	295,933
Other term deposits[1]	146,878	115,651
Related payables	1,841	876
Revaluation of hedged items	(3)	(89)
TOTAL CUSTOMER DEPOSITS	**533,842**	**523,867**
Securities sold to customers under repurchase agreements	7,835	6,897
TOTAL	**541,677**	**530,764**

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

BREAKDOWN OF OTHER DEMAND DEPOSITS BY CUSTOMER TYPE

(In EURm)	31.12.2023	31.12.2022
Professionals and corporates	107,168	151,687
Individual customers	83,449	88,450
Financial customers	55,842	42,982
Others[1]	16,495	12,814
TOTAL	**262,954**	**295,933**

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

NOTE 3.6.3 DEBT SECURITIES ISSUED

(In EURm)	31.12.2023	31.12.2022
Term savings certificates	173	230
Bond borrowings	31,285	25,974
Interbank certificates and negotiable debt instruments	130,393	110,543
Related payables	1,321	635
Revaluation of hedged items	(2,666)	(4,206)
TOTAL	**160,506**	**133,176**
o/w floating-rate securities	*95,247*	*77,220*

NOTE 3.7 Interest income and expense

MAKING IT SIMPLE

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

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

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

ACCOUNTING PRINCIPLES

Interest income and expense are recorded in the income statement under Interest and similar income and Interest and similar expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income) and for all financial instruments mandatorily measured at fair value through profit and loss and interest rate risk hedging derivatives for the portion of income or expenses representative of the effective interest rate. Negative interest incomes on financial assets are recorded under Interest and similar expense; negative interest expenses on financial liabilities are recorded under Interest and similar income.

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

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is recognised in profit or loss by applying the effective interest rate to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

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

SPECIFIC TREATMENT RELATED TO THE REPLACEMENT OF A REFERENCE INTEREST RATE BY AN ALTERNATIVE REFERENCE INTEREST RATE (POSSIBLY INCLUDING A FINANCIAL COMPENSATION) – IBOR REFORM

The replacement of a reference interest rate by an alternative reference interest rate (possibly including a financial compensation in the form of a margin adjustment expressed in basis points and/or a cash amount) is liable to change the basis for determining the contractual cash flows of a financial asset or liability (*i.e.*, the method for calculating the return on it).

The effective interest rate is then modified prospectively to reflect the change from the current reference interest rate to an alternative reference interest rate. This last is adjusted for the new margin expressed in basis points and, if needed, for the amortisation over the remaining term of the contract, of the cash amount paid at the time of the modification.

(In EURm)	2023			2022 R		
	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	32,266	(24,720)	7,546	17,546	(8,845)	8,701
Central banks	*6,698*	*(368)*	*6,330*	*1,255*	*(306)*	*949*
Bonds and other debt securities	*1,188*	*(4,096)*	*(2,908)*	*620*	*(1,690)*	*(1,070)*
Due from/to banks(1)	*4,038*	*(6,375)*	*(2,337)*	*1,935*	*(1,737)*	*198*
Customer loans and deposits	*17,931*	*(12,133)*	*5,798*	*12,172*	*(3,917)*	*8,255*
Subordinated debt	-	*(700)*	*(700)*	-	*(641)*	*(641)*
Securities lending/borrowing	*9*	*(13)*	*(4)*	*42*	*(14)*	*28*
Repo transactions	*2,402*	*(1,035)*	*1,367*	*1,522*	*(540)*	*982*
Hedging derivatives	15,919	(17,748)	(1,829)	9,739	(8,737)	1,002
Financial instruments at fair value through other comprehensive income(2)	2,779	(260)	2,519	2,208	(277)	1,931
Lease agreements	1,258	(47)	1,211	852	(37)	815
Real estate lease agreements	*295*	*(45)*	*250*	*181*	*(37)*	*144*
Non-real estate lease agreements	*963*	*(2)*	*961*	*671*	-	*671*
Subtotal interest income/expense on financial instruments using the effective interest method	**52,222**	**(42,775)**	**9,447**	**30,345**	**(17,896)**	**12,449**
Financial instruments mandatorily at fair value through profit or loss	865	(2)	863	393	(1)	392
TOTAL INTEREST INCOME AND EXPENSE	**53,087**	**(42,777)**	**10,310**	**30,738**	**(17,897)**	**12,841**
o/w interest income from impaired financial assets	*273*	-	*273*	*250*	-	*250*

(1) In 2022, the interest, then negative, on TLTRO loans was recorded among the products of Loans/borrowings from credit institutions. In 2023, interest on TLTRO loans is recorded among the expenses of Due from/to banks. (see Note 3.6).

(2) Including EUR 1,237 million for insurance subsidiaries in 2023 (EUR 1,411 million in 2022). This amount must be read together with the financial income and expenses of insurance contracts (see Note 4.3, Detail of performance of insurance activities).

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

BREAKDOWN OF INCOME OF CUSTOMER LOANS AT AMORTISED COST

(In EURm)	2023	2022 R
Trade notes	786	507
Other customer loans	15,189	10,433
Short-term loans	*7,132*	*4,490*
Export loans	*576*	*366*
Equipment loans	*2,647*	*1,751*
Housing loans	*2,878*	*2,694*
Other customer loans	*1,956*	*1,132*
Overdrafts	1,692	989
Doubtful outstanding (stage 3)	264	243
TOTAL	**17,931**	**12,172**

NOTE 3.8 Impairment and provisions

MAKING
IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

Recognition of expected credit losses

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

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

Observed deterioration in credit risk since initial recognition of the financial asset

Credit risk category	Stage 1 Performing assets	Stage 2 Under-performing or downgraded assets	Stage 3 Credit-impaired or defaulted assets
Transfer criteria	Initial recognition of the instrument in stage 1 ▸ *Maintained if the credit risk has not increased significantly*	Credit risk on the instrument has increased significantly since initial recognition / 30 days past due	Evidence that the instrument is become credit-impaired / 90 days past due
Measurement of credit risk	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Interest income recognition basis	Gross carrying amount of the asset before impairment	Gross carrying amount of the asset before impairment	Net carrying amount of the asset after impairment

Exposures classified in Stage 1

At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are purchased or originated credit-impaired instruments.

Exposures classified in Stage 2

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

The three criteria used to assess the significant changes in credit risk are detailed below. Once only one of these three criteria is met, the relevant outstanding is transferred from Stage 1 to Stage 2 and related impairment or provisions are adjusted accordingly. Furthermore, the Group does not apply the exemption for low credit risk; it thus carries out an assessment of a significant increase in credit risk for all loans and debt securities.

CRITERIA 1: THE CLASSIFICATION OF THE COUNTERPARTY IN "SENSITIVE"

To determine the classification of the counterparty as "sensitive" (notion of watch list), the Group analyses:

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

If, after a review, a counterparty is deemed "sensitive", all existing contracts between the Group and this counterparty are transferred into Stage 2 (to the extent that this approach does not lead to a distortion compared with an analysis of the credit quality at the time of granting of each financial instrument) and the related impairment and provisions are increased up to the lifetime expected credit losses.

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

CRITERIA 2: THE MAGNITUDE OF THE CHANGE IN A COUNTERPARTY'S CREDIT RATING SINCE THE INITIAL RECOGNITION

This magnitude is assessed from contract to contract, from the date of their initial recognition to the balance sheet date.

To determine whether a deterioration or improvement in the credit rating between the date of initial recognition and the balance sheet date is significant enough to prompt a change in the impairment Stage, thresholds are set once a year by the Risk Division. These transfer thresholds between Stage 1 and Stage 2 are determined for each homogeneous portfolio of contracts (notion of risk segment based on the customer typology and the credit quality) and are calculated based on their specific probability-of-default curves. These thresholds may be expressed as an absolute or relative increase in the probability of default. For example, the threshold is set at +50 bp for sovereign debt, +100 bp for the Very Large Enterprises (turnover exceeding EUR 500 million), +200 bp for SME and +10 bp for the French mortgages of the Societe Generale retail network.

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

CRITERIA 3: THE EXISTENCE OF PAYMENTS MORE THAN 30 DAYS PAST DUE

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

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

PARTICULAR CASE OF EXPOSURES WITHOUT CREDIT RATING

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

- the Basel behavioural score or the existence of payments more than 30 days past due for retail customers;
- the placement on the watch list or the existence of payments more than 30 days past due for Corporate.

Exposures classified in Stage 3

To identify Stage 3 exposures (doubtful exposures), the Group has been applying to most of its entities, since July 2020, the new definition of default as detailed in the guidelines published by the European Banking Authority (EBA). This definition leads to applying the following criteria to classify exposures as Stage 3:

- one or more unpaid payments of over 100 euros for Retail (500 euros for Non-retail) during 90 consecutive days, representing at least 1% of the total exposure of the customer. This unpaid amount may or may not be accompanied by a recovery procedure except for restructured loans classified into Stage 1 or 2 which are retransferred into Stage 3 from the first amount unpaid after 30 days during the two-year probation period. In addition, only missed payments related to business litigations, specific contractual features or IT failures may avoid automatic transfer into Stage 3 after 90 days;
- identification of other criteria that evidence, even in the absence of missed payments, that this is unlikely that the counterparty could meet all its financial obligations:
  - a significant deterioration in the counterparty's financial situation creates a strong probability that it will not be able to meet all of its commitments and thus represents a risk of loss for the Group,
  - the granting of concessions to the clauses of the loan agreement, which would not have been granted if the counterparty wasn't experiencing financial difficulties (restructured loans) and which result in a decrease in the present value of the loan cash flows of more than 1% of its initial value,
  - the existence of litigious proceedings (*ad hoc* mandate, bankruptcy protection, court-ordered settlement or compulsory liquidation or other similar proceedings in local jurisdictions).

The Group applies the impairment contagion principle to all of the defaulting counterparty's exposures. When a debtor belongs to a group, the impairment contagion principle may also be applied to all of the Group's exposures.

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

In the case of a return to Stage 2, the exposures are kept in Stage 2 during a probation period before assessing whether they could be transferred to Stage 1. This probation period in Stage 2 is from six months to two years according to the nature of the risk portfolio to which the exposures belong.

Measurement of depreciation and provision

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

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

Financial guarantees are taken into account in the estimation of the recoverable cash flows when they are integral part of the contractual characteristics of the related loans and they are not recognised separately.

If the financial guarantees don't meet these criteria and as a consequence their effects cannot be taken into account in the calculation of impairment, a separate asset is recorded in the balance sheet under Other Assets. The book value of this asset is representative of the expected credit losses, recorded in the balance sheet within the impairment of assets, for which the Group is almost certain to receive a compensation. Changes in the carrying amount of this asset are recorded in the income statement under "Cost of credit risk".

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

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

For operating leases and trade receivables, the Group uses the "simplified" approach, under which impairments are calculated as lifetime expected credit losses since their initial recognition, regardless of any subsequent changes in the counterparty's credit risk. The assessment of depreciation is mainly based on historical data on default rates and incurred losses in the event of default. Adjustments to take into account forward-looking information on economic conditions and macroeconomic factors are determined by an expert.

Restructured loans

Loans issued or acquired by the Group may be restructured due to financial difficulties. This takes the shape of a contractual modification of the initial terms of the loan (*e.g.* lower interest rates, rescheduled loan payments, partial debt forgiveness, or additional collateral). This adjustment of the contractual terms is strictly linked to the borrower's financial difficulties and/or insolvency (whether they have already become insolvent or are certain to do so if the loan is not restructured).

Where they still pass the SPPI test, restructured loans are still recognised in the balance sheet and their amortised cost before credit risk allowance is adjusted for a discount representing the restructuration loss. This discount is equal to the difference between the present value of the new contractual cash flows resulting from the restructuring of the loan and the amortised cost before credit risk allowance less any partial debt forgiveness; it is booked to Cost of credit risk in the income statement. As a result, the amount of interest income subsequently recognised into income is still computed using the initial effective interest rate of the loan and based on the net carrying amount of the asset after impairment during at least the first year following the restructuration.

Post-restructuring, these financial assets are classified in Stage 3 (credit-impaired exposures) whether the present value of modified cash flows decreases by more than 1% compared with the carrying amount of financial instruments before the restructuring or there is a high probability that the counterparty cannot meet all its commitments involving a risk of loss for the Group. In these two cases, the restructuring of financial assets leads to default. Stage 3 classification is maintained for at least one year, or longer if the Group is uncertain that the borrowers will be able to meet their commitments. Once the loan is no longer classified in Stage 3 or the loans which the present value does not decrease more than 1%, the assessment of the significant increase of credit risk will be performed by comparing the characteristics of the instrument at the closing date and the characteristics at the initial recognition date of the loan before restructuring, applying the transfer rules to Stage 1 and 2 previously mentioned in this note with specific conditions during the probation period (during the first two-years following the restructuration, loans are retransferred into Stage 3 as of payments more than 30 days past due).

The criteria to return to Stage 1 for the restructured loans are similar to those of all the other exposures, after a probation period in Stage 3 of a minimum of one year.

Given the new contractual terms arising from the restructuring where they no longer pass the SPPI test, restructured loans are derecognised and replaced by new loans recognised according to the restructured terms and conditions. These new assets are recognised as Financial assets measured at fair value through profit or loss; On the date of recognition, the difference between the present value of the new cash flows and the net carrying amount of the initial asset is recorded under Cost of credit Risk in the income statement. These new loans are then classified as Financial assets measured at fair value through profit or loss.

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

Total or partial recovery by activating the guarantee

A claim may be recovered in the form of an asset (financial or tangible) that passes into the ownership of the Group as a result of the activation of a guarantee. This asset substitutes for the guaranteed claim on the date when the Group becomes its owner and is initially recognised at fair value as an asset on the balance sheet. Its classification and subsequent valuation method depend on the management intent.

METHOD FOR ESTIMATING EXPECTED CREDIT LOSSES

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

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

The nature of the variables used in the expected credit loss assessment models is presented in Chapter 4 of the present Universal Registration Document. The measurement of expected credit losses is performed based on the parameters mentioned below, supplemented with the internal analyses relating to the credit quality of each counterparty, individually or statistically.

GEOPOLITICAL CRISES AND MACROECONOMIC CONTEXT

In 2023, the Group revised the parameters used in the models based on the based on the updated macroeconomic scenarios which take account of the recent economic developments and macroeconomic impacts related to the current geopolitical environment (see Note 1).

To account for the uncertainties related to the macroeconomic and geopolitical environment, the Group updated the model and post-model adjustments in 2023.

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

Update of the models and impact on the estimation of expected credit losses

As at 31 December 2023, the updates of macroeconomic variables and probabilities of default as well as the updated weighting of the scenarios have resulted in a EUR 77 million decrease in the amount of impairment and provisions for credit risk:

- the impact of the revision of the macroeconomic variables and probabilities of default is a EUR 62 million decrease;
- the impact of the updated weighting of the macroeconomic scenarios described in Note 1 is a EUR 15 million decrease.

Furthermore, owing to the geopolitical context related to the war in Ukraine, all our Russian counterparties including residual exposures on Rosbank (EUR 2.1 billion as at 31 December 2022) have been classified as "sensitive" (concept of watch list) from the beginning of the conflict and the associated outstanding loans have been transferred to Stage 2. As at 31 December 2023, they amount to EUR 1.1 billion. Further analysis has resulted in the identification amidst this population of the outstanding loans that have to be transferred to Stage 3, and this from the beginning of the war in Ukraine (EUR 0.3 billion for 2023). The impact of these transfers on the calculation of the expected credit losses amounts to EUR 167 million as at 31 December 2023 (including the additional adjustment detailed in the "Other adjustments" sub-section).

Adjustments supplementing the application of the models

As at 31 December 2023, the adjustment regarding the additional criterion for classification in Stage 2 set in 2020 following the Covid-19 crisis, has been removed (EUR 17 million as at 31 December 2022).

Sectoral adjustments

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

These adjustments allow for better anticipation of the default/recovery cycle in some sectors that have a cyclical business, have been subject to peaks of default in the past or are most exposed to the current crises and on which the Group's exposure exceeds a threshold that is annually reviewed and set by the Risk Division.

These sectoral adjustments are examined and updated quarterly by the Risk Division and validated according to materiality thresholds by the General Management.

Along the revision of these adjustments, whenever compatible with the provisioning horizon, a qualitative analysis of the possible impact of climate risks on the calculation of expected credit losses has been introduced (see the "Incorporating the environment in the risk management framework" section of Chapter 4 in the Universal Registration Document).

The main sectors concerned as at 31 December 2023 are commercial real-estate, non-food retail, construction and the hotel, restaurant and leisure industry.

The total sectoral adjustments (excluding the additional sectoral adjustments described in the "Other adjustments" paragraph below) thus amount to EUR 667 million as at 31 December 2023 (EUR 570 million as at 31 December 2022). This increase is mainly due to an increase on the commercial real-estate and non-food retail sectors, the future circumstances of which are deteriorating owing to multiple factors, such as the difficult situation on the real estate market, the effects of inflation and the changes in purchasing behaviours. An increase of lesser magnitude has been observed on the construction sector. These increases are partly offset by a decrease on the oil and gas sector, and to a lesser extent on the hotel sector the situation of which has improved.

Other adjustments

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

- for the scope of entities that have not developed models enabling them to estimate the correlations between macroeconomic variables and default rate; and
- for the scopes on which models have been developed but cannot reflect future risks not observed in the past.

These adjustments amount to EUR 699 million as at 31 December 2023 (EUR 967 million as at 31 December 2022). This change results from the account taken of:

- the specific risk on the portfolio of offshore loans to Russian corporate customers resulting from the geopolitical situation; this adjustment is estimated by applying to the expected credit losses of this portfolio degraded scenarios (weighted by a probability of occurrence) for which probabilities of default and recovery prospects take account of the uncertainty relating to this environment;
- the risks arising from the specific economic environment, such as the higher inflation and interest rates, regarding fragile customers and the more specifically exposed portfolios, as such risks are not taken into account in the models.

The Group uses two main methods to estimate these adjustments:

- application, to the parameters of the expected credit loss models, of more severe probabilities of default reflecting the economic shock expected according to the Group's economic scenarios;
- application of sectoral adjustments according to the methodology described above to the sectors identified by the Group's Department of Economic and sectoral studies as particularly exposed in case of occurrence of a lasting stagflation scenario.

NOTE 3.8.1 OVERVIEW

In accordance with the application of IFRS 9 "Financial instruments" by the insurance subsidiaries (see Note 1), the impairments and provisions of these subsidiaries are included in the tables below.

PRESENTATION OF BALANCE SHEET AND OFF-BALANCE SHEET OUTSTANDING AMOUNTS

(In EURm)		31.12.2023	31.12.2022 R
Debt instruments at fair value through other comprehensive income	Note 3.3	90,630	92,696
Securities at amortised cost	Note 3.5	28,147	26,143
Due from banks at amortised cost	Note 3.5	77,879	68,171
Due from central banks(1)		220,725	204,553
Customer loans at amortised cost	Note 3.5	485,449	506,635
Guarantee deposits paid	Note 4.4	51,611	67,768
Others		6,239	4,175
o/w other miscellaneous receivables bearing credit risk	*Note 4.4*	*6,076*	*3,913*
o/w due from clearing houses bearing credit risk	*Note 4.4*	*163*	*262*
NET VALUE OF ACCOUNTING OUTSTANDING AMOUNTS (BALANCE SHEET)		**960,680**	**970,141**
Impairment of loans at amortised cost	Note 3.8	10,505	11,031
GROSS VALUE OF ACCOUNTING OUTSTANDING AMOUNTS (BALANCE SHEET)		**971,185**	**981,172**
Financing commitments		210,511	216,573
Guarantee commitments		80,560	94,727
GROSS VALUE OF OFF BALANCE-SHEET ACCOUNTING AMOUNTS		**291,071**	**311,300**
TOTAL OF ACCOUNTING AMOUNTS (BALANCE-SHEET AND OFF BALANCE-SHEET)		**1,262,256**	**1,292,472**

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

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

	31.12.2023				31.12.2022 R			
	Group without Insurance activities		Insurance		Group without Insurance activities		Insurance	
(In EURm)	Outstanding amounts	Impairment/ provisions	Outstanding amounts	Impairment/ provisions	Outstanding amounts	Impairment/ provisions	Outstanding amounts	Impairment/ provisions
Financial assets at fair value through other comprehensive income	**37,729**	**3**	**52,901**	**13**	**37,199**	**8**	**55,497**	**20**
Performing assets outstanding (Stage 1)	37,727	1	51,704	4	37,192	1	54,445	5
Underperforming assets outstanding (Stage 2)	2	2	1,197	9	1	1	1,046	15
Doubtful assets outstanding (Stage 3)	-	-	-	-	6	6	6	-
Financial assets at amortised cost(1)	**873,390**	**10,505**	**7,165**	**-**	**881,771**	**11,031**	**6,705**	**-**
Performing assets outstanding (Stage 1)	812,925	1,048	7,085	-	820,736	1,042	6,634	-
Underperforming assets outstanding (Stage 2)	44,063	1,973	80	-	44,689	2,134	71	-
Doubtful assets outstanding (Stage 3)	16,402	7,484	-	-	16,346	7,855	-	-
o/w lease financing	***31,165***	***883***	**-**	**-**	***29,500***	***896***	**-**	**-**
Performing assets outstanding (Stage 1)	*24,798*	*127*	-	-	*24,340*	*110*	-	-
Underperforming assets outstanding (Stage 2)	*4,668*	*163*	-	-	*3,536*	*169*	-	-
Doubtful assets outstanding (Stage 3)	*1,699*	*593*	-	-	*1,624*	*617*	-	-
Financing commitments	**210,511**	**447**	**-**	**-**	**216,571**	**467**	**2**	**-**
Performing assets outstanding (Stage 1)	195,733	154	-	-	204,724	166	2	-
Underperforming assets outstanding (Stage 2)	14,540	235	-	-	11,564	251	-	-
Doubtful assets outstanding (Stage 3)	238	58	-	-	283	50	-	-
Guarantee commitments	**80,560**	**372**	**-**	**-**	**94,727**	**431**	**-**	**-**
Performing assets outstanding (Stage 1)	76,503	59	-	-	90,332	57	-	-
Underperforming assets outstanding (Stage 2)	3,370	84	-	-	3,716	116	-	-
Doubtful assets outstanding (Stage 3)	687	229	-	-	679	258	-	-
TOTAL OF ACCOUNTING AMOUNTS (BALANCE-SHEET AND OFF BALANCE-SHEET)	**1,202,190**	**11,327**	**60,066**	**13**	**1,230,268**	**11,937**	**62,204**	**20**

(1) *Including Central Banks for EUR 220,725 million as at 31 December 2023 (versus EUR 204,553 million as at 31 December 2022).*

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

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

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

	31.12.2022							
	Assets at amortised cost				Impairment			
(In EURm)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign*	232,527	291	215	233,033	6	2	77	85
Institutions*	161,523	592	53	162,168	8	2	24	34
Corporates*	234,572	20,367	9,221	264,160	619	1,399	4,260	6,278
*o/w SME**	*42,271*	*5,666*	*3,581*	*51,518*	*226*	*318*	*1,829*	*2,373*
Retail	190,709	23,391	6,841	220,941	406	728	3,488	4,622
o/w VSB	*23,972*	*4,746*	*2,343*	*31,061*	*95*	*271*	*1,306*	*1,672*
Others*	1,405	48	16	1,469	3	3	6	12
TOTAL	**820,736**	**44,689**	**16,346**	**881,771**	**1,042**	**2,134**	**7,855**	**11,031**

(1) *Amounts restated compared to the financial statements published for 2022.*

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

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

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

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

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

Over 80% of all financing and guarantee commitments have Western Europe, North America or France as their country of counterparty.

	31.12.2022							
	Assets at amortised cost				Impairment			
(In EURm)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	442,513	26,042	8,054	476,609	480	1,166	3,240	4,886
Western European countries (excl. France)	157,496	5,569	1,695	164,760	220	273	767	1,260
Eastern European countries EU	51,781	6,455	1,088	59,324	144	256	640	1,040
Eastern Europe excluding EU	2,945	2,032	524	5,501	2	149	121	272
North America	82,014	1,479	165	83,658	21	113	43	177
Latin America and Caribbean	5,757	472	319	6,548	5	11	88	104
Asia-Pacific	37,999	616	572	39,187	14	6	258	278
Africa and Middle East	40,231	2,024	3,929	46,184	156	160	2,698	3,014
TOTAL	**820,736**	**44,689**	**16,346**	**881,771**	**1,042**	**2,134**	**7,855**	**11,031**

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

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

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

(1) The indicative corresponding between the Societe Generale's internal rating scale and the scales of rating agencies is presented in Chapter 4 of the present Universal Registration Document.

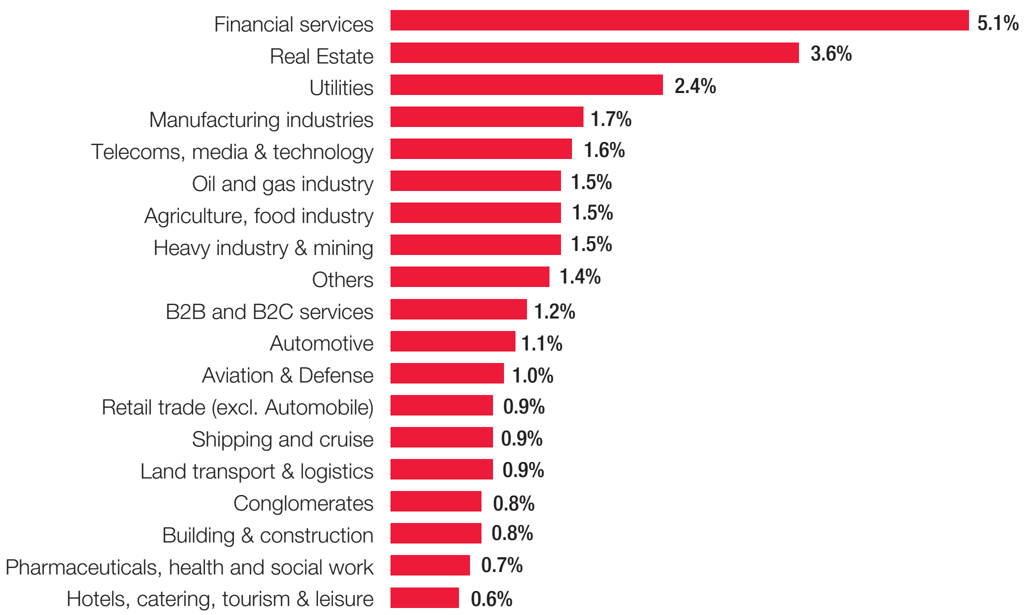
	31.12.2022							
	Outstanding amounts				Impairment			
(In EURm)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	59,826	874	-	60,700	1	3	-	4
2	186,818	889	-	187,707	4	5	-	9
3	50,465	622	-	51,087	8	5	-	13
4	85,773	1,431	-	87,204	69	15	-	84
5	84,343	4,322	-	88,665	246	146	-	392
6	22,694	10,044	-	32,738	186	532	-	718
7	2,832	7,082	-	9,914	21	445	-	466
Default (8, 9, 10)	-	-	9,378	9,378	-	-	4,071	4,071
Other method	327,985	19,425	6,968	354,378	507	983	3,784	5,274
TOTAL	**820,736**	**44,689**	**16,346**	**881,771**	**1,042**	**2,134**	**7,855**	**11,031**

(1) The indicative corresponding between the Societe Generale's internal rating scale and the scales of rating agencies is presented in Chapter 4 of the present Universal Registration Document.

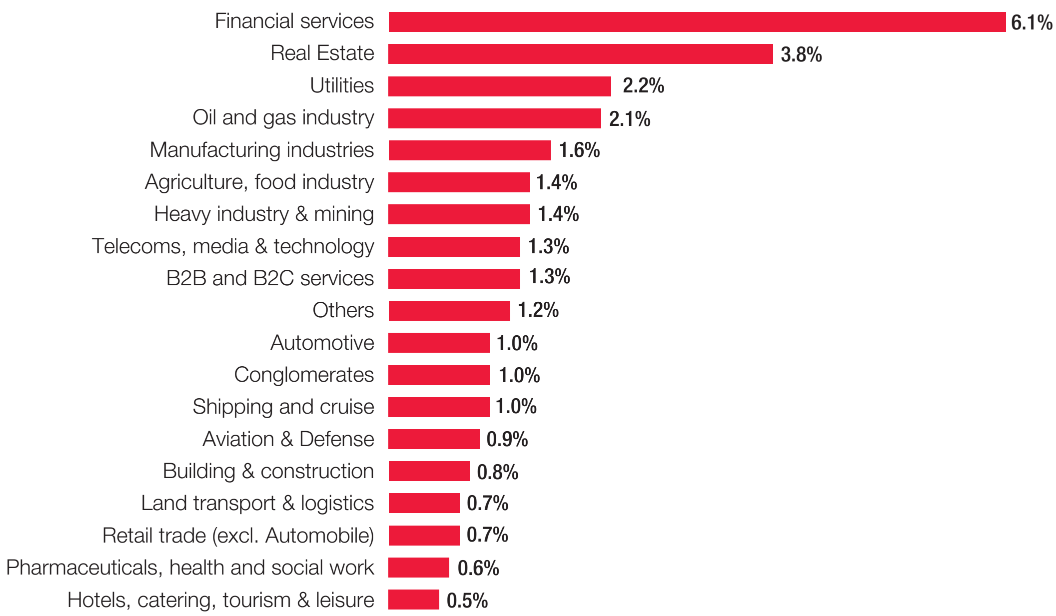
ASSETS AT AMORTISED COST (INSURANCE ACTIVITIES EXCLUDED): SECTORAL BREAKDOWN OF CORPORATE EXPOSURES ON THE TOTAL GROUP EXPOSURE OF FINANCIAL ASSETS AT AMORTISED COST (ALL BASEL CATEGORIES)

The graphs below show the sectoral breakdown of the "Corporate" Basel portfolio (see Tables "Group assets at amortised cost without insurance activities: outstanding amounts and impairments by basel portfolio" presented above). The percentages presented correspond to the net amounts (gross amounts reduced by the corresponding impairment).

SECTOR BREAKDOWN OF GROUP CORPORATE NET EXPOSURE OVER TAL NET EXPLOSURE OF FINANCIAL ASSETS AT AMORTISED COST AS AT 31 DECEMBER 2023



SECTOR BREAKDOWN OF GROUP CORPORATE NET EXPOSURE OVER TAL NET EXPLOSURE OF FINANCIAL ASSETS AT AMORTISED COST AS AT 31 DECEMBER 2022



NOTE 3.8.2 IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN

In accordance with the application of IFRS 9 "Financial instruments" by the insurance subsidiaries (see Note 1), the impairment booked in these subsidiaries is presented below.

(In EURm)	Amount as at 31.12.2022 R	Allocations	Write-backs available	Net impairment losses	Write-backs used	Currency and scope effects	Amount as at 31.12.2023
Financial assets at fair value through other comprehensive income							
Impairment on performing outstanding (Stage 1)	6	45	(46)	(1)		-	5
Impairment on underperforming outstanding (Stage 2)	16	1	(6)	(5)		-	11
Impairment on doubtful outstanding (Stage 3)	6	-	(6)	(6)	-	-	-
TOTAL	**28**	**46**	**(58)**	**(12)**	**-**	**-**	**16**
Financial assets measured at amortised cost							
Impairment on performing assets outstanding (Stage 1)	1,042	719	(715)	4		2	1,048
Impairment on underperforming assets outstanding (Stage 2)	2,134	1,372	(1,510)	(138)		(23)	1,973
Impairment on doubtful assets outstanding (Stage 3)	7,855	3,389	(2,303)	1,086	(1,188)	(269)	7,484
TOTAL	**11,031**	**5,480**	**(4,528)**	**952**	**(1,188)**	**(290)**	**10,505**
o/w lease financing and similar agreements	***896***	***377***	***(315)***	***62***	***(101)***	***26***	***883***
Impairment on performing assets outstanding (Stage 1)	*110*	*64*	*(51)*	*13*		*4*	*127*
Impairment on underperforming assets outstanding (Stage 2)	*169*	*90*	*(106)*	*(16)*		*10*	*163*
Impairment on doubtful assets outstanding (Stage 3)	*617*	*223*	*(158)*	*65*	*(101)*	*12*	*593*

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

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

(In EURm)	Stage 1	Of which lease financing receivables	Stage 2	Of which lease financing receivables	Stage 3	Of which lease financing receivables	Total
Amount as at 31.12.2022	**1,042**	**110**	**2,134**	**169**	**7,855**	**617**	**11,031**
Production and Acquisition(1)	353	39	149	15	180	14	682
Derecognition(2)	(175)	(12)	(160)	-	(807)	(106)	(1,142)
Transfer from stage 1 to stage 2(3)	(48)	(6)	519	47	-	-	471
Transfer from stage 2 to stage 1(3)	29	3	(329)	(30)	-	-	(300)
Transfer to stage 3(3)	(16)	(2)	(154)	(16)	988	110	818
Transfer from stage 3(3)	2	-	41	3	(190)	(19)	(147)
Allocations and Write-backs without stage transfer(3)	(114)	(5)	(209)	(25)	(219)	(33)	(542)
Currency effect	(4)	-	(11)	-	(13)	4	(28)
Scope effect	(17)	-	(9)	-	(318)	-	(344)
Other variations	(4)	-	2	-	8	6	6
Amount as at 31.12.2023	**1,048**	**127**	**1,973**	**163**	**7,484**	**593**	**10,505**

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

(2) *Including repayments, disposals and debt waivers.*

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

BREAKDOWN OF TRANSFERS BETWEEN STAGES FOR FINANCIAL ASSETS AT AMORTISED COST OF THE GROUP WITHOUT INSURANCE ACTIVITIES AS AT 30 JUNE 2023

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

To describe the transfers between steps:

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

(In EURm)	Stage 1		Stage 2		Stage 3		Stock of outstanding amounts transferred as at 31 December	Stock of impairment associated with transferred outstanding amounts
	Outstanding amounts	Impairment	Outstanding amounts	Impairment	Outstanding amounts	Impairment		
Transfer from Stage 1 to Stage 2	(17,225)	(48)	13,051	519	-	-	13,051	519
Transfer from Stage 2 to Stage 1	11,315	29	(13,872)	(329)	-	-	11,315	29
Transfer from Stage 3 to Stage 1	240	2	-	-	(314)	(52)	240	2
Transfer from Stage 3 to Stage 2	-	-	726	41	(863)	(138)	726	41
Transfer from Stage 1 to Stage 3	(2,355)	(16)	-	-	2,214	554	2,214	554
Transfer from Stage 2 to Stage 3	-	-	(2,167)	(154)	1,928	434	1,928	434
Currency effect on contracts that change Stage	(114)	-	(48)	(2)	(5)	-	(167)	(2)

NOTE 3.8.3 CREDIT RISK PROVISIONS

BREAKDOWN

In accordance with the application of IFRS 9 “Financial instruments” by the insurance subsidiaries (see Note 1), the provisions of these subsidiaries are presented below.

(In EURm)	Amount as at 31.21.2022	Allocations	Write-backs available	Net impairment losses	Currency and scope effects	Amount as at 31.12.2023
Financing commitments						
Provisions on performing assets outstanding (Stage 1)	166	133	(147)	(14)	2	154
Provisions on underperforming assets outstanding (Stage 2)	251	159	(173)	(14)	(2)	235
Provisions on doubtful assets outstanding (Stage 3)	50	54	(86)	(32)	40	58
TOTAL	**467**	**346**	**(406)**	**(60)**	**40**	**447**
Guarantee commitments						
Provisions on performing assets outstanding (Stage 1)	57	47	(41)	6	(4)	59
Provisions on underperforming assets outstanding (Stage 2)	116	43	(72)	(29)	(3)	84
Provisions on doubtful assets outstanding (Stage 3)	258	92	(66)	26	(55)	229
TOTAL	**431**	**182**	**(179)**	**3**	**(62)**	**372**

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

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

	Provisions								
	On financing commitments				On guarantee commitments				
(In EURm)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Totcal	Total
Amount as at 31.12.2022	**166**	**251**	**50**	**467**	**57**	**116**	**258**	**431**	**898**
Production and Acquisition(1)	51	14	10	75	23	17	36	76	151
Derecognition(2)	(50)	(59)	(3)	(112)	(19)	(20)	(67)	(106)	(218)
Transfer from Stage 1 to Stage 2(3)	(7)	56	-	49	(1)	11	-	10	59
Transfer from Stage 2 to Stage 1(3)	5	(29)	-	(24)	3	(14)	-	(11)	(35)
Transfer to Stage 3(3)	(1)	(2)	8	5	-	(2)	18	16	21
Transfer from Stage 3(3)	-	-	(1)	(1)	-	1	(6)	(5)	(6)
Allocations and Write-backs without stage transfer(3)	(9)	6	(11)	(14)	(3)	(22)	(10)	(35)	(49)
Currency effect	(1)	(2)	-	(3)	-	-	(1)	(1)	(4)
Scope effect	-	-	-	-	(1)	-	(1)	(2)	(2)
Other variations	-	-	5	5	-	(3)	2	(1)	4
Amount as at 31.12.2023	**154**	**235**	**58**	**447**	**59**	**84**	**229**	**372**	**819**

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

(2) *Including repayments, disposals and debt waivers.*

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

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

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

To describe the transfers between steps:

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

	Financing commitments							
	Stage 1		Stage 2		Stage 3			
(In EURm)	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Stock of outstanding commitments transferred as at 31 December	Stock of provisions associated with transferred outstanding amounts
Transfer from Stage 1 to Stage 2	(2,856)	(7)	1,794	56	-	-	1,794	56
Transfer from Stage 2 to Stage 1	775	5	(892)	(29)	-	-	775	5
Transfer from Stage 3 to Stage 1	5	-	-	-	(6)	-	5	-
Transfer from Stage 3 to Stage 2	-	-	24	-	(26)	(1)	24	-
Transfer from Stage 1 to Stage 3	(110)	(1)	-	-	61	6	61	6
Transfer from Stage 2 to Stage 3	-	-	(36)	(2)	23	2	23	2
Currency effect on contracts that change Stage	(37)	-	(19)	-	-	-	(56)	-

	Guarantee commitments							
	Stage 1		Stage 2		Stage 3			
(In EURm)	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Stock of outstanding commitments transferred as at 31 December	Stock of provisions associated with transferred outstanding amounts
Transfer from Stage 1 to Stage 2	(1,583)	(1)	1,261	11	-	-	1,261	11
Transfer from Stage 2 to Stage 1	1,472	3	(1,711)	(14)	-	-	1,472	3
Transfer from Stage 3 to Stage 1	5	-	-	-	(8)	(1)	5	-
Transfer from Stage 3 to Stage 2	-	-	18	1	(26)	(5)	18	1
Transfer from Stage 1 to Stage 3	(82)	-	-	-	65	8	65	8
Transfer from Stage 2 to Stage 3	-	-	(62)	(2)	53	10	53	10
Currency effect on contracts that change Stage	(13)	-	(10)	-	-	-	(23)	-

NOTE 3.8.4 QUALITATIVE INFORMATION OF CHANGES IN IMPAIRMENT/PROVISIONS ON CREDIT RISK

The variation in credit risk impairment and provisions since 31 December 2022 is mainly linked to:

- covered losses on Stage 3 loans (EUR 1,181 million) included in the line derecognition.

  This is in line with the Group's strategy for managing non-performing loans (NPL), through write-offs and disposals of its defaulted exposure portfolios.

  Uncovered losses amount to EUR 333 million;
- transfer of loans to Stage 3 due to default for EUR 4.3 billion of outstanding amounts. This transfer resulted in an increase in impairment and provisions of EUR 840 million.

Particularly, this variation concerns:

- EUR 2.3 billion of outstanding amounts for which the impairment and provisions amount to EUR 553 million as at 31 December 2023. These contracts were in Stage 1 as at 31 December 2022;
- EUR 2.0 billion of outstanding amounts for which the impairment and provisions amount to EUR 287 million as at 31 December 2023. These contracts were in Stage 2 as at 31 December 2022;
- transfer of loans to Stage 2 due to downgraded ratings, transfer to "sensitive" or 30 days overdue for EUR 16.1 billion. This transfer resulted in an increase in impairment and provisions of EUR 530 million;
- the acquisition of LeasePlan resulted an increase in impairment and provisions of EUR 51 million, included in the line Scope effect;
- IFRS 5 entities classified as held for sale. This classification resulted a decrease in impairment and provisions of EUR 346 million, included in the line Scope effect.

NOTE 3.8.5 COST OF RISK

ACCOUNTING PRINCIPLES

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

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

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

SYNTHESIS

(In EURm)	31.12.2023	31.12.2022 R
Cost of credit risk of financial assets from insurance activities	7	1
Cost of credit risk	(1,025)	(1,647)
TOTAL	**(1,018)**	**(1,646)**

Following the application of IFRS 9 “Financial instruments” by the insurance subsidiaries (see Note 1), the cost of credit risk for these subsidiaries is also presented below.

(In EURm)	31.12.2023	31.12.2022 R
Net allocation to impairment losses	(940)	(1,464)
On financial assets at fair value through other comprehensive income	*12*	-
On financial assets at amortised cost	*(952)*	*(1,464)*
Net allocations to provisions	57	(23)
On financing commitments	*60*	*(10)*
On guarantee commitments	*(3)*	*(13)*
Losses not covered on irrecoverable loans	(333)	(318)
Amounts recovered on irrecoverable loans	200	132
Effect from guarantee not taken into account for the calculation of impairment	(2)	27
TOTAL	**(1,018)**	**(1,646)**
o/w cost of risk on sound outstanding classified in Stage 1	*0*	*(58)*
o/w cost of risk on doubtful loans classified in Stage 2	*176*	*(618)*
o/w cost of risk on doubtful loans classified in Stage 3	*(1,194)*	*(970)*

NOTE 3.9 Fair value of financial instruments measured at amortised cost

ACCOUNTING PRINCIPLES

Definition of fair value

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

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

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

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

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

NOTE 3.9.1 FINANCIAL ASSETS MEASURED AT AMORTISED COST

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

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

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

	31.12.2022 R				
(In EURm)	Carrying amount[2]	Fair value	Level 1	Level 2	Level 3
Due from banks	68,171	67,964	-	54,582	13,382
Customer loans[1]	506,635	480,914	-	196,255	284,659
Debt Securities	26,143	25,285	10,572	10,581	4,132
TOTAL	**600,949**	**574,163**	**10,572**	**261,418**	**302,173**

(1) *Carrying amount consists of EUR 157,180 million of assets floating rate and EUR 349,455 million of assets fixed rate (including EUR 101,969 million fixed rate less than one year).*

(2) *Carrying amount does not include the revaluation differences on portfolios hedged against interest rate risk for an amount of EUR -2,262 million.*

NOTE 3.9.2 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

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

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

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

	31.12.2022 R				
(In EURm)	Carrying amount[2]	Fair value	Level 1	Level 2	Level 3
Due to banks	133,011	133,009	255	118,331	14,423
Customer deposits[1]	530,764	529,099	-	457,003	72,096
Debt securities issued	133,176	131,290	22,838	106,619	1,833
Subordinated debt	15,948	15,949	-	15,949	-
TOTAL	**812,899**	**809,347**	**23,093**	**697,902**	**88,352**

(1) *Carrying amount consists of EUR 188,638 million of liabilities floating rate and EUR 342,126 million of liabilities fixed rate (including EUR 304,070 million fixed rate less than one year).*

(2) *Carrying amount does not include the revaluation differences on portfolios hedged against interest rate risk for an amount of EUR -9,659 million.*

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

Since the contractual maturity of these deposits is immediate, the discounting effect is nil and their fair value is equal to their nominal amount.

NOTE 3.9.3 VALUATION METHODS OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

LOANS, RECEIVABLES AND LEASE FINANCING AGREEMENTS

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

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

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

DEBTS

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

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

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

SECURITIES

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

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

NOTE 3.10 Commitments and assets pledged and received as securities

ACCOUNTING PRINCIPLES

Loan commitments

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

Guarantee commitments

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

Securities commitments

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

Assets pledged as and received as collateral

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

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

NOTE 3.10.1 COMMITMENTS

COMMITMENTS GRANTED

(In EURm)	31.12.2023	31.12.2022 R
Loan commitments		
To banks	97,092	84,882
To customers	224,548	228,036
Issuance facilities	*83*	*83*
Confirmed credit lines	*210,499*	*202,401*
Others	*13,966*	*25,552*
Guarantee commitments		
On behalf of banks	5,733	6,598
On behalf of customers(1)	75,685	88,779
Securities commitments		
Securities to be delivered	41,083	38,199
Acquisition of tangible assets commitments		
Purchase of vehicles and underlying assets subject to an operating lease	9,191	6,344

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

COMMITMENTS RECEIVED

(In EURm)	31.12.2023	31.12.2022 R
Loan commitments		
From banks	66,312	86,440
Guarantee commitments		
From banks	117,694	127,233
Other commitments(1)	199,747	178,486
Securities commitments		
Securities to be received	38,522	38,563

(1) These commitments include the guarantee granted by French government related to the State Guaranteed Loans (see Note 1.6).

NOTE 3.10.2 FINANCIAL ASSETS PLEDGED AND RECEIVED AS SECURITY

FINANCIAL ASSETS PLEDGED

(In EURm)	31.12.2023	31.12.2022 R
Book value of assets pledged as security for liabilities(1)	337,037	357,694
Book value of assets pledged as security for transactions in financial instruments(2)	69,447	85,717
Book value of assets pledged as security for off-balance sheet commitments	2,209	2,547
TOTAL	**408,693**	**445,958**

(1) Assets pledged as security for liabilities mainly include loans given as guarantees for liabilities (guarantees notably provided to the central banks).
(2) Assets pledged as security for transactions in financial instruments mainly include security deposit.

FINANCIAL ASSETS RECEIVED AS SECURITY AND AVAILABLE FOR THE ENTITY

(In EURm)	31.12.2023	31.12.2022 R
Fair value of securities purchased under resale agreements	**193,154**	**150,614**

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

NOTE 3.11 Transferred financial assets

ACCOUNTING PRINCIPLES

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

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

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

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

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

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

NOTE 3.11.1 TRANSFERRED FINANCIAL ASSETS NOT DERECOGNISED

REPURCHASE AGREEMENTS

	31.12.2023		31.12.2022 R	
(In EURm)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities at fair value through profit or loss	13,402	11,098	14,992	11,876
Securities at fair value through other comprehensive income	13,457	11,159	13,427	11,163
Securities at amortised cost	187	182	249	239
TOTAL	**27,046**	**22,439**	**28,668**	**23,278**

SECURITIES LENDING

(In EURm)	31.12.2023		31.12.2022 R	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities at fair value through profit or loss	14,509	-	12,455	-
Securities at fair value through other comprehensive income	228	-	249	-
Securities at amortised cost	8	-	8	-
TOTAL	**14,745**	**-**	**12,712**	**-**

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

(In EURm)	31.12.2023	31.12.2022
Customers loans		
Carrying amount of transferred assets	8,663	4,613
Carrying amount of associated liabilities	6,869	4,188
Fair value of transferred assets (A)	8,857	4,750
Fair value of associated liabilities (B)	6,872	4,188
Net position (A)-(B)	**1,985**	**562**

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

NOTE 3.11.2 TRANSFERRED FINANCIAL ASSETS PARTIALLY OR FULLY DERECOGNISED

As at 31 December 2023, the Group carried out no material transactions resulting in the partial or full derecognition of financial assets leaving the Group with a continuing involvement in said assets.

NOTE 3.12 Offsetting financial assets and financial liabilities

ACCOUNTING PRINCIPLES

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties. In this respect, the Group recognises in its balance sheet the net amount of derivative financial instruments traded with certain clearing houses where they achieve net settlement through a daily cash margining process, or where their gross settlement system has features that eliminate or result in insignificant credit and liquidity risk, and that process receivables and payables in a single settlement process or cycle.

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

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

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

NOTE 3.12.1 AT 31 DECEMBER 2023

ASSETS

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

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.
(2) At 31 December 2023, the amount offset within the "Derivative financial instruments" section includes EUR 60,964 million of cash margin received.

LIABILITIES

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

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.
(2) At 31 December 2023, the amount offset within the "Derivative financial instruments" section includes EUR 63,797 million of cash margin paid.

NOTE 3.12.2 AT 31 DECEMBER 2022 R

ASSETS

(In EURm)	Amount of assets not subject to offsetting	Impact of offsetting on the balance sheet: Gross amount	Impact of offsetting on the balance sheet: Amount offset	Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements(1): Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments received as collateral	Net amount
Derivative financial instruments*(2) (see Notes 3.1 and 3.2)	12,359	229,575	(132,188)	109,746	(70,657)	(9,292)	-	29,797
Securities lent	3,951	8,809	-	12,760	(6,996)	(39)	-	5,725
Securities purchased under resale agreements (see Notes 3.1 and 3.5)	50,097	200,497	(99,980)	150,614	(7,927)	(1,634)	(61,768)	79,285
Guarantee deposits pledged (see Note 4.4)	53,614	14,154	-	67,768	-	(14,154)	-	53,614
Other assets not subject to offsetting	1,144,012	-	-	1,144,012	-	-	-	1,144,012
TOTAL	**1,264,033**	**453,035**	**(232,168)**	**1,484,900**	**(85,580)**	**(25,119)**	**(61,768)**	**1,312,433**

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.
(2) At 31 December 2022, the amount offset within the "Derivative financial instruments" section includes EUR 62,652 million of cash margin received.

LIABILITIES

(In EURm)	Amount of assets not subject to offsetting	Impact of offsetting on the balance sheet: Gross amount	Impact of offsetting on the balance sheet: Amount offset	Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements(1): Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral	Net amount
Derivative financial instrument*(2) (see Notes 3.1 and 3.2)	15,365	235,643	(132,188)	118,820	(70,657)	(14,154)	-	34,009
Amount payable on borrowed securities (see Note 3.1)	32,235	18,866	-	51,101	(6,996)	-	-	44,105
Securities sold under repurchase agreements (see Notes 3.1 and 3.6)	43,652	170,223	(99,980)	113,895	(7,927)	-	(51,400)	54,568
Guarantee deposits received (see Note 4.4)	63,341	10,965	-	74,306	-	(10,965)	-	63,341
Other liabilities not subject to offsetting	1,053,452	-	-	1,053,452	-	-	-	1,053,452
TOTAL	**1,208,045**	**435,697**	**(232,168)**	**1,411,574**	**(85,580)**	**(25,119)**	**(51,400)**	**1,249,475**

** 2022 amounts restated to present the effects of offsetting on OTC derivative financial instruments and associated margin calls, in application of Collateralized-To-Market model by clearing houses.*
(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.
(2) At 31 December 2022, the amount offset within the "Derivative financial instruments" section includes EUR 65,574 million of cash margin paid.

NOTE 3.13 Contractual maturities of financial liabilities

(In EURm)	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	31.12.2023
Due to central banks	9,718	-	-	-	9,718
Financial liabilities at fair value through profit or loss	239,500	35,406	56,145	44,533	375,584
Due to banks	62,587	43,357	10,724	1,179	117,847
Customer deposits	481,894	36,166	19,976	3,641	541,667
Debts securities issued	35,963	27,977	67,755	28,811	160,506
Subordinated debt	213	76	6,594	9,011	15,894
Other liabilities	84,028	2,548	3,822	3,260	93,658
TOTAL LIABILITIES	**913,903**	**145,530**	**165,016**	**90,435**	**1,314,884**
Loan commitments granted and others(1)	145,084	50,230	117,341	18,176	330,831
Guarantee commitments granted	40,697	16,653	15,861	8,207	81,418
TOTAL COMMITMENTS GRANTED	**185,781**	**66,883**	**133,202**	**26,383**	**412,249**

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

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

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

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

NOTE 4 OTHER ACTIVITIES

NOTE 4.1 Fee income and expense

ACCOUNTING PRINCIPLES

Fee income and Fee expense combine fees on services rendered and received, as well as fees on commitments, that cannot be assimilated to interest. Fees that can be assimilated to interest are integrated into the effective interest rate on the associated financial instrument and are recorded under Interest and similar income and Interest and similar expense (see Note 3.7).

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

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

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

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

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

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognised under Other Assets and Other Liabilities (see Note 4.4):

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

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

	2023			2022 R		
(In EURm)	Income	Expense	Net	Income	Expense	Net
Transactions with banks	**134**	**(125)**	**9**	**133**	**(110)**	**23**
Transactions with customers	**2,979**		**2,979**	**3,088**		**3,088**
Financial instruments operations	**3,366**	**(2,976)**	**390**	**2,475**	**(2,447)**	**28**
Securities transactions	717	(1,268)	(551)	495	(1,008)	(513)
Primary market transactions	547		547	162		162
Foreign exchange transactions and derivatives instruments	2,102	(1,708)	394	1,818	(1,439)	379
Loan and guarantee commitments	**1,004**	**(429)**	**575**	**974**	**(424)**	**550**
Various services	**2,580**	**(945)**	**1,635**	**2,730**	**(1,202)**	**1,528**
Asset management fees	316		316	329		329
Means of payment fees	1,018		1,018	1,072		1,072
Insurance product fees	208		208	236		236
Underwriting fees of UCITS	82		82	75		75
Other fees	956	(945)	11	1,018	(1,202)	(184)
TOTAL	**10,063**	**(4,475)**	**5,588**	**9,400**	**(4,183)**	**5,217**

NOTE 4.2 Income and expense from other activities

ACCOUNTING PRINCIPLES

Leasing activities

Leases granted by the Group which do not transfer to the lessee virtually all the risks and benefits associated with ownership of the leased asset are classified as operating leases.

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

Leased assets are depreciated, excluding residual value, over the life of the lease; the latter corresponds to the non-cancellable lease term adjusted for any option to extend the contract that the lessee is reasonably certain to exercise and any early termination options that the lessee is reasonably certain not to exercise (see Note 8.3). Lease payments are recognised as income according to the straight-line method over the term of the lease. Meanwhile, the purpose of the accounting treatment of the income from invoices for maintenance services related to operating leases is to reflect, over the term of the service agreement, a constant margin between this income and the expenses incurred in providing the service.

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

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

The leases granted by the Group entities may include the maintenance service of the leased equipment. In this case, the portion of rentals corresponding to this maintenance service is spread over the duration of the service (generally the lease contract duration) and, when necessary, considers the progress of the service provided when it is not linear.

Real estate development activities

As the sale of real estate off plan (housing, office property, retail areas, etc.) is an ongoing service, the margin of this activity is progressively recognised over the construction programme's duration until the delivery date to the customer. It is recognised under income when this margin is positive and under expenses when this margin is negative.

The margin recognised at each closing period reflects the programme's estimated margin forecast and its stage of completion at the end of the period which depends on the progress in terms of marketing and the project.

	2023			2022 R		
(In EURm)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Real estate development	60	(4)	56	69	-	69
Real estate leasing	87	(174)	(87)	80	(151)	(71)
Equipment leasing[(1)]	20,107	(15,992)	4,115	12,490	(9,466)	3,024
Other activities	751	(1,224)	(473)	662	(1,008)	(346)
TOTAL	**21,005**	**(17,394)**	**3,611**	**13,301**	**(10,625)**	**2,676**

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

NOTE 4.3 Insurance activities

MAKING IT SIMPLE

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

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

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

ACCOUNTING PRINCIPLES

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

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

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

Grouping of contracts

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

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

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

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

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

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

The major portfolios identified by the Group are as follows:

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

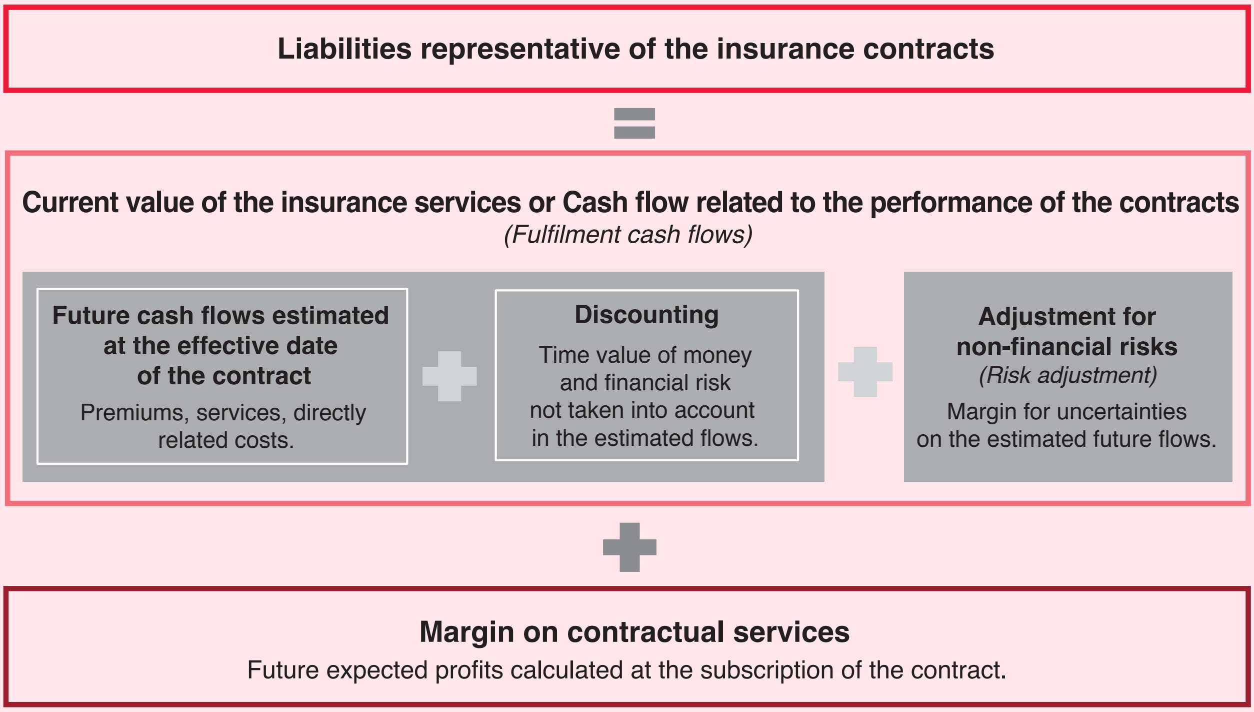
Measurement models

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

GENERAL MODEL APPLICABLE TO THE INSURANCE CONTRACTS ISSUED

Initial measurement

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



Future estimated cash flows

These cash flows are the current estimates of all the amounts that the insurer expects to receive (for premiums…) or pay to the benefit of insurance policyholders (in relation to life insurance, claims to be compensated, guaranteed benefits and other directly attributable expenses) as part of the fulfilment of insurance contracts, until their settlement.

These amounts are adjusted to reflect:

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

Discounting

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

Adjustment for non-financial risk

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

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

Contractual service margin (CSM)

The contractual service margin (CSM) represents the unearned profit that the entity will recognise in the income statement as the insurance services are provided in the future. Its amount is determined at the time of initial recognition of the group of insurance contracts so that, at that date, neither income nor expense is recorded in the income statement. In the event of onerous contracts, the expected loss shall immediately be recognised in profit or loss. This initial loss will later be reversed in profit or loss to offset the expense for incurred claims.

Subsequent measurement

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

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

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

	Changes in liability for remaining coverage	Changes in liability for incurred claims
Insurance products	■ Reversals related to the insurance services provided during the period	
Insurance services expenses	■ Losses recognised on onerous contracts and reversal of these losses	■ Allocations of liabilities for the incurred claims and the unfunded expenses incurred during the period ■ Subsequent changes in the fulfilment cash flows relating to the incurred claims and the unfunded expenses incurred
Insurance financial expenses and income	■ Account taken of the impacts of the time value of money	■ Account taken of the impacts of the time value of money

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

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

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

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

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

Protection-Provident business

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

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

GENERAL MODEL ADAPTED TO THE INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION FEATURES (VARIABLE FEE APPROACH)

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

The variable fee:

a) represents the counterparty that a company receives to provide investment services;

b) is based on the portion of the performance of theunderlying items that varies over time. Consequently, the variable fee reflects the performance of the underlying items and the other cash flows necessary for the fulfilment of the contracts.

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

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

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

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

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

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

There are however several differences:

	General model	Tailored General model – VFA
Recognition of the changes in fulfilment cash flows in relation to the changes in discounting rates and other financial variables	■ in full in the Statement of net income and unrealised or deferred gains and losses	■ as an adjustment of the contractual service margin for the portion of this change associated with the insurer’s share of underlying items
Determination of the interest expense for the capitalisation of interest on the contractual service margin	■ explicitly applying the discount rate used during the initial measurement	■ implicitly when taking account of the insurer’s share in the change in fair value of the underlying items for the determination of the contractual service margin

Savings and Retirement business

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

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

GENERAL MODEL ADAPTED TO THE REINSURANCE CONTRACTS HELD

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

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

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

SIMPLIFIED MODEL (PREMIUM ALLOCATION APPROACH)

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

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

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

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

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

The simplified approach does not require:

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

Protection – non-life insurance activity

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

Presentation of the financial performance of insurance contracts

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

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

INCOME FROM INSURANCE CONTRACTS ISSUED

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

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

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

INSURANCE SERVICES EXPENSES

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

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

INCOME AND EXPENSES OF THE REINSURANCE CONTRACTS HELD.

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

FINANCIAL INCOME AND EXPENSES OF INSURANCE CONTRACTS

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

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

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

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

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

As a reminder, on the transition date of 1 January 2022, the Group applied a modified retrospective approach for the measurement of savings life insurance contracts and retirement savings contracts which represent the vast majority of its contracts. Damage Protection contracts were subject to a complete retrospective approach. For Personal protection contracts, a complete or modified retrospective approach has been implemented on a case-by-case basis.

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

Average discount rate for the euro	31.12.2023						31.12.2022 R					
	1 year	5 years	10 years	15 years	20 years	40 years	1 year	5 years	10 years	15 years	20 years	40 years
Savings and retirement	4.27%	3.24%	3.31%	3.39%	3.34%	3.27%	3.73%	3.69%	3.66%	3.58%	3.32%	3.12%
Protection	3.74%	2.74%	2.77%	2.83%	2.74%	2.82%	3.21%	3.17%	3.14%	3.06%	2.80%	2.74%

NOTE 4.3.1 EXCERPT FROM THE BALANCE SHEET OF THE INSURANCE ACTIVITY

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

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

DETAIL OF ASSETS

	31.12.2023				31.12.2022 R			
	Insurance contracts				Insurance contracts			
(In EURm)	With direct partici-pations features	Other	Other	Total	With direct partici-pations features	Other	Other	Total
Financial assets at fair value through profit or loss	**107,864**	**211**	**3,794**	**111,869**	**92,759**	**216**	**4,739**	**97,714**
Trading portfolio	547	-	20	567	833	-	25	858
Shares and other equity securities	*-*	*-*	*-*	*-*	*-*	*-*	*17*	*17*
Trading derivatives	*547*	*-*	*20*	*567*	*833*	*-*	*8*	*841*
Financial assets measured mandatorily at fair value through profit or loss	93,912	205	3,725	97,842	78,677	210	4,712	83,599
Bonds and other debt securities	*30,332*	*14*	*117*	*30,463*	*21,968*	*21*	*229*	*22,218*
Shares and other equity securities	*62,563*	*186*	*3,304*	*66,053*	*55,671*	*184*	*4,086*	*59,941*
Loans, receivables and securities purchased under resale agreements	*1,017*	*5*	*304*	*1,326*	*1,038*	*5*	*397*	*1,440*
Financial instruments measured using fair value option through profit or loss	13,405	6	49	13,460	13,249	6	2	13,257
Bonds and other debt securities	*13,405*	*6*	*49*	*13,460*	*13,249*	*6*	*2*	*13,257*
Hedging derivatives	**140**	**-**	**-**	**140**	**121**	**-**	**-**	**121**
Financial assets at fair value through other comprehensive income	**51,257**	**1,417**	**226**	**52,900**	**53,971**	**1,326**	**200**	**55,497**
Debt instruments	51,257	1,417	226	52,900	53,971	1,326	200	55,497
Bonds and other debt securities	*51,243*	*1,415*	*226*	*52,884*	*53,930*	*1,326*	*200*	*55,456*
Loans, receivables and securities purchased under resale agreements	*14*	*2*	*-*	*16*	*41*	*-*	*-*	*41*
Financial assets at amortised cost(1)	**718**	**614**	**5,368**	**6,700**	**1,155**	**263**	**4,670**	**6,088**
Investment Property	**729**	**-**	**1**	**730**	**876**	**-**	**1**	**877**
TOTAL INVESTMENTS OF INSURANCE ACTIVITIES(2)	**160,708**	**2,242**	**9,389**	**172,339**	**148,882**	**1,805**	**9,610**	**160,297**
Deferred acquisition costs	-	-	-	-	6	-	-	6
Insurance contracts issued assets	-	81	-	81	-	42	-	42
Reinsurance contracts held assets	-	378	-	378	-	305	-	305
TOTAL INSURANCE AND REINSURANCE CONTRACTS ASSETS	**-**	**459**	**-**	**459**	**6**	**347**	**-**	**353**

(1) *The financial assets at amortised cost are mainly related to Debt securities at amortised cost and Loans and receivables due from banks at amortised cost.*

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

DETAIL OF LIABILITIES

	31.12.2023				31.12.2022 R			
	Insurance contracts				Insurance contracts			
(In EURm)	With direct partici-pations features	Other	Other	Total	With direct partici pations features	Other	Other	Total
Financial liabilities at fair value through profit or loss	**82**	**-**	**4,017**	**4,099**	**78**	**-**	**3,520**	**3,598**
Trading portfolio	82	-	503	585	47	-	572	619
Borrowings and securities sold under repurchase agreements	-	-	-	-	-	-	*33*	*33*
Trading derivatives	*82*	-	*503*	*585*	*47*	-	*539*	*586*
Financial instruments measured using fair value option through profit or loss(1)	-	-	3,514	3,514	31	-	2,946	2,977
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt securities issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Due to banks	**2,442**	**6**	**84**	**2,532**	**2,116**	**74**	**45**	**2,235**
Customer deposits	**-**	**-**	**4**	**4**	**-**	**-**	**3**	**3**
TOTAL OF FINANCIAL LIABILITIES FROM INSURANCE ACTIVITIES	**2,524**	**6**	**4,105**	**6,635**	**2,194**	**74**	**3,568**	**5,836**
Insurance contracts issued liabilities	138,976	2,746	-	141,722	133,795	2,079	-	135,874
Reinsurance contracts held liabilities	-	1	-	1	-	1	-	1
TOTAL INSURANCE AND REINSURANCE CONTRACTS LIABILITIES	**138,976**	**2,747**	**-**	**141,723**	**133,795**	**2,080**	**-**	**135,875**

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

NOTE 4.3.2 PERFORMANCE OF INSURANCE ACTIVITIES

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

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

NOTE 4.3.2.1 DETAIL OF PERFORMANCE OF INSURANCE ACTIVITIES

	2023				2022 R			
	Insurance contracts				Insurance contracts			
(In EURm)	With direct partici-pations features	Other	Other	Total	With direct partici-pations features	Other	Other	Total
Financial result of investments and other transactions from insurance activities	**6,527**	**110**	**124**	**6,761**	**(4,208)**	**(7)**	**(36)**	**(4,251)**
Interest and similar income	1,477	33	168	1,678	1,738	39	119	1,896
Interest and similar expense	(261)	(11)	(113)	(385)	(238)	(19)	(87)	(344)
Fee income	10	-	1	11	9	12	-	21
Fee expense	(16)	(3)	(3)	(22)	(16)	(1)	(1)	(18)
Net gains and losses on financial transactions	5,411	92	74	5,577	(5,723)	(23)	(91)	(5,837)
o/w gains and losses on financial instruments at fair value through profit or loss	*5,467*	*97*	*74*	*5,638*	*(5,581)*	*(20)*	*(82)*	*(5,683)*
o/w gains and losses on financial instruments at fair value through other comprehensive income	*(56)*	*-*	*-*	*(56)*	*(142)*	*-*	*-*	*(142)*
o/w gains and losses from the derecognition of financial instruments at amortised cost	*-*	*(5)*	*-*	*(5)*	*-*	*(3)*	*(9)*	*(12)*
Cost of credit risk from financial assets related to insurance activities	7	-	-	7	1	-	-	1
Net income from other activities(1)	(101)	(1)	(3)	(105)	21	(15)	24	30
Insurance service result	**958**	**620**		**1,578**	**930**	**549**		**1,479**
Income from insurance contracts issued	1,259	2,280		3,539	1,120	1,984		3,104
Insurance service expenses	(301)	(1,677)		(1,978)	(190)	(1,416)		(1,606)
Income and expenses from reinsurance contracts held	-	17		17	-	(19)		(19)
Financial result of insurance services	**(6,245)**	**(35)**		**(6,280)**	**4,053**	**22**		**4,075**
Net finance income or expenses from insurance contracts issued	(6,245)	(40)		(6,285)	4,053	(23)		4,030
Net finance income or expenses from reinsurance contracts held	-	5		5	-	45		45
Unrealised or deferred gains and losses from investments that will be reclassified subsequently into income	**2,137**	**72**	**10**	**2,219**	**(10,032)**	**(259)**	**(17)**	**(10,308)**
Revaluation of debt instruments at fair value through other comprehensive income	2,099	72	10	2,181	(9,843)	(259)	(17)	(10,119)
Revaluation of hedging derivatives	38	-	-	38	(189)	-	-	(189)
Unrealised or deferred gains and losses from insurance contracts that will be reclassified subsequently into income	**(2,150)**	**16**		**(2,134)**	**10,025**	**25**		**10,050**
Revaluation of insurance contracts issued	(2,147)	17		(2,130)	10,025	42		10,067
Revaluation of the reinsurance contracts held	(3)	(1)		(4)	-	(17)		(17)

(1) *The item Net income from other activities corresponds to Income from other activities and Expenses from other activities.*

NOTE 4.3.2.2 MONITORING OF THE AMOUNT OF THE GAINS AND LOSSES DIRECTLYRECOGNISED IN EQUITY FOR DEBTS INSTRUMENTS UNDERLYING CONTRACTS WITH DIRECT PARTICIPATION FEATURES PRESENT AS AT THE TRANSITION DATE

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

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

	2023	2022 R
	Cumulative amounts included in OCI for debt instruments underlying direct participation contracts present on the date of transition	**Cumulative amounts included in OCI for debt instruments underlying direct participation contracts present on the date of transition**
Opening balance	**(4,308)**	**5,577**
Unrealised or deferred gains and losses for the period and Unrealised or deferred gains and losses reclassified in profit or loss	1,942	(9,885)
Closing balance	**(2,366)**	**(4,308)**

NOTE 4.3.3 DETAILS RELATING TO OUTSTANDING INSURANCE CONTRACTS

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

SUMMARY OF THE OUTSTANDING STOCK

	2023				2022 R			
	Insurance contracts				Insurance contracts			
(In EURm)	With direct partici-pations features	Other	Other	Total	With direct partici-pations features	Other	Other	Total
Insurance contracts issued assets	-	81	-	81	-	42	-	42
o/w insurance contracts measured under the general model	*-*	*46*	*-*	*46*	*-*	*40*	*-*	*40*
Insurance contracts issued liabilities	138,976	2,746	-	141,722	133,795	2,079	-	135,874
o/w insurance contracts measured under the general model	*138,976*	*1,474*	*-*	*140,450*	*133,795*	*1,072*	*-*	*134,867*
Reinsurance contracts held assets	-	378	-	378	-	305	-	305
o/w reinsurance contracts measured under the general model	*-*	*137*	*-*	*137*	*-*	*110*	*-*	*110*
Reinsurance contracts held liabilities	-	1	-	1	-	1	-	1
o/w reinsurance contracts measured under the general model	-	-	-	-	-	-	-	-
Investment contracts(1)	-	-	3,514	3,514	-	-	2,976	2,976

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

DETAILED NET INCOME FROM INSURANCE SERVICES

The table below shows the Net income from insurance services. The way in which the Insurance income and expenses are recognised are detailed in the accounting principles under the "Presentation of the financial performance of insurance contracts heading".

	2023			2022 R		
	Insurance contracts			Insurance contracts		
(In EURm)	with direct partici-pations features	Other	Total	with direct partici-pations features	Other	Total
Income from insurance contracts issued	**1,259**	**2,280**	**3,539**	**1,120**	**1,984**	**3,104**
Contracts measured under the general model	1,259	1,040	2,299	1,120	998	2,118
Income of premiums (relating to changes in Liabilities for Remaining Coverage) relative to:						
Deferred acquisition costs	*25*	*170*	*195*	*45*	*175*	*220*
Expected claims and handling costs	*147*	*441*	*588*	*156*	*437*	*593*
Expected non financial risk adjustment	*272*	*115*	*387*	*145*	*123*	*268*
Expected contractual services margin	*815*	*314*	*1,129*	*774*	*263*	*1,037*
Contracts measured under the PAA	-	1,240	1,240	-	986	986
Insurance service expenses	**(301)**	**(1,677)**	**(1,978)**	**(190)**	**(1,416)**	**(1,606)**
Amortisation of acquisition costs	(25)	(288)	(313)	(45)	(304)	(349)
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) – Incurred in the period	(276)	(1,645)	(1,921)	(148)	(1,344)	(1,492)
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) – Past services	-	265	265	3	255	258
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	(9)	(9)	-	(23)	(23)
Net income or expenses from reinsurance contracts held	**-**	**17**	**17**	**-**	**(19)**	**(19)**
INSURANCE SERVICE RESULT	**958**	**620**	**1,578**	**930**	**549**	**1,479**

NOTE 4.3.3.1 INSURANCE CONTRACTS MEASUREDUNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION FEATURES) AND THE SIMPLIFIED MODEL

TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS LIABILITIES BY TYPE OF COVERAGE (REMAINING COVERAGE AND CLAIMS INCURRED)

	2023					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the PAA)		
(In EURm)	Excluding the loss component	Loss component		Present value of the future cash flows	Non financial risk adjustment	Total
Insurance contracts issued liabilities	134,009	21	944	820	80	135,874
Insurance contracts issued assets	(39)	5	(10)	2	-	(42)
NET BALANCE AS AT 1 JANUARY	**133,970**	**26**	**934**	**822**	**80**	**135,832**
Income from insurance contracts issued[(1)]	**(3,539)**	**-**	**-**	**-**	**-**	**(3,539)**
Insurance service expenses	**313**	**9**	**796**	**854**	**6**	**1,978**
Amortisation of acquisition costs	313	-	-	-	-	313
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) – Incurred in the period	-	-	987	893	41	1,921
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) – Past services	-	-	(191)	(39)	(35)	(265)
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	9	-	-	-	9
Net finance income or expenses from insurance contracts issued[(2)]	**8,394**	**1**	**(5)**	**23**	**2**	**8,415**
Changes relative to the deposits component including in the insurance contract	**(14,635)**	**-**	**14,635**	**-**	**-**	**-**
Other changes	**(328)**	**-**	**128**	**499**	**18**	**317**
Cash flows	**14,893**	**-**	**(15,470)**	**(785)**	**-**	**(1,362)**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	15,348	-	-	-	-	15,348
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	-	-	(15,470)	(785)	-	(16,255)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(455)	-	-	-	-	(455)
NET BALANCE AS AT 31 DECEMBER	**139,068**	**36**	**1,018**	**1,413**	**106**	**141,641**
Insurance contracts issued liabilities	139,155	32	985	1,444	106	141,722
Insurance contracts issued assets	(87)	4	33	(31)	-	(81)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 371 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

	2022 R					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the PAA)		
(In EURm)	Excluding the loss component	Loss component		Present value of the future cash flows	Non financial risk adjustment	Total
Insurance contracts issued liabilities	148,665	4	1,060	780	56	150,565
Insurance contracts issued assets	(72)	-	27	2	-	(43)
NET BALANCE AS AT 1 JANUARY	**148,593**	**4**	**1,087**	**782**	**56**	**150,522**
Income from insurance contracts issued[1]	**(3,104)**	**-**	**-**	**-**	**-**	**(3,104)**
Insurance service expenses	**349**	**23**	**607**	**600**	**27**	**1,606**
Amortisation of acquisition costs	349	-	-	-	-	349
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) – Incurred in the period	-	-	792	665	35	1,492
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) – Past services	-	-	(185)	(65)	(8)	(258)
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	23	-	-	-	23
Net finance income or expenses from insurance contracts issued[2]	**(14,043)**	**(1)**	**(16)**	**(31)**	**(4)**	**(14,095)**
Changes relative to the deposits component including in the insurance contract	**(14,132)**	**-**	**14,132**	**-**	**-**	**-**
Other changes	**293**	**-**	**(291)**	**(322)**	**1**	**(319)**
Cash flows	**16,014**	**-**	**(14,585)**	**(207)**	**-**	**1,222**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	16,375	-	-	-	-	16,375
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	-	-	(14,585)	(207)	-	(14,792)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(361)	-	-	-	-	(361)
NET BALANCE AS AT 31 DECEMBER	**133,970**	**26**	**934**	**822**	**80**	**135,832**
Insurance contracts issued liabilities	134,009	21	944	820	80	135,874
Insurance contracts issued assets	(39)	5	(10)	2	-	(42)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model): EUR 634 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

NOTE 4.3.3.2 CONTRACTS MEASUREDUNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION)

TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS LIABILITIES ISSUED BY ESTIMATE COMPONENTS (DISCOUNTED FUTURE CASH FLOWS, ADJUSTMENT FOR NON-FINANCIAL RISK AND CONTRACTUAL SERVICE MARGIN)

	2023			
(In EURm)	**Present value of the future cash flows**	**Non financial risk adjustment**	**Contractual services margin**	**Total**
Insurance contracts issued liabilities	123,297	3,452	8,118	134,867
Insurance contracts issued assets	(214)	40	134	(40)
NET BALANCE AS AT 1 JANUARY	**123,083**	**3,492**	**8,252**	**134,827**
Changes that relate to future services	**(3,018)**	**767**	**2,266**	**15**
Changes in estimates that adjust the CSM	(2,582)	622	1,960	-
Changes in estimates that result in losses and reversals on onerous contracts (*i.e.*, that do not adjust the CSM)	11	1	-	12
Effect of new contracts recognised in the year	(447)	144	306	3
Changes that relate to current services	**311**	**(308)**	**(1,129)**	**(1,126)**
Contractual services margin recognised in profit or loss for services provided	-	-	(1,129)	(1,129)
Change in non-financial risk adjustment for risk expired	-	(308)	-	(308)
Experiences adjustments	311	-	-	311
Changes that relate to past services (*i.e.*, changes in fullfilment cash flows relative to incurred claims)	**(137)**	**(54)**	**-**	**(191)**
Net finance income or expenses from insurance contracts issued(1)	**8,370**	**1**	**18**	**8,389**
Other changes	**376**	**3**	**(39)**	**340**
Cash flows	**(1,850)**	**-**	**-**	**(1,850)**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	13,954	-	-	13,954
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	(15,470)	-	-	(15,470)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(334)	-	-	(334)
NET BALANCE AS AT 31 DECEMBER	**127,135**	**3,901**	**9,368**	**140,404**
Insurance contracts issued liabilities(2)	127,374	3,844	9,232	140,450
Insurance contracts issued assets(2)	(239)	57	136	(46)

(1) *This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.*

(2) *Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 255 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).*

	2022 R			
(In EURm)	Present value of the future cash flows	Non financial risk adjustment	Contractual services margin	Total
Insurance contracts issued liabilities	138,337	3,064	8,269	149,670
Insurance contracts issued assets	(229)	52	135	(42)
NET BALANCE AS AT 1 JANUARY(1)	**138,108**	**3,116**	**8,404**	**149,628**
Changes that relate to future services	**(1,586)**	**667**	**945**	**26**
Changes in estimates that adjust the CSM	(1,157)	439	718	-
Changes in estimates that result in losses and reversals on onerous contracts (*i.e.*, that do not adjust the CSM)	18	2	-	20
Effect of new contracts recognised in the year	(447)	226	227	6
Changes that relate to current services	**115**	**(194)**	**(1,036)**	**(1,115)**
Contractual services margin recognised in profit or loss for services provided	-	-	(1,036)	(1,036)
Change in non-financial risk adjustment for risk expired	-	(194)	-	(194)
Experiences adjustments	115	-	-	115
Changes that relate to past services (*i.e.*, changes in fullfilment cash flows relative to incurred claims)	**(108)**	**(77)**	**-**	**(185)**
Net finance income or expenses from insurance contracts issued(2)	**(14,037)**	**(39)**	**16**	**(14,060)**
Other changes	**254**	**19**	**(77)**	**196**
Cash flows	**337**	**-**	**-**	**337**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	15,261	-	-	15,261
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	(14,585)	-	-	(14,585)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(339)	-	-	(339)
NET BALANCE AS AT 31 DECEMBER	**123,083**	**3,492**	**8,252**	**134,827**
Insurance contracts issued liabilities(3)	123,297	3,452	8,118	134,867
Insurance contracts issued assets(3)	(214)	40	134	(40)

(1) Of which, for the contractual service margin of the insurance contracts and measured under the BBA general model: EUR 808 million using the modified retrospective approach and measured under the VFA model EUR 7,590 million using the modified retrospective approach.

(2) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

(3) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 390 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).

DETAILED EFFECT OF THE NEW CONTRACTS RECOGNISED DURING THE PERIOD

	2023		2022 R	
(In EURm)	**Insurance contracts issued**	***o/w transfer of contracts***	**Insurance contracts issued**	***o/w transfer of contracts***
Present value of:				
Estimated cash outflows	6,846	-	7,245	-
o/w acquisitions costs	*334*	-	*339*	-
o/w costs of claims and handling costs	*6,512*	-	*6,906*	-
Estimated cash inflows	(7,296)	-	(7,698)	-
Non-financial risk adjustment	**144**	**-**	**226**	**-**
Contractual services margin	**306**	**-**	**227**	**-**
Loss component on onerous contracts	**3**	**-**	**6**	**-**
TOTAL	**3**	**-**	**6**	**-**

NOTE 4.3.3.3 DETAILS ON THE PROJECTED ITEMS RELATING TO THE MEASUREMENT OF CONTRACTS

SCHEDULING OF THE CASH FLOWS RELATED TO THE INSURANCE AND REINSURANCE CONTRACTS LIABILITIES

(In EURm)	**Up to 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**31.12.2023**
Insurance and reinsurance contracts liabilities	3,571	9,188	36,538	92,426	141,723

EXPECTED RECOGNITION IN THE INCOME STATEMENT OF THE CONTRACTUAL SERVICE MARGIN DETERMINED AT THE END OF THE PERIOD(1)

(In EURm)	**31.12.2023**	**31.12.2022 R**
Expected years before recognising CSM in profit or loss	**Insurance contracts issued**	**Insurance contracts issued**
1 to 5 years	3,901	3,520
6 to 10 years	1,913	1,973
> 10 years	3,554	2,759
TOTAL	**9,368**	**8,252**

(1) The contractual service margin determined at the end of the period does not include future new insurance contracts, and insurance contracts valued according to the simplified model. Furthermore, this contractual service margin includes the discounting effect and the adjustment taking into account the financial performance of the underlying assets.

NOTE 4.3.4 INSURANCE RISK MANAGEMENT

Insurance risk is the risk of loss inherent in the insurance business; the Group is exposed to it through its insurance subsidiaries. In addition to asset and liability risk management (interest rate, valuation, counterparty and exchange rate risk), this covers the risks related to premium pricing, mortality and increase in the number of claims.

NOTE 4.3.4.1 MANAGEMENT OF INSURANCE RISK

There are two main types of insurance risk:

- **technical risks**, and particularly underwriting risk in life insurance, individual personal protection and non-life insurance. These risks may be biometric: disability, longevity, mortality, or related to policyholders' behaviour (risk of surrender). To a lesser extent, in non-life and health insurance, such risks may also arise from claims pricing, selection and management, or from disaster risk;
- **risks associated with financial markets and asset-liability management**: the Insurance business line, mainly through life insurance on the French market, is exposed to hazards in financial markets (changes in interest rates and stock market fluctuations). These market hazards can be aggravated by policyholder behaviour (particularly in the case of surrender of savings life insurance policies) insofar as the amount of benefits on savings life insurance policies depends on the financial performance of the assets. This interaction between assets and liabilities is considered in the valuation of future cash flows.

The savings life insurance portfolio constitutes the majority of commitments for an amount of EUR 138,976 million as at 31 December 2023 recognised as Insurance contracts issued liabilities with direct participation features (EUR 133,795 million as at 31 December 2022). In addition, the commitments of the protection portfolio recognised in Insurance contracts issued liabilities excluding direct participation feature amounted to EUR 2,746 million as at 31 December 2023 (EUR 2,079 million as at 31 December 2022).

Managing these risks is at the core of the Insurance business line activity. It is carried out by qualified and experienced teams, with significant and appropriate IT resources. Risks are regularly monitored and reported within the framework of risk policies validated by the Board of Directors of the entities.

Technical risk management

Technical risk management are based on the following:

- heightened security for the risk acceptance process, with the aim of ensuring that the *ab initio* pricing matches the policyholder's risk profile and underwritten guarantees;
- regular monitoring of claim indicators in order to adjust some product parameters, such as the pricing or the level of coverage, if necessary;
- implementation of a reinsurance plan to protect the business line against major/serial claims;
- establishment of committees to monitor portfolio risks and decide on the launch of significant new products;
- implementation of the policies on subscription, provisioning and reinsurance risks.

RISK CONCENTRATION

The most material exposures in the portfolio are diversified on the French territory and do not show any specific concentration with regard to the French insurance market. The ALM and Risk Management Committee of the Insurance business line sets concentration limits per issuer and for certain sectors. This committee is regularly informed of the exposures and possible exceedances.

Risk management related to financial markets and asset-liability management

The management of the risks linked to the financial markets and asset-liability management is an integral part of the investment strategy just like long-term performance objectives. The optimisation of these two factors is highly influenced by the asset/liability balances. Liability commitments (guarantees offered to customers, policies length of detention), as well as the amounts booked under the major items on the accounting and prudential balance sheet (shareholders' equity, net income, provisions etc.) are analysed by the Finance, Investments and Risk Division of the Insurance business line.

The management of the risks related to financial markets (interest rate, credit and equity) and to asset-liability management is based on the following:

- monitoring short- and long-term cash flows (match between the duration of the liabilities and assets, liquidity risk management);
- particular monitoring of policyholder behaviour (surrender);
- close monitoring of financial markets;
- hedging against interest rate risks (both upside and downside);
- hedging against equity risk downside;
- determination of thresholds and limits per counterparty, per issuer rating and per asset class;
- performance of stress tests, the result of which are presented annually to the entities' Board of Directors, as part of the ORSA (*Own Risk and Solvency Assessment*), transferred to the ACPR after approval by the Board;
- organisation of committees to monitor the portfolio and to rule on investment decisions; implementation of the asset-liability management and investment risk policies.

CONCENTRATION OF MARKET RISK AND CREDIT RISK

The companies in the Insurance business line invest in the various types of financial products while respecting a prudent investment risk management policy. Within each type of securities, exposures are diversified in terms of geography, issuers and sectors. The implementation of this policy is characterised by the definition of thresholds, limits and constraints. The main concentrations are monitored within the framework of the ALM and Risk Management Committee. Similarly, the concentration of credit risk is subject to thresholds and limits. Any crossing of thresholds or limits is reported to the ALM and Risk Management Committee, an emanation of the Board of Directors.

Regulatory framework

The Sogecap group is subject to the European "Solvency 2" framework. The capital requirement is determined using the standard formula and the yield curve with the volatility adjustment provided by the European Insurance and Occupational Pensions Authority.

NOTE 4.3.4.2 INSURANCE RISK MODELING

In savings life insurance, the ALM stochastic model takes into account asset/liability interactions and integrates assumptions regarding policyholder behaviour (surrenders, death, arbitrage), the behaviour of the insurer (interest rate policy in line with the investment policy), the use of financial reserves, and the modelling of fees and commissions.

In protection, liabilities are projected based on adapted models that reflect the flows of premiums, claims and fees related to the management of these claims. They include assumptions and calculation parameters such as experience or mortality tables, fall or early repayment rates depending on the product, overhead rates, inflation, etc.

The models used in relation to Insurance activities are reviewed by the Risk and Actuarial Supervision Department, which is the second line of defence in the context of model risk management. The review work focuses on the theoretical robustness (evaluation of the quality of design and development) of the models, their use, the compliance of their implementation and the continuous monitoring of their relevance over time. The independent review process ends with (i) the publication of a report describing the scope of the review, tests performed, results, conclusions or recommendations and by (ii) Validation committees.

NOTE 4.3.4.3 INSURANCE RISK EXPOSURES AND SENSITIVITY ANALYSES

Technical insurance risks

In life insurance, the Insurance business line is mainly exposed to surrender risks due to the preponderance of euro-denominated contracts in life insurance and borrower' insurance, and to a lesser extent, to mortality risk. The risk of surrender in life insurance is mitigated by the loss absorption capacity of the technical reserves (ability to reduce the level of discretionary profit-sharing attributed to policyholders). The Group implements a reinsurance program mainly to mitigate the mortality risks carried in the borrowers' insurance, individual personal protection and term life insurance contracts.

SENSITIVITY OF THE INSURANCE BUSINESS LINE TO UNDERWRITING RISK ON THE "SAVINGS" SCOPE (INSURANCE CONTRACTS WITH DIRECT PARTICIPATION FEATURES)

		31.12.2023	
Risk factors	**Shock used**	**Impact On the Net Income**	**Impact on the capital**
Increase in surrender	5% of outstanding 2023 year end	(13)	(13)

In property and casualty insurance, the Group is exposed to underwriting risk, *i.e.* the risk of loss of capital resulting from the difference between the costs related to the claims expected when pricing and the actual costs resulting from unfavourable changes in one or more risk factors (deviation in the frequency, the average costs, occurrence of atypical events).

Financial risks

Market risk: Given the preponderance of savings life insurance among its insurance business line, the Group is mainly exposed to market risk, defined as the risk of loss of capital on the value of financial instruments resulting from variations in market parameters, the volatility of these parameters and correlations between these parameters. The parameters concerned are, in particular exchange rates, interest rates, as well as the prices of securities (shares, bonds), financial derivatives, real estate assets or any other assets.

Sensitivities have been identified in relation to the main financial risk factors analysed either alone or in combination. They take into account policyholder behaviours (in particular surrender) and are net of tax and net of the participation allocated to policyholders.

SENSITIVITY OF THE INSURANCE BUSINESS LINE TO MARKET RISKS IN THE SAVINGS SCOPE (INSURANCE CONTRACTS WITH DIRECT PARTICIPATION)

		31.12.2023	
Risk factors	**Shock used**	**Impact On the Net Income**	**Impact on the capital**
Rising rates	+50 bps	(8)	(8)
Lower rates	-50 bps	11	11
Decline in equities	-10%	(17)	(17)

Liquidity risk: In the context of insurance operations, liquidity risk corresponds to the inability of the Insurance business line to meet its contractual obligations and settle reported claims (potential losses incurred in the event of forced sales of assets or when financial assets are invested in illiquid markets). Liquidity risk is governed by the investment risk management policy and the risk management policy of the Insurance business line; The rules for allocating asset portfolios lead to a diversification of these portfolios and a limitation of investments in low liquidity assets (private equity, real estate, etc.).

ALM studies on liquidity risk ensure that the investment structure of the Insurance business line is consistent with its insurance commitments. The framework for strategic asset allocation also makes it possible to limit this risk.

Credit risk: The implementation of thresholds and limits per counterparty makes it possible to limit this risk on financial assets. Information on the credit risk of the financial assets of the insurance business is detailed in Note 3.8. In addition, the default risk of reinsurers (representative of the claims receivable net of premiums to be paid) is mitigated by collateral received from reinsurers, mainly in the form of high-quality securities or cash.

NOTE 4.4 Other assets and liabilities

NOTE 4.4.1 OTHER ASSETS

(In EURm)	31.12.2023	31.12.2022 R
Guarantee deposits paid[1]	51,611	67,768
Settlement accounts on securities transactions	2,835	3,895
o/w due from clearing houses bearing credit risk	*163*	*262*
Prepaid expenses	1,680	1,387
Miscellaneous receivables[2]	14,111	9,684
o/w miscellaneous receivables bearing credit risk[3]	*6,404*	*4,208*
GROSS AMOUNT	**70,237**	**82,734**
Impairments	(472)	(419)
Credit risk[3]	*(328)*	*(295)*
Other risks	*(144)*	*(124)*
NET AMOUNT	**69,765**	**82,315**

(1) Mainly relates to guarantee deposits paid on financial instruments, their fair value is assumed to be the same as their book value net of impairment for credit risk.
(2) Miscellaneous receivables primarily include trade receivables, fee income and income from other activities to be received. The operating leases receivables equal to EUR 2,325 million as of 31 December 2023, compared to EUR 1,258 million as of 31 December 2022.
(3) Net value of miscellaneous receivables bearing credit risk amounts to EUR 6,076 million as of 31 December 2023, compared to EUR 3,913 million as of 31 December 2022 (see Note 3.8).

NOTE 4.4.2 OTHER LIABILITIES

(In EURm)	31.12.2023	31.12.2022 R
Guarantee deposits received[1]	53,253	74,306
Settlement accounts on securities transactions	3,576	4,759
Expenses payable on employee benefits	2,566	2,610
Lease liability	2,065	2,104
Deferred income	1,643	1,297
Miscellaneous payables[2]	30,555	22,239
TOTAL	**93,658**	**107,315**

(1) Mainly relates to guarantee deposits received on financial instruments, their fair value is assumed to be the same as their book value.
(2) Miscellaneous payables primarily include trade payables, fee expense and expense from other activities to be paid.

NOTE 5 OTHER GENERAL OPERATING EXPENSES

(In EURm)		31.12.2023	31.12.2022 R
Personnel expenses[(1)]	Note 5.1	(10,645)	(10,052)
Other operating expenses[(1)]	Note 5.2	(6,887)	(7,009)
Other general operating expenses attributable to the insurance contracts[(2)]		683	636
TOTAL		**(16,849)**	**(16,425)**

(1) The amount of Personnel expenses and Other administrative expenses detailed in Note 5.1 and Note 5.2 are presented in the income statement before reallocation in the net banking income of the expenses attributable to insurance contracts.

(2) The Other general operating expenses attributable to insurance contracts are recognised during the period as service expenses relating to the insurance and reinsurance contracts issued, except for acquisition costs which are recorded in the balance sheet to be recognised in profit or loss in subsequent periods.

Event after the reporting period

PLAN TO IMPLEMENT ORGANISATIONAL CHANGES IN SOCIETE GENERALE HEAD OFFICE IN FRANCE

On 5 February 2024, Societe Generale has announced a plan to implement organisational changes in its head office in France to simplify its operations and structurally improve its operational efficiency.

Several French head office entities are considering organisational changes that require specific social support measures. The objective is to group and pool certain activities and functions, remove hierarchical layers to streamline decision-making, and resize certain teams due to reviews of projects or processes.

This reorganisation project has been submitted for consultation with the staff representative bodies. Following the completion of the consultation scheduled for the second quarter of 2024, the implementation of these organisational changes would result in approximately 900 job cuts at head office without forced departures (*i.e.* approximately 5% of head office staff).

The cost of the social support measures that will be recorded as provision during the first quarter of 2024 is estimated to be around EUR 0.3 billion.

NOTE 5.1 Personnel expenses and employee benefits

MAKING IT SIMPLE

Employee benefits correspond to the compensation granted by the Group to its employees in exchange for work carried out during the annual reporting period.

All forms of compensation for work rendered are recorded in the expenses:

- whether it be paid to employees or to outside social security agencies;
- whether it be paid during the annual reporting period or to be paid by the Group in the future as entitlements to employees (pension plans, retirement benefits…);
- whether it be paid in cash or in Societe Generale shares (free share plans, stock options).

Information related to the Group headcount is presented in the Chapter 5 of the Universal Registration Document (Corporate Social Responsibility).

NOTE 5.1.1 PERSONNEL EXPENSES AND RELATED PARTY TRANSACTIONS

ACCOUNTING PRINCIPLES

Personnel expenses include all expenses related to personnel, including employee benefits and expenses related to payments based on Societe Generale shares.

Short-term employee benefits are recorded under Personnel expenses during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and other long-term benefits are described in Note 5.1.2.

Personnel expenses include related party transactions, within the meaning of IAS 24.

The Group has selected as related parties:

- directors, corporate officers (the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers) and spouses and children living in their households;
- the following subsidiaries: subsidiaries controlled exclusively or jointly and companies over which Societe Generale exercises significant influence;
- entities controlled exclusively or jointly by a related party that is an individual.

NOTE 5.1.1.1 PERSONNEL EXPENSES

(In EURm)	2023	2022
Employee compensation	(7,708)	(7,244)
Social security charges and payroll taxes	(1,749)	(1,655)
Net pension expenses – defined contribution plans	(772)	(709)
Net pension expenses – defined benefit plans	(69)	(61)
Employee profit-sharing and incentives	(347)	(383)
TOTAL	**(10,645)**	**(10,052)**
Including net expenses from share – based payments	*(254)*	*(196)*

NOTE 5.1.1.2 RELATED-PARTY TRANSACTIONS

Remuneration of the Group's managers

This includes amounts effectively paid by the Group to Directors and corporate officers as remuneration (including employer contributions) and other benefits as indicated below according to the nomenclature of IAS 24 – paragraph 17.

(In EURm)	2023	2022
Short-term benefits	13.2	10.0
Post-employment benefits	0.5	0.4
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	2.2	2.4
TOTAL	**15.9**	**12.8**

Related-party transactions

The transactions with members of the Board of Directors, Chief Executive Officers and members of their families included in this note only comprise loans and guarantees outstanding as at 31 December 2023 for a total amount of EUR 2.5 million. All other transactions with these individuals are insignificant.

Total amounts provisioned or booked by the Societe Generale Group for the payment of pensions and other benefits

The total amount provisioned or booked by the Societe Generale Group as at 31 December 2023 under IAS 19 for the payment of pensions and other benefits to Societe Generale's Chief Executive Officers (Mr. Krupa, Mr. Aymerich, Mr. Palmieri et Ms. Lebot and the three staff-elected Directors) is EUR 7.4 million.

NOTE 5.1.2 EMPLOYEE BENEFITS

ACCOUNTING PRINCIPLES

Employee benefits are divided into four categories:

- short-term employee benefits;
- post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- others long-term employee benefits which are employee benefits not expected to be settled wholly before twelve months, such as defined variable compensation paid in cash and not indexed to the Societe Generale share, long service awards and time saving accounts;
- termination benefits.

Short-term employee benefits

Short-term employee benefits are recognised as Expenses payable on employee benefits. The settlement is expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing.

Post-employment benefits

Post-employment benefits can be broken down into two categories: defined contribution pension plans or defined benefit pension plans.

POST-EMPLOYMENT DEFINED CONTRIBUTION PLANS

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are recorded as an expense for the current year.

POST-EMPLOYMENT DEFINED BENEFIT PLANS

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bare the associated medium or long-term risk.

Provisions are recognised on the liabilities side of the balance sheet under Provisions, to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

The Group can choose to finance defined benefit plans by assets held by a long-term employee benefit fund or by qualifying insurance policies. Funding assets, made by funds or insurance policies, are classified as plan assets if assets are held by an entity (fund) that is legally separate from the reporting entity and are available to be used only to pay employee benefits. When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations. When these plans are financed from funds not classified as plan assets, these funds, classified as separate assets, are displayed separately in the assets of the balance sheet under Financial assets at fair value through profit or loss.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) and differences between actuarial assumptions and real performance are recognised as actuarial gains and losses. Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (or asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). These components are immediately and fully recognised in shareholder's equity among Unrealised or deferred gains and losses and they cannot be subsequently reclassified as income. These items cannot be subsequently reclassified as income and are presented under Retained earnings on the liabilities side of the balance sheet and on a separate line under the Statement of net income and unrealised or deferred gains and losses.

When a new or amended plan comes into force, past service cost is immediately recognised in profit or loss.

An annual charge is recorded under Personnel expenses for defined benefit plans consisting of the additional entitlements vested by each employee (current service cost), past service cost resulting from a plan amendment or a curtailment, the financial expense resulting from the discount rate and the interest income on plan assets (net interest on the net defined benefit liability or asset), plan settlements.

Other long-term benefits

Other long-term employee benefits are benefits other than post-employment and termination benefits, that are paid to employees more than twelve months after the end of the annual period in which they provided the related services.

Other long-term benefits are measured and recognised in the same way as post-employment benefits, with the exception of actuarial gains and losses, which are immediately recognised as profit or loss.

Termination benefits

Termination benefits refer to the benefits to be granted to an employee following the termination by the entity of the staff member's employment contract before the normal retirement age or the decision of the staff member to voluntarily leave in exchange for these benefits.

Termination benefits payable more than twelve months after the closing date shall be discounted.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

(In EURm)	Provisions as at 31.12.2022	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions as at 31.12.2023
Post-employment benefits	1,171	92	(26)	66	(78)	46	12	1,217
Other long-term benefits	604	162	(54)	108	(45)	-	(21)	646
Termination benefits(1)	227	129	(50)	79	(96)	(33)	33	210
TOTAL(2)	**2,002**	**383**	**(130)**	**253**	**(219)**	**13**	**24**	**2,073**

(1) *Termination benefits include mainly the expenses from the cost of voluntary redundancy related to the New French Retail Banking organisation project presented by the Group in the 4th quarter of 2021, which led to the legal merger of Crédit du Nord and Societe Generale on 1 January 2023. The accounting treatment of the expenses for these measures has been assimilated with the post-employment benefits.*

(2) *In France, the Group has taken into account the effects of the Amending Social Security Financing Act of 14 April 2023 to assess its employee retirement obligations (impact of EUR 13 million under Other general operating expenses).*

A provision of EUR 12 million was recorded to take into account, in France, the judgments of the Court of Cassation regarding the acquisition of rights to paid leave in the event of absence due to illness; this provision was calculated with 3-year retroactivity.

NOTE 5.1.2.1 EMPLOYMENT DEFINED CONTRIBUTION PLANS

The main defined contribution plans provided to employees of the Group are located in France, in the United Kingdom and in the United States.

In France, they include state pension plans and other national pension plans such as AGIRC-ARRCO, as well as pension schemes put in place by certain Group entities whose only commitment is to pay annual contributions (PERCO).

In the United Kingdom, the employer pays contributions according to the age of the employees (from 2.5 to 10% of the salary) and can make extra contributions up to 4.5% for the voluntary additional employee contributions.

In the United States, employers fully match the first 8% of employee contributions, within the limit of USD 10,000.

NOTE 5.1.2.2 POST-EMPLOYMENT DEFINED BENEFIT PLANS

Post-employment pension plans include schemes offering annuities, plans offering retirement bonuses and mixed plans (cash balance). Benefits paid out in annuities supplement the pensions paid by the mandatory basic plans.

The main defined benefit plans are located in France, in Switzerland, in the United Kingdom and in the United States.

In France, the supplementary pension plan for executive managers, set up in 1991, allocates an annual allowance to beneficiaries covered by Societe Generale. This allowance depends in particular on the beneficiary's seniority within Societe Generale as described in the Chapter 3 "Corporate Governance" of the present Universal Registration Document. Since 4 July 2019, date of publication of the ordinance ending the so-called "random rights" defined benefit pension plans in application of the *Loi Pacte*, this plan is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

In Switzerland, the plan is managed by a personal protection insurance institution (the Foundation), comprised of employer and employee representatives. The employer and its employees pay contributions to the Foundation. Pension benefits are revalued at a guaranteed rate of return and converted to annuities (or lump-sum payment) also at a guaranteed conversion rate ("cash balance" scheme). Because of this minimum guaranteed return, the plan is considered similar to a defined benefit plan.

In the United Kingdom, the defined benefit plan has been closed to new employees for nearly 20 years, and the benefits of the last beneficiaries were frozen in 2015. The plan is managed by an independent institution (Trustee).

Similarly, in the United States, defined benefit plans were closed to new employees in 2015 and the vesting of new benefits was frozen.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

	31.12.2023			
(In EURm)	France	United Kingdom	Others	Total
A – Present value of defined benefit obligations	882	582	962	2,426
B – Fair value of plan assets	78	617	555	1,250
C – Fair value of separate assets	1,076	-	-	1,076
D – Change in asset ceiling	-	-	1	1
A - B - C + D = Net balance	**(272)**	**(35)**	**408**	**101**
ON THE LIABILITIES SIDE OF THE BALANCE SHEET	**805**	**-**	**412**	**1,217**
ON THE ASSETS SIDE[1] OF THE BALANCE SHEET	**1,077**	**35**	**4**	**1,116**

(1) *o/w EUR 1,076 million of separate assets recorded under Financial assets at fair value through profit or loss and EUR 40 million linked to surplus assets under Other assets”*

	31.12.2022			
(In EURm)	France	United Kingdom	Others	Total
A – Present value of defined benefit obligations	875	576	847	2,298
B – Fair value of plan assets	72	604	506	1,182
C – Fair value of separate assets	1,002	-	-	1,002
D – Change in asset ceiling	-	-	22	22
A - B - C + D = Net balance	**(199)**	**(28)**	**363**	**136**
ON THE LIABILITIES SIDE OF THE BALANCE SHEET	**805**	**-**	**367**	**1,171**
ON THE ASSETS SIDE[1] OF THE BALANCE SHEET	**1,004**	**28**	**4**	**1,036**

(1) *o/w EUR 1,002 million of separate assets recorded under Financial assets at fair value through profit or loss and EUR 33 million linked to surplus assets under Other assets.*

COMPONENTS OF THE COST OF DEFINED BENEFITS

(In EURm)	2023	2022
Current service cost including social security contributions	58	90
Employee contributions	(7)	(5)
Past service cost/curtailments	(5)	(20)
Transfer *via* the expense	(0)	-
Net interest	3	2
A – Components recognised in income statement	**49**	**67**
Actuarial gains and losses on assets	(59)	802
Actuarial gains and losses due to changes in demographic assumptions	(14)	2
Actuarial gains and losses due to changes in economic and financial assumptions	60	(917)
Actuarial gains and losses due to experience	(0)	(1)
Change in asset ceiling	1	22
B – Components recognised in unrealised or deferred gains and losses	**(12)**	**(92)**
C = A + B TOTAL COMPONENTS OF THE COST OF DEFINED BENEFITS	**37**	**(25)**

CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

(In EURm)	2023	2022
Balance as at 1 January	**2,298**	**3,336**
Current service cost including social security contributions	58	90
Past service cost/curtailments	(7)	(20)
Settlements	(0)	-
Net interest	91	43
Actuarial gains and losses due to changes in demographic assumptions	(14)	2
Actuarial gains and losses due to changes in economic and financial assumptions	60	(917)
Actuarial gains and losses due to experience	1	(1)
Foreign exchange adjustment	15	(10)
Benefit payments	(152)	(190)
Change in consolidation scope	(3)	(33)
Transfers and others	79	(2)
Balance as at 31 December	**2,426**	**2,298**

CHANGES IN THE FAIR VALUE OF FUNDING ASSETS

	Plan assets		Separate assets	
(In EURm)	2023	2022	2023	2022
Balance as at 1 January	**1,160**	**1,699**	**1,002**	**1,331**
Interest expenses on assets	50	29	38	12
Actuarial gains and losses on assets	23	(466)	36	(336)
Foreign exchange adjustment	16	(10)	-	-
Employee contributions	5	5	-	-
Employer contributions to plan assets	20	13	-	-
Benefit payments	(69)	(79)	(0)	(5)
Change in consolidation scope	-	(9)	-	-
Transfers and others	45	-	-	-
Change in asset ceiling	(1)	(22)	-	-
Balance as at 31 December	**1,249**	**1,160**	**1,076**	**1,002**

INFORMATION AND TERMS REGARDING FUNDING ASSETS

Funding assets include plan assets and separate assets.

Funding assets represent around 96% of Group obligations, with different rates depending on the country.

Accordingly defined benefit plan obligations in France and the United Kingdom are fully hedged and hedged at 97% for the United States, while they are not funded in Germany.

The breakdown of the fair value of plan assets is as follows: 63% bonds, 15% equities and 22% other investments. Directly held Societe Generale shares are not significant.

Funding assets excess is EUR 338 million.

Employer contributions to be paid to post-employment defined benefit plans for 2024 are estimated at EUR 17 million.

Plan hedging strategies are defined locally in connection with the Finance and Human Resources departments of the entities, by *ad hoc* structures (Trustees, Foundations, Joint structures etc.) if necessary. Besides, liability investment or financing strategies are monitored at Group level through a global governance system. Committee meetings, with the participation of representatives of the Human Resources Department, the Finance Department and the Risk Division, are organised in order to define Group guidelines for employee benefits investment and management, to validate decisions and to follow up the associated risks for the Group.

Depending on the duration of each plan and local regulations, funding assets are invested in equities and/or in fixed income products, whether guaranteed or not.

The actual returns on plan and separate assets can be broken down as follows:

(In EURm)	2023	2022
Plan assets	73	(437)
Separate assets	74	(325)

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

	31.12.2023	31.12.2022
Discount rate		
France	3.19%	3.62%
United-Kingdom	4.52%	4.80%
Others	3.64%	4.07%
Long-term inflation		
France	2.21%	2.45%
United-Kingdom	3.10%	3.30%
Others	2.11%	2.01%
Future salary increase		
France	1.91%	2.20%
United-Kingdom	N/A	N/A
Others	1.50%	1.40%
Average remaining working lifetime of employees *(in years)*		
France	7.56	7.84
United-Kingdom	2.52	3.07
Others	8.46	8.83
Duration *(in years)*		
France	11.69	11.63
United-Kingdom	12.06	12.69
Others	11.44	11.94

Assumptions by geographical area are weighted average by the defined benefit obligations (DBO).

The discount yield curves used are AA corporate bonds yield curves (source: Merrill Lynch) observed at the end of October for USD, GBP and EUR, and corrected at the end of December if the change in discount rates had a significant impact.

Inflation rates used for EUR and GBP monetary areas are market rates observed at the end of October and corrected at the end of December if the change had a significant impact. Inflation rates used for the other monetary areas are the long-term targets of the central banks.

The average remaining working lifetime of employees is calculated taking into account turnover assumptions.

The assumptions described above have been applied to post-employment benefit plans.

SENSITIVITIES OF DEFINED BENEFIT OBLIGATIONS TO THE CHANGES IN MAIN ACTUARIAL ASSUMPTION

(Percentage of item measured)	31.12.2023	31.12.2022
Variation in discount rate	*+0.5%*	*+0.5%*
Impact on the present value of defined benefit obligations at 31 December N	-5%	-6%
Variation in long-term inflation	*+0.5%*	*+0.5%*
Impact on the present value of defined benefit obligations at 31 December N	4%	4%
Variation in future salary increase	*+0.5%*	*+0.5%*
Impact on the present value of defined benefit obligations at 31 December N	1%	1%

Disclosed sensitivities are averages of the variations weighted by the present value of the defined benefit obligations.

BREAKDOWN OF FUTURE PAYMENTS OF BENEFITS

(In EURm)	2023	2022
N+1	161	166
N+2	147	150
N+3	154	163
N+4	163	165
N+5	172	152
N+6 to N+10	855	853

NOTE 5.1.3 SHARE-BASED PAYMENT PLANS

ACCOUNTING PRINCIPLES

Societe Generale, and its subsidiaries, share-based payments include:

- payments in equity instruments;
- cash payments whose amount depends on the performance of equity instruments.

Share-based payments systematically give rise to an operating expense recognised as Personnel expenses in the amount of the fair value of the share-based payments granted to employees and according to their terms of settlement.

For equity-settled share-based payments (free shares, stock purchase or subscription options), the fair value of these instruments, measured at the vesting date, is spread over the vesting period and recorded in shareholders' equity under Issued common stocks and capital reserves. At each accounting date, the number of these instruments is revised in order to take into account performance and service conditions and adjust the overall cost of the plan as originally determined. Expenses recognised under Personnel expenses from the start of the plan are then adjusted accordingly.

For cash-settled share-based payments (compensation indexed on Societe Generale, or one of its subsidiaries, shares), the fair value of the amounts payable is recorded under Personnel expenses as an expense over the vesting period against a corresponding liabilities entry recognised in the balance sheet under Other liabilities – Expenses payable on employee benefits. This payables item is then remeasured to take into account performance and presence conditions, as well as changes in the value of the underlying shares. When the expense is hedged by an equity derivative instrument, the effective portion of the change in the fair value of the hedging derivative is recorded in the income statement under Personnel expenses, as well.

The Group may award some of its employees stock purchase or subscription options, free shares or rights to a future cash payment indexed to the Societe Generale, or one of its subsidiaries, share price.

The options are measured at their fair value when the employees are first notified, without waiting for the conditions that trigger the award to be met, or for the beneficiaries to exercise their options.

Group stock-option plans are measured using a binomial formula when the Group has adequate statistics to take into account the behaviour of the option beneficiaries. When such data are not available, the Black & Scholes model or *Monte-Carlo* model is used. Valuations are performed by independent actuaries.

The vesting conditions for beneficiaries of payments based on Societe Generale shares include conditions of presence and performance. The performance conditions may be indexed on the Group's financial data (for instance, the Group's profitability, or the relative performance of the Societe Generale share) and/or on the Group's non-financial data (for instance, the achievement of the Group's objectives in terms of social and environmental responsibility – CSR).

EXPENSES RECORDED IN THE INCOME STATEMENT

	31.12.2023			31.12.2022 R		
(In EURm)	Cash settled plans	Equity settled plans	Total plans	Cash settled plans	Equity settled plans	Total plans
Net expenses from purchase plans, stock option and free share plans	139	115	254	104	92	196

The description of Societe Generale stock-options plans and free share plans, which supplements this note, is presented in Chapter 3 of the present Universal Registration Document.

NOTE 5.2 Other operating expenses

ACCOUNTING PRINCIPLES

The Group records operating expenses under expenses, according to the type of services to which they refer and the rate of use of said services.

"Rentals" include real estate and equipment leasing expenses, which do not result in a recognition of a lease liability and right-of-use asset (see Note 8.3).

Taxes and levies are only booked when the triggering event provided for by law occurs. If the obligation to pay the tax arises from the gradual operation of an activity, the expense must be spread out over the same period. Finally, if the obligation to pay is generated when a threshold is reached, the expense is only recorded once the threshold is reached.

Taxes and levies cover all contributions levied by a public authority and include the contributions paid to the Single Resolution Fund and the Deposit Insurance and Resolution Fund, the systemic risk tax, and contributions for ACPR control costs, which are recognised in profit or loss at the start of the financial year. The Company social solidarity contribution (C3S), based on income generated in previous financial year, is fully recognised in profit or loss as at 1 January of the current financial year.

"Other" mainly includes building maintenance and other costs, travel and business expenses, and advertising expenses.

(In EURm)	2023	2022
Rentals	(449)	(348)
Taxes and levies	(1,126)	(1,359)
Data and telecom (excluding rentals)	(2,440)	(2,574)
Consulting fees	(1,319)	(1,351)
Other	(1,553)	(1,377)
TOTAL	**(6,887)**	**(7,009)**

CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to enhance financial stability was updated by the Directive 2014/59/UE of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive).

The European Regulation UE no806/2014 of 15 July 2014 then determined the financing means of resolution mechanisms within the European Banking Union through the establishment of a Single Resolution Fund (SRF). In addition to this instrument, the National Resolution Fund (NRF) exists for institutions subject to this resolution mechanisms, but that have no SRF.

The SRF, established in January 2016, shall receive annual contributions from the participating European financial institutions. By the end of 2023, the available financial means of the Fund shall reach at least 1% of the amount of covered deposits of all these participating financial institutions. A share of the annual contributions can be provided through irrevocable payment commitments.

In 2023, the Group's contributions to the SRF and the NRF were as follows:

- cash contributions (77.5%) for a total of EUR 658 million (versus EUR 863 million in 2022) of which EUR 603 million for the SRF and EUR 55 million for the NRF. These contributions are non-tax-deductible in France and have been recorded in the income statement in Other operating expenses, among Taxes and levies;
- irrevocable payment commitments (22.5%) backed by a cash collateral for EUR 175 million related to the SRF (versus EUR 142 million in 2022) recorded as an asset in the balance sheet, among Other assets.

As at 31 December 2023, the amount of cash collateral paid to the SRF and NRF and stated as balance sheet assets under "Other assets" are EUR 772 million and EUR 173 million respectively.

In its ruling of 25 October 2023, the General Court of the European Union dismissed the appeal of a French credit institution against the Single Resolution Board (SRB) following the rejection by the latter of the request for the return of collateral linked to *ex ante* contributions provided in the form of irrevocable payment commitments for the 2015 contribution period. The reimbursement of the collateral, requested by the institution after the withdrawal of its licence from the European Central Bank, had been refused by the SRB; the latter required, as a condition precedent to returning the collateral backing, the prior payment by the institution of an amount in cash corresponding to the amount committed under the irrevocable payment commitments entered into. The institution concerned decided to appeal to the European Court of Justice against the ruling of the General Court of the European Union. Societe Generale will keep informed of further developments in the matter and analyse the possible consequences for its financial statements.

NOTE 6 INCOME TAX

MAKING IT SIMPLE

Income tax expenses are presented separately from other taxes which are classified among Other operating expenses. They are calculated according to the rates and tax regulations applicable in the countries where each consolidated entity is located.

Income tax presented in the income statement includes current taxes and deferred taxes:

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

ACCOUNTING PRINCIPLES

Current taxes

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

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

Deferred taxes

Deferred taxes are recognised whenever the Group identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments.

Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the local taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value.

Deferred tax assets can result from deductible temporary differences or from tax loss carry-forwards. These deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set time. These temporary differences or tax loss carry-forwards can also be used against future taxable profit.

Tax loss carry-forwards are subject to an annual review taking into account the tax system applicable to each relevant tax entity and a realistic projection of their tax income or expense: any previously unrecognised deferred tax assets are recorded in the balance sheet to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered; however, the carrying value of deferred tax assets already recognised in the balance sheet is reduced where a risk of total or partial non-recovery occurs.

Current and deferred taxes are recognised in the consolidated income statement under Income tax. However, deferred taxes related to gains and losses recorded under Unrealised or deferred gains and losses are also recognised under the same heading in shareholders' equity.

Tax uncertainties

There may be uncertainty over the tax treatments applied by the Group. If it is probable that the tax Authority will not accept some tax treatments, these uncertainties shall be booked under tax expenses/income by the counterpart of Provisions for tax adjustments recorded among tax liabilities.

Information on the nature and the amount of the associated risks is not disclosed when the Group considers that such disclosure could seriously undermine its position in a dispute with other parties on the object of the provision.

NOTE 6.1 Breakdown of the tax expense

(In EURm)	2023	2022 R
Current taxes	(1,470)	(1,274)
Deferred taxes	(209)	(209)
TOTAL	**(1,679)**	**(1,483)**

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

	2023		2022 R	
(In EURm)	%	EURm	%	EURm
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill		**5,442**		**4,224**
Group effective tax rate	**30.85%**		**35.11%**	
Permanent differences	0.58%	31	0.92%	39
Differential on securities with tax exemption or taxed at reduced rate	-0.24%	(13)	-14.04%	(593)
Tax rate differential on profits taxed outside France	1.33%	72	2.56%	108
Changes in the measurement of deferred tax assets/liabilities	-6.69%	(364)	1.28%	54
Normal tax rate applicable to French companies (including 3.3% national contribution)	25.83%		25.83%	

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter is set to 25% in 2023 (article 219 of the French Tax Code), plus the existing national contribution (CSB) of 3.3% (article 235 *ter* ZC of the French Tax Code), *i.e.* a compound tax rate of 25.83%.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount in a net long term capital gains situation (article 219 I a *quinquies* of the French Tax Code).

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate (article 216 of the French Tax Code).

NOTE 6.2 Tax assets and liabilities

TAX ASSETS

(In EURm)	31.12.2023	31.12.2022 R
Current tax assets	1,026	819
Deferred tax assets	3,691	3,665
o/w deferred tax assets on tax loss carry-forwards	*1,832*	*1,662*
o/w deferred tax assets on temporary differences	*1,818*	*1,982*
o/w deferred tax on deferrable tax credits	*41*	*21*
TOTAL	**4,717**	**4,484**

TAX LIABILITIES

(In EURm)	31.12.2023	31.12.2022 R
Current tax liabilities	933	735
Provisions for tax adjustments	41	72
Deferred tax liabilities	1,428	838
TOTAL	**2,402**	**1,645**

The Group performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity (or tax group) concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario SG Central) over four years (from 2024 to 2027), extrapolated to 2028, which corresponds to a "normative" year.

These budgets notably take into account the impacts of the commitments to energy and environmental transition and regional development detailed in the Declaration of Non-Financial Performance.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the Group's tax expertise. An extrapolation of the tax results is performed from 2028 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

On principle, the appreciation of the selected macroeconomic factors and the internal estimates used to determine the tax results involve risks and uncertainties about their materialisation over the estimated timeframe for the absorption of the losses. These risks and uncertainties are especially related to possible changes in the applicable tax rules (computation of the tax result, as well as allocation rules for tax loss carry-forwards) or materialisation of the assumptions selected. These uncertainties are mitigated by robustness checks of the budgetary and strategic assumptions.

As at 31 December 2023, discounted projections confirm the probability that the Group will be able to offset the tax losses covered by deferred tax assets against future profits.

NOTE 6.3 Deferred tax assetsrecognised on tax loss carry-forwards and deferred tax assets not recognised

As at 31 December 2023, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax assets recovery is indicated in the table below:

(In EURm)	31.12.2023	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	**1,832**	**-**	**-**
o/w French tax group	*1,572*	*Unlimited(1)*	*8 years*
o/w US tax group	*88*	*20 years(2)*	*7 years*
Others	*172*	*-*	*-*

(1) In accordance with the 2013 French Finance Act, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

(2) Tax losses generated before 31 December 2011.

The main deferred taxes not recognised as assets in the balance sheet by tax group are presented in the table below. They may be recognised in the balance sheet when it becomes probable that a future taxable profit will allow their recovery.

(In EURm)	31.12.2023	31.12.2022
French tax group	930	520
US tax groups	228	277
SG Singapore	80	82
SG de Banques en Guinée Équatoriale(1)	34	36

(1) Including EUR 10 million of tax carry forward and EUR 24 million temporary differences as at 31 December 2023, versus respectively EUR 10 million and EUR 26 million as at 31 December 2022.

The other deferred taxes on tax loss carryforwards and temporary differences not recognised as assets on the balance sheet amount, respectively, to EUR 122 million and EUR 1 million as at 31 December 2023.

For the France tax group, deferred tax assets of EUR 410 million could not be recognised at the end of December 2023, bringing the amount of unrecognised deferred tax assets in France to EUR 930 million. If tax projections improve, all or part of these deferred taxes may be recognised as deferred tax assets in future years.

In parallel, the unrecognised deferred tax assets of US tax groups decreased by EUR 49 million due to the recognition in the 2023 balance sheet of EUR 40 million deferred taxes and of EUR 9 million due to currency effects.

Regarding the tax treatment of the loss resulting from the actions of Jérôme Kerviel, Societe Generale considers that the judgment of the Versailles Court of Appeal of 23 September 2016 is not such as to call into question its validity in light of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law. Consequently, Societe Generale considers that the related tax loss remains recoverable against future taxable income (see Note 9).

PILLAR 2: TAX REFORM – GLOBAL MINIMUM CORPORATE TAX RATE ("GLOBE" RULES)

In October 2021, 137 of the 140 juridictions members of the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) committed to the principle of establishing a global minimum corporate income tax rate of 15%. A set rules, referred to as "Pillar 2", published by the OECD on 20 December 2021, specifies the mechanism which will apply, in the states that will adopt it, to the profits by country of multinational groups with revenues exceeding EUR 750 million.

European Directive (EU) 2022/2523 incorporating the Pillar 2 rules was adopted and published in the Official Journal of the European Union on 22 December 2022.

Article 4 of the French Finance Act for 2024 incorporates the directive into French law. The minimum level of tax will take the form of an additional "top-up" tax determined according to rules compliant with the directive. Transitional Safe Harbour set out by the OECD for the first three fiscal years are also included in the law. These rules apply to the Group from 1 January 2024, in respect of any additional top-up tax due in France as well as of any qualified domestic top-up taxes implemented in jurisdictions where the Group operates.

Under the provisions introduced by the amendments to IAS 12, adopted by the European Union on 8 November 2023 with immediate and retrospective implementation (see Note 1), the Group applies, from 1 January 2023 on, the mandatory and temporary exception to the accounting recognition of the deferred taxes associated with the top-up taxes resulting from the Pillar 2 rules.

A project structure has been established at Group level to analyse the provisions of the Pillar 2 European directive and take the necessary measures to comply with them as soon as they enter into force. According to initial estimates based on the available data (in particular data from the country-by-country reports of years 2021 and 2022), the effective Pillar 2 tax rates would exceed 15% in most jurisdictions in which the Group operates. However, there is a limited number of jurisdictions in which a top-up tax would have to be paid.To date, the Group does not anticipate any material impact of this reform in respect of its current tax burden. Because of the calculation complexity resulting from these rules and the changes in the Group's consolidation scope, the effects of this reform are still being examined to refine the quantification in view of the first accounting recognition of any additional tax burden in the Group's consolidated accounts as at 30 June 2024.

NOTE 7 SHAREHOLDERS' EQUITY

MAKING IT SIMPLE

Equity are the resources contributed to the Group by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings). It also includes resources received when financial instruments are issued and for which the issuer has no contractual obligation to deliver cash to the holders of these instruments.

Equity has no contractual maturity, and when compensation is awarded to shareholders or holders of other equity instruments, it does not affect the income statement but directly reduces the retained earnings in the equity.

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

NOTE 7.1 Treasury shares and shareholders' equity issued by the Group

ACCOUNTING PRINCIPLES

Treasury shares

Societe Generale shares held by the Group are deducted from consolidated equity irrespective of the purpose for which they are held. Income on these shares is recognised in Retained earnings.

Recognition of shares issued by Group subsidiaries, which are bought and sold by the Group, is described in Note 2.

Shareholders' equity issued by the Group

Financial instruments issued by the Group are booked in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to deliver cash to the holders of the securities.

When they are classified as equity, securities issued by Societe Generale are recorded under Other equity instruments. If they are issued by Group subsidiaries, these securities are recognised under Non-controlling interests. External costs associated with issuing equity instruments are deducted directly from equity at their after-tax amount.

When they are classified as debt instruments, securities issued by the Group are recorded under Debt securities issued or Subordinated debt depending on their characteristics. They are accounted for in the same way as other financial liabilities measured at amortised cost (see Note 3.6).

NOTE 7.1.1 ORDINARY SHARES AND CAPITAL RESERVES

(In EURm)	31.12.2023	31.12.2022
Issued capital	1,004	1,062
Issuing premiums and capital reserves	20,412	21,377
Elimination of treasury stock	(230)	(1,191)
TOTAL	**21,186**	**21,248**

ORDINARY SHARES ISSUED BY SOCIETE GENERALE SA

(Number of shares)	31.12.2023	31.12.2022
Ordinary shares	802,979,942	849,883,778
Including treasury stock with voting rights[(1)]	*6,736,010*	*48,737,016*
Including shares held by employees	*90,162,610*	*79,097,967*

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

As at 31 December 2022, 41,674,813 Societe Generale shares were acquired on the market at a cost price of EUR 914 million, for the purpose of cancellation, in accordance with the decision of the General Meeting of 17 May 2022. The capital reduction by cancellation of securities was carried out on 1 February 2023.

On 24 July 2023, a capital increase, reserved for Group employees and retirees as part of the Global Employee Share Ownership Plan open in 40 countries, was carried out for a total amount of EUR 221 million, resulting in the issuance of 12,548,674 new Societe Generale shares.

From 7 August 2023 to 22 September 2023, 17,777,697 Societe Generale shares were acquired on the market at a cost price of EUR 441 million, for the purpose of cancellation, in accordance with the decision of the General Meeting of 17 May 2022. The capital reduction by cancellation of securities was carried out on 17 November 2023.

As at 31 December 2023, Societe Generale SA's fully paid up capital amounted to EUR 1,003,724,927.50 and was made up of 802,979,942 shares with a nominal value of EUR 1.25.

NOTE 7.1.2 TREASURY STOCK

As at 31 December 2023, the Group held 4,425,083 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 0.55% of the capital of Societe Generale SA.

The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 230 million, including EUR 36 million in shares held for trading activities.

The change in treasury stock over 2023 breaks down as follows:

(In EURm)	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	-	31	930	961
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	0	(10)	(52)	(62)

The variation of EUR 930 million in treasury shares and active capital management is mainly due to EUR 914 million relating to the capital reduction on 1 February 2023 by cancellation of 41,674,813 Societe Generale shares acquired in 2022.

NOTE 7.1.3 SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

PERPETUAL DEEPLY SUBORDINATED NOTES

Given the discretionary nature of the decision to pay dividends to shareholders, the perpetual deeply subordinated notes have been classified as equity and recognised under Other equity instruments.

As at 31 December 2023, perpetual deeply subordinated notes issued by Societe Generale S.A. and recognised under Group shareholders' equity in Other equity instruments totalled EUR 8,924 million, valued at historical rate.

The change in the amount of undated deeply subordinated notes issued by the Group is explained by two issuances and two redemptions at pair made over the year.

Issuance Date	Amount in local currency at 31.12.2022	Repurchases and redemptions in 2023	Amount in local currency at 31.12.2023	Amount in millions of euros at historical rate	Remuneration
18 December 2013	USD 1,750m	USD 1,750m			7.875%, from 18 December 2023 USD 5-year Mid Swap Rate +4.979%
29 September 2015	USD 1,250m		USD 1,250m	1,111	8%, from 29 September 2025 USD 5-year Mid Swap rate +5.873%
6 April 2018	USD 1,250m		USD 1,250m	1,035	6.750%, from 6 April 2028 USD 5-year Mid Swap rate +3.929%
4 October 2018	USD 1,250m	USD 1,250m			7.375%, from 4 October 2023 USD 5-year Mid Swap rate +4.302%
16 April 2019	SGD 750m		SGD 750m	490	6.125%, from 16 April 2024 SGD 5-year Mid Swap rate +4.207%
12 September 2019	AUD 700m		AUD 700m	439	4.875%, from 12 September 2024 AUD 5-year Mid Swap rate +4.036%
18 November 2020	USD 1,500m		USD 1,500m	1,264	5.375%, from 18 November 2030 USD 5-year US Treasury rate +4.514%
26 May 2021	USD 1,000m		USD 1,000m	818	4.75%, from 26 May 2026 USD 5-year US Treasury rate +3.931%
15 July 2022	SGD 200m		SGD 200m	141	8.25%, from 15 December 2027 SGD 5-year SGD OIS rate +5.6%
22 November 2022	USD 1,500m		USD 1,500m	1,460	9.3750%, from 22 May 2028 USD 5-year US Treasury rate +5.385%
18 January 2023			EUR 1,000m	1,000	7.875%, from 18 July 2029 EUR 5-year Mid Swap rate +5.228%
14 November 2023			USD 1,250m	1,166	10%, from14 May 2029 USD 5-year US Treasury rate +5.448%

OTHER EQUITY INSTRUMENTS ISSUED BY SUBSIDIARIES

The perpetual subordinated notes that are issued by the Group's subsidiaries and include discretionary clauses relating to the payment of interest are classified as equity instruments.

As at 31 December 2023, the nominal of other equity instruments issued by the Group's subsidiaries and recognised under Non-controlling interests totalled EUR 1,300 million.

Issuance Date	Amount	Remuneration
18 December 2014 (step-up clause after 12 years)	EUR 800m	4.125%, from 2026 5-year Mid Swap rate +4.150%
29 May 2019	EUR 500m	7.375%, from 2024 5-year Mid swap rate +7.556%

SUMMARY OF CHANGES IN EQUITY INSTRUMENTS ISSUED

Changes related to the perpetual subordinated notes and deeply subordinated notes included in Shareholder's equity, Group share are detailed below:

	2023			2022		
(In EURm)	**Deeply subordinated notes**	**Perpetual subordinated notes**	**Total**	**Deeply subordinated notes**	**Perpetual subordinated notes**	**Total**
Exchange rate effect on TSS/TSDI reimbursement	(404)	-	(404)	-	-	-
Remuneration paid booked under reserves	(734)	-	(734)	(581)	-	(581)
Changes in nominal values	(212)	-	(212)	1,602	-	1,602
Tax savings on remuneration payable to shareholders and recorded under profit or loss	190	-	190	150	-	150
Issuance fees relating to subordinated notes	(5)	-	(5)	(9)	-	(9)

NOTE 7.1.4 EFFECT OF THE CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the consolidation scope recognised in shareholders' equity (EUR -34 million in Group share and EUR 3,523 million in Non-controlling interests) is mainly explained by the acquisition of LeasePlan (see Note 2.1) with:

- the decrease in the ownership interest in ALD from 75.94% to 52.59% with EUR -4 million in Group share and EUR 3,003 million in Non-controlling interests;
- an impact of EUR 513 million on the Non-controlling interests linked to other equity instruments issued by LeasePlan.

NOTE 7.2 Earnings per share and dividends

ACCOUNTING PRINCIPLES

The earnings per share are measured by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, excluding treasury shares. The net earnings attributable to ordinary shareholders are adjusted for the preferred shareholders rights, such as holders of preferred shares, subordinated securities or deeply subordinated notes classified in equity. The diluted earnings per share take into account the potential dilution of shareholders' interests in the event where dilutive instruments (stock options or free share plans) are converted into ordinary shares. This dilutive effect is determined using the share buyback method.

NOTE 7.2.1 EARNINGS PER SHARE

(In EURm)	2023	2022 R
Net income, Group share	2,493	1,825
Attributable remuneration to subordinated and deeply subordinated notes	(753)	(587)
Premium and issuance fees related and deeply subordinated notes	(5)	(9)
Net income attributable to ordinary shareholders	**1,735**	**1,229**
Weighted average number of ordinary shares outstanding(1)	799,315,070	822,437,425
Earnings per ordinary share *(in euros)*	**2.17**	**1.50**
Average number of ordinary shares used in the dilution calculation	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	799,315,070	822,437,425
Diluted earnings per ordinary share *(in euros)*	**2.17**	**1.50**

(1) Excluding treasury shares.

NOTE 7.2.2 DIVIDENDS PAID

Dividends paid on ordinary shares by the Group in 2023 amounted to EUR 1,861 million and are detailed in the following table:

	2023			2022		
(In EURm)	Group Share	Non-controlling interests	Total	Group Share	Non-controlling interests	Total
Paid in shares	-	-	-	-	-	-
Paid in cash	(1,362)	(499)	(1,861)	(1,371)	(754)	(2,125)
TOTAL	**(1,362)**	**(499)**	**(1,861)**	**(1,371)**	**(754)**	**(2,125)**

NOTE 7.3 Unrealised or deferred gains and losses

BREAKDOWN OF CHANGES OF UNREALISED OR DEFERRED GAINS AND LOSSES

	31.12.2023				
				o/w	
(In EURm)	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Translation differences	997	(24)	973	996	(23)
Revaluation of debt instruments at fair value through other comprehensive income(3)	(2,673)	664	(2,009)	(1,907)	(102)
Revaluation of insurance contracts at fair value through other comprehensive income	2,315	(596)	1,719	1,708	11
Revaluation of hedging derivatives	(449)	30	(419)	(414)	(5)
Subtotal of unrealised gains and losses with subsequent recycling in the income statement	**190**	**74**	**264**	**383**	**(119)**
Actuarial gains and losses on defined benefit plans(1)	12	(1)	11	14	(3)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss(2)	68	(18)	50	51	(1)
Revaluation of equity instruments at fair value through other comprehensive income	35	(2)	33	33	-
Subtotal of unrealised gains and losses without subsequent recycling in the income statement	**115**	**(21)**	**94**	**98**	**(4)**
TOTAL	**305**	**53**	**358**	**481**	**(123)**

	Changes of the period				
				o/w	
(In EURm)	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Allocation to retained earnings					
Actuarial gains and losses on defined benefit plans	(93)	26	(67)	(56)	(11)
TOTAL	**(93)**	**26**	**(67)**	**(56)**	**(11)**
Translation differences	(356)	(12)	(368)	(389)	21
Revaluation of debt instruments at fair value through other comprehensive income(3)	2,402	(593)	1,809	1,734	75
Revaluation of insurance contracts at fair value through other comprehensive income	(2,134)	545	(1,589)	(1,583)	(6)
Revaluation of hedging derivatives	(68)	50	(18)	5	(23)
Variation of unrealised gains and losses with subsequent recycling in the income statement	**(156)**	**(10)**	**(166)**	**(233)**	**67**
Actuarial gains and losses on defined benefit plans(1)	12	-	12	14	(2)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss(2)	(257)	67	(190)	(191)	1
Revaluation of equity instruments at fair value through other comprehensive income	1	-	1	2	(1)
Variation of unrealised gains and losses without subsequent recycling in the income statement	**(244)**	**67**	**(177)**	**(175)**	**(2)**
TOTAL OF VARIATION	**(400)**	**57**	**(343)**	**(408)**	**65**
TOTAL OF CHANGES	**(493)**	**83**	**(410)**	**(464)**	**54**

	31.12.2022 R				
				o/w	
(In EURm)	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Translation differences	1,353	(12)	1,341	1,385	(44)
Revaluation of debt instruments at fair value through other comprehensive income(3)	(5,075)	1,257	(3,818)	(3,641)	(177)
Revaluation of insurance contracts at fair value through other comprehensive income	4,449	(1,141)	3,308	3,291	17
Revaluation of hedging derivatives	(381)	(20)	(401)	(419)	18
SUBTOTAL OF UNREALISED GAINS AND LOSSES WITH SUBSEQUENT RECYCLING IN THE INCOME STATEMENT	**346**	**84**	**430**	**616**	**(186)**
Actuarial gains and losses on defined benefit plans(1)	93	(27)	66	56	10
Revaluation of own credit risk of financial liabilities at fair value through profit or loss(2)	325	(85)	240	242	(2)
Revaluation of equity instruments at fair value through other comprehensive income	34	(2)	32	31	1
SUBTOTAL OF UNREALISED GAINS AND LOSSES WITHOUT SUBSEQUENT RECYCLING IN THE INCOME STATEMENT	**452**	**(114)**	**338**	**329**	**9**
TOTAL	**798**	**(30)**	**768**	**945**	**(177)**

(1) *Gains and losses presented in these items are transferred into Retained earnings for the next financial year opening.*
(2) *When a financial liability is derecognised, unrealised gains and losses are attributable to Group own credit risk are subject to transfer into Retained earnings for the next financial year opening.*
(3) *Including EUR -2,298 million for insurance sector subsidiaries as at 31 December 2023 (EUR -4,479 million as at 31 December 2022). This amount must be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts (see Note 4.3, Detail of performance of insurance activities).*

NOTE 8 ADDITIONAL DISCLOSURES

NOTE 8.1 Segment reporting

NOTE 8.1.1 DEFINITION OF SEGMENT REPORTING

The Group is managed on a matrix basis that takes into account its different business lines and the geographical breakdown of its activities. Segment reporting information is therefore presented under both criteria.

The Group includes in the results of each sub-division all operating income and expenses directly related to its activity. Income for each sub-division, except for the Corporate Centre, also includes the return on equity allocated to it, based on the estimated rate of return on Group equity. The return on the sub-division's book equity is then reallocated to the Corporate Centre. Transactions between sub-divisions are carried out under the same terms and conditions as those applying to non-Group customers.

Following changes in the Group's governance during the second half of 2023, the Group's core businesses are now managed through the three following strategic pillars:

- French Retail Banking, Private Banking and Insurance which includes:
  - French Retail and Private Banking including Boursorama,
  - Insurance activities;
- International Retail, Mobility and Leasing Services, which consists of:
  - International Retail,
  - Mobility and Leasing Services which comprises Financial services to Corporates, operational vehicle leasing and fleet management, and consumer credit activities;
- Global Banking and Investor Solutions which comprises:
  - Global Markets and Investors Services,
  - Financing and Advisory.

In addition to the strategic pillars, the Corporate Centre acts as the Group's central funding department. As such, it recognises the carrying cost of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's Asset and Liability Management (ALM) and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income or expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre.

Segment income take intra-group transactions into account, while these transactions are eliminated from segment assets and liabilities.

The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

For the purpose of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the booking entities.

NOTE 8.1.2 SEGMENT REPORTING BY DIVISION AND SUB-DIVISION

	2023										
	French Retail, Private Banking and Insurance			Global Banking and Investor Solutions			International Retail, Mobility and Leasing Services				
(In EURm)	French Retail and Private Banking	Insurance	Total	Global Markets and Investors Services	Financial and Advisory	Total	International Retail Banking[4]	Mobility and Leasing Services	Total	Corporate Centre[1]	Total Group Societe Generale
Net banking income	7,403	620	8,023	6,299	3,341	9,640	4,191	4,316	8,507	(1,066)	25,104
Operating expenses[2]	(6,577)	(131)	(6,708)	(4,755)	(2,032)	(6,787)	(2,374)	(2,391)	(4,765)	(264)	(18,524)
Gross operating income	**826**	**489**	**1,315**	**1,544**	**1,309**	**2,853**	**1,817**	**1,925**	**3,742**	**(1,330)**	**6,580**
Cost of risk	(505)	-	(505)	20	(50)	(30)	(185)	(301)	(486)	(4)	(1,025)
Operating income	**321**	**489**	**810**	**1,564**	**1,259**	**2,823**	**1,632**	**1,624**	**3,256**	**(1,334)**	**5,555**
Net income from investments accounted for using the equity method	7	-	7	7	-	7	-	10	10	-	24
Net income/expense from other assets[4]	10	-	10	-	-	-	(8)	(3)	(11)	(112)	(113)
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	(338)	(338)
Earnings before Tax	**338**	**489**	**827**	**1,571**	**1,259**	**2,830**	**1,624**	**1,631**	**3,255**	**(1,784)**	**5,128**
Income tax	(86)	(127)	(213)	(371)	(146)	(517)	(429)	(394)	(823)	(126)	(1,679)
Consolidated Net Income	**252**	**362**	**614**	**1,200**	**1,113**	**2,313**	**1,195**	**1,237**	**2,432**	**(1,910)**	**3,449**
Non controlling interests	-	4	4	34	(1)	33	465	361	826	93	956
Net income, Group Share	**252**	**358**	**610**	**1,166**	**1,114**	**2,280**	**730**	**876**	**1,606**	**(2,003)**	**2,493**
Segment assets	**263,833**	**172,353**	**436,186**	**650,502**	**169,783**	**820,285**	**109,836**	**108,091**	**217,927**	**79,647**	**1,554,045**
Segment liabilities[3]	**289,846**	**158,076**	**447,922**	**670,821**	**80,101**	**750,922**	**88,969**	**53,760**	**142,729**	**136,225**	**1,477,798**

	2022 R										
	French Retail, Private Banking and Insurance			Global Banking and Investor Solutions			International Retail, Mobility and Leasing Services				
(In EURm)	French Retail and Private Banking	Insur-ance	Total	Global Markets and Investors Services	Financial and Advisory	Total	Interna-tional Retail Banking[4]	Mobility and Leasing Services	Total	Corpo-rate Centre[1]	Total Group Societe Generale
Net banking income	8,700	510	9,210	6,721	3,387	10,108	4,190	3,949	8,139	(302)	27,155
Operating expenses[2]	(6,791)	(105)	(6,896)	(4,878)	(1,954)	(6,832)	(2,368)	(1,589)	(3,957)	(309)	(17,994)
Gross operating income	**1,909**	**405**	**2,314**	**1,843**	**1,433**	**3,276**	**1,822**	**2,360**	**4,182**	**(611)**	**9,161**
Cost of risk	(483)	-	(483)	5	(426)	(421)	(464)	(241)	(705)	(38)	(1,647)
Operating income	**1,426**	**405**	**1,831**	**1,848**	**1,007**	**2,855**	**1,358**	**2,119**	**3,477**	**(649)**	**7,514**
Net income from investments accounted for using the equity method	8	-	8	6	-	6	-	1	1	-	15
Net income/ expense from other assets[4]	57	-	57	3	3	6	11	-	11	(3,364)	(3,290)
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	-	-
Earnings before Tax	**1,491**	**405**	**1,896**	**1,857**	**1,010**	**2,867**	**1,369**	**2,120**	**3,489**	**(4,013)**	**4,239**
Income tax	(383)	(106)	(489)	(420)	(118)	(538)	(360)	(478)	(838)	382	(1,483)
Consolidated Net Income	**1,108**	**299**	**1,407**	**1,437**	**892**	**2,329**	**1,009**	**1,642**	**2,651**	**(3,631)**	**2,756**
Non controlling interests	(1)	2	1	35	1	36	444	286	730	164	931
Net income, Group Share	**1,109**	**297**	**1,406**	**1,402**	**891**	**2,293**	**565**	**1,356**	**1,921**	**(3,795)**	**1,825**
Segment assets	**300,473**	**160,817**	**461,290**	**591,685**	**172,360**	**764,045**	**99,571**	**70,861**	**170,432**	**89,133**	**1,484,900**
Segment liabilities[3]	**308,606**	**146,586**	**455,192**	**637,899**	**72,072**	**709,971**	**83,940**	**21,201**	**105,141**	**141,270**	**1,411,574**

(1) *Income and expenses, as well as assets and liabilities that are not directly related to business line activities are allocated to the Corporate Centre. Corporate Centre income includes, in particular, some consequences of the Group's centralised management of litigation and of transactions leading to changes in the consolidation scope. Management fees incurred by banking entities in connection with the distribution of insurance contracts are considered as costs directly related to the performance of the contracts and are therefore included in the valuation of the latter and presented under "Insurance services expense" (see Note 1); this restatement is allocated to the Corporate Centre.*

(2) *These amounts include Other operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.*

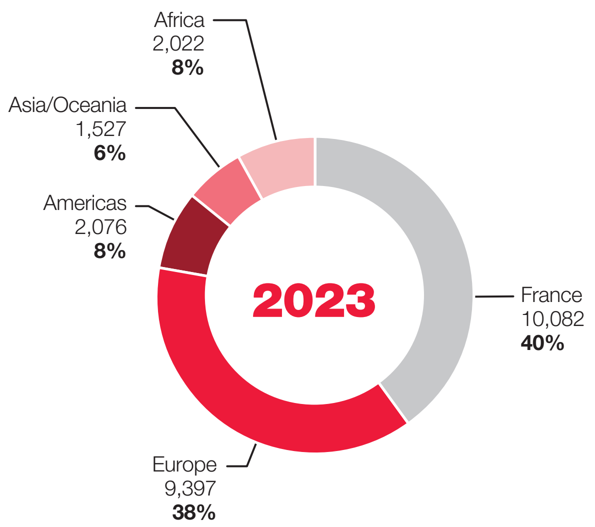
(3) *Segment liabilities correspond to debts (i.e. total liabilities excluding equity).*

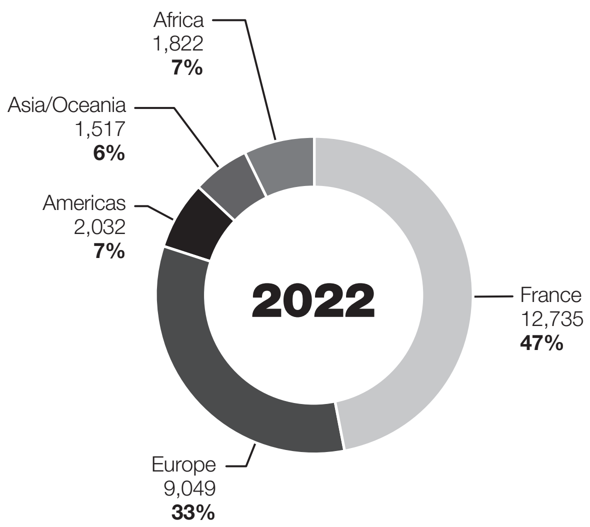
(4) *The Net income/expense from other assets items as at 31 December 2022, mainly includes the impacts of the sale of Rosbank and the Group's insurance subsidiaries in Russia.*

2022 figures restated in compliance with IFRS 17 and IFRS 9 for insurance entities, and in accordance with changes in performance reporting.

NOTE 8.1.3 SEGMENT REPORTING BY GEOGRAPHICAL REGION

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME (IN EURM)

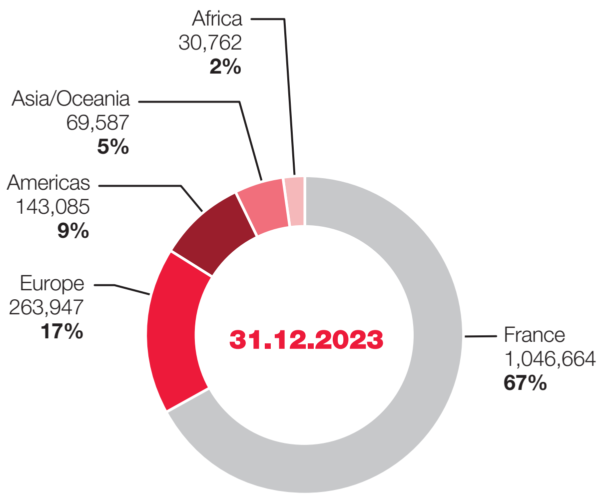


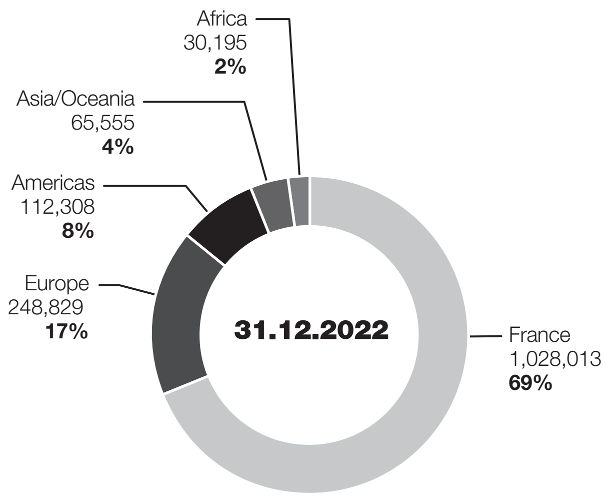


As at 31 December 2023, the amount of net banking income is EUR 25,104 million compared to EUR 27,155 million as at 31 December 2022.

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS (IN EURM)

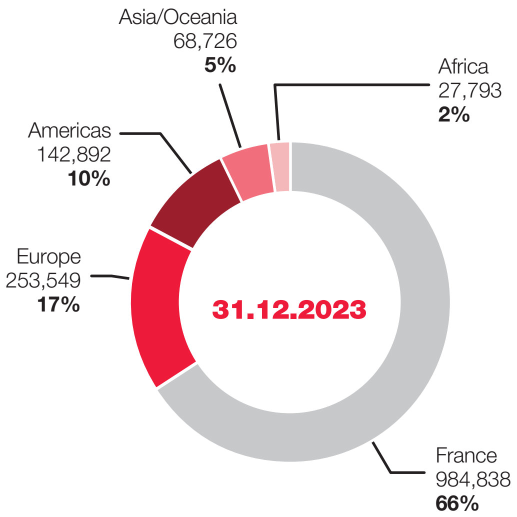
ASSETS

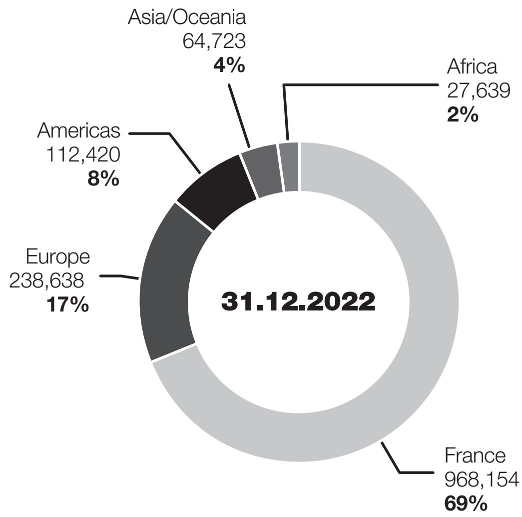




As at 31 December 2023, the amount of assets is EUR 1,554,045 million compared to EUR 1,484,900 million as at 31 December 2022.

LIABILITIES





As at 31 December 2023, the amount of liabilities (except shareholder equity) is EUR 1,477,798 million compared to EUR 1,411,574 million as at 31 December 2022.

Segment liabilities correspond to debts (total liabilities excluding equity).

NOTE 8.2 Provisions

ACCOUNTING PRINCIPLES

Under balance sheet liabilities, "Provisions" are comprised of provisions for financial instruments, disputes and employee benefits.

OVERVIEW

(In EURm)	Provisions as at 31.12.2022	Allocations	Write-backs available	Net allocation	Write-backs used	Currency and others	Provisions as at 31.12.2023
Provisions for credit risk on off balance sheet commitments (see Note 3.8)	898	528	(585)	(57)	-	(22)	819
Provisions for employee benefits (see Note 5.1)	2,002	383	(130)	253	(219)	37	2,073
Provisions for mortgage savings plans and accounts commitments	125	47	(51)	(4)	-	-	121
Other provisions[1]	1,554	313	(419)	(106)	(160)	(66)	1,222
TOTAL	**4,579**	**1,271**	**(1,185)**	**86**	**(379)**	**(51)**	**4,235**

(1) Including provisions for legal disputes, fines, penalties and commercial disputes.

NOTE 8.2.1 COMMITMENTS UNDER MORTGAGE SAVINGS AGREEMENTS

ACCOUNTING PRINCIPLES

In France, *Comptes d'épargne-logement* (CEL or mortgage savings accounts) and *Plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of 10 July 1965. These products combine an initial deposit phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. The lending phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are measured at amortised cost.

These instruments create two types of commitments for the Group: the obligation to pay interest on customer savings for an indeterminate future period at an interest rate established at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also established at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Group, a provision is recorded on the liabilities side of the balance sheet. Any changes in these provisions are recognised as net banking income under net interest income. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) making up a single generation.

During the deposit phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observations of past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the basis of deposits that are currently recognised in the balance sheet at the date of calculation and on the basis of historical observations of past customer behaviour.

A provision is recognised if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products, with a similar estimated life and date of inception.

OUTSTANDING DEPOSITS IN PEL/CEL ACCOUNTS

(In EURm)	31.12.2023	31.12.2022
PEL accounts	15,677	17,846
Less than 4 years old	*907*	*773*
Between 4 and 10 years old	*5,852*	*8,774*
More than 10 years old	*8,918*	*8,299*
CEL accounts	1,733	1,629
TOTAL	**17,410**	**19,475**

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO PEL/CEL ACCOUNTS

(In EURm)	31.12.2023	31.12.2022
Less than 4 years old	3	-
Between 4 and 10 years old	-	1
More than 10 years old	3	6
TOTAL	**6**	**7**

PROVISIONS FOR COMMITMENTS LINKED TO PEL/CEL ACCOUNTS

(In EURm)	31.12.2022	Allocations	Write-backs	31.12.2023
PEL accounts	80	10	(51)	39
Less than 4 years old	*3*	*1*	*-*	*4*
Between 4 and 10 years old	*2*	*9*	*-*	*11*
More than 10 years old	*75*	*-*	*(51)*	*24*
CEL accounts	45	37	-	82
TOTAL	**125**	**47**	**(51)**	**121**

The increase in interest rates (to which the level of provisioning is sensitive) explains the sharp decrease in the provisions for mortgage savings accounts and plans observed in 2023. These provisions are still mainly related to the commitment to remunerate cash deposits. The level of provisions amounts to 0.7% of the total outstanding stock as at 31 December 2023.

METHODS USED TO ESTABLISH PROVISION VALUATION INPUTS

The inputs used to estimate future customer behaviour are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these inputs can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market inputs used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate by Societe Generale, at the date of valuation, of the future value of these items for the period in question, in line with the Retail Banking Division’s policy of interest rate risk management.

The discount rates used are derived from the zero-coupon swaps versus Euribor yield curve at the valuation date, averaged over a 12-month period.

NOTE 8.2.2 OTHER PROVISIONS

Other provisions include provisions for restructuring (except staff costs), provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

The Group is subject to an extensive legal and regulatory framework in the countries where it operates. In this complex legal context, the Group and some of its former and current representatives may be involved in various legal actions, including civil, administrative and criminal proceedings. The vast majority of these proceedings are part of the Group’s current business. In recent years, litigation with investors and the number of disputes involving financial intermediaries such as banks and investment advisors has increased, partly due to a difficult financial environment.

It is by nature difficult to foresee the outcome of disputes, regulatory proceedings and acts involving Group entities, particularly if they are initiated by various categories of complainants, if the amount of claims for damages is not specified or is indeterminate or if the proceedings have no precedent.

In preparing its financial statements, the Group assesses the consequences of the legal, regulatory or arbitration proceedings in which it is involved. A provision is booked when losses from these proceedings become probable and the amount can be estimated reliably.

To assess the probability of losses and the amount of these losses, and thus to determine the amount of provisions to book, estimations are important. Management makes these estimates by exercising its judgment and taking into account all information available when financial statements are prepared. In particular, the Group takes into account the nature of the dispute, the underlying facts, ongoing proceedings and court decisions already taken, as well as its experience and the experiences of other companies dealing with similar cases (assuming that the Group has knowledge thereof) and, where appropriate, the opinion and reports of experts and independent legal advisers.

Each quarter, the Group carries out a detailed examination of outstanding disputes that present a significant risk. The description of those disputes is presented in Note 9 “Information on risks and litigation”.

NOTE 8.3 Tangible and intangible fixed assets

ACCOUNTING PRINCIPLES

Tangible and intangible fixed assets

Tangible and intangible fixed assets include operating and investment fixed assets. Equipment assets held for operating leases purpose are included in operating tangible assets, while buildings held for leasing purposes are included in investment property.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortisation and impairment, except investment property held by insurance entities to back insurance contracts measured at fair value. The purchase price of fixed assets includes borrowing costs incurred to fund a lengthy construction period for the fixed assets, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets. Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development.

As soon as they are fit for use, fixed assets are depreciated or amortised using the component-based approach. Each component is depreciated or amortised over its own useful life. The Group has applied this approach to its operating properties, breaking down its assets into components with depreciation periods of 10 to 50 years. Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated at 3 to 20 years.

Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

Depreciation and amortisation are recorded in the income statement under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Fixed assets grouped into Cash Generating Units are tested for impairment whenever there is any indication that their value may have diminished. Allocations and reversals of provisions for impairment are recorded in profit or loss under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Realised capital gains and losses on operating fixed assets are recognised under Net income from other assets.

Investment properties, insurance activities excluded, are depreciated using the component-based method. Each component is depreciated over its own useful life, ranging from 10 to 50 years.

Investment property held by insurance entities to back the insurance contracts issued, are measured at fair value through profit or loss, once a year, based on valuation reports by an independent expert. The fair value of investment property is based on unobservable inputs, thus corresponding to the level 3 category of fair value measurement (see Note 3.4).

Profits or losses on operating lease assets and on investment property, including amortisation, depreciation and revaluation are recognised under “Income from other activities” and “Expense from other activities” (see Note 4.2).

Operating lease assets

The cars leased by the Group in the context of fleet management are depreciated on a straight-line basis over the lease term for an average of 3 to 5 years. The depreciable amount of these cars is their acquisition cost less their residual value.

The acquisition cost of rental cars includes their acquisition cost plus the direct initial costs necessary for making them available to rental customers. Their residual value is an estimate of its resale value at the end of the contract. The estimate is based on statistical data and is reviewed at least once a year to take into account of price developments in the second-end car market. In case of increase or decrease in the residual value compared to its initial estimate, this change in estimate leads to adjust, vehicle by vehicle, its remaining depreciable value in order to modify its depreciation plan prospectively.

Profits or losses on the operating lease assets, including depreciation and impairment, are recognised under Income from other activities and Expense from other activities (see Note 4.2).

Rights-of-use for assets leased by the Group

LEASE

Definition of the lease

A contract is, or contains, a lease if it conveys to the lessor the right to control the use of an identified asset for a period of time in exchange for consideration:

- control is conveyed when the customer has both the right to direct the identified asset's use, and to obtain substantially all the economic benefits from that use throughout the lease period;
- the existence of an identified asset will depend on the absence, for the lessor, of substantive substitution rights for the leased asset; this condition is measured with regard to the facts and circumstances existing at the commencement of the contract. If the lessor has the option of freely substituting the leased asset, the contract can not be qualified as a lease, since its purpose is the provision of a capacity and not an asset;
- a capacity portion of an asset is still an identified asset if it is physically distinct (*e.g.* a floor of a building). Conversely, a portion of the capacity or of an asset that is not physically distinct does not constitute an identified asset (*e.g.* the lease of co-working area within a unit with no pre-defined location inside that unit).

Separation of lease and non-lease components

A contract may cover the lease of an asset by the lessor as well as the supply of additional services by that lessor. In this scenario, the lessee can separate the lease components from the non-lease components of the contract and treat them separately. The rental payments stipulated in the contract must be separated between the lease components and the non-lease components based on their individual prices (as directly indicated in the contract or estimated on the basis on all of the observable information). If the lessee cannot separate the lease components from the non-lease components (or services), the entire contract is treated as a lease.

LEASE TERM

Definition of the lease term

The lease period to be applied in determining the rental payments to be discounted matches the non-cancellable period of the lease adjusted for:

- options to extend the contract that the lessee is reasonably certain to exercise;
- and early termination options that the lessee is reasonably certain not to exercise.

Lease term = Non-cancellable period of the lease + Periods covered by an option to extend the lease* + Periods covered by an option to terminate the lease**

* *if the lessee is reasonably certain to exercise that option.*

** *if the lessee is reasonably certain not to exercise that option.*

The measurement of the reasonable certainty of exercising or not exercising the extension or early termination options shall take into account all the facts and circumstances that may create an economic incentive to exercise or not these options, specifically:

- the conditions for exercising these options (including measurement of the amount of the rental payments in case of an extension, or of the amount of penalties that may be imposed for early termination);
- substantial changes made to the leased premises (specific layouts, such as a bank vault);
- the costs associated with terminating the contract (negotiation costs, moving costs, research costs for a new asset that meets the lessee's requirements, etc.);
- the importance of the leased asset for the lessee, in view of its specific nature, its location, or the availability of substitute assets (specifically for branches located in commercially strategic sites, given their accessibility, expected traffic, or the prestige of the location);
- the history of renewals of similar contracts, as well as the strategy for the future use of the assets (based on the prospect of redeployment or rearrangement of a commercial branch network, for example).

When the lessee and the lessor each have the right to terminate the lease without the prior agreement of the other party and with no penalty other than a negligible one, the contract is no longer binding, and thus it no longer creates a lease liability.

In France, most property leases on premises occupied by branches are 9-year leases with an early-termination option at the end of 3 and 6-year term (leases referred to as "3/6/9"); at the end of the 9-year term, if no new agreement is signed, the initial lease is renewed by tacit agreement for a 5-year term. This 5-year term may be modified depending on the quality of the location, the completion of major investments, or the planned closure of a group of designated branches.

Changing the lease term

The term must be modified in case of a change of circumstances which lead the lessee to revise the exercise of the options included in the lease contract or in case of events which contractually oblige the lessee to exercise (or not) an option that had not been included (or is included) in the lease contract.

Following a change in the lease term, the lease obligation must be reassessed to reflect those changes by using a revised discount rate for the remaining estimated term of the contract.

ACCOUNTING TREATMENT BY THE GROUP AS A LESSEE

On the commencement date (on which the leased asset is made available for use), the lessee must record a lease liability on the liabilities side of the balance sheet and a right-of-use asset on the assets side of the balance sheet except for the exemptions described below.

In the income statement, the lessee must recognise an interest expense calculated on the lease liability under net banking income and a depreciation of the right-of-use under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

The rental payments will partly reduce the lease liability and partly remunerate this liability in the form of interest expense.

Exemptions and exclusions

The Group does not apply the new lease treatment to contracts with a term of less than one year (including renewal options), nor to contracts on low-value items by applying the exemption threshold of USD 5,000 as indicated in the standard’s Basis for Conclusions (the threshold should be measured against the replacement cost per unit of the leased asset).

Rental payment amounts

The payments to be considered for the measurement of the lease liability include fixed and variable rental payments based on an index (*e.g.* consumer price index or construction cost index), plus, where applicable, the funds that the lessee expects to pay the lessor for residual value guarantees, purchase options, or early termination penalties.

However, variable lease payments that are indexed on the use of the leased asset (indexed on revenue or mileage, for example) are excluded from the measurement of lease liability. This variable portion of the rental payments is recorded in the net income over time according to fluctuations in contractual indexes fluctuations.

Rental payments have to be considered based on their amount net of value-added tax. In addition, for building leases, occupancy taxes and property taxes passed on by lessors will be excluded from lease liabilities because their amount, as set by the competent public authorities, is variable.

Recognition of the lease liability

The liability initial amount is equal to the discounted value of the rental payments that will be payable over the lease period.

This lease liability is then measured at the amortised cost using the effective interest rate method: part of each rental payment will then be booked as interest expenses in the income statement, and part will be gradually deducted from the lease liability on the balance sheet.

After the commencement date, the amount of the lease liability may be adjusted if the lease is amended, the lease period is re-estimated, or to account for contractual changes in the rental payments related to the application of indices or rates.

As applicable, the lessee must also recognise a provision in its liabilities to cover the costs of restoring the leased asset that would be assumed when the lease ends.

Recognition of the right-of-use

On the availability date of the leased asset, the lessee must enter a right-of-use asset, on the assets side of the balance sheet, for an amount equal to the initial value of the lease liability, plus, as applicable, initial direct costs (*e.g.* issuance of an authenticated lease, registration fees, negotiation fees, front-end fee, leasehold right, lease premium, etc.), advance payments, and restoration costs.

This asset is then depreciated on a straight-line basis over the lease period that is applied for measuring the lease liability.

After the commencement date, the asset’s value may be adjusted if the lease is amended, as it is the case for the lease liability.

Rights-of-use is presented on the lessee’s balance sheet under the items of fixed assets where properties of the same type that are held in full ownership are entered. If the lease stipulates the initial payment of a leasehold right to the former tenant of the premises, the amount of that right is stated as a separate component of the right of use and presented under the same heading as the latter.

Lease discount rates

The Group uses the lessees’ incremental borrowing rate to discount the rental payments as well as the amount of lease liabilities. For the entities which can directly refinance themselves on their local markets, the incremental borrowing rate is set at the lessee entity level, not at the Group level, in consideration of the borrowing terms and that entity’s credit risk. For the entities which refinance themselves through the Group, the incremental borrowing rate is set by the Group.

The discount rates are set according to the currency, the country of the lessee entities and the maturity estimated of the contracts.

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

(In EURm)	31.12.2022 R	Increases/ allowances	Disposals/ reversals	Revaluation	Other movements	31.12.2023
Intangible Assets	**2,874**	**665**	**(155)**	**-**	**178**	**3,562**
of which gross value	*8,935*	*1,379*	*(728)*	*-*	*404*	*9,990*
of which amortisation and impairments	*(6,061)*	*(714)*	*573*	*-*	*(226)*	*(6,428)*
Tangible Assets (w/o assets under operating leases)	**4,289**	**96**	**(148)**	**-**	**(18)**	**4,219**
of which gross value	*11,031*	*652*	*(391)*	*-*	*(85)*	*11,207*
of which amortisation and impairments	*(6,742)*	*(556)*	*243*	*-*	*67*	*(6,988)*
Assets under operating leases(1)	**24,071**	**16,411**	**(11,204)**	**-**	**21,143**	**50,421**
of which gross value	*32,933*	*22,463*	*(16,618)*	*-*	*28,628*	*67,406*
of which amortisation and impairments	*(8,862)*	*(6,052)*	*5,414*	*-*	*(7,485)*	*(16,985)*
Investment Property (except insurancy activities)	**11**	**(1)**	**-**	**-**	**2**	**12**
of which gross value	*30*	*-*	*(2)*	*-*	*7*	*35*
of which amortisation and impairments	*(19)*	*(1)*	*2*	*-*	*(5)*	*(23)*
Investment Property (including insurancy activities)	**877**	**1**	**-**	**(148)**	**-**	**730**
Rights-of-use	**1,836**	**(33)**	**(152)**	**-**	**119**	**1,770**
of which gross value	*3,221*	*417*	*(280)*	*-*	*239*	*3,597*
of which amortisation and impairments	*(1,385)*	*(450)*	*128*	*-*	*(120)*	*(1,827)*
TOTAL	**33,958**	**17,139**	**(11,659)**	**(148)**	**21,424**	**60,714**

(1) *The other movements are mainly explained by the acquisition of LeasePlan (cf. Note 2.1).*

BREAKDOWN OF MINIMUM PAYMENTS RECEIVABLE ON OPERATING LEASE ASSETS

(In EURm)	31.12.2023	31.12.2022*
Payments due in less than five years	21,555	7,426
Payments due in less than one year	*5,115*	*966*
Payments due from one to two years	*5,125*	*1,766*
Payments due from two to three years	*5,615*	*2,408*
Payments due from three to four years	*4,376*	*1,809*
Payments due from four to five years	*1,324*	*477*
Payments due in more than five years	146	27
TOTAL	**21,701**	**7,453**

* *Amounts restated compared to the financial statements published for 2022.*

INFORMATIONS RELATIVE TO LEASES ON TANGIBLE ASSETS USED BY THE GROUP

Property Leases

Most of the leases (more than 90%) involve building leases contracted for the lease of commercial and office space:

- the commercial spaces are branches in the Group's French and international retail banking networks. In France, the majority of property leases contracted are 9-year commercial leases with early termination options at 3 and 6 years (so-called "3/6/9" leases). If a new contract is not signed by the end of that 9-year period, the initial lease is automatically extended;
- the office buildings are leased for certain departments reporting to the Group's French headquarters or the local head offices of the main foreign subsidiaries, and for certain locations in the main international financial centres: London, New York, Hong Kong...

Outside France, residual lease periods are generally below 10 years. In some countries, leases can be annual, with optional automatic renewal. In other locations, specifically London and New York, lease periods can be as long as 25 years.

Equipment Leases

Other leases (less than 10%) are mainly computer equipment leases and a very small percentage of vehicle leases.

OVERVIEW TABLE OF LEASE TRANSACTION COSTS AND SUBLEASE INCOME

	31.12.2023			
(In EURm)	**Real estate**	**IT**	**Others**	**Total**
Lease	(458)	(47)	(9)	(514)
Interest expenses on lease liabilities	*(45)*	*(1)*	*(1)*	*(47)*
Depreciation charge for right-of-use assets	*(378)*	*(41)*	*(4)*	*(423)*
Expense relating to short-term leases	*(22)*	*(1)*	*(4)*	*(27)*
Expense relating to leases of low-value assets	*(2)*	*(4)*	*-*	*(6)*
Expense relating to variable lease payments	*(11)*	*-*	*-*	*(11)*
Sublease income	11	-	-	11

	31.12.2022			
(In EURm)	**Real estate**	**IT**	**Others**	**Total**
Lease	(440)	(47)	(8)	(495)
Interest expenses on lease liabilities	*(37)*	*(0)*	*(0)*	*(37)*
Depreciation charge for right-of-use assets	*(361)*	*(42)*	*(4)*	*(407)*
Expense relating to short-term leases	*(29)*	*(1)*	*(3)*	*(33)*
Expense relating to leases of low-value assets	*(1)*	*(4)*	*(1)*	*(6)*
Expense relating to variable lease payments	*(12)*	*(0)*	*(0)*	*(12)*
Sublease income	11	-	-	11

NOTE 8.4 Companies included in the consolidation scope

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
South Africa								
	(1)	SG JOHANNESBURG	Bank	FULL	100	100	100	100
Algeria								
		ALD AUTOMOTIVE ALGERIE SPA	Specialist Financing	FULL	52.59	75.94	99.99	99.99
		SOCIETE GENERALE ALGERIE	Bank	FULL	100	100	100	100
Germany								
		ALD AUTOLEASING D GmbH	Specialist Financing	FULL	52.59	75.94	100	100
		ALD INTERNATIONAL GmbH	Specialist Financing	FULL	52.59	75.94	100	100
		ALD INTERNATIONAL GROUP HOLDINGS GmbH	Specialist Financing	FULL	52.59	75.94	100	100
		ALD LEASE FINANZ GmbH	Specialist Financing	FULL	100	100	100	100
		BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH	Specialist Financing	FULL	99.94	99.94	90	90
		BDK LEASING UND SERVICE GmbH	Specialist Financing	FULL	100	100	100	100
		CAR PROFESSIONAL FUHRPARKMANAGEMENT UND BERATUNGSGESELLSCHAFT MBH & CO. KG	Specialist Financing	FULL	52.59	75.94	100	100
		CARPOOL GmbH	Specialist Financing	FULL	52.59	75.94	100	100
		FLEETPOOL GmbH	Specialist Financing	FULL	52.59	75.94	100	100
		GEFA BANK GmbH	Specialist Financing	FULL	100	100	100	100
		GEFA VERSICHERUNGSDIENST GmbH	Specialist Financing	EFS	100	100	100	100
		HANSEATIC BANK GmbH & CO KG	Specialist Financing	FULL	75	75	75	75
		HANSEATIC GESELLSCHAFT FUR BANKBETEILIGUNGEN MBH	Portfolio Management	FULL	75	75	100	100
		HSCE HANSEATIC SERVICE CENTER GmbH	Services	FULL	75	75	100	100
		INTERLEASING DELLO HAMBURG G.M.B.H.	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	LEAN AUTOVERMIETUNG GmbH	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN DEUTSCHLAND GmbH	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN SERVICES GmbH	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN VERSICHERUNGSVERMITTLUNGS-GESELLSCHAFT MBH	Specialist Financing	FULL	52.59	0	100	0
	(6)	PHILIPS MEDICAL CAPITAL GmbH	Specialist Financing	FULL	60	0	60	0
	(6)	RED & BLACK AUTO GERMANY 10	Financial Company	FULL	100	0	100	0
		RED & BLACK AUTO GERMANY 4 UG (HAFTUNGSBESCHRANKT)	Financial Company	FULL	100	100	100	100
	(2)	RED & BLACK AUTO GERMANY 6 UG	Financial Company	FULL	0	100	0	100
		RED & BLACK AUTO GERMANY 7	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Germany		RED & BLACK AUTO GERMANY 8	Financial Company	FULL	100	100	100	100
		RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHRANKT)	Financial Company	FULL	100	100	100	100
		SG EQUIPMENT FINANCE GmbH	Specialist Financing	FULL	100	100	100	100
	(1)	SG FRANCFORT	Bank	FULL	100	100	100	100
		SOCIETE GENERALE EFFEKTEN GmbH	Financial Company	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES SERVICES GmbH	Specialist Financing	FULL	100	100	100	100
	(1)	SOGECAP DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100	100	100	100
	(1)	SOGESSUR DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100	100	100	100
Arabie Saoudite								
	(6)	SOCIETE GENERALE SAUDI ARABIA JSC	Bank	FULL	100	0	100	0
Australia								
		SOCIETE GENERALE SECURITIES AUSTRALIA PTY LTD	Broker	FULL	100	100	100	100
	(1)	SOCIETE GENERALE SYDNEY BRANCH	Bank	FULL	100	100	100	100
Austria								
		ALD AUTOMOTIVE FUHRPARKMANAGEMENT UND LEASING GmbH	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	FLOTTENMANAGEMENT GmbH	Specialist Financing	ESI	25.77	0	49	0
	(6)	LEASEPLAN OSTERREICH FUHRPARKMANAGEMENT GmbH	Specialist Financing	FULL	52.59	0	100	0
	(1)	SG VIENNE	Bank	FULL	100	100	100	100
Belarus								
	(4)	ALD AUTOMOTIVE LLC	Specialist Financing	FULL	0	75.94	0	100
Belgium								
		AXUS FINANCE SRL	Specialist Financing	FULL	52.59	75.94	100	100
		AXUS SA/NV	Specialist Financing	FULL	52.59	75.94	100	100
		BASTION EUROPEAN INVESTMENTS SA	Financial Company	FULL	60.74	60.74	100	100
	(6)	BUMPER BE	Financial Company	FULL	52.59	0	100	0
	(6)	LEASEPLAN FLEET MANAGEMENT N.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN PARTNERSHIPS & ALLIANCES	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN TRUCK N.V.	Specialist Financing	FULL	52.59	0	100	0
		PARCOURS BELGIUM	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
	(1)	SG BRUXELLES	Bank	FULL	100	100	100	100
	(1)	SG EQUIPMENT FINANCE BENELUX B.V. BELGIAN BRANCH	Specialist Financing	FULL	100	100	100	100
		SOCIETE GENERALE IMMOBEL	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Benin								
		SOCIETE GENERALE BENIN	Bank	FULL	93.43	93.43	94.1	94.1
Bermuda								
		CATALYST RE INTERNATIONAL LTD.	Insurance	FULL	100	100	100	100
Brazil								
		ALD AUTOMOTIVE SA	Specialist Financing	FULL	52.59	75.94	100	100
		ALD CORRETORA DE SEGUROS LTDA	Broker	FULL	52.59	75.94	100	100
		BANCO SOCIETE GENERALE BRASIL SA	Bank	FULL	100	100	100	100
	(6)	LEASEPLAN ARRENDAMENTO MERCANTIL SA	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN BRASIL LTDA.	Specialist Financing	FULL	52.59	0	100	0
		SOCIETE GENERALE EQUIPMENT FINANCE S/A – ARRENDAMENTO MERCANTIL	Specialist Financing	FULL	100	100	100	100
Bulgaria								
		ALD AUTOMOTIVE EOOD	Specialist Financing	FULL	52.59	75.94	100	100
Burkina Faso								
		SOCIETE GENERALE BURKINA FASO	Bank	FULL	51.27	51.27	52.61	52.61
Cayman Islands								
		AEGIS HOLDINGS (OFFSHORE) LTD.	Financial Company	FULL	100	100	100	100
Cameroon								
		SOCIETE GENERALE CAMEROUN	Bank	FULL	58.08	58.08	58.08	58.08
Canada								
	(8)	13406300 CANADA INC.	Bank	FULL	100	100	100	100
	(6)	SG MONTREAL SOLUTION CENTER 2 INC.	Services	FULL	100	0	100	0
	(6)	SG MONTREAL SOLUTION CENTER INC.	Services	FULL	100	0	100	0
	(1)	SOCIETE GENERALE (CANADA BRANCH)	Bank	FULL	100	100	100	100
		SOCIETE GENERALE CAPITAL CANADA INC	Broker	FULL	100	100	100	100
Chile								
		ALD AUTOMOTIVE LIMITADA	Specialist Financing	FULL	52.59	75.94	100	100
China								
		SOCIETE GENERALE (CHINA) LIMITED	Bank	FULL	100	100	100	100
		SOCIETE GENERALE LEASING AND RENTING CO. LTD	Specialist Financing	FULL	100	100	100	100
Colombia								
		ALD AUTOMOTIVE SAS	Specialist Financing	FULL	52.59	75.94	100	100
Congo								
	(4)	SOCIETE GENERALE CONGO	Bank	FULL	0	93.47	0	93.47
South Korea								
		SG SECURITIES KOREA CO., LTD.	Broker	FULL	100	100	100	100
	(1)	SG SEOUL	Bank	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Côte d'Ivoire								
	(6)	SOCIETE GENERALE AFRICAN BUSINESS SERVICES ABIDJAN	Services	FULL	97.88	0	100	0
		SOCIETE GENERALE CAPITAL SECURITIES WEST AFRICA	Portfolio Management	FULL	71.27	71.25	100	99.98
		SOCIETE GENERALE COTE D'IVOIRE	Bank	FULL	73.25	73.25	73.25	73.25
Croatia								
		ALD AUTOMOTIVE D.O.O. ZA. OPERATIVNI I FINANCIJSKI LEASING	Specialist Financing	FULL	52.59	75.94	100	100
		ALD FLEET SERVICES D.O.O ZA TRGOVINU I USLUGE	Specialist Financing	FULL	52.59	75.94	100	100
Denmark								
		ALD AUTOMOTIVE A/S	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	AUTO CLAIM HANDLING DANMARK A/S	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN DANMARK A/S	Specialist Financing	FULL	52.59	0	100	0
		NF FLEET A/S	Specialist Financing	FULL	42.07	60.75	80	80
United Arab Emirates								
	(6)	LEASEPLAN EMIRATES FLEET MANAGEMENT – LEASEPLAN EMIRATES LLC, UAE	Specialist Financing	ESI	25.77	0	49	0
	(1)	SOCIETE GENERALE, DIFC BRANCH	Bank	FULL	100	100	100	100
Spain								
		ALD AUTOMOTIVE SAU.	Specialist Financing	FULL	52.59	75.94	100	100
		ALTURA MARKETS, SOCIEDAD DE VALORES, SA	Broker	EJV	50	50	50	50
	(6)	GARANTHIA PLAN S.L.	Broker	FULL	52.59	0	100	0
	(1)	GENEFIM SUCURSAL EN ESPANA	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(6)	LEASE PLAN SERVICIOS SAU.	Specialist Financing	FULL	52.59	0	100	0
	(6)	PAYXPERT SPAIN	Financial Company	FULL	60	0	100	0
	(6)	PIRAMBU S.L.	Financial Company	FULL	100	0	100	0
		SG EQUIPMENT FINANCE IBERIA, E.F.C, SAU.	Specialist Financing	FULL	100	100	100	100
		SOCGEN FINANCIACIONES IBERIA, S.L.	Bank	FULL	100	100	100	100
		SOCGEN INVERSIONES FINANCIERAS S.L.	Financial Company	FULL	100	100	100	100
	(1)	SOCIETE GENERALE SUCCURSAL EN ESPANA	Bank	FULL	100	100	100	100
		SODEPROM	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SOLUCIONES DE RENTING Y MOVILIDAD, S.L. (SOCIEDAD UNIPERSONAL)	Specialist Financing	FULL	52.59	75.94	100	100
Estonia								
		ALD AUTOMOTIVE EESTI AS	Specialist Financing	FULL	39.45	56.96	75.01	75.01

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
United States of America								
		AEGIS HOLDINGS (ONSHORE) INC.	Financial Company	FULL	100	100	100	100
		SG AMERICAS EQUITIES CORP.	Financial Company	FULL	100	100	100	100
		SG AMERICAS OPERATIONAL SERVICES, LLC	Services	FULL	100	100	100	100
		SG AMERICAS SECURITIES HOLDINGS, LLC	Bank	FULL	100	100	100	100
		SG AMERICAS SECURITIES, LLC	Broker	FULL	100	100	100	100
		SG AMERICAS, INC.	Financial Company	FULL	100	100	100	100
	(5)	SG CONSTELLATION, INC.	Financial Company	FULL	0	100	0	100
		SG EQUIPMENT FINANCE USA CORP.	Specialist Financing	FULL	100	100	100	100
		SG MORTGAGE FINANCE CORP.	Financial Company	FULL	100	100	100	100
		SG MORTGAGE SECURITIES, LLC	Portfolio Management	FULL	100	100	100	100
		SG STRUCTURED PRODUCTS, INC.	Specialist Financing	FULL	100	100	100	100
	(1)	SOCIETE GENERALE (NEW YORK)	Bank	FULL	100	100	100	100
		SOCIETE GENERALE FINANCIAL CORPORATION	Financial Company	FULL	100	100	100	100
		SOCIETE GENERALE INVESTMENT CORPORATION	Financial Company	FULL	100	100	100	100
		SOCIETE GENERALE LIQUIDITY FUNDING, LLC	Financial Company	FULL	100	100	100	100
Finland								
		AXUS FINLAND OY	Specialist Financing	FULL	52.59	75.94	100	100
		NF FLEET OY	Specialist Financing	FULL	42.07	60.75	80	80
France								
		29 HAUSSMANN EQUILIBRE	Financial Company	FULL	87.1	87.1	87.1	87.1
	(6)	29 HAUSSMANN EURO CREDIT – PART-C	Financial Company	FULL	60.05	0	60.05	0
		29 HAUSSMANN EURO RDT	Financial Company	FULL	58.1	58.1	58.1	58.1
		29 HAUSSMANN SELECTION EUROPE – K	Financial Company	FULL	45.23	45.23	45.23	45.23
		29 HAUSSMANN SELECTION MONDE	Financial Company	FULL	68.7	68.7	68.7	68.7
		908 REPUBLIQUE	Real Estate and Real Estate Financing	ESI	40	40	40	40
	(6)	ADMINISTRATIVE AND MANAGEMENT SERVICES	Specialist Financing	FULL	52.59	0	100	0
		AIR BAIL	Specialist Financing	FULL	100	100	100	100
		AIX – BORD DU LAC – 3	Financial Company	EJV	50	50	50	50
	(2)	AIX – BORD DU LAC – 4	Real Estate and Real Estate Financing	EJV	0	50	0	50
		ALD	Specialist Financing	FULL	52.59	75.94	68.97	75.94
		ALFORTVILLE BAIGNADE	Real Estate and Real Estate Financing	ESI	40	40	40	40
		AMPERIM	Real Estate and Real Estate Financing	EJV	50	50	50	50

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France	(4)	AMUNDI CREDIT EURO – P	Financial Company	FULL	0	57.43	0	57.43
		ANNEMASSE-ILOT BERNARD	Real Estate and Real Estate Financing	FULL	80	80	80	80
		ANTALIS SA	Financial Company	FULL	100	100	100	100
		ANTARES	Real Estate and Real Estate Financing	ESI	45	45	45	45
		ANTARIUS	Insurance	FULL	100	100	100	100
		ARTISTIK	Real Estate and Real Estate Financing	ESI	30	30	30	30
	(5)	BANQUE COURTOIS	Bank	FULL	0	100	0	100
		BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	Bank	FULL	50	50	50	50
	(5)	BANQUE KOLB	Bank	FULL	0	100	0	100
	(5)	BANQUE LAYDERNIER	Bank	FULL	0	100	0	100
	(5)	BANQUE NUGER	Bank	FULL	0	100	0	100
	(3)	BANQUE POUYANNE	Bank	ESI	0	35	0	35
	(5)	BANQUE RHONE ALPES	Bank	FULL	0	99.99	0	99.99
	(5)	BANQUE TARNEAUD	Bank	FULL	0	100	0	100
		BAUME LOUBIERE	Real Estate and Real Estate Financing	ESI	40	40	40	40
	(6)	BERCK RUE DE BOUVILLE	Real Estate and Real Estate Financing	ESI	25	0	25	0
		BERLIOZ	Financial Company	FULL	84.05	84.05	84.05	84.05
	(6)	BEZIERS-LA COURONDELLE	Real Estate and Real Estate Financing	EJV	50	0	50	0
		BOURSORAMA MASTER HOME LOANS FRANCE	Specialist Financing	FULL	100	100	100	100
		BOURSORAMA SA	Bank	FULL	100	100	100	100
		BREMANY LEASE SAS	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
	(6)	BUMPER FR 2022-1	Financial Company	FULL	52.59	0	100	0
		CARBURAUTO	Group Real Estate Management Company	EJV	50	50	50	50
	(6)	CEGELEASE	Real Estate and Real Estate Financing	FULL	99.99	0	100	0
		CENTRE IMMO PROMOTION	Real Estate and Real Estate Financing	FULL	60	60	60	60
	(2)	CHARTREUX LOT A1	Real Estate and Real Estate Financing	ESI	0	100	0	100
		COMPAGNIE FINANCIERE DE BOURBON	Specialist Financing	FULL	99.99	99.99	100	100
		COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Group Real Estate Management Company	FULL	100	100	100	100
		COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	Specialist Financing	FULL	99.89	99.89	99.89	99.89

Country			Activity	Method*	Group ownership interest As at 31.12.2023	Group ownership interest As at 31.12.2022	Group voting interest As at 31.12.2023	Group voting interest As at 31.12.2022
France		CONTE	Group Real Estate Management Company	EJV	50	50	50	50
	(5)	CREDIT DU NORD	Bank	FULL	0	100	0	100
	(3)	DARWIN DIVERSIFIE 0-20	Portfolio Management	FULL	0	89.94	0	89.94
		DARWIN DIVERSIFIE 40-60	Financial Company	FULL	79.78	79.78	79.78	79.78
		DARWIN DIVERSIFIE 80-100	Financial Company	FULL	78.34	78.34	78.34	78.34
		DISPONIS	Specialist Financing	FULL	99.99	99.99	100	100
		ECHIQUIER AGENOR EURO SRI MID CAP	Financial Company	FULL	40.85	40.85	40.85	40.85
	(2)	ESNI – COMPARTIMENT SG-CREDIT CLAIMS – 1	Financial Company	FULL	0	100	0	100
		ETOILE CAPITAL	Financial Company	FULL	100	99.99	100	99.99
	(3)	ETOILE MULTI GESTION EUROPE-C	Insurance	FULL	0	51.59	0	51.59
	(3)	ETOILE MULTI GESTION USA – PART P	Insurance	FULL	0	35.18	0	35.18
		F.E.P. INVESTISSEMENTS	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(4)	FCC ALBATROS	Portfolio Management	ESI	0	100	0	51
		FCT LA ROCHE	Specialist Financing	FULL	100	100	100	100
		FEEDER LYX E ST50 D6	Financial Company	FULL	100	100	100	100
		FEEDER LYXOR CAC40 D2-EUR	Financial Company	FULL	100	100	100	100
		FENWICK LEASE	Specialist Financing	FULL	99.99	99.99	100	100
		FINASSURANCE SNC	Insurance	FULL	98.89	98.89	99	99
		FRANFINANCE	Specialist Financing	FULL	99.99	99.99	99.99	99.99
		FRANFINANCE LOCATION	Specialist Financing	FULL	99.99	99.99	100	100
		GALYBET	Real Estate and Real Estate Financing	FULL	100	100	100	100
		GENEBANQUE	Bank	FULL	100	100	100	100
		GENECAL FRANCE	Specialist Financing	FULL	100	100	100	100
		GENECAR – SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	Insurance	FULL	100	100	100	100
		GENECOMI FRANCE	Specialist Financing	FULL	100	100	100	100
		GENEFIM	Real Estate and Real Estate Financing	FULL	100	100	100	100
		GENEFINANCE	Portfolio Management	FULL	100	100	100	100
		GENEGIS I	Group Real Estate Management Company	FULL	100	100	100	100
		GENEGIS II	Group Real Estate Management Company	FULL	100	100	100	100
		GENEPIERRE	Real Estate and Real Estate Financing	FULL	60.34	56.56	60.34	56.56

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		GENEVALMY	Group Real Estate Management Company	FULL	100	100	100	100
	(3)	HAGA NYGATA	Specialist Financing	FULL	0	100	0	100
		HIPPOLYTE	Specialist Financing	FULL	100	100	100	100
		HYUNDAI CAPITAL FRANCE (EX SEFIA)	Specialist Financing	ESI	49.95	49.95	50	50
		ILOT AB	Real Estate and Real Estate Financing	FULL	80	80	80	80
		IMMOBILIERE PROMEX	Real Estate and Real Estate Financing	ESI	35	35	35	35
		INVESTIR IMMOBILIER NORMANDIE	Real Estate and Real Estate Financing	FULL	100	100	100	100
		INVESTISSEMENT 81	Financial Company	FULL	100	100	100	100
	(6)	IVRY CHAUSSINAND	Real Estate and Real Estate Financing	FULL	64	0	64	0
		JSJ PROMOTION	Real Estate and Real Estate Financing	ESI	45	45	45	45
		LA CORBEILLERIE	Real Estate and Real Estate Financing	ESI	40	40	40	40
		LA FONCIERE DE LA DEFENSE	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(6)	LEASEPLAN FRANCE SAS	Specialist Financing	FULL	52.59	0	100	0
		LES ALLEES DE L'EUROPE	Real Estate and Real Estate Financing	ESI	34	34	34	34
		LES JARDINS D'ALHAMBRA	Real Estate and Real Estate Financing	ESI	35	35	35	35
	(2)	LES JARDINS DE L'ALCAZAR	Real Estate and Real Estate Financing	ESI	0	30	0	30
	(6)	LES JARDINS DU VILLAGE	Real Estate and Real Estate Financing	FULL	80	0	80	0
		LES MESANGES	Real Estate and Real Estate Financing	FULL	55	55	55	55
		LES TROIS LUCS 13012	Real Estate and Real Estate Financing	FULL	100	100	100	100
		LES VILLAS VINCENTI	Real Estate and Real Estate Financing	ESI	30	30	30	30
		L'HESPEL	Real Estate and Real Estate Financing	ESI	30	30	30	30
		LOTISSEMENT DES FLEURS	Real Estate and Real Estate Financing	ESI	30	30	30	30
		LYON LA FABRIC	Real Estate and Real Estate Financing	EJV	50	50	50	50

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		LYX ACT EURO CLIMAT-D3EUR	Financial Company	FULL	100	100	100	100
		LYX ACT EURO CLIMAT-DEUR	Financial Company	FULL	100	100	100	100
		LYXOR ACTIONS EURO CLIMAT D4 EUR	Financial Company	FULL	100	100	100	100
		LYXOR GL OVERLAY F	Financial Company	FULL	87.27	87.27	87.27	87.27
		LYXOR SKYFALL FUND	Financial Company	FULL	88.98	88.98	88.98	88.98
		MEDITERRANEE GRAND ARC	Real Estate and Real Estate Financing	EJV	50	50	50	50
	(2)	NORBAIL IMMOBILIER	Real Estate and Real Estate Financing	ESI	0	100	0	100
		NORBAIL SOFERGIE	Real Estate and Real Estate Financing	FULL	100	100	100	100
		NORMANDIE REALISATIONS	Real Estate and Real Estate Financing	FULL	100	100	100	100
		ONYX	Group Real Estate Management Company	EJV	50	50	50	50
		OPCI SOGECAPIMMO	Financial Company	FULL	100	100	100	100
		ORADEA VIE	Insurance	FULL	100	100	100	100
		ORPAVIMOB	Specialist Financing	FULL	100	100	100	100
		PARCOURS	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
		PARCOURS ANNECY	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
		PARCOURS BORDEAUX	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
		PARCOURS NANTES	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
		PARCOURS STRASBOURG	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
		PARCOURS TOURS	Real Estate and Real Estate Financing	FULL	52.59	75.94	100	100
	(5)	PAREL	Services	FULL	0	100	0	100
	(6)	PAYXPERT FRANCE	Financial Company	FULL	60	0	100	0
		PHILIPS MEDICAL CAPITAL FRANCE	Specialist Financing	FULL	60	60	60	60
		PIERRE PATRIMOINE	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(6)	PLEASE	Specialist Financing	EJV	52.23	0	50	0
		PRAGMA	Real Estate and Real Estate Financing	FULL	100	100	100	100
		PRIMONIAL DOUBLE IMMO	Real Estate and Real Estate Financing	FULL	100	100	100	100
		PRIORIS	Specialist Financing	FULL	94.89	94.89	95	95

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		PROGEREAL	Real Estate and Real Estate Financing	ESI	25.01	25.01	25.01	25.01
		PROJECTIM	Real Estate and Real Estate Financing	FULL	100	100	100	100
		RED & BLACK AUTO LEASE FRANCE 1	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	RED & BLACK AUTO LEASE FRANCE 2	Financial Company	FULL	52.59	0	100	0
		RED & BLACK CONSUMER FRANCE 2013	Financial Company	FULL	100	100	100	100
		RED & BLACK HOME LOANS FRANCE 2	Financial Company	FULL	100	100	100	100
	(6)	REEZOCORP	Specialist Financing	FULL	96.83	0	96.88	0
		RIVAPRIM REALISATIONS	Real Estate and Real Estate Financing	FULL	100	100	100	100
		S.C.I. DU DOMAINE DE STONEHAM	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SAGEMCOM LEASE	Specialist Financing	FULL	99.99	99.99	100	100
		SAINTE-MARTHE ILOT C	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SAINTE-MARTHE ILOT D	Real Estate and Real Estate Financing	ESI	40	40	40	40
	(2)	SAINT-MARTIN 3	Real Estate and Real Estate Financing	EJV	0	50	0	50
		SARL BORDEAUX-20-26 RUE DU COMMERCE	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SARL D'AMENAGEMENT DU MARTINET	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SARL DE LA VECQUERIE	Real Estate and Real Estate Financing	ESI	32.5	32.5	32.5	32.5
		SARL SEINE CLICHY	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SAS AMIENS – AVENUE DU GENERAL FOY	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SAS BF3 NOGENT THIERS	Portfolio Management	ESI	20	20	20	20
		SAS BONDUES – COEUR DE BOURG	Real Estate and Real Estate Financing	ESI	25	25	25	25
		SAS COPRIM RESIDENCES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SAS ECULLY SO'IN	Real Estate and Real Estate Financing	FULL	0	75	0	75

Country			Activity	Method*	Group ownership interest As at 31.12.2023	Group ownership interest As at 31.12.2022	Group voting interest As at 31.12.2023	Group voting interest As at 31.12.2022
France	(2)	SAS FOCH SULLY	Real Estate and Real Estate Financing	FULL	0	90	0	90
		SAS MERIGNAC OASIS URBAINE	Real Estate and Real Estate Financing	FULL	90	90	90	90
	(5)	SAS NORMANDIE HABITAT	Real Estate and Real Estate Financing	FULL	0	100	0	100
		SAS NORMANDIE RESIDENCES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SAS NOYALIS	Real Estate and Real Estate Financing	ESI	0	28	0	28
		SAS ODESSA DEVELOPPEMENT	Real Estate and Real Estate Financing	ESI	49	49	49	49
	(5)	SAS PARNASSE	Real Estate and Real Estate Financing	FULL	0	100	0	100
		SAS PAYSAGES	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SAS PROJECTIM IMMOBILIER	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SAS RESIDENCE AUSTRALIS	Real Estate and Real Estate Financing	FULL	0	77	0	77
	(2)	SAS RESIDENCIAL	Real Estate and Real Estate Financing	FULL	0	68.4	0	68.4
		SAS ROANNE LA TRILOGIE	Real Estate and Real Estate Financing	ESI	41	41	41	41
		SAS SCENES DE VIE	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SAS SOAX PROMOTION	Real Estate and Real Estate Financing	FULL	58.5	58.5	58.5	58.5
	(5)	SAS SOGEBROWN POISSY	Real Estate and Real Estate Financing	FULL	0	100	0	100
		SAS SOGEMYSJ	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SAS SOJEPRIM	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SAS TIR A L'ARC AMENAGEMENT	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SAS TOUR D2	Real Estate and Real Estate Financing	JO	50	50	50	50
		SAS VILLENEUVE D'ASCQ – RUE DES TECHNIQUES BUREAUX	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV 282 MONTOLIVET 12	Real Estate and Real Estate Financing	FULL	60	60	60	60

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		SCCV ALFORTVILLE MANDELA	Real Estate and Real Estate Financing	ESI	49	49	49	49
		SCCV BAC GALLIENI	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SCCV BOIS-GUILLAUME PARC DE HALLEY	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV BOURG BROU	Real Estate and Real Estate Financing	FULL	60	60	60	60
		SCCV BRON CARAVELLE	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV CAEN CASERNE MARTIN	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCCV CAEN PANORAMIK	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SCCV CANNES JOURDAN	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV CHARTREUX LOT C	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV CHARTREUX LOT E	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SCCV CHARTREUX LOTS B-D	Real Estate and Real Estate Financing	FULL	0	100	0	100
		SCCV CHOISY LOGEMENT	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCCV CLICHY BAC D'ASNIERES	Real Estate and Real Estate Financing	FULL	75	75	75	75
		SCCV CLICHY BRC	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV COLOMBES	Real Estate and Real Estate Financing	ESI	28.66	28.66	49	49
	(6)	SCCV COMPIEGNE ROYALLIEU	Real Estate and Real Estate Financing	ESI	30	0	30	0
		SCCV COMPIEGNE – RUE DE L'EPARGNE	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SCCV CUGNAUX-LEO LAGRANGE	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV DEVILLE-CARNOT	Real Estate and Real Estate Financing	FULL	60	60	60	60
		SCCV DUNKERQUE PATINOIRE DEVELOPPEMENT	Real Estate and Real Estate Financing	EJV	50	50	50	50

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France	(4)	SCCV EIFFEL FLOQUET	Real Estate and Real Estate Financing	FULL	0	51	0	51
		SCCV EPRON – ZAC L'OREE DU GOLF	Real Estate and Real Estate Financing	FULL	70	70	70	70
	(6)	SCCV ERAGNY GUICHARD	Real Estate and Real Estate Financing	FULL	51	0	51	0
		SCCV ESPACES DE DEMAIN	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV ETERVILLE ROUTE D'AUNAY	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV EURONANTES 1E	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV FAVERGES	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCCV GAMBETTA LA RICHE	Real Estate and Real Estate Financing	ESI	25	25	25	25
		SCCV GIGNAC MOUSSELINE	Real Estate and Real Estate Financing	FULL	70	70	70	70
		SCCV GIVORS ROBICHON	Real Estate and Real Estate Financing	FULL	85	85	85	85
	(6)	SCCV GOELETTES GRAND LARGE	Real Estate and Real Estate Financing	EJV	50	0	50	0
		SCCV HEROUVILLE ILOT A2	Real Estate and Real Estate Financing	ESI	33.33	33.33	33.33	33.33
		SCCV ISTRES PAPAILLE	Real Estate and Real Estate Financing	FULL	70	70	70	70
		SCCV JA LE HAVRE 22 COTY	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SCCV JDA OUISTREHAM	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV KYMA MERIGNAC	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SCCV LA BAULE – LES JARDINS D'ESCOUBLAC	Real Estate and Real Estate Financing	ESI	25	25	25	25
		SCCV LA MADELEINE – PRE CATELAN	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SCCV LA MADELEINE SAINT-CHARLES	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV LA PORTE DU CANAL	Real Estate and Real Estate Financing	EJV	50	50	50	50

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		SCCV LACASSAGNE BRICKS	Real Estate and Real Estate Financing	ESI	49	49	49	49
	(2)	SCCV LE BOUSCAT CARRE SOLARIS	Real Estate and Real Estate Financing	ESI	0	25	0	25
		SCCV LE CENTRAL C1.4	Real Estate and Real Estate Financing	ESI	33.4	33.4	33.4	33.4
	(6)	SCCV LE CENTRAL C1.5A	Real Estate and Real Estate Financing	ESI	33.3	0	33.3	0
	(6)	SCCV LE CENTRAL C1.7	Real Estate and Real Estate Financing	ESI	33.3	0	33.3	0
		SCCV LES BASTIDES FLEURIES	Real Estate and Real Estate Financing	FULL	64.29	64.29	64.29	64.29
		SCCV LES ECRIVAINS	Real Estate and Real Estate Financing	FULL	70	70	70	70
	(6)	SCCV LES HAUTS VERGERS	Real Estate and Real Estate Financing	FULL	55	0	55	0
		SCCV LES PATIOS D'OR DE FLEURY LES AUBRAIS	Real Estate and Real Estate Financing	FULL	64	64	80	80
		SCCV LES SUCRES	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV LESQUIN PARC	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV L'IDEAL – MODUS 1.0	Real Estate and Real Estate Financing	FULL	80	80	80	80
		SCCV LILLE – JEAN MACE	Real Estate and Real Estate Financing	ESI	33.4	33.4	33.4	33.4
		SCCV LOOS GAMBETTA	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SCCV MARCQ EN BAROEUL GABRIEL PERI	Real Estate and Real Estate Financing	ESI	20	20	20	20
		SCCV MARQUETTE CALMETTE	Real Estate and Real Estate Financing	EJV	50	50	50	50
	(6)	SCCV MASSY NOUAILLE	Real Estate and Real Estate Financing	FULL	80	0	80	0
		SCCV MEHUL 34000 (ex-SCCV MEHUL)	Real Estate and Real Estate Financing	FULL	70	70	70	70
		SCCV MONROC – LOT 3	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV MONS EQUATION	Real Estate and Real Estate Financing	EJV	50	50	50	50

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		SCCV NICE ARENAS	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCCV NOGENT PLAISANCE	Real Estate and Real Estate Financing	FULL	60	60	60	60
		SCCV NOISY BOISSIERE	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SCCV PARIS ALBERT	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV PRADES BLEU HORIZON	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV QUAI DE SEINE A ALFORTVILLE	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SCCV QUAI NEUF BORDEAUX	Real Estate and Real Estate Financing	ESI	35	35	35	35
	(5)	SCCV ROUEN 27 ANGLAIS	Real Estate and Real Estate Financing	FULL	0	100	0	100
		SCCV ROUSSET – LOT 03	Real Estate and Real Estate Financing	FULL	70	70	70	70
		SCCV SAINT JUST DAUDET	Real Estate and Real Estate Financing	FULL	80	80	80	80
		SCCV SAY	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SCCV SENGHOR	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SCCV SENSORIUM BUREAUX	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV SENSORIUM LOGEMENT	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV SOGAB ILE DE FRANCE	Real Estate and Real Estate Financing	FULL	80	80	80	80
		SCCV SOGAB ROMAINVILLE	Real Estate and Real Estate Financing	FULL	80	80	80	80
		SCCV SOGEPROM LYON HABITAT	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCCV SOPRAB IDF	Real Estate and Real Estate Financing	FULL	70	70	70	70
		SCCV ST MARTIN DU TOUCH ILOT S9	Real Estate and Real Estate Financing	EJV	50	50	50	50
	(2)	SCCV SWING RIVE GAUCHE	Real Estate and Real Estate Financing	EJV	0	50	0	50
	(2)	SCCV TALENCE PUR	Real Estate and Real Estate Financing	FULL	0	95	0	95

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		SCCV TOULOUSE LES IZARDS	Specialist Financing	FULL	51	51	51	51
		SCCV TRETS CASSIN LOT 4	Real Estate and Real Estate Financing	FULL	70	70	70	70
	(2)	SCCV VERNAISON – RAZAT	Real Estate and Real Estate Financing	EJV	0	50	0	50
		SCCV VERNONNET-FIESCHI	Real Estate and Real Estate Financing	FULL	51	51	51	51
		SCCV VILLA CHANZY	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SCCV VILLA VALERIANE	Specialist Financing	ESI	30	30	30	30
		SCCV VILLAS URBAINES	Real Estate and Real Estate Financing	FULL	80	80	80	80
		SCCV VILLENAVE D'ORNON GARDEN VO	Real Estate and Real Estate Financing	ESI	25	25	25	25
	(6)	SCCV VILLENEUVE BONGARDE T2	Real Estate and Real Estate Financing	FULL	51	0	51	0
		SCCV VILLENEUVE D'ASCQ-RUE DES TECHNIQUES	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCCV VILLENEUVE VILLAGE BONGARDE	Specialist Financing	FULL	51	51	51	51
		SCCV VILLEURBANNE TEMPO	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCCV WAMBRECHIES RESISTANCE	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCI 1134, AVENUE DE L'EUROPE A CASTELNAU LE LEZ	Real Estate and Real Estate Financing	EJV	50	50	50	50
	(2)	SCI 637 ROUTE DE FRANS	Real Estate and Real Estate Financing	ESI	0	30	0	30
		SCI AQPRIM PROMOTION	Real Estate and Real Estate Financing	FULL	79.8	79.8	50	50
	(2)	SCI ASC LA BERGEONNERIE	Real Estate and Real Estate Financing	EJV	0	42	0	50
	(2)	SCI AVARICUM	Real Estate and Real Estate Financing	FULL	0	99	0	99
		SCI CENTRE IMMO PROMOTION RESIDENCES	Real Estate and Real Estate Financing	FULL	80	80	100	100
		SCI CHELLES AULNOY MENDES FRANCE	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCI DU PARC SAINT ETIENNE	Real Estate and Real Estate Financing	ESI	40	40	40	40

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		SCI ETAMPES NOTRE-DAME	Real Estate and Real Estate Financing	EJV	50	50	50	50
	(5)	SCI LA MANTILLA COMMERCES	Real Estate and Real Estate Financing	FULL	0	100	0	100
		SCI L'ACTUEL	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SCI LAVOISIER	Real Estate and Real Estate Financing	FULL	80	80	80	80
	(2)	SCI LE HAMEAU DES GRANDS PRES	Real Estate and Real Estate Financing	EJV	0	40	0	40
	(2)	SCI LE MANOIR DE JEREMY	Real Estate and Real Estate Financing	ESI	0	40	0	40
	(2)	SCI LES CASTELLINES	Real Estate and Real Estate Financing	ESI	0	30	0	30
	(2)	SCI LES JARDINS DE LA BOURBRE	Real Estate and Real Estate Financing	ESI	0	40	0	40
		SCI LES JARDINS D'IRIS	Real Estate and Real Estate Financing	FULL	60	60	60	60
		SCI LES JARDINS DU BLAVET	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SCI LES PORTES DU LEMAN	Real Estate and Real Estate Financing	FULL	70	70	70	70
		SCI LINAS COEUR DE VILLE 1	Real Estate and Real Estate Financing	FULL	70	71	70	71
		SCI LOCMINE- LAMENNAIS	Real Estate and Real Estate Financing	ESI	30	30	30	30
	(2)	SCI L'OREE DES LACS	Real Estate and Real Estate Financing	FULL	0	70	0	70
		SCI MONTPELLIER JACQUES CŒUR	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SCI PRIMO E+	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI PRIMO N+	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI PRIMO N+2	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI PRIMO N+3	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI PROJECTIM HABITAT	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SCI PROJECTIM MARCQ COEUR DE VILLE	Real Estate and Real Estate Financing	FULL	0	60	0	60

Country			Activity	Method*	Group ownership interest As at 31.12.2023	Group ownership interest As at 31.12.2022	Group voting interest As at 31.12.2023	Group voting interest As at 31.12.2022
France	(2)	SCI PRONY	Real Estate and Real Estate Financing	EJV	0	50	0	50
		SCI QUINTEFEUILLE	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SCI RESIDENCE DU DONJON	Real Estate and Real Estate Financing	EJV	40	40	40	40
		SCI RHIN ET MOSELLE 1	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI RIVAPRIM HABITAT	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI RIVAPRIM RESIDENCES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SCI SAINT OUEN L'AUMONE – L'OISE	Real Estate and Real Estate Financing	EJV	0	38	0	38
		SCI SAINT-DENIS WILSON	Real Estate and Real Estate Financing	FULL	60	60	60	60
		SCI SCS IMMOBILIER D'ENTREPRISES	Real Estate and Real Estate Financing	FULL	52.8	52.8	66	66
		SCI SOGECIP	Real Estate and Real Estate Financing	FULL	80	80	100	100
		SCI SOGECTIM	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI SOGEPROM LYON RESIDENCES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(2)	SCI TERRES NOUVELLES FRANCILIENNES	Real Estate and Real Estate Financing	FULL	0	80	0	80
		SCI TOULOUSE CENTREDA 3	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SCI VILLA EMILIE	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SCI VITAL BOUHOT 16-22 NEUILLY SUR SEINE	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SERVIPAR	Specialist Financing	FULL	52.59	75.94	100	100
		SG 29 HAUSSMANN	Financial Company	FULL	100	100	100	100
	(3)	SG ACTIONS EURO	Insurance	FULL	0	47.75	0	47.75
		SG ACTIONS EURO SELECTION	Financial Company	FULL	40.05	40.05	40.05	40.05
		SG ACTIONS FRANCE	Financial Company	FULL	38.14	38.14	38.14	38.14
		SG ACTIONS LUXE-C	Financial Company	FULL	84.25	84.25	84.25	84.25
	(3)	SG ACTIONS MONDE	Insurance	FULL	0	67.59	0	67.59
		SG ACTIONS MONDE EMERGENT	Financial Company	FULL	60.05	60.05	60.05	60.05
		SG ACTIONS US	Financial Company	FULL	65.06	65.06	65.06	65.06
	(6)	SG AMUNDI ACTIONS FRANCE ISR – PART-C	Financial Company	FULL	60.05	0	60.05	0

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France	(6)	SG AMUNDI ACTIONS MONDE EAU – PART-C	Financial Company	FULL	60.05	0	60.05	0
		SG AMUNDI MONETAIRE ISR	Financial Company	FULL	100	100	100	100
	(6)	SG AMUNDI MONETAIRE ISR – PART P-C	Financial Company	FULL	60.05	0	60.05	0
	(6)	SG AMUNDI OBLIG ENTREPRISES EURO ISR – PART-C	Financial Company	FULL	60.05	0	60.05	0
		SG BLACKROCK ACTIONS US ISR	Financial Company	FULL	100	100	100	100
		SG BLACKROCK FLEXIBLE ISR	Financial Company	FULL	100	100	100	100
	(6)	SG BLACKROCK OBLIGATIONS EURO ISR – PART-C	Financial Company	FULL	60.05	0	60.05	0
		SG CAPITAL DEVELOPPEMENT	Portfolio Management	FULL	100	100	100	100
	(6)	SG DNCA ACTIONS EURO ISR – PART-C	Financial Company	FULL	60.05	0	60.05	0
		SG FINANCIAL SERVICES HOLDING	Portfolio Management	FULL	100	100	100	100
		SG FLEXIBLE	Financial Company	FULL	92.48	92.48	92.48	92.48
	(6)	SG OBLIG ETAT EURO – PART P-C	Financial Company	FULL	60.05	0	60.05	0
		SG OBLIG ETAT EURO-R	Financial Company	FULL	79.94	79.94	79.94	79.94
		SG OBLIGATIONS	Financial Company	FULL	82.92	82.92	82.92	82.92
		SG OPCIMMO	Financial Company	FULL	97.95	97.95	97.95	97.95
		SG OPTION EUROPE	Broker	FULL	100	100	100	100
		SG VALOR ALPHA ACTIONS FRANCE	Financial Company	FULL	72.77	72.77	72.77	72.77
		SGA 48-56 DESMOULINS	Real Estate and Real Estate Financing	FULL	99	99	99	99
		SGA AXA IM US CORE HY LOW CARBON	Financial Company	FULL	100	100	100	100
		SGA AXA IM US SD HY LOW CARBON	Financial Company	FULL	100	100	100	100
		SGA INFRASTRUCTURES	Financial Company	FULL	100	100	100	100
		SGB FINANCE SA	Specialist Financing	FULL	50.94	50.94	51	51
		SGEF SA	Specialist Financing	FULL	100	100	100	100
		SGI 10-16 VILLE L'EVEQUE	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SGI 1-5 ASTORG	Financial Company	FULL	100	100	100	100
		SGI HOLDING SIS	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SGI PACIFIC	Real Estate and Real Estate Financing	FULL	89.24	89.24	89.53	89.53
		SHINE	Financial Company	FULL	93.97	90.9	93.97	90.9
		SNC COEUR 8EME MONPLAISIR	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SNC D'AMENAGEMENT FORUM SEINE ISSY LES MOULINEAUX	Real Estate and Real Estate Financing	EJV	33.33	33.33	33.33	33.33
	(6)	SNC HPL ARROMANCHES	Real Estate and Real Estate Financing	FULL	100	0	100	0

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		SNC NEUILLY ILE DE LA JATTE	Real Estate and Real Estate Financing	ESI	40	40	40	40
		SNC PROMOSEINE	Real Estate and Real Estate Financing	EJV	33.33	33.33	33.33	33.33
		SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	Bank	FULL	100	100	100	100
		SOCIETE CIVILE IMMOBILIERE CAP THALASSA	Real Estate and Real Estate Financing	ESI	45	45	45	45
		SOCIETE CIVILE IMMOBILIERE CAP VEYRE	Real Estate and Real Estate Financing	ESI	50	50	50	50
		SOCIETE CIVILE IMMOBILIERE DE DIANE	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SOCIETE CIVILE IMMOBILIERE DE PIERLAS	Real Estate and Real Estate Financing	ESI	28	28	28	28
		SOCIETE CIVILE IMMOBILIERE DES COMBEAUX DE TIGERY	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SOCIETE CIVILE IMMOBILIERE ESTEREL TANNERON	Real Estate and Real Estate Financing	ESI	30	30	30	30
		SOCIETE CIVILE IMMOBILIERE FONTENAY – ESTIENNES D'ORVES	Real Estate and Real Estate Financing	EJV	50	50	50	50
		SOCIETE CIVILE IMMOBILIERE GAMBETTA DEFENSE V	Real Estate and Real Estate Financing	ESI	20	20	20	20
	(2)	SOCIETE CIVILE IMMOBILIERE LE BOTERO	Real Estate and Real Estate Financing	ESI	0	30	0	30
		SOCIETE CIVILE IMMOBILIERE LES HAUTS DE L'ESTAQUE	Services	ESI	35	35	35	35
		SOCIETE CIVILE IMMOBILIERE LES HAUTS DE SEPTEMES	Real Estate and Real Estate Financing	ESI	25	25	25	25
		SOCIETE CIVILE IMMOBILIERE MIRECRAU	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SOCIETE CIVILE IMMOBILIERE VERT COTEAU	Real Estate and Real Estate Financing	ESI	35	35	35	35
		SOCIETE DE BOURSE GILBERT DUPONT	Financial Company	FULL	100	100	100	100
	(6)	SOCIETE DE COURTAGES D'ASSURANCES GROUPE	Broker	FULL	52.59	0	100	0
		SOCIETE DE LA RUE EDOUARD VII	Portfolio Management	FULL	100	100	100	100
	(6)	SOCIETE DE SERVICES FIDUCIAIRES (2SF)	Financial Company	EJV	33.33	0	33.33	0
		SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	Group Real Estate Management Company	FULL	100	100	100	100
	(2)	SOCIETE DU PARC D'ACTIVITE DE LA VALENTINE	Real Estate and Real Estate Financing	ESI	0	30	0	30
		SOCIETE GENERALE	Bank	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France	(6)	SOCIETE GENERALE – FORGE	Services	FULL	90.9	0	90.9	0
		SOCIETE GENERALE CAPITAL FINANCE	Portfolio Management	FULL	100	100	100	100
		SOCIETE GENERALE CAPITAL PARTENAIRES	Portfolio Management	FULL	100	100	100	100
		SOCIETE GENERALE FACTORING	Specialist Financing	FULL	100	100	100	100
		SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SOCIETE GENERALE REAL ESTATE	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SOCIETE GENERALE SCF	Financial Company	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES SERVICES HOLDING	Portfolio Management	FULL	100	100	100	100
		SOCIETE GENERALE SFH	Specialist Financing	FULL	100	100	100	100
		SOCIETE GENERALE VENTURES	Portfolio Management	FULL	100	100	100	100
		SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	Group Real Estate Management Company	FULL	100	100	100	100
	(5)	SOCIETE MARSEILLAISE DE CREDIT	Bank	FULL	0	100	0	100
	(3)	SOFIDY CONVICTIONS IMMOBILIERES	Insurance	FULL	0	35.1	0	35.1
		SOGE BEAUJOIRE	Group Real Estate Management Company	FULL	100	100	100	100
		SOGE PERIVAL I	Group Real Estate Management Company	FULL	100	100	100	100
		SOGE PERIVAL II	Group Real Estate Management Company	FULL	100	100	100	100
		SOGE PERIVAL III	Group Real Estate Management Company	FULL	100	100	100	100
		SOGE PERIVAL IV	Group Real Estate Management Company	FULL	100	100	100	100
		SOGEACT.SELEC.MON.	Financial Company	FULL	99.78	99.78	99.78	99.78
		SOGEAX	Real Estate and Real Estate Financing	FULL	60	60	60	60
		SOGECAMPUS	Group Real Estate Management Company	FULL	100	100	100	100
		SOGECAP	Insurance	FULL	100	100	100	100
		SOGECAP – DIVERSIFIED LOANS FUND	Financial Company	FULL	100	100	100	100
	(6)	SOGECAP ACTIONS PROTEGEES – PART-C/D	Financial Company	FULL	60.05	0	60.05	0
		SOGECAP DIVERSIFIE 1	Financial Company	FULL	100	100	100	100
		SOGECAP EQUITY OVERLAY (FEEDER)	Financial Company	FULL	100	100	100	100
		SOGECAP LONG TERME N°1	Financial Company	FULL	100	100	100	100
		SOGECAPIMMO 2	Financial Company	FULL	90.71	90.71	90.84	90.84
		SOGEFIM HOLDING	Portfolio Management	FULL	100	100	100	100
		SOGEFIMUR	Specialist Financing	FULL	100	100	100	100

Country		Activity	Method*	Group ownership interest		Group voting interest	
				As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France	SOGEFINANCEMENT	Specialist Financing	FULL	100	100	100	100
	SOGEFINERG FRANCE	Specialist Financing	FULL	100	100	100	100
	SOGEFONTENAY	Group Real Estate Management Company	FULL	100	100	100	100
	SOGELEASE FRANCE	Specialist Financing	FULL	100	100	100	100
	SOGEMARCHE	Group Real Estate Management Company	FULL	100	100	100	100
	SOGEPARTICIPATIONS	Portfolio Management	FULL	100	100	100	100
	SOGEPIERRE	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM ALPES HABITAT	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM CENTRE-VAL DE LOIRE	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM COTE D'AZUR	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM ENTREPRISES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM LYON	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM LYON AMENAGEMENT (ex-SAS NOAHO AMENAGEMENT)	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM PARTENAIRES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM REALISATIONS	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM SERVICES	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGEPROM SUD REALISATIONS	Real Estate and Real Estate Financing	FULL	100	100	100	100
	SOGESSUR	Insurance	FULL	100	100	100	100
	SOGEVIMMO	Real Estate and Real Estate Financing	FULL	98.75	98.75	98.75	98.75
	ST BARNABE 13004	Real Estate and Real Estate Financing	EJV	50	50	50	50
	STAR LEASE	Specialist Financing	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
France		TEMSYS	Specialist Financing	FULL	52.59	75.94	100	100
		TRANSACTIS	Services	EJV	50	50	50	50
		TREEZOR SAS	Financial Company	FULL	95.35	95.12	95.35	95.12
		URBANISME ET COMMERCE PROMOTION	Real Estate and Real Estate Financing	FULL	100	100	100	100
		VALMINCO	Portfolio Management	FULL	100	100	100	100
		VALMINVEST	Group Real Estate Management Company	FULL	100	100	100	100
		VG PROMOTION	Real Estate and Real Estate Financing	ESI	35	35	35	35
		VIENNE BON ACCUEIL	Real Estate and Real Estate Financing	EJV	50	50	50	50
		VILLA D'ARMONT	Real Estate and Real Estate Financing	ESI	40	40	40	40
Ghana								
		SOCIETE GENERALE GHANA PLC (ex-SOCIETE GENERAL GHANA PLC)	Bank	FULL	60.22	60.22	60.22	60.22
Gibraltar								
		HAMBROS (GIBRALTAR NOMINEES) LIMITED	Services	FULL	100	100	100	100
		SG KLEINWORT HAMBROS (GIBRALTAR) LIMITED (ex-SG KLEINWORT HAMBROS BANK (GIBRALTAR) LIMITED)	Bank	FULL	100	100	100	100
	(1)	SG KLEINWORT HAMBROS BANK LIMITED GIBRALTAR BRANCH	Bank	FULL	100	100	100	100
Greece								
		ALD AUTOMOTIVE SA LEASE OF CARS	Bank	FULL	52.59	75.94	100	100
	(6)	LEASEPLAN HELLAS COMMERCIAL VEHICLE LEASING AND FLEET MANAGEMENT SERVICES SINGLE-MEMBER SOCIETE ANON	Specialist Financing	FULL	52.59	0	100	0
Guinea								
		SOCIETE GENERALE GUINEE	Bank	FULL	57.93	57.93	57.93	57.93
Equatorial Guinea								
		SOCIETE GENERALE DE BANQUES EN GUINEE EQUATORIALE	Bank	FULL	52.44	52.44	57.23	57.23
Hong Kong								
		SG ASSET FINANCE (HONG KONG) LIMITED	Broker	FULL	100	100	100	100
		SG CAPITAL FINANCE (ASIA PACIFIC) LIMITED	Financial Company	FULL	100	100	100	100
		SG CAPITAL FINANCE (HONG KONG) LIMITED	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Hong Kong		SG CORPORATE FINANCE (ASIA PACIFIC) LIMITED	Financial Company	FULL	100	100	100	100
		SG CORPORATE FINANCE (HONG KONG) LIMITED	Financial Company	FULL	100	100	100	100
		SG FINANCE (ASIA PACIFIC) LIMITED	Financial Company	FULL	100	100	100	100
		SG FINANCE (HONG KONG) LIMITED	Financial Company	FULL	100	100	100	100
	(1)	SG HONG KONG	Bank	FULL	100	100	100	100
		SG LEASING (HONG KONG) LIMITED	Financial Company	FULL	100	100	100	100
		SG SECURITIES (HK) LIMITED	Broker	FULL	100	100	100	100
		SG SECURITIES ASIA INTERNATIONAL HOLDINGS LIMITED	Broker	FULL	100	100	100	100
	(1)	SGL ASIA HK	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SOCIETE GENERALE ASIA LTD	Financial Company	FULL	100	100	100	100
		TH INVESTMENTS (HONG KONG) 1 LIMITED	Financial Company	FULL	100	100	100	100
		TH INVESTMENTS (HONG KONG) 5 LIMITED	Financial Company	FULL	100	100	100	100
Hungary								
		ALD AUTOMOTIVE MAGYARORSZAG AUTOPARK-KEZELO ES FINANSZIROZO KORLATOLT FELELOSSEGU TARSASAG	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	LEASEPLAN HUNGARIA GEPJARMU KEZELO ES FIANNSZIROZO RESZVENYTARSASAG	Specialist Financing	FULL	52.59	0	100	0
	(6)	SG EQUIPMENT FINANCE HUNGARY ZRT	Specialist Financing	FULL	100	0	100	0
Jersey Island								
		ELMFORD LIMITED	Services	FULL	100	100	100	100
		HANOM I LIMITED	Financial Company	FULL	100	100	100	100
	(5)	HANOM II LIMITED	Financial Company	ESI	0	100	0	100
	(5)	HANOM III LIMITED	Financial Company	ESI	0	100	0	100
		J D CORPORATE SERVICES LIMITED	Services	FULL	100	100	100	100
	(5)	KLEINWORT BENSON CUSTODIAN SERVICES LIMITED	Bank	ESI	0	100	0	100
	(5)	SG HAMBROS NOMINEES (JERSEY) LIMITED	Financial Company	ESI	0	100	0	100
	(2)	SG HAUSSMANN FUND	Financial Company	FULL	0	100	0	100
		SG KLEINWORT HAMBROS (CI) LIMITED (ex-SG KLEINWORT HAMBROS BANK (CI) LIMITED)	Bank	FULL	100	100	100	100
	(1)	SG KLEINWORT HAMBROS BANK LIMITED, JERSEY BRANCH	Bank	FULL	100	100	100	100
		SG KLEINWORT HAMBROS CORPORATE SERVICES (CI) LIMITED	Portfolio Management	FULL	100	100	100	100
		SG KLEINWORT HAMBROS TRUST COMPANY (CI) LIMITED	Financial Company	FULL	100	100	100	100
		SGKH TRUSTEES (CI) LIMITED	Services	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Isle of Man								
		KBBIOM LIMITED	Bank	FULL	100	100	100	100
	(2)	KBTIOM LIMITED	Bank	FULL	0	100	0	100
Guernsey Island								
		CDS INTERNATIONAL LIMITED	Services	FULL	100	100	100	100
		HAMBROS (GUERNSEY NOMINEES) LTD	Services	FULL	100	100	100	100
	(5)	HTG LIMITED	Services	ESI	0	100	0	100
		KLEINWORT BENSON INTERNATIONAL TRUSTEES LIMITED	Bank	FULL	100	100	100	100
	(1) (2)	SG KLEINWORT HAMBROS BANK (CI) LIMITED, GUERNSEY BRANCH	Bank	FULL	0	100	0	100
	(1)	SG KLEINWORT HAMBROS BANK LIMITED GUERNSEY BRANCH	Bank	FULL	100	100	100	100
India								
		ALD AUTOMOTIVE PRIVATE LIMITED	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	LEASE PLAN INDIA PRIVATE LTD.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN FLEET MANAGEMENT INDIA PVT. LTD.	Specialist Financing	FULL	52.59	0	100	0
	(1)	SG MUMBAI	Bank	FULL	100	100	100	100
		SOCIETE GENERALE GLOBAL SOLUTION CENTRE INDIA	Services	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES INDIA PRIVATE LIMITED	Broker	FULL	100	100	100	100
Ireland								
		ALD RE PUBLIC LIMITED COMPANY (ex-ALD RE DESIGNATED ACTIVITY COMPANY)	Insurance	FULL	52.59	75.94	100	100
	(6)	EURO INSURANCES DESIGNATED ACTIVITY COMPANY	Insurance	FULL	52.59	0	100	0
		IRIS SPV PLC SERIES MARK	Financial Company	FULL	100	100	100	100
		IRIS SPV PLC SERIES SOGECAP	Financial Company	FULL	100	100	100	100
	(1) (6)	LEASEPLAN DIGITAL B.V. (DUBLIN BRANCH)	Services	FULL	52.59	0	100	0
	(1) (6)	LEASEPLAN FINANCE B.V. (DUBLIN BRANCH OF LEASEPLAN FINANCE B.V.)	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN FLEET MANAGEMENT SERVICES IRELAND LTD.	Specialist Financing	FULL	52.59	0	100	0
	(4)	MERRION FLEET MANAGEMENT LIMITED	Specialist Financing	FULL	0	75.94	0	100
		NB SOG EMER EUR – I	Financial Company	FULL	100	100	100	100
	(1)	SG DUBLIN	Bank	FULL	100	100	100	100
	(2)	SG KLEINWORT HAMBROS PRIVATE INVESTMENT OFFICE SERVICES LIMITED	Bank	FULL	0	100	0	100
		SGBT FINANCE IRELAND DESIGNATED ACTIVITY COMPANY	Specialist Financing	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES SERVICES, SGSS (IRELAND) LIMITED	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Italy								
		ALD AUTOMOTIVE ITALIA S.R.L.	Specialist Financing	FULL	52.59	75.94	100	100
		FIDITALIA S.P.A.	Specialist Financing	FULL	100	100	100	100
		FRAER LEASING SPA	Specialist Financing	FULL	86.91	74.99	86.91	74.99
	(6)	LEASEPLAN ITALIA S.P.A.	Specialist Financing	FULL	52.59	0	100	0
		MORIGI FINANCE S.R.L.	Specialist Financing	FULL	100	100	100	100
		RED & BLACK AUTO ITALY S.R.L.	Financial Company	FULL	100	100	100	100
		SG EQUIPMENT FINANCE ITALY S.P.A.	Specialist Financing	FULL	100	100	100	100
		SG FACTORING SPA	Specialist Financing	FULL	100	100	100	100
		SG LEASING SPA	Specialist Financing	FULL	100	100	100	100
	(1)	SG LUXEMBOURG ITALIAN BRANCH	Bank	FULL	100	100	100	100
	(1)	SG MILAN	Bank	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Bank	FULL	100	100	100	100
	(1)	SOGECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA (ex-SOCECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA)	Insurance	FULL	100	100	100	100
	(1)	SOGESSUR SA RAPPRESENTANZA GENERALE PER L'ITALIA (ex-SOGESSUR SA)	Insurance	FULL	100	100	100	100
Japan								
	(1)	SG TOKYO	Bank	FULL	100	100	100	100
		SOCIETE GENERALE HAUSSMANN MANAGEMENT JAPAN LIMITED	Portfolio Management	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES JAPAN LIMITED	Broker	FULL	100	100	100	100
Latvia								
		ALD AUTOMOTIVE SIA	Specialist Financing	FULL	39.44	56.96	75	75
Lithuania								
		UAB ALD AUTOMOTIVE	Specialist Financing	FULL	39.44	56.96	75	75
Luxembourg								
		ALD INTERNATIONAL SERVICES SA	Specialist Financing	FULL	52.59	75.94	100	100
		AXUS LUXEMBOURG SA	Specialist Financing	FULL	52.59	75.94	100	100
		BARTON CAPITAL SA	Financial Company	FULL	100	100	100	100
	(6)	BUMPER DE SA	Financial Company	FULL	52.59	0	100	0
		CODEIS COMPARTIMENT A0084	Financial Company	FULL	100	100	100	100
		CODEIS COMPARTIMENT A0076	Financial Company	FULL	100	100	100	100
		CODEIS SECURITIES SA	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Luxembourg		COVALBA	Financial Company	FULL	100	100	100	100
	(4)	GOLDMAN SACHS 2 G EM M DBP ID	Financial Company	FULL	0	100	0	100
	(6)	INFRAMEWA CO-INVEST SCSP	Financial Company	FULL	60.05	0	60.05	0
		IVEFI SA	Financial Company	FULL	100	100	100	100
	(1) (6)	LEASEPLAN GLOBAL PROCUREMENT (A LUXEMBOURGISH BRANCH OF LEASEPLAN GLOBAL B.V.)	Specialist Financing	FULL	52.59	0	100	0
	(6)	MERIBOU INVESTMENTS SA	Specialist Financing	FULL	100	0	100	0
	(6)	MOOREA FUND SG CREDIT MILLESIME 2028 RE (EUR CAP)	Financial Company	FULL	60.05	0	60.05	0
		MOOREA GLB BALANCED	Financial Company	FULL	68.08	68.08	68.08	68.08
	(6)	MOOREA SUSTAINABLE US EQUITY RE	Financial Company	FULL	60.05	0	60.05	0
		PIONEER INVESTMENTS DIVERSIFIED LOANS FUND	Financial Company	FULL	100	100	100	100
	(6)	RED & BLACK AUTO LEASE GERMANY 3 SA	Financial Company	FULL	52.59	0	100	0
		RED & BLACK AUTO LEASE GERMANY SA	Financial Company	FULL	52.59	75.94	100	100
		SALINGER SA	Bank	FULL	100	100	100	100
		SG ISSUER	Financial Company	FULL	100	100	100	100
	(6)	SG LUCI	Insurance	FULL	100	0	100	0
		SGBT ASSET BASED FUNDING SA	Financial Company	FULL	100	100	100	100
		SGBTCI	Financial Company	FULL	100	100	100	100
		SGL ASIA	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SGL RE	Insurance	FULL	100	100	100	100
		SOCIETE GENERALE CAPITAL MARKET FINANCE	Bank	FULL	100	100	100	100
		SOCIETE GENERALE FINANCING AND DISTRIBUTION	Bank	FULL	100	100	100	100
		SOCIETE GENERALE LIFE INSURANCE BROKER SA	Insurance	FULL	100	100	100	100
		SOCIETE GENERALE LUXEMBOURG	Bank	FULL	100	100	100	100
		SOCIETE GENERALE LUXEMBOURG LEASING	Specialist Financing	FULL	100	100	100	100
		SOCIETE GENERALE PRIVATE WEALTH MANAGEMENT SA	Financial Company	FULL	100	100	100	100
		SOCIETE GENERALE RE SA	Insurance	FULL	100	100	100	100
		SOCIETE IMMOBILIERE DE L'ARSENAL	Group Real Estate Management Company	FULL	100	100	100	100
		SOGELIFE	Insurance	FULL	100	100	100	100
	(2)	SOLYS	Financial Company	FULL	0	100	0	100
		SPIRE SA – COMPARTIMENT 2021-51	Financial Company	FULL	100	100	100	100
		SURYA INVESTMENTS SA	Specialist Financing	FULL	100	100	100	100
		ZEUS FINANCE LEASING SA	Specialist Financing	FULL	52.59	75.94	100	100

Country			Activity	Method*	Group ownership interest As at 31.12.2023	Group ownership interest As at 31.12.2022	Group voting interest As at 31.12.2023	Group voting interest As at 31.12.2022
Madagascar								
		BFV – SOCIETE GENERALE	Bank	FULL	70	70	70	70
Malaysia								
		ALD MHC MOBILITY SERVICES MALAYSIA SDN BHD	Specialist Financing	FULL	31.55	45.56	60	60
Morocco								
		ALD AUTOMOTIVE SA (ex-ALD AUTOMOTIVE SA MAROC)	Specialist Financing	FULL	27.06	35.23	50	50
		ATHENA COURTAGE	Insurance	FULL	58.26	58.28	99.9	99.93
		FONCIMMO	Group Real Estate Management Company	FULL	57.67	57.67	100	100
	(6)	INVESTIMA SA	Bank	FULL	38.14	0	58.48	0
		LA MAROCAINE VIE	Insurance	FULL	79.24	79.24	99.98	99.98
		SG MAROCAINE DE BANQUES	Bank	FULL	57.67	57.67	57.67	57.67
		SOCIETE D’EQUIPEMENT DOMESTIQUE ET MENAGER “EQDOM”	Specialist Financing	FULL	32.37	31.19	57.09	53.98
	(6)	SOCIETE GENERALE AFRICAN BUSINESS SERVICES SAS	Services	FULL	97.88	0	100	0
		SOCIETE GENERALE DE LEASING AU MAROC	Specialist Financing	FULL	57.67	57.67	100	100
		SOCIETE GENERALE OFFSHORE	Financial Company	FULL	57.64	57.64	99.94	99.94
		SOGECAPITAL GESTION	Financial Company	FULL	57.65	57.64	99.95	99.94
		SOGECAPITAL PLACEMENT	Portfolio Management	FULL	57.66	57.66	99.97	99.98
	(8)	SOGEFINANCEMENT MAROC	Specialist Financing	FULL	57.67	57.67	100	100
Mauritius								
		SG SECURITIES BROKING (M) LIMITED	Broker	FULL	100	100	100	100
Mauritania								
		SOCIETE GENERALE MAURITANIE	Bank	FULL	100	95.5	100	95.5
Mexico								
		ALD AUTOMOTIVE SA DE C.V.	Specialist Financing	FULL	52.59	75.94	100	100
		ALD FLEET SA DE CV SOFOM ENR	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	LEASEPLAN MEXICO SA DE C.V.	Specialist Financing	FULL	52.59	0	100	0
		SGFP MEXICO, SA DE C.V.	Financial Company	FULL	100	100	100	100
Monaco								
	(5)	SOCIETE DE BANQUE MONACO	Bank	FULL	0	100	0	100
		SOCIETE GENERALE PRIVATE BANKING (MONACO)	Bank	FULL	99.99	100	99.99	100
	(1)	SOCIETE GENERALE (SUCCURSALE MONACAO)	Bank	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Norway								
	(4)	ALD AUTOMOTIVE AS	Specialist Financing	FULL	0	75.94	0	100
	(6)	LEASEPLAN NORGE AS	Specialist Financing	FULL	52.59	0	100	0
		NF FLEET AS	Specialist Financing	FULL	42.07	60.75	80	80
New Caledonia								
		CREDICAL	Specialist Financing	FULL	88.34	88.34	98.05	98.05
	(6)	SOCALFI	Financial Company	FULL	88.34	0	100	0
		SOCIETE GENERALE CALEDONIENNE DE BANQUE	Bank	FULL	90.09	90.09	90.09	90.09
Netherlands								
	(6)	AALH PARTICIPATIES B.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	ACCIDENT MANAGEMENT SERVICES (AMS) B.V.	Specialist Financing	FULL	52.59	0	100	0
		ALVARENGA INVESTMENTS B.V.	Specialist Financing	FULL	100	100	100	100
		ASTEROLD B.V.	Financial Company	FULL	100	100	100	100
		AXUS FINANCE NL B.V.	Specialist Financing	FULL	52.59	75.94	100	100
		AXUS NEDERLAND BV	Specialist Financing	FULL	52.59	75.94	100	100
		BRIGANTIA INVESTMENTS B.V.	Financial Company	FULL	100	100	100	100
	(6)	BUMPER NL 2020-1 B.V.	Financial Company	FULL	52.59	0	100	0
	(6)	BUMPER NL 2022-1 B.V.	Financial Company	FULL	52.59	0	100	0
		CAPEREA B.V.	Specialist Financing	FULL	100	100	100	100
	(6)	FIRENTA B.V.	Specialist Financing	FULL	52.59	0	100	0
		FORD FLEET MANAGEMENT B.V.	Real Estate and Real Estate Financing	FULL	26.35	38.05	50.1	50.1
		HERFSTTAFEL INVESTMENTS B.V.	Specialist Financing	FULL	100	100	100	100
		HORDLE FINANCE B.V.	Financial Company	FULL	100	100	100	100
	(6)	LEASE BEHEER HOLDING B.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASE BEHEER VASTGOED B.V.	Real Estate and Real Estate Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN CN HOLDING B.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN CORPORATION N.V.	Financial Company	FULL	52.59	0	100	0
	(6)	LEASEPLAN DIGITAL B.V.	Services	FULL	52.59	0	100	0
	(6)	LEASEPLAN FINANCE B.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN GLOBAL B.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN NEDERLAND N.V.	Specialist Financing	FULL	52.59	0	100	0

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Netherlands	(6)	LEASEPLAN RECHTSHULP B.V.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LP GROUP B.V.	Specialist Financing	FULL	52.59	0	100	0
		MONTALIS INVESTMENT BV	Specialist Financing	FULL	100	100	100	100
	(1)	SG AMSTERDAM	Bank	FULL	100	100	100	100
		SG EQUIPMENT FINANCE BENELUX BV	Specialist Financing	FULL	100	100	100	100
		SOGELEASE B.V.	Specialist Financing	FULL	100	100	100	100
		SOGELEASE FILMS	Specialist Financing	FULL	100	100	100	100
	(6)	TRANSPORT PLAN B.V.	Specialist Financing	FULL	52.59	0	100	0
		TYNEVOR B.V.	Financial Company	FULL	100	100	100	100
Peru								
		ALD AUTOMOTIVE PERU SAC.	Specialist Financing	FULL	52.59	75.94	100	100
Poland								
		ALD AUTOMOTIVE POLSKA SP Z O.O.	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	FLEET ACCIDENT MANAGEMENT SERVICES SP Z O.O.	Broker	FULL	52.59	0	100	0
	(6)	LEASEPLAN FLEET MANAGEMENT (POLSKA) SP Z O.O.	Specialist Financing	FULL	52.59	0	100	0
		SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Specialist Financing	FULL	100	100	100	100
	(1)	SOCIETE GENERALE SA ODDZIAL W POLSCE	Bank	FULL	100	100	100	100
	(1)	SOGECAP SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
	(1)	SOGESSUR SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
French Polynesia								
		BANQUE DE POLYNESIE	Bank	FULL	72.1	72.1	72.1	72.1
		SOGELEASE BDP “SAS”	Specialist Financing	FULL	72.1	72.1	100	100
Portugal								
	(6)	FLEET COVER-SOCIEDADE MEDIACAO DE SEGUROS, LDA.	Broker	FULL	52.59	0	100	0
	(6)	LEASEPLAN PORTUGAL COMERCIO E ALUGUER DE AUTOMÓVEIS E EQUIPAMENTOS UNIPESSOAL LDA.	Specialist Financing	FULL	52.59	0	100	0
	(4)	SGALD AUTOMOTIVE SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENS SA	Specialist Financing	FULL	0	75.94	0	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Czech Republic								
		ALD AUTOMOTIVE S.R.O.	Specialist Financing	FULL	52.59	75.94	100	100
		ESSOX SRO	Specialist Financing	FULL	80	80	100	100
		FACTORING KB	Financial Company	FULL	60.73	60.73	100	100
		KB PENZIJNI SPOLECNOST, A.S.	Financial Company	FULL	60.73	60.73	100	100
		KB REAL ESTATE	Real Estate and Real Estate Financing	FULL	60.73	60.73	100	100
		KB SMARTSOLUTIONS, S.R.O.	Bank	FULL	60.73	60.73	100	100
		KOMERCNI BANKA A.S.	Bank	FULL	60.73	60.73	60.73	60.73
		KOMERCNI POJISTOVNA A.S	Insurance	FULL	80.76	80.76	100	100
		MODRA PYRAMIDA STAVEBNI SPORITELNA AS	Financial Company	FULL	60.73	60.73	100	100
		PROTOS	Financial Company	FULL	60.73	60.73	100	100
		SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Specialist Financing	FULL	80.33	80.33	100	100
		SOGEPROM CESKA REPUBLIKA S.R.O.	Real Estate and Real Estate Financing	FULL	100	100	100	100
		SOGEPROM MICHLE S.R.O.	Real Estate and Real Estate Financing	FULL	100	100	100	100
		STD2, S.R.O.	Group Real Estate Management Company	FULL	60.73	60.73	100	100
		VN 42	Real Estate and Real Estate Financing	FULL	60.73	60.73	100	100
		WORLDLINE CZECH REPUBLIC S.R.O.	Services	ESI	0.61	0.06	40	40
Romania								
	(6)	ACCIDENT MANAGEMENT SERVICES S.R.L.	Specialist Financing	FULL	52.59	0	100	0
		ALD AUTOMOTIVE SRL	Specialist Financing	FULL	52.59	72.79	100	100
		BRD – GROUPE SOCIETE GENERALE SA	Bank	FULL	60.17	60.17	60.17	60.17
		BRD ASSET MANAGEMENT SAI SA	Portfolio Management	FULL	60.17	60.17	100	100
		BRD FINANCE IFN SA	Financial Company	FULL	80.48	80.48	100	100
		BRD SOGELEASE IFN SA	Portfolio Management	FULL	60.17	60.17	100	100
	(6)	LEASEPLAN ROMANIA S.R.L.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN SERVICE CENTER S.R.L.	Specialist Financing	FULL	52.59	0	100	0
		S.C. ROGARIU IMOBILIARE S.R.L.	Real Estate and Real Estate Financing	FULL	75	75	75	75
		SOCIETE GENERALE GLOBAL SOLUTION CENTRE ROMANIA	Services	FULL	100	100	100	100
		SOGEPROM ROMANIA SRL	Real Estate and Real Estate Financing	FULL	100	100	100	100
	(1)	SOGESSUR S.A PARIS – SUCURSALA BUCURESTI	Insurance	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
United Kingdom								
		ACR	Financial Company	FULL	100	100	100	100
		ALD AUTOMOTIVE GROUP LIMITED	Specialist Financing	FULL	52.59	75.94	100	100
		ALD AUTOMOTIVE LIMITED	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	AUTOMOTIVE LEASING LIMITED	Specialist Financing	FULL	52.59	0	100	0
	(1)	BRIGANTIA INVESTMENTS B.V. (UK BRANCH)	Financial Company	FULL	100	100	100	100
	(6)	BUMPER UK 2019-1 FINANCE PLC	Financial Company	FULL	52.59	0	100	0
	(6)	BUMPER UK 2021-1 FINANCE PLC	Financial Company	FULL	52.59	0	100	0
	(1) (6)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS UK	Specialist Financing	FULL	99.89	0	100	0
	(6)	DIAL CONTRACTS LIMITED	Specialist Financing	FULL	52.59	0	100	0
	(6)	DIAL VEHICLE MANAGEMENT SERVICES LTD	Specialist Financing	FULL	52.38	0	99.6	0
		FENCHURCH NOMINEES LIMITED	Bank	FULL	100	100	100	100
		FORD FLEET MANAGEMENT UK LIMITED	Specialist Financing	FULL	26.35	38.05	100	100
		FRANK NOMINEES LIMITED	Bank	FULL	100	100	100	100
	(1)	HORDLE FINANCE B.V. (UK BRANCH)	Financial Company	FULL	100	100	100	100
	(6)	INTERNAL FLEET PURCHASING LIMITED	Specialist Financing	FULL	52.59	0	100	0
	(6)	INULA HOLDING UK LIMITED	Specialist Financing	FULL	52.59	0	100	0
		JWB LEASING LIMITED PARTNERSHIP	Specialist Financing	FULL	100	100	100	100
		KBIM STANDBY NOMINEES LIMITED	Bank	FULL	100	100	100	100
		KBPB NOMINEES LIMITED	Bank	FULL	100	100	100	100
		KH COMPANY SECRETARIES LIMITED	Bank	FULL	100	100	100	100
		KLEINWORT BENSON FARMLAND TRUST (MANAGERS) LIMITED	Bank	FULL	75	75	75	75
		LANGBOURN NOMINEES LIMITED	Bank	FULL	100	100	100	100
	(6)	LEASEPLAN UK LIMITED	Specialist Financing	FULL	52.59	0	100	0
	(6)	PAYXPERT SERVICES LTD	Financial Company	FULL	60	0	60	0
		RED & BLACK AUTO LEASE UK 1 PLC	Financial Company	FULL	52.59	75.94	100	100
		ROBERT BENSON, LONSDALE & CO. (CANADA) LIMITED	Bank	FULL	100	100	100	100
		SG (MARITIME) LEASING LIMITED	Specialist Financing	FULL	100	100	100	100
		SG EQUIPMENT FINANCE (DECEMBER) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG FINANCIAL SERVICES LIMITED	Financial Company	FULL	100	100	100	100
		SG HAMBROS TRUST COMPANY LIMITED	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
United Kingdom		SG HEALTHCARE BENEFITS TRUSTEE COMPANY LIMITED	Financial Company	FULL	100	100	100	100
		SG INVESTMENT LIMITED	Financial Company	FULL	100	100	100	100
		SG KLEINWORT HAMBROS BANK LIMITED	Financial Company	FULL	100	100	100	100
		SG KLEINWORT HAMBROS LIMITED	Bank	FULL	100	100	100	100
		SG KLEINWORT HAMBROS NOMINEES LIMITED (ex-SG HAMBROS (LONDON) NOMINEES LIMITED)	Financial Company	FULL	100	100	100	100
		SG KLEINWORT HAMBROS TRUST COMPANY (UK) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG LEASING (ASSETS) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG LEASING (GEMS) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG LEASING (JUNE) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG LEASING (MARCH) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG LEASING (USD) LIMITED	Specialist Financing	FULL	100	100	100	100
		SG LEASING IX	Specialist Financing	FULL	100	100	100	100
	(1)	SG LONDRES	Bank	FULL	100	100	100	100
		SG TITANIUM LIMITED (ex-SG LEASING (CENTRAL 3) LIMITED)	Specialist Financing	FULL	100	100	100	100
		SOCGEN NOMINEES (UK) LIMITED	Financial Company	FULL	100	100	100	100
		SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	Specialist Financing	FULL	100	100	100	100
		SOCIETE GENERALE INTERNATIONAL LIMITED	Broker	FULL	100	100	100	100
		SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	Financial Company	FULL	100	100	100	100
		STRABUL NOMINEES LIMITED	Financial Company	FULL	100	100	100	100
	(1)	TYNEVOR B.V. (UK BRANCH)	Financial Company	FULL	100	100	100	100
Russian Federation								
	(4)	ALD AUTOMOTIVE OOO	Specialist Financing	ESI	0	75.94	0	100
	(6)	LEASEPLAN RUS LLC	Specialist Financing	FULL	52.59	0	100	0
Senegal								
		SOCIETE GENERALE SENEGAL	Bank	FULL	64.45	64.45	64.87	64.87
Serbia								
		ALD AUTOMOTIVE D.O.O BEOGRAD	Specialist Financing	FULL	52.59	75.94	100	100
Singapore								
		SG MARKETS (SEA) PTE. LTD.	Broker	FULL	100	100	100	100
		SG SECURITIES (SINGAPORE) PTE. LTD.	Broker	FULL	100	100	100	100
	(1)	SG SINGAPOUR	Bank	FULL	100	100	100	100
		SG TRUST (ASIA) LTD	Financial Company	FULL	100	100	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Slovakia								
		ALD AUTOMOTIVE SLOVAKIA S.R.O.	Specialist Financing	FULL	52.59	75.94	100	100
		ESSOX FINANCE S.R.O.	Specialist Financing	FULL	80	80	100	100
	(6)	INSURANCEPLAN S.R.O.	Specialist Financing	FULL	52.59	0	100	0
	(1)	KOMERCNI BANKA SLOVAKIA	Bank	FULL	60.73	60.73	100	100
	(6)	LEASEPLAN SLOVAKIA S.R.O.	Specialist Financing	FULL	52.59	0	100	0
	(1)	SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O. ORGANIZACNA ZLOZKA (SLOVAK RUPUBLIC BRANCH)	Specialist Financing	FULL	80.33	80.33	100	100
Slovenia								
		ALD AUTOMOTIVE OPERATIONAL LEASING DOO	Specialist Financing	FULL	52.59	75.94	100	100
Sweden								
		ALD AUTOMOTIVE AB	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	CLAIMS MANAGEMENT SVERIGE AB	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN SVERIGE AB	Specialist Financing	FULL	52.59	0	100	0
		NF FLEET AB	Specialist Financing	FULL	42.07	60.75	80	80
	(1)	SOCIETE GENERALE SA BANKFILIAL SVERIGE	Bank	FULL	100	100	100	100
Switzerland								
		ALD AUTOMOTIVE AG	Specialist Financing	FULL	52.59	75.94	100	100
	(6) (8)	ALL-IN A.G.	Specialist Financing	FULL	52.59	0	100	0
	(6)	LEASEPLAN (SCHWEIZ) A.G.	Specialist Financing	FULL	52.59	0	100	0
		SG EQUIPMENT FINANCE SCHWEIZ AG	Specialist Financing	FULL	100	100	100	100
	(1)	SG ZURICH	Bank	FULL	100	100	100	100
		SOCIETE GENERALE PRIVATE BANKING (SUISSE) SA	Bank	FULL	100	100	100	100
Taiwan								
	(1)	SG SECURITIES (HONG KONG) LIMITED TAIPEI BRANCH	Broker	FULL	100	100	100	100
	(1)	SG TAIPEI	Bank	FULL	100	100	100	100
Chad								
		SOCIETE GENERALE TCHAD	Bank	FULL	56.91	56.91	67.92	67.92
Thailand								
		SOCIETE GENERALE (THAILAND) LIMITED (ex-SOCIETE GENERALE SECURITIES (THAILAND) LTD.)	Broker	FULL	100	100	100	100
Togo								
	(1)	SOCIETE GENERALE TOGO	Bank	FULL	93.43	93.43	100	100

Country			Activity	Method*	Group ownership interest		Group voting interest	
					As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
Tunisia								
		UNION INTERNATIONALE DE BANQUES	Bank	FULL	55.1	55.1	52.34	52.34
Turkey								
		ALD AUTOMOTIVE TURIZM TICARET ANONIM SIRKETI	Specialist Financing	FULL	52.59	75.94	100	100
	(6)	LEASEPLAN OTOMOTIV SERVIS VE TICARET A.S.	Specialist Financing	FULL	52.59	0	100	0
	(1)	SG ISTANBUL	Bank	FULL	100	100	100	100
Ukraine								
		ALD AUTOMOTIVE UKRAINE LIMITED LIABILITY COMPANY	Specialist Financing	FULL	52.59	75.94	100	100

* *FULL: Full consolidation – JO: Joint Operation – EJV: Equity (Joint Venture) – ESI: Equity (significant influence) – EFS: Equity For Simplification (Entities controlled by the Group that are consolidated using the equity method for simplification because are not significant).*

(1) *Branches.*

(2) *Entities wound up.*

(3) *Removal from the scope.*

(4) *Entities sold.*

(5) *Merged.*

(6) *Newly consolidated.*

Additionnal information related to the consolidation scope and equity investments as required by the Regulation 2016-09 of the Autorité des Normes Comptables (ANC, the French Accounting standard setter), dated 2 December 2016 is available on Societe Generale Group website at: *https://investors.societegenerale.com/en/publications-documents*.

NOTE 8.5 Fees paid to Statutory Auditors

The consolidated financial statements of the Societe Generale Group are jointly certified by Ernst & Young et Autres, represented by Micha Missakian and Vincent Roty, on the one hand, and Deloitte et Associés, represented by Jean-Marc Mickeler and Maud Monin, on the other.

On the proposal of the Board of Directors and following the recommendation of the Audit and Internal Control Committee (CACI) of Societe Generale, the General Meeting of 23 May 2018 renewed the mandates of Ernst & Young et Autres and Deloitte et Associés for a period of six years. Their terms of office will expire at the General Meeting approving the 2023 financial statements.

In accordance with European audit regulations, the CACI implements a specific policy for the approval of services other than the certification of accounts (SACC) provided by the Statutory Auditors and their networks in order to verify the compliance of the mission with these regulations prior to the launch of the mission.

A summary of the SACCs (approved or rejected) is presented at each meeting of the CACI.

Lastly, the Finance Departments of the entities or business lines make annual decisions on the quality of the audits of Deloitte et Associés and Ernst & Young et Autres. The findings of this investigation are also presented to the CACI.

The table below presents the fees invoiced by Ernst & Young et Autres, on the one hand, and Deloitte et Associés on the other hand, as well as by their respective networks, to Societe Generale S.A. and its subsidiaries.

		Ernst & Young et Autres		Deloitte et Associés		Total	
(In EURm excluded VAT)		2023	2022 R	2023	2022 R	2023	2022 R
Statutory audit, certification, examination of parent company and consolidated accounts	Issuer	5	4	4	4	9	8
	Fully consolidated subsidiaries	15	15	16	16	31	31
SUB-TOTAL AUDIT		**20**	**19**	**20**	**20**	**40**	**39**
Non-audit services (SACC)	Issuer	1	1	1	1	2	2
	Fully consolidated subsidiaries	1	2	3	2	4	4
TOTAL		**22**	**22**	**24**	**23**	**46**	**45**

Services other than the certification of accounts mainly consist of missions to review compliance with regulatory requirements, internal control reviews in the context of compliance with ISAE (International Standard on Assurance Engagements) standards and extended audit procedures (agreed procedures). They also include services expressly and exclusively entrusted to the Statutory Auditors for EUR 0.3 million.

NOTE 9 INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the Bank, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale group will not fail to assert its rights before the competent courts. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.
- Between 2003 and 2008, Societe Generale set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey and in the UK against Societe Generale. In the action brought by Societe Generale against Goldas in the UK, Goldas applied to have the action of Societe Generale struck-out and applied to the UK court for damages. On 3 April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. On 15 May 2018, the London Court of Appeal discharged entirely the inquiry into damages granted by the London High Court to Goldas but rejected Societe Generale's arguments relating to service of the claims issued against Goldas, which are therefore time-barred. On 18 December 2018, the Supreme Court refused permission to appeal to both Societe Generale and Goldas, which has therefore become definitive. On 16 February 2017, the Paris Commercial Court dismissed Societe Generale's claims against its insurers. Societe Generale filed an appeal against the Paris Commercial Court's decision. On 1 February 2023, the Paris Court of Appeals confirmed this decision. Societe Generale filed an appeal before the Supreme Court against this decision.
- In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing. To support this reform (known as EIC – *Échange d'Images Chèques*), which has contributed to the improvement of cheque payments security and to the fight against fraud, the Banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.

  On 20 September 2010, the French competition authority ruled that the joint implementation and the setting of the amount of the CEIC and of two additional fees for related services were in breach of competition law. The authority fined all the participants to the agreement (including the *Banque de France*) a total of approximately EUR 385 million of penalties. On 2 December 2021, after several years of proceedings and two decisions of the Supreme Court, the Paris Court of Appeal overturned the decision of the French competition authority and ruled that (i) it was not proven that the establishment of the CEIC and the fees for related services on AOCT (cancellation of wrongly cleared transactions) as well as their collection had infringed the provisions of Article L. 420-1 of the French Commercial Code and of Article 101 of the Treaty on the Functioning of the European Union and, (ii) that its decision was giving rise to a right of restitution of the sums paid in execution of the overturned decision, namely approximatively EUR 53.5 million for Societe Generale and approximatively EUR 7 million for Crédit du Nord, together with interests at the legal rate. On 31 December 2021, the French competition authority filed an appeal before the Supreme court against this decision. The Supreme Court dismissed this appeal by a decision of 28 June 2023, putting a definitive end to this litigation.
- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS") entered into an agreement to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates. On 21 February 2023, the US Receiver and the Official Stanford Investors Committee ("OSIC") filed a motion in US District Court for the Northern District of Texas seeking approval of the settlement. The settlement provides for the payment by SGPBS of USD 157 million in exchange for the release of all claims. During the 7 June 2023 hearing, the Court granted the US Receiver's motion to approve the settlement. This order is now subject to an appeal. The settlement amount that SGPBS must pay is fully covered by reserves in the accounts of Societe Generale SA following a financial guarantee provided by Societe Generale S.A. to SGPBS. Each of the other defendant banks in this litigation also announced settlements in the first quarter of 2023 with the US Receiver and OSIC resolving their claims. These settlements were reached in advance of a jury trial that had been scheduled to start on 27 February 2023 (which ultimately did not take place).

In the same matter, a pre-contentious claim (*requête en conciliation*) was initiated in Geneva in November 2022 by the Joint Liquidators of Stanford International Bank Limited ("SIBL"), appointed by the courts in Antigua, representing the same investors as those represented by the US plaintiffs. SGPBS was served with the statement of claim on 20 June 2023 and will defend itself against the claims in this proceeding.

- Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter") and the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter (see Chapter 4 of the present Universal Registration Document), the Bank continues to defend civil proceedings in the United States (as described below) and has responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

  In the United States, Societe Generale, along with other financial institutions, has been named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale has also been named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions are pending in the US District Court in Manhattan (the "District Court").

  As to US Dollar Libor, all claims against Societe Generale were dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that were effectively stayed. The class plaintiffs and a number of individual plaintiffs appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit ("Second Circuit"). On 30 December 2021, the Second Circuit reversed the dismissal and reinstated the antitrust claims. These reinstated claims which have been returned to the District Court include those asserted by a proposed class of over-the-counter (OTC) plaintiffs and by OTC plaintiffs that have filed individual actions. On 21 June 2022, the U.S. Supreme Court denied a petition filed by Societe Generale and other defendants that sought review of the Second Circuit's ruling. Discovery is ongoing. The stayed putative class actions were voluntarily dismissed by plaintiffs on 10 August 2022 and 26 October 2023. On 9 January 2023, the claims against Societe Generale by one of the individual plaintiffs, National Credit Union Administration (as Liquidating Agent for certain credit unions) which included the stayed individual action referred to above, were voluntarily dismissed with prejudice. On 12 May 2023, Societe Generale and two other financial institutions entered into a settlement agreement to resolve the OTC class action for a combined USD 90 million. Societe Generale's portion of this settlement was fully covered by reserves. On 17 October 2023, the District Court granted final settlement approval.

  As to Japanese Yen Libor, the District Court dismissed the complaint brought by purchasers of Euroyen over-the-counter derivative products. On 1 April 2020, the Second Circuit reversed the dismissal and reinstated the claims. On 30 September 2021, the District Court dismissed certain plaintiffs and all Racketeer Influenced and Corrupt Organizations Act claims but upheld certain federal antitrust and New York state law claims against Societe Generale. On 16 February 2024, plaintiffs and Societe Generale entered into a settlement agreement, which is covered by reserves. The settlement received preliminary approval from the Court on 20 February 2024. Discovery in that action is ongoing. In the other action, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange on 27 September 2019, plaintiff filed a motion for class certification. On 25 September 2020, the District Court granted defendants' motion for judgment on the pleadings and dismissed plaintiff's remaining claims. Plaintiff appealed to the Second Circuit. On 18 October 2022, as amended on 8 December 2022, the Second Circuit affirmed the District Court's dismissal of plaintiff's claims. On 2 October 2023, the U.S. Supreme Court denied a petition filed by plaintiff that sought review of the Second Circuit's ruling. As a result, the action is now concluded.

  As to Euribor, the District Court dismissed all claims against Societe Generale in the putative class action and denied the plaintiffs' motion to file a proposed amended complaint. Plaintiffs have appealed those rulings to the Second Circuit. Societe Generale reached a settlement of this action in an amount covered by reserves. Shortly thereafter, on 21 November 2022, the Second Circuit stayed plaintiffs' appeal as to Societe Generale and remanded that portion of the case to the District Court for consideration of the proposed settlement. On 31 October 2023, the District Court granted final settlement approval. As a result, this action is now concluded.

  In Argentina, Societe Generale, along with other financial institutions, has been named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concern violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Societe Generale has not yet been served with the complaint in this matter.

- Societe Generale, along with several other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the Commodities Exchange Act (CEA) in connection with foreign exchange spot and derivatives trading. The action was brought by persons or entities that transacted in certain over-the-counter and exchange-traded foreign exchange instruments. Societe Generale reached a settlement of USD 18 million, which was approved by the Court on 6 August 2018. On 7 November 2018, a group of individual entities that elected to opt out of the settlement filed a lawsuit against Societe Generale, SG Americas Securities, LLC and several other financial institutions. SG Americas Securities, LLC was dismissed by order dated 28 May 2020.

  On 11 November 2020, Societe Generale was named, along with several other banks, in a UK action alleging collusion in the market for FX instruments. The action was subsequently transferred to the Competition Appeal Tribunal. By orders dated 17 May 2023 and 23 May 2023 respectively, the US and UK actions were dismissed. These actions are now concluded.

- On 10 December 2012, the French Supreme Administrative Court (*Conseil d'État*) rendered two decisions confirming that the "*précompte* tax" which used to be levied on corporations in France does not comply with EU law and defined a methodology for the reimbursement of the amounts levied by the tax authorities. However, such methodology considerably reduces the amount to be reimbursed. Societe Generale purchased in 2005 the "*précompte* tax" claims of two companies (Rhodia and Suez, now Engie) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts.

- Several French companies applied to the European Commission, which considered that the decisions handed down by the *Conseil d'État* on 10 December 2012, which were supposed to implement the decision rendered by the European Union Court of Justice (EUCJ) on 15 September 2011, breached a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by referring the matter to the EUCJ on 8 December 2016. The EUCJ rendered its judgement on 4 October 2018 and sentenced France on the basis that the *Conseil d'État* disregarded the tax on EU sub-subsidiaries in order to secure the *précompte* paid erroneously and failed to raise a preliminary question before the EUCJ. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Engie on our 2002 and 2003 Suez claims, and ordered a financial enforcement in our favour. The Court held that the advance payment (*précompte*) did not comply with the Parent-Subsidiary Directive. Further to proceedings brought before the *Conseil d'État*, the latter ruled that a question should be raised before the EUCJ in order to obtain a preliminary ruling on this issue. The EUCJ has confirmed on 12 May 2022 that the *précompte* did not comply with the Parent-Subsidiary Directive. The *Conseil d'État*, by an Engie judgment of 30 June 2023 took note of this incompatibility and confirmed the decision held by the Administrative Court of Appeal of Versailles with respect to the 2002 year, but referred the examination of the 2003 year to this same Court, which confirmed on 9 January 2024 the partial relief granted by the administration in the course of the proceedings. In parallel, a compensation litigation in relation to the Rhodia claim and the Suez claims (between 1999 and 2001) was brought in March 2023 before the European Commission and the Paris Administrative Court of Appeal, further to the negative judgements issued by the *Conseil d'État* in 2012 (Rhodia) and 2016 (Suez).
- Societe Generale, along with other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for USD 50 million. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate *inter alia* to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

  Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.
- In May 2019, SGAS was named, along with other financial institutions, as a defendant in a putative class action in the US alleging anticompetitive behaviour in the pricing of "agency bonds" issued by US Government Sponsored Enterprises (GSEs), including Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae). On 16 June 2020, SGAS and twelve other bank defendants reached a final settlement with plaintiffs. Although SGAS's share of the settlement is not public, the amount was not material from a financial statement perspective. SGAS was also named in four separate individual opt-out litigations by the following plaintiffs: the State of Louisiana (filed September 2019), the City of Baton Rouge/East Baton Rouge Parish and related entities (October 2019), Louisiana Asset Management Pool (April 2020), and the City of New Orleans and related entities (September 2020). These suits also asserted antitrust claims (and in some cases other related claims) against SGAS and multiple other bank defendants based on these plaintiffs' purchases of GSE bonds. As to the opt-out litigations, a settlement was reached involving all defendants in June 2021, of which SGAS's share was immaterial, and these actions have been dismissed. SGAS also received a subpoena from the US Department of Justice (DOJ) in connection with its US agency bond business. SGAS responded to these requests and is cooperating with the DOJ investigation.
- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately USD 150 million from the Societe Generale entities. The Societe Generale entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the Bankruptcy Court for further proceedings. The Societe Generale defendants filed a motion to dismiss on 29 April 2022. The motion was denied by order dated 7 October 2022. Discovery is proceeding.
- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale.

Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss. By order entered 30 March 2023, the court granted Societe Generale's motion to dismiss. Plaintiffs have appealed.

- On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in a similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss the amended complaint on 19 March 2021, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss, which was granted by the court on 23 January 2023. Plaintiffs have appealed.

  On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The case was stayed pending developments in Pujol I. At the parties' request, following dismissal of Pujol I, the court lifted the stay on Pujol II and entered an order dismissing the case for the same reasons it dismissed Pujol I. Plaintiff has appealed.
- In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or CHF-indexed loans issued by Euro Bank. The reserve in this matter in Societe Generale SA's accounts takes into consideration the increase in the number of court cases regarding the loans subject of the sale and the substance of the decisions handed down by Polish courts.
- Like other financial institutions, Societe Generale is subject to audits by the tax authorities regarding its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017, 2018, 2019 and 2020 audited years are subject to notifications of proposals of tax adjustments in respect of the application of a withholding tax. These proposals are contested by the Group. Given the significance of the matter, on 30 March 2023, the French Banking Federation has brought proceedings against the tax administration's doctrine. In this respect, on 8 December 2023, the French *Conseil d'État* ruled that the tax authorities may not extend the dividend withholding tax beyond its statutory scope, except if taxpayers engaged in an abusive behavior (*abus de droit*), thereby characterising the tax administration's position based on the concept of beneficial owner as illegal. In addition, further to raids conducted by the "*parquet national financier*" at the end of March 2023 at the premises of five banks in Paris, among which Societe Generale, the latter has been informed that it was subject to a preliminary investigation pertaining to the same issue. Societe Generale is defending the action.
- On 19 August 2022, a Russian fertiliser company, EuroChem North West-2 ("EuroChem"), a wholly owned subsidiary of EuroChem AG, filed a claim against Societe Generale SA and its Milan branch ("Societe Generale") before English courts. This claim relates to five on-demand bonds that Societe Generale issued to EuroChem in connection with a construction project in Kingisepp, Russia. On 4 August 2022, EuroChem made demands under the guarantees. Societe Generale explained it was unable to honour the claims due to international sanctions directly impacting the transactions, an assessment which EuroChem disputes. Societe Generale filed its defence submissions on 1 November 2022, to which EuroChem replied on 19 December 2022. A case management conference ("CMC") was held on 26 September 2023, in the course of which the court set the procedural timetable. As of the date of this update, the Parties' disclosures are due by the end of April 2024 and the trial (if any) is expected to take place in June 2025.
- SG Americas Securities, LLC ("SGAS") received a request for information in December 2022 from the US Securities and Exchange Commission ("SEC") focused on compliance with record-keeping requirements in connection with business-related communications on messaging platforms that were not approved by the firm. On 28 March 2023, SGAS and Societe Generale received a similar request from the US Commodity Futures Trading Commission ("CFTC"). These inquiries follow a number of regulatory settlements in 2022 with other firms covering similar matters. SGAS reached a settlement with the SEC, announced on 8 August 2023, and agreed to pay a penalty of USD 35 million, take certain remedial actions, and engage an independent compliance consultant. Societe Generale and SGAS reached a settlement with the CFTC, also announced on 8 August 2023, and agreed to pay a penalty of USD 75 million and take certain remedial actions.

NOTE 10 RISK MANAGEMENT LINKED WITH FINANCIAL INSTRUMENTS

Note 10 of published financial statements	**Chapter 4 of URD** ***(the audited parts of Note 10 are indicated as "Audited" in Chapter 4)***	**Page numbers – Chapter 4**
10.1 Risk management	Part 4.2.3 Risk management organisation	211
10.2 Capital management and adequacy	Part 4.4 Capital management and adequacy	225
10.3 Credit risk	Part 4.5 Credit risk	236
10.4 Counterparty credit risk	Part 4.6 Counterparty credit risk	257
10.5 Market risk	Part 4.7 Market risk	265
10.6 Structural interest rate and exchange rate risks	Part 4.8 Structural risks – Interest rate and exchange rate risks	277
10.7 Liquidity risk	Part 4.9 Structural risk – Liquidity risk	

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Société Générale Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the Annual General Meeting of Société Générale,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Société Générale for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Société Générale Group for the year then ended and of its financial position and of its assets and liabilities as at December 31, 2023 in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Internal Control Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for statutory auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

EMPHASIS OF MATTER

Without qualifying the above opinion, we draw your attention to paragraph 4 of Notes 1 "Main valuation and presentation rules for the consolidated financial statements" and 4.3 "Insurance activities" to the consolidated financial statements, which outline the impacts relating to the first-time application of IFRS 17 "Insurance contracts" and IFRS 9 "Financial instruments" by insurance sector subsidiaries.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

ASSESSMENT OF THE IMPAIRMENT OF CUSTOMER LOANS

Risk identified	Our response
Customer loans and receivables carry a credit risk which exposes your Group to a potential loss if its client or counterparty is unable to meet its financial commitments. Your Group recognizes impairment to cover this risk. Such impairment is calculated according to IFRS 9, "Financial instruments" and the expected credit loss principle. The assessment of expected credit losses for customer loan portfolios requires the exercise of judgment by Management, particularly in the uncertain context due to the geopolitical and economic situation, notably to: ▪ prepare, in an uncertain environment, macro-economic projections which are embedded in the deterioration criteria and in the expected credit losses measurement; ▪ determine the loan classification criteria under stages 1, 2 or 3, taking account of the material increase in credit risk at loan portfolio level and the impact of measures to support the economy; ▪ estimate the amount of expected credit losses depending on the different stages; ▪ determine the adjustments to models and parameters, as well as the sector adjustments considered necessary to reflect the impact of economic scenarios on expected credit losses and anticipate the default or recovery cycle for certain sectors. The information concerning in particular the procedures used to estimate and recognize expected credit losses are mainly described in Notes 3.5 "Loans, receivables and securities at amortized cost" and 3.8 "Impairment and provisions" to the consolidated financial statements. As at December 31, 2023, total customer loan outstandings exposed to credit risk totaled M€ 485,449; impairment totaled M€ 10,070. We consider the assessment of the impairment of customer loans to be a key audit matter as they require Management to exercise judgment and make estimates, particularly concerning the economic sectors and geographic areas most affected by the crisis.	Our work focused on the most significant loans and customer loan portfolios, as well as the most vulnerable economic sectors and geographical areas, in particular, loans linked to Russia and sectors weakened by inflation and rising interest rates. After including credit risk modeling specialists in our audit team, our audit work notably consisted in: ▪ obtaining an understanding of your Group's governance and internal control system relating to credit risk assessment and the measurement of expected losses, and testing key manual and IT controls; ▪ examining the compliance of policies implemented by the Group and the methodologies broken down in the different business units with IFRS 9 "Financial instruments"; ▪ assessing, with the help of economists from our firms, the relevance of the macro-economic projections and the scenario weightings applied by your Group; ▪ examining the main parameters adopted by your Group to classify the loans and assess impairment in stages 1, 2 and 3 as at December 31, 2023; ▪ assessing the ability of adjustments to models and parameters, as well as sector adjustments to provide adequate coverage of the level of credit risk in the context of the economic crisis; ▪ assessing, using data analysis tools, the valuation of expected credit losses for a sample of stage 1 and 2 loan portfolios; ▪ testing for a selection of the most significant loans to corporate clients, the main criteria used to classify loans in stage 3, as well as the assumptions underlying the estimation of the related individual impairment. We also analyzed the disclosures in Notes 1.5 "Use of estimates and judgment", 3.5 "Loans, receivables and securities at amortized cost", 3.8 "Impairment and provisions" and 10.3 "Credit and counterparty risk" to the consolidated financial statements relating to credit risk and, in particular, the information required by IFRS 7, Financial instruments: Disclosures, on credit risk.

RECOVERABILITY OF DEFERRED TAX ASSETS IN FRANCE

Risk identified	Our response
As at December 31, 2023, deferred tax assets on loss carryforwards were recorded in the amount of M€ 1,832, including M€ 1,572 for the tax group in France. As stated in Note 6 "Income taxes" to the consolidated financial statements, your Group calculates deferred taxes at the level of each tax entity and recognizes deferred tax assets when it is considered probable that the tax entity concerned will have future taxable profits against which temporary differences and tax loss carryforwards can be offset, within a given timeframe. As at December 31, 2023, this timeframe is eight years for the tax group in France. In addition, as stated in Notes 6 "Income taxes" and 9 "Information on risks and litigation" to the consolidated financial statements, certain tax loss carryforwards are challenged by the French tax authorities and are therefore liable to be called into question. Given the importance of the assumptions used to assess the recoverability of the deferred tax assets in France, notably on future taxable profits, and of the judgment exercised by Management in this respect, we considered this issue to be a key audit matter.	Our audit approach consisted in assessing the probability that your Group will be able to use in the future its tax loss carryforwards generated to date, in particular with regard to its ability to generate future taxable profits in France. After including tax experts in our audit team, our work notably consisted in: ▪ comparing the projected results of the previous years with the actual results of the corresponding fiscal years, to assess the reliability of the tax business plan preparation process; ▪ obtaining an understanding of the 2024 budget drawn up by Management and approved by the Board of Directors, as well as of the assumptions underlying projections for the 2024-2027 period, which take into account the expected impacts of operations known at the closing; ▪ assessing the relevance of tax profit extrapolation methods after the 2024-2027 period; ▪ reviewing the assumptions underlying sensitivity tests in the event of adverse scenarios defined by your Group; ▪ analyzing the sensitivity of the tax loss recovery period under a range of assumptions determined by us; ▪ analyzing the situation of your Group, notably by taking note of the opinions of its external tax advisers regarding its tax loss carryforwards in France, partly challenged by the tax authorities. We have also examined the information provided by your Group concerning deferred tax assets disclosed in Notes 1.5 "Use of estimates and judgment", 6 "Income tax" and 9 "Information on risks and litigation" to the consolidated financial statements.

PORTFOLIO-BASED INTEREST RATE RISK FAIR VALUE HEDGING OF OUTSTANDINGS OF THE RETAIL BANKING NETWORKS IN FRANCE

Risk identified

To manage the interest rate risk generated by its retail banking activities in France in particular, your Group manages a portfolio of internal derivatives classified as hedges.

These internal transactions are classified as portfolio-based interest rate risk fair value hedging transactions ("macro-hedging") in accordance with IAS 39 as adopted in the European Union, as presented in Note 3.2 "Financial derivatives" to the consolidated financial statements.

Hedge accounting is only possible if certain criteria are met, in particular:

- designation and documentation at inception of the hedging relationship;
- eligibility of hedging and hedged instruments;
- demonstration of the hedge effectiveness;
- measurement of effectiveness;
- demonstration of the reversal of internal transactions at Group level.

The "macro-hedge" accounting of retail banking transactions in France requires Management to exercise judgment regarding in particular:

- the identification of eligible hedging and hedged items;
- determining the criteria adopted to schedule the outstandings' maturities by including behavioral criteria;
- the conduct of tests on over-hedging, the disappearance of hedged items, efficiency and the external reversal of hedging transactions entered into with internal Group counterparties.

As at December 31, 2023, the amount of hedged portfolio remeasurement differences was -M€ 443 in assets and -M€ 5,857 in liabilities. The fair value of the corresponding financial instruments is included under "Hedging derivative instruments" in assets and liabilities.

Given the documentation requirements for "macro-hedging" relationships, the volume of hedging derivative transactions and the use of Management judgment required, we consider the accounting treatment of portfolio-based interest rate risk fair value hedging of outstandings of the retail banking networks in France to be a key audit matter.

Our response

Our audit procedures in response to the risk relating to the accounting treatment of portfolio-based interest rate risk fair value hedging of outstandings ("macro-hedging") consisted in obtaining an understanding of the procedures used to manage the structural interest rate risk, and reviewing the control environment set up by Management in particular for the documentation, identification and eligibility of hedged and hedging items, as well as for the performance of effectiveness tests.

After including financial modeiling experts in our audit team, our work mainly consisted in:

- familiarizing ourselves with the accounting documentation of the hedging relationships;
- testing the eligibility of the financial assets and liabilities used by the Société Générale Group for the portfolio-based interest rate risk fair value hedge accounting, according to the terms and conditions defined by IAS 39 as adopted in the European Union;
- assessing the procedures used to prepare and control the criteria adopted to schedule the maturities of the hedged financial instruments, particularly with regard to the adopted maturities of the eligible financial liabilities;
- assessing the procedures used to determine the effectiveness of these hedging relationships, as well as the related governance;
- analyzing the market reversal system for hedges entered into with internal Group counterparties and the related documentation, and conducting tests on the matching of internal and external transactions;
- analyzing the results of tests on over-hedging, the disappearance of hedged items, efficiency and reversal required by applicable accounting standards.

We also assessed the information disclosed in Notes 1.5 "Use of estimates and judgment", 3.2 "Derivative financial instruments" and 3.4 "Fair value of financial instruments measured at fair value" and 10.5 "Structural interest rate and currency risks" to the consolidated financial statements and their compliance with IFRS 7 "Financial instruments: Disclosures" with regard to hedge accounting.

VALUATION OF COMPLEX FINANCIAL INSTRUMENTS

Risk identified	Our response
Within the scope of its market activities, your Group holds financial instruments for trading purposes. As at December 31, 2023, a total amount of M€ 305,200 is recognized in fair value levels 2 and 3 in assets and M€ 365,519 in liabilities on the Société Générale consolidated balance sheet, i.e. 51% and 93%, respectively, of financial assets and liabilities measured at fair value. To determine the fair value of complex instruments, your Group uses techniques or in-house valuation models based on parameters and data, some of which are not observable in the market, which can defer the recognition of the margin for transactions in the income statement, as stated in point 7 of Note 3.4 "Fair value of financial instruments measured at fair value" to the consolidated financial statements. If necessary, these valuations include additional reserves or value adjustments. The models and data used to value these instruments, and their classification under the fair value hierarchy, may be based for example on management's judgments and estimates, in the absence of available market data or a market valuation model. Given the complexity of the modeling in determining the fair value, the multiplicity of models used, and the use of Management's judgment in determining these fair values, we consider the valuation of complex financial instruments to be a key audit matter.	Our audit approach was based on a mixed approach using both tests on internal control processes relating to the valuation of complex financial instruments and substantive procedures. After including financial instrument valuation specialists in our audit team, our procedures consisted in: ■ obtaining an understanding of the procedure to authorize and validate new products and their valuation models, including the process for the entry of these models in the information systems; ■ reviewing the governance of value adjustments and reserves; ■ analyzing the valuation methodologies for certain categories of complex instruments and the related reserves or value adjustments; ■ testing the key controls relating to the independent verification of the valuation parameters, and evaluating the reliability of the market parameters used to provide input for the valuation models with reference to external data; ■ as regards the process used to explain the changes in fair value, obtaining an understanding of the bank's analysis principles and performing tests of controls on a sample basis; ■ performing "analytical" IT procedures on the control data relating to certain activities; ■ obtaining the quarterly results of the model independent validation process; ■ obtaining the quarterly results of the valuation adjustment process based on external market data, and analyzing the differences in parameters with the market data in the event of a significant impact, and the accounting treatment of such differences. Where external data is absent, we assessed the existence of reserves or the non-materiality of the associated issues; ■ performing counter-valuations of a selection of complex derivative financial instruments using our tools; ■ analyzing the observability criteria, among others, used to determine the fair value hierarchy of such instruments, and to estimate deferred margin amounts and comparing the methods adopted by your Group to recognize these margins over time with the information presented in point 7 of Note 3.4 "Fair value of financial instruments measured at fair value" to the consolidated financial statements. We also analyzed the compliance of the methods underlying the estimates with the principles described in Note 3.4 " Fair value of financial instruments measured at fair value " to the financial statements.

IT RISK RELATING TO MARKET ACTIVITIES

Risk identified	Our response
The Market Activities of the Global Banking & Investor Solutions division (GBIS) constitute an important activity, as illustrated by the significance of the financial instruments positions described in Note 3.4 “Fair value of financial instruments measured at fair value” to the consolidated financial statements. This activity is highly complex given the nature of the financial instruments processed, the volume of transactions, and the use of numerous interfaced information systems. The risk of occurrence of a significant misstatement in the accounts related to an incident in the data processing chains used or the recording of transactions until their transfer into the accounting system may result from: ■ changes made to management and financial information by unauthorized persons via the information systems or underlying databases; ■ a failure in processing or in the transfer of data between systems; ■ a service interruption or an operating incident which may or may not be related to internal or external fraud. Furthermore, in a context of widespread home working, your Group is exposed to risks, relating to the opening up of information systems to allow remote access to transaction processing applications. To ensure the reliability of the accounts, it is therefore essential for your Group to master the controls relating to the management of the information systems. In this context, the IT risk relating to the Market Activities of the GBIS division constitutes a key audit matter.	Our audit approach for this activity is based on the controls related to the management of the information systems set up by your Group. With the support of information system specialists included in the audit team, we tested the IT general controls of the applications that we considered to be key for this activity. Our work mainly consisted in assessing: ■ the controls set up by your Group on access rights, notably at sensitive periods in a professional career (recruitment, transfer, resignation, end of contract) with, where applicable, extended audit procedures in the event of ineffective control identified during the financial year; ■ potential privileged access to applications and infrastructure; ■ the management of changes made to applications, and more specifically the separation between development and business environments; ■ security policies in general and their deployment in IT applications (for example, those related to passwords); ■ the handling of IT incidents during the audit period; ■ governance and the control environment on a sample of applications. For these same applications, and in order to assess the transfer of information flows, we tested the key application controls relating to the automated interfaces between the systems. In addition, our tests on the general IT and application controls were supplemented by data analytics procedures on certain IT applications. We also evaluated the governance implemented by your Group to ensure the resilience of information systems faced with cyber risks. Our procedures consisted in discussions with the Société Générale Group's security teams and obtaining an understanding of the reports prepared by the cybersecurity committee meetings as well as any incidents during the year.

ASSESSMENT OF THE LEGAL AND TAX RISK RELATING TO REGULATORY OR ARBITRATION PROCEEDINGS INVOLVING THE GROUP

Risk identified	Our response
Your Group is a party to a number of legal or tax disputes and proceedings as indicated in Note 8.2.2 “Other provisions". Other provisions amounted to M€ 1,222 at December 31, 2023 and include provisions for litigation. As indicated in Note 9 “Information on risks and disputes” to the consolidated financial statements, the situation and development of the various legal or administrative disputes and proceedings in progress are analyzed on a quarterly basis to assess the need to record provisions or adjust the amount of raised provisions. Given the complexity of certain proceedings and the significant amount of management judgment in assessing the risks and financial repercussions for your Group, we consider the accounting treatment of disputes to be a key audit matter.	After including tax experts in our audit team, our procedures consisted in: ■ obtaining an understanding of the litigation provision assessment process set up by your Group to assess litigation provisions; ■ conducting interviews with your Group's legal and tax departments and the functions affected by the ongoing proceedings to monitor the development of the main legal proceedings and ongoing investigations by legal and tax authorities and regulators; ■ obtaining and analyzing available documentation such as: management's position and the memos of the Group's legal and tax advisors; ■ requesting confirmation from the lawyers in charge of the most significant proceedings; ■ assessing the reasonableness of the assumptions used to determine the need for and the amount of provisions raised, in particular on the basis of information gathered from your Group's external advisers involved in the relevant cases; ■ assessing the suitability of the information provided in the notes to the consolidated financial statements.

REASSESSMENT OF THE RESIDUAL VALUES OF VEHICLES LEASED BY YOUR GROUP

Risk identified	Our response
Long-term rental fleet vehicles are depreciated on a straight-line basis as described in the "Operating lease assets" paragraph of Note 8.3 "Property, plant and equipment and intangible assets" to the consolidated financial statements. The depreciation period used is the lease term; the residual value corresponds to the estimated resale value of the vehicles on expiry of the lease. These residual values are determined for each vehicle at the beginning of the lease and are reviewed at least once annually. The methods of calculating these residual values are determined by the group. The calculations are based on statistical data and are frequently reviewed to take into account changes in the market prices of used vehicles. The residual value that is re-estimated during the fleet revaluation process may differ from the initial residual value. The difference, if any, represents a change in estimate and is amortized on a straight-line basis over the remaining lease term. As of December 31, 2023, the total amount of depreciation determined for the fleet amounted to M€ 16,985, see table in Note 8.3 "Property, plant and equipment and intangible assets". We consider the estimation of vehicle residual values to be a key audit matter since ▪ it results from a complex statistical approach; ▪ it incorporates assumptions and requires management judgment, particularly in the current context of the used vehicle market and uncertainties relating to the price of used electric vehicles, which represent a growing percentage of the fleet.	In response to this risk, we reviewed the residual value revaluation process set up by your Group. We analyzed the effectiveness of the key controls implemented by local and head office management, including those relating to the determination of assumptions and parameters that were used for this reassessment. By integrating IT system experts into the team, we tested the general IT controls of the applications used in the fleet reassessment process. Our work also consisted in: ▪ assessing the relevance of the statistical model adopted as well as the main parameters and assumptions used at the end of December 2023; ▪ conducting tests to ensure that data from the fleet management systems were correctly entered into the residual value calculation tool and testing key data security controls; ▪ comparing the data from the calculations with the amounts recorded in the accounts; ▪ checking, on a sampling basis, the accounting translation of changes in the estimation of residual values; ▪ checking that the estimates selected were based on documented methods that comply with the principles described in the notes to the consolidated financial statements.

MEASUREMENT OF THE IMPACT OF THE FIRST-TIME APPLICATION OF IFRS 17 "INSURANCE CONTRACTS" ON OPENING BALANCES AND TECHNICAL PROVISIONS FOR RETIREMENT SAVINGS INSURANCE CONTRACTS

Risk identified

The adoption of IFRS 17 "Insurance contracts" from January 1, 2023 gave rise to major changes in accounting policies and measurement rules for insurance contracts as well as financial statement presentation. It was adopted retrospectively as of January 1, 2022 for insurance contracts in effect on the transition date.

Note 1.4 to the consolidated financial statements presents in particular the required qualitative and quantitative information regarding the impact of IFRS 17 as well as the main accounting method choices applied to the transition. According to this note, the adoption of this new accounting standard increased consolidated equity by M€ 46 as of January 1, 2022 and generated an opening margin for contractual services in the pre-tax gross amount of M€ 8,386 as well as an adjustment for non-financial risks in the pre-tax gross amount of M€ 3,165.

Furthermore, as shown in table 4.3.F of Note 4.3 "Insurance activities" to the consolidated financial statements, your Group recognized as of December 31, 2023 liabilities relating to direct participating insurance contracts for M€ 138,976.

The application of IFRS 17 resulted in estimates requiring greater management judgment in choosing appropriate accounting and actuarial methods and determining key assumptions and criteria to reflect the most probable estimated future situation.

- On the transition date, this involved determining the transition approach applicable for each group of insurance contracts and the simplifying methodologies and assumptions used to calculate the opening margin for contractual services. In particular, its amount was mostly estimated using the modified retrospective approach for Savings and Retirement contracts, and on a case-by-case basis according to a full or modified retrospective approach for the scope of retirement benefits
- At the year-end, Savings and Retirement insurance contracts were measured using the Variable Fee Approach. As stated in Note 4.3 "Insurance activities" to the consolidated financial statements, this measurement accounting model draws on the following principles:
  - The best estimate of the discounted cash flows relating to the execution of contractual obligations for insured individuals determined using complex actuarial models involving data and assumptions relating to future periods, such as the determination of the discount rate, laws on the behavior of insured individuals and the future management decisions which may significantly affect the amount and schedule of future cash flows,
  - An adjustment for non-financial risks, intended to cover the uncertainty surrounding the amount and schedule of future cash flows as and when insurance contracts are fulfilled and whose level was estimated according to a level of confidence adopted by your Group taking into account risk diversification,
  - A contractual services margin representing the non-vested income that will be recognized as and when services are rendered and whose release to insurance revenue takes into account the difference between the actual return from underlying investments and the actuarial projection as a neutral risk.

The materiality of the changes in the measurement and recognition of insurance contract liabilities, the choice of accounting methods, the materiality of management's judgment to determine certain key valuation assumptions as well as the use of complex modeling techniques for retirement savings insurance contracts to assess the most probable estimated future situation led us to consider the impact of the first-time application of IFRS 17 on retirement savings insurance contract opening balances and liabilities to be a key audit matter.

Our response

After including actuarial modeling specialists in our audit team, we conducted the following audit procedures:

- Obtaining an understanding of the procedure deployed by your Group to implement IFRS 17, particularly the processes defined by management to determine the impact of the adoption of IFRS 17 on the consolidated accounts as of January 1, 2022 as well as on the comparative financial statements for the year ended December 31, 2022;
- Measuring compliance with IFRS 17 for the first-time application of the actuarial principles and methodologies adopted for the opening balance sheet;
- Assessing the criteria and assumptions used in the transition methods applied to calculate the contractual services margin;
- Assessing the key methodologies and judgments used to define actuarial valuation models (mainly including those relating to the determination of the contractual services margin, the adjustment for non-financial risks and the key discount rate criteria adopted by management) with regard to IFRS 17;
- Performing tests, based on surveys and our risk assessment, on the key modeling data, assumptions and criteria and the adjustments made and used in calculating the opening balances and the comparative financial statements;
- Assessing the eligibility of "Retirement Savings" insurance contracts with the "variable fee" model and assessing the proper application by management of these Retirement Savings insurance contract valuation methods in accordance with IFRS 17;
- Performing work on the internal control environment of the information systems used to calculate the insurance assets and liabilities of the"Retirement Savings" activity;
- Assessing the new model governance process and testing the key controls in place;
- Testing, on a sampling basis, the main assumptions, data and criteria used to calculate the insurance assets and liabilities of the Retirement Savings activity and assessing the reasonableness of such estimates;
- Assessing the appropriateness of the disclosure in the notes to the consolidated financial statements relating to the transition to the new IFRS 17.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations on the information presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in Société Générale Group management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Société Générale by the Annual General Meeting held on April 18, 2003 for Deloitte & Associés and on May 22, 2012 for Ernst & Young et Autres.

As at December 31, 2023, Deloitte & Associés and Ernst & Young et Autres were in their twenty-first and twelfth year of total uninterrupted engagement, respectively.

Previously, Ernst & Young Audit was the statutory auditor of Société Générale from 2000 to 2011.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Internal Control Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these consolidated statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Société Générale Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT AND INTERNAL CONTROL COMMITTEE

We submit to the Audit and Internal Control Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Internal Control Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Internal Control Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit and Internal Control Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 11, 2024

The Statutory Auditors

DELOITTE & ASSOCIES		ERNST & YOUNG et Autres	
Jean-Marc Mickeler	Maud Monin	Micha Missakian	Vincent Roty

6.4 SOCIETE GENERALE MANAGEMENT REPORT

BALANCE SHEET ANALYSIS

(In EURbn at 31 December)	31.12.2023	31.12.2022	Change
Interbank and money market assets	288	267	21
Customer loans	373	363	10
Securities transactions	565	508	57
o.w. securities purchased under repurchase agreements	*279*	*248*	*31*
Other assets	159	189	(30)
o.w. option premiums	*56*	*69*	*(13)*
Tangible and intangible assets	4	3	1
TOTAL ASSETS	**1,389**	**1,330**	**59**

(In EURbn at 31 December)	31.12.2023	31.12.2022	Change
Interbank and cash liabilities(1)	372	363	9
Customer deposits	470	434	37
Bonds and subordinated debt(2)	27	30	(4)
Securities transactions	330	295	35
o.w. securities sold under repurchase agreements	*246*	*219*	*27*
Other liabilities and provisions	153	172	(19)
o.w. option premiums	*65*	*76*	*(11)*
Shareholders' equity	37	36	1
TOTAL LIABILITIES	**1,389**	**1,330**	**59**

(1) Including negotiable debt instruments.
(2) Including undated subordinated capital notes.

Prevailing uncertainty over inflation and monetary tightening exacerbated fears that developed economies would enter recession in 2023. However, the global economy proved resilient as energy and food prices normalised, supply chain pressures faded and household consumption held up. The US economy showed surprising vigour, beating expectations by recording 2.5% annual growth in 2023. The eurozone managed to dodge recession, but the economy put up a lacklustre performance with growth stagnating from the start of the year.

Central banks supported the economy and pursued their inflation-fighting policies. Both the Fed and the ECB lifted their key rates over the first three quarters. As inflation fell faster than expected in the fourth quarter, central banks held rates steady with no new rate hikes announced.

Societe Generale posted a solid performance and kept a tight rein on costs, risk and capital in a complex geopolitical and economic environment dogged by uncertainty.

At 31 December 2023, the balance sheet total stood at EUR 1,389 billion, up EUR 59 billion from the position at 31 December 2022.

The positive EUR 21.3 billion change in the Interbank and money market assets line was due in large part to the increase in central bank receivables for EUR 31.9 billion, of which EUR 30 billion from the French Central Bank (*Banque de France*) to meet regulatory requirements. Amounts due from banks declined to the tune of EUR 10.7 billion and were predominantly directed to Group subsidiaries.

Interbank and cash liabilities increased EUR 9.1 billion, driven in the main by higher issuance of euro medium-term notes (EMTN) debt securities for EUR 18.5 billion and lower borrowings from the *Banque de France*, in essence to repay a drawdown from the ECB's TLTRO support programme as a result of the central bank's key rate increases in 2023.

Loans to customers rose by EUR 10.1 billion. Stripping out the effect of the merger with Crédit du Nord, current accounts and cash credits fell. Mortgage loans were down EUR 8.8 billion on fewer loan approvals and an additional securitisation transaction for EUR 3.3 billion.

Client deposits increased by EUR 36.6 billion. Excluding the impact of the merger with Crédit du Nord, ordinary accounts payable declined by EUR 30.2 billion as clients switched their deposits to interest-bearing accounts. By contrast, term deposit accounts and regulated savings accounts increased by EUR 18.1 billion.

When rates are trending higher, securitised money market transactions offer more attractive liquidity conditions. Accordingly, securities purchased and sold under repurchase agreements rose by EUR 31 billion and EUR 26.8 billion, respectively. Other amounts due for securities increased EUR 18.9 billion. After their worst-ever year in 2022, bond markets rallied in 2023 to deliver sustained growth. Bonds and treasuries were up EUR 30.3 billion. By contrast, equity securities transactions contracted by EUR 3.6 billion and amounts payable for borrowed securities fell by EUR 10.6 million.

The decline in other bank assets, which are inherently volatile, on both the assets and liabilities side, stemmed from the valuation of derivatives and the fall in guarantee deposits paid and received on market transactions.

Societe Generale has a diversified range of funding sources and channels including:

- stable resources consisting of equity and subordinated debt (EUR 64 billion);
- customer deposits, up EUR 37 billion, which make up a significant share (34%) of total balance sheet resources;
- resources (EUR 222 billion) in the form of interbank deposits and borrowings;
- capital raised on the market through a proactive diversification policy, making use of various types of debt (secured and unsecured bonds, etc.), issuance vehicles (EMTNs, Certificates of Deposit), currencies and investor pools (EUR 141 billion);
- resources from securities sold under repurchase agreements to customers and banks (EUR 246 billion), which rose *vs.* 2022.

INCOME STATEMENT ANALYSIS

	2023			2022			Changes 2023-2022 *(%)*		
(In EURm)	France	Outside France	Societe Generale	France	Outside France	Societe Generale	France	Outside France	Societe Generale
Net banking income	**9,523**	**2,869**	**12,392**	**9,678**	**3,068**	**12,746**	**(2)**	**(6)**	**(3)**
Total operating expenses	(9,583)	(1,844)	(11,427)	(8,584)	(1,826)	(10,410)	12	1	10
Gross operating income	**(60)**	**1,025**	**965**	**1,094**	**1,242**	**2,336**	**(105)**	**(17)**	**(59)**
Cost of risk	(333)	(148)	(481)	(424)	(175)	(599)	(21)	(15)	(20)
Operating income	**(393)**	**877**	**484**	**670**	**1,067**	**1,737**	**(159)**	**(18)**	**(72)**
Income/(loss) on long-term investments	2,862	51	2,913	(1,828)	(251)	(2,079)	n/s	n/s	n/s
Operating income before tax	**2,469**	**928**	**3,397**	**(1,158)**	**816**	**(342)**	**n/s**	**14**	**n/s**
Income tax	372	(419)	(47)	390	(308)	82	(5)	36	(157)
Net income attributable to ordinary shareholders	**2,841**	**509**	**3,350**	**(768)**	**508**	**(260)**	**n/s**	**0**	**n/s**

In 2023, Societe Generale generated gross operating income of EUR 1 billion, down EUR 1.4 billion (or 59%) on 2022:

- **net banking income (NBI)** came to EUR 12.4 billion, down by a slight EUR 0.4 billion (-3%) compared to 2022:
  - **French Retail Banking's net banking income** grew by EUR 0.4 billion year-on-year, which can be attributed to the integration of Crédit du Nord's revenues since 1 January 2023.

In 2023, Retail Banking's revenues were dented by the impact of short-term hedging transactions executed before the period of interest rate hikes in 2022. Fee income adjusted for the perimeter effect contracted slightly relative to 2022.

- **income generated by Global Banking and Investor Solutions** continued to be solid, although it fell EUR 1.1 billion compared to the very robust activity in 2022:
  - Equity and Equity Derivatives income fell 29% after an exceptional year in 2022,
  - Fixed Income and Currencies rose 4% over the year, with good growth momentum amid rising rates and high volatility,
  - Financing and Advisory income fell 48% from the record performance in 2022;
- **the Corporate Centre**, which includes management of the Group's investment portfolio, saw a EUR 0.3 billion increase in its net banking income year-on-year, essentially from a higher net interest margin and higher dividends received from subsidiaries, despite the fall in financial transaction income;

- **general operating expenses** increased EUR 1 billion (+10%) year-on-year:
  - **management overheads** came out at EUR 5.4 billion at 31 December 2023, an increase of EUR 0.4 billion (+7%) relative to 2022. The increase in this item in 2023 relates primarily to higher amortisation expenses on French Retail Banking's fixed assets (tied to the Crédit du Nord merger) for EUR 0.1 billion, as well as the reduction in internal re-invoicing income for EUR 0.3 billion, partially offset by the lower contribution to the Single Resolution Fund in the amount of EUR 0.2 billion,
  - **payroll expense** totalled EUR 6 billion, which is EUR 0.6 billion more (+12%) than in 2022. In 2023, payroll expenses included EUR 0.5 billion in costs for taking over the Crédit du Nord group's employees (fixed compensation and related social charges). Expenses relating to defined contribution pension plans increased EUR 0.1 billion;
- **the net cost of risk** totalled EUR 0.5 billion at 31 December 2022, a decrease of EUR 0.1 billion year-on-year, which can be attributed to a EUR 0.3 billion reduction in the charge of performing loans and offset by a EUR 0.2 billion rise in provisions for doubtful loans.

The combined effect of all these factors pushed down operating income by EUR 1.1 billion vs. 2022 to EUR 0.6 billion at 31 December 2023;

- gains on fixed assets came out at EUR 2.9 billion at 31 December 2023, an increase of EUR 5 billion, which stemmed from the recognition of a EUR 2.9 billion favourable merger variance after the tie-up between Societe Generale and Crédit du Nord's banking entities.

To recap, in 2022, Societe Generale posted a EUR 2.1 billion loss on fixed assets, primarily on the disposal of the Russian subsidiary Rosbank for EUR 1.8 billion and the EUR 0.3 billion impairment booked on the Societe Generale Securities Services SPA equity investment;

- **income tax** came to EUR -0.05 billion, reflecting the contrasted results posted between international subsidiaries and the result in France, excluding the favourable merger variance generated by the tie-up of banking entities belonging to the Crédit du Nord Group.

Net loss after tax was EUR 3.4 billion at end-2023 *vs.* a loss of EUR 0.3 billion at the 2022 year-end.

TRADE PAYABLES PAYMENT SCHEDULE

	31.12.2023						31.12.2022					
	Payables not yet due						Payables not yet due					
(In EURm)	1–30 days	31–60 days	> 60 days	> 90 days	Payables due	Total	1–30 days	31–60 days	> 60 days	> 90 days	Payables due	Total
Trade Payables	30	67	-	-	-	97	41	90	-	-	-	131

The due dates are according to conditions calculated at 60 days from invoice date.

In France, Societe Generale's supplier invoices are for the most part processed centrally. The relevant department books and settles invoices for services requested by all Societe Generale France's Corporate and Business Divisions.

In accordance with the Group's internal control procedures, invoices are only paid after they have been approved by the departments that signed for the services. Once approved, they are paid on average between three and seven days.

In accordance with Article D. 441-6 of the French Commercial Code, as worded pursuant to French Decree No. 2021-11 of 26 February 2021, the information on supplier payment times is given in the table below:

- the banking, insurance and financial services businesses (loans, financing and commissions) are excluded from the scope.

	31.12.2023					
	Payables due					
	0 day (indicative)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) PAYMENT DELAY TRANCHES						
Number of invoices concerned	39	1,045	720	431	9,666	11,901
Total amount of invoices (incl. tax) concerned (in EURm)	2	5	4	2	24	37
Percentage of total purchases (excl. tax) for the year	-	-	-	-	-	-
(B) INVOICES EXCLUDED FROM (A) PERTAINING TO DISPUTED PAYABLES AND RECEIVABLES, NOT RECORDED						
Number of invoices excluded	-	-	-	-	-	-
Total amount (excl. tax) of invoices excluded	-	-	-	-	-	-
(C) REFERENCE PAYMENT TERMS USED WHEN CALCULATING DELAYS (ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
☑ Statutory payment terms (60 days from invoice date or 45 days end of month)						
☐ Contractual payment terms						

Payment terms on accounts receivable

The payment schedules for accounts receivable are set by contract in respect of financing granted or services invoiced. The initial payment terms set for loan repayments may be amended by means of contractual options (such as prepayment or payment deferral options). Compliance with contractual payment terms is monitored as part of the Bank's risk management process (see Chapter 4 of this URD: "Risks and Capital Adequacy"), particularly in respect of credit risk, structural interest rate risk, and liquidity risk. The residual maturities of accounts receivable are indicated in Note 7.3 to the parent company financial statements.

The due dates are according to conditions calculated at 60 days from invoice date.

	31.12.2023					
	Receivables due					
	0 day (indicative)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) PAYMENT DELAY TRANCHES						
Number of invoices concerned	-	174	147	133	2,275	2729
Total amount (incl. tax) of invoices concerned (in EURm)(1)	-	22	10	-32	232	232
Percentage of total purchases (excl. tax) for the year	-	-	-	-	-	-
(B) INVOICES EXCLUDED FROM (A) PERTAINING TO DISPUTED PAYABLES AND RECEIVABLES, NOT RECORDED						
Number of invoices excluded	-	-	-	-	-	-
Total amount (excl. tax) of invoices excluded	-	-	-	-	-	-
(C) REFERENCE PAYMENT TERMS USED WHEN CALCULATING DELAYS (ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
☐ Contractual payment terms (to be specified)						
☑ Statutory payment terms						

(1) Including EUR 71 million of disputed payables.

SOCIETE GENERALE FINANCIAL RESULTS: FIVE-YEAR SUMMARY

(In EURm)	2023	2022	2021	2020	2019
Financial position at year end					
Share capital (in EURm)(1)	1,004	1,062	1,067	1,067	1,067
Number of shares outstanding(1)	802,979,942	849,883,778	853,371,494	853,371,494	853,371,494
Total income from operations *(in EURm)*					
Revenue excluding tax(2)	54,857	32,519	27,128	27,026	34,300
Earnings before tax, depreciation, amortisation, provisions, employee profit sharing and general reserve for banking risks	4,385	292	2,470	365	3,881
Employee profit sharing during the year	4	12	15	6	11
Income tax	47	(82)	(25)	141	(581)
Earnings after tax, depreciation, amortisation and provisions	3,350	(260)	1,995	(1,568)	3,695
Dividends paid(3)	1,870	1,877	1,877	0	1,777
Adjusted earnings per share *(in EUR)*					
Earnings after tax but before depreciation, amortisation and provisions	5.40	0.43	2.91	0.24	5.16
Net income	4.17	(0.31)	2.34	(1.84)	4.33
Dividend paid per share	0.90	1.70	1.65	0.55	2.20
Employees					
Headcount(4)	49,592	42,450	43,162	44,544	46,177
Total payroll *(in EURm)*	4,121	3,938	3,554	3,408	3,754
Employee benefits (Social Security and other) (in EURm)	1,817	1,535	1,655	1,475	1,554

(1) At 31 December 2023, Societe Generale's fully paid-up capital amounted to EUR 1,003,724,927.50 and comprised 802,979,942 shares with a nominal value of EUR 1.25.

(2) Revenue consists of interest income, dividend income, fee income, income from financial transactions and other operating income.

(3) In accordance with the European Central Bank's recommendation issued on 27 March 2020 regarding the payment of dividends during the Covid-19 pandemic, Societe Generale did not pay dividends on ordinary shares in respect of the 2019 financial year.

(4) (4) Average headcount restated compared to the financial statements published in 2021 and 2020.

Main changes in the investment portfolio in 2023

In 2023, Societe Generale carried out the following transactions:

Outside France	France
Creation	**Creation**
-	-
Acquisition of interest	**Acquisition of interest**
-	Antarius – Etoile Capital – Star Lease
Vesting	**Vesting**
-	
Increase of interest	**Increase of interest**
-	Crédit Logement – SICOVAM Holding
Subscription to capital increases	**Subscription to capital increases**
SG Capital Canada Inc.	Sogéfinancement
Full disposal	**Full disposal**
SG Congo	-
Reduction of interest(1)	**Reduction of interest**(1)
-	Parel – Crédit du Nord - Caisse de Refinancement de l'Habitat

(1) Including capital reductions, dissolution by transfer of assets, mergers and liquidations.

The table below summarises Societe Generale's investments that crossed a threshold (as a percentage of direct ownership) in 2023:

		Crossing above the threshold				Crossing below the threshold	
Threshold	**Companies**	**% of capital at 31.12.2023**	**% of capital at 31.12.2022**	**Threshold**	**Companies**	**% of capital at 31.12.2023**	**% of capital 31.12.2022**
5%	Wematch	6%	2.58%	5%	Liquidshare	0%	8%
10%	Fonds régional de garantie Hauts de France	12.71%	4.22%	10%			
	Nord Croissance	13.12%	0%				
	Sud-Ouest télésurveillance	15.53%	0%				
	SICOVAM Holding	17.90%	9.76%				
20%	SCI du 4 allée Rebsomen	20%	0%	20%			
	HLM du foyer du toit familial	20%	0%				
	IRD Entrepreneur	20%	0%				
33.33%	Banque Pouyanne	35%	0%	33.33%			
50%	Antarius	50%	0%	50%	Euro Secured Notes Issuer	0%	50%
	Sogéfimur	54.04%	0%				
	PayXpert Services LTD	60%	0%				
66.66%	BSG France SA	99.97%	0%	66.66%	SG Congo	0%	93.47%
	Provençale de participations	100%	0%		Crédit du Nord	0%	100%
	Massilia participations immobilières	100%	0%		PAREL	0%	100%
	Etoile Capital	100%	0%		PEERS	0%	100%
	Société de Bourse Gilbert Dupont	100%	0%				
	Norbail Sofergie	100%	0%				
	Star Lease	100%	0%				

(1) Ownership in the French entities, in accordance with Article L. 233.6 of the French Commercial Code.

6.4.1 INFORMATION REQUIRED PURSUANT TO ARTICLE L. 511-4 OF THE FRENCH MONETARY AND FINANCIAL CODE RELATED TOSOCIETE GENERALE SA

As part of its long-established presence in the commodities markets, Societe Generale offers agricultural commodity derivatives. These products meet a range of customer needs, including the risk management needs of business customers (producers, consumers), and provide exposure to the commodities markets for investors (asset managers, funds and insurance companies).

Societe Generale's offering covers a broad range of underlyings, including sugar, cocoa, coffee, cotton, orange juice, corn, wheat, rapeseed, soybean, oats, cattle, lean hogs, milk and rice. Within this scope, Societe Generale offers vanilla products on organised markets and in index-based products. Exposure to agricultural commodities can be provided through a single-commodity product or through multi-commodity products. Multi-commodity products are primarily used by investor clients through index-based products.

Societe Generale manages the risks associated with these positions on organised markets, for example:

- NYSE LIFFE (including Euronext Paris) for cocoa, corn, wheat, rapeseed oil, sugar and coffee;
- ICE FUTURES US for cocoa, coffee, cotton, orange juice, sugar and wheat, le Canola;
- CME group for corn, soybean, soybean oil, soybean meal, wheat, oats, cattle, lean hogs, milk and rice;
- SGX for rubber.

This list is subject to change.

A number of measures are in place to prevent or detect any material impact on the price of agricultural commodities as a result of Societe Generale's activities described above:

- the trading activity is governed by the MiFID II regulatory framework in Europe, in force since 3 January 2018: it sets limits for positions on certain agricultural commodities, introduces the obligation to report on positions to the trading platform, as well as systematic reporting of all transactions to the appropriate regulatory body; the business also operates within internal limits, set by teams tracking risks independently of the operators;
- these teams constantly monitor compliance with these various limits;
- moreover, Societe Generale's trading activity on organised markets follows limits set by the Societe Generale clearing broker;
- to prevent any inappropriate behaviour, mandates and manuals setting out their scope are provided to Societe Generale traders;
- they also attend regular training on business standards and market conduct;
- daily controls are run to detect any inappropriate trading. These controls include monitoring compliance with the US Commodity Futures Trading Commission (CFTC) and market rules on position limits, designed to ensure that no operator can adopt a market position that poses a danger to market equilibrium.

6.4.2 DISCLOSURE ON DORMANT ACCOUNTS

All credit institutions are required to publish information on dormant bank accounts on an annual basis under Articles L. 312-19 and L.312-20 of the French Monetary and Financial Code, as introduced by French Act No. 2014-617 of 13 June 2014 on dormant bank accounts and unclaimed life insurance accounts. Also known as the Eckert Act, it entered into force on 1 January 2016.

In 2023, 25,719 dormant bank accounts were closed. The total amount deposited with the *Caisse des Dépôts et Consignations* was EUR 44,268,707.

Some 471,264 bank accounts were identified as dormant at the end of December 2023, representing an estimated total of EUR 837,222,933.

6.5 FINANCIAL STATEMENTS

6.5.1 PARENT COMPANY BALANCE SHEET

ASSETS

(In EURm)		31.12.2023	31.12.2022
Cash, due from central banks and post office accounts		197,369	165,341
Treasury notes and similar securities	Note 2.1	73,667	51,946
Due from banks	Note 2.3	219,601	216,750
Customer loans	Note 2.3	523,169	495,642
Bonds and other debt securities	Note 2.1	118,168	109,607
Shares and other equity securities	Note 2.1	71,151	74,833
Affiliates and other long-term securities	Note 2.1	948	812
Investments in related parties	Note 2.1	22,732	22,188
Tangible and intangible fixed assets	Note 7.2	3,562	2,980
Treasury stock	Note 2.1	273	1,130
Accruals, other accounts receivables and other assets	Note 3.2	158,747	188,731
TOTAL		**1,389,387**	**1,329,960**

OFF-BALANCE SHEET ITEMS

(In EURm)		31.12.2023	31.12.2022
Loan commitments granted	Note 2.3	326,102	306,565
Guarantee commitments granted	Note 2.3	223,514	233,347
Commitments made on securities		39,803	30,204

LIABILITIES AND SHAREHOLDERS' EQUITY

(In EURm)		31.12.2023	31.12.2022
Due to central banks and post office accounts		9,573	8,230
Due to banks	Note 2.4	335,675	340,748
Customer deposits	Note 2.4	603,260	550,236
Liabilities in the form of securities issued	Note 2.4	142,308	119,613
Accruals, other accounts payables and other liabilities	Note 3.2	226,613	236,525
Provisions	Note 2.6	9,723	10,205
Long-term subordinated debt and notes	Note 6.4	25,290	28,311
Shareholders' equity			
Common stock	Note 6.1	1,004	1,062
Additional paid-in capital	Note 6.1	20,260	21,330
Retained earnings	Note 6.1	12,331	13,960
Net income	Note 6.1	3,350	(260)
SUB-TOTAL		**36,945**	**36,092**
TOTAL		**1,389,387**	**1,329,960**

OFF-BALANCE SHEET ITEMS

(In EURm)		31.12.2023	31.12.2022
Loan commitments received from banks	Note 2.4	68,683	85,354
Guarantee commitments received from banks	Note 2.4	74,541	62,807
Commitments received on securities		42,367	33,928

6.5.2 INCOME STATEMENT

(In EURm)		31.12.2023	31.12.2022
Interest and similar income	Note 2.5	43,733	18,373
Interest and similar expense	Note 2.5	(41,493)	(17,164)
Dividend income	Note 2.1	3,557	2,816
Fee income	Note 3.1	6,645	5,320
Fee expense	Note 3.1	(2,693)	(2,388)
Net income from the trading portfolio(2)	Note 2.1	3,137	6,176
Net income from short-term investment securities	Note 2.1	(166)	(190)
Income from other activities		513	423
Expense from other activities		(841)	(620)
Net banking income	**Note 7.1**	**12,392**	**12,746**
Personnel expenses	Note 4.1	(6,019)	(5,360)
Other operating expenses(1)		(4,775)	(4,548)
Impairment, amortisation and depreciation		(633)	(502)
Gross operating income		**965**	**2,336**
Cost of risk	Note 2.6	(481)	(599)
Operating income		**484**	**1,737**
Net income from long-term investments	Notes 2.1	2,913	(2,079)
Operating income before tax		**3,397**	**(342)**
Income tax	Note 5	(47)	82
Net Income		**3,350**	**(260)**
Earnings per ordinary share	**Note 6.3**	**4.19**	**(0.32)**
Diluted earnings per ordinary share		**4.19**	**(0.32)**

(1) o/w. EUR 567 million related to the 2023 contribution to the Single Resolution Fund (SRF) (EUR 732 million as at 31 December 2022).
(2) o/w. a correction of a prior period error for EUR 139 million detailed in Note 2.1.5.

Information about fees paid to Statutory Auditors is disclosed in the notes to the consolidated financial statements of Societe Generale Group; consequently, this information is not provided in the notes to the parent company financial statements of Societe Generale.

6.6 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The parent company financial statements were approved by the Board of Directors on 7 February 2024.

NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES

1. Introduction

The preparation and presentation of the parent company financial statements for Societe Generale comply with the provisions of Regulation 2014-07 of the French Accounting Standards Board (*Autorité des Normes Comptables*, ANC), relating to the annual accounts for the banking sector.

As the financial statements of foreign branches were prepared using accounting principles generally accepted in their respective countries, they have been adjusted to comply with the accounting principles applicable in France.

The disclosures provided in the notes to the parent company financial statements focus on information that is both relevant and material to the financial statements of Societe Generale, its activities and the circumstances in which it conducted its operations over the period. This information focuses on significant events and transactions to understand the changes in circumstances and financial performance of Societe Generale during the financial year 2023, in particular the impact of the merger with Crédit du Nord and its subsidiaries as of 1 January 2023.

2. Accounting policies and valuation methods

In accordance with the accounting principles applicable to French credit institutions, the majority of transactions are recorded using valuation methods that take account of the purpose for which they were completed.

In financial intermediation transactions, assets and liabilities are generally maintained at their historical cost and impairment is recognised where counterparty risk arises. Revenues and expenses arising from these transactions are recorded *prorata temporis* over the life of the transaction in accordance with the accounting cut-off principle. The same applies for transactions on forward financial instruments carried out for hedging purposes or to manage the Bank's overall interest rate risk.

Transactions performed in the Global Markets activity are generally marked to market at year-end, except for loans, borrowings and short-term investment securities which are recorded at nominal value. When these financial instruments are not quoted in an active market, the market value used is adjusted to take into account the liquidity risk, future management fees and, if any, the counterparty risk.

3. Translation of foreign currency financial statement

The on- and off-balance sheet items of branches reporting in foreign currencies are translated at the official exchange rate prevailing at year-end. The income statement items of these branches are translated at the average quarter-end exchange rate. Translation gains and losses arising from the translation of the capital contribution, reserves, retained earnings and net income of foreign branches, which result from changes in exchange rates, are included in the balance sheet under "Accruals, other accounts payable/receivable and other liabilities/assets".

4. Use of estimates and judgment

In compliance with the accounting principles and methods applicable to the preparation of the financial statements and stated in the notes to the present document, the Management makes assumptions and estimates that may have an impact on the figures recorded in the income statement, the valuation of assets and liabilities on the balance sheet, and the information disclosed in the notes to the parent company financial statements.

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

The assumptions and estimates made in preparing these annual financial statements take account of the uncertainties related to the economic consequences of geopolitics crisis and of the current macroeconomic context. The impacts of these events on the assumptions and estimates used are detailed in part 5 of the present note.

The use of estimates mainly concerns the following accounting topics:

- fair value in the balance sheet of financial instruments (securities portfolio and forward financial instruments) not quoted in an active market and held for trading activities (see Notes 2.1, 2.2 and 3.2);
- impairment of financial assets (see Note 2.6);
- provisions recognised as liabilities (see Notes 2.6, 4.2 and 5.2);
- deferred tax assets recognised in the balance sheet (see Note 5).

CLIMATE RISK

Societe Generale continues its work to gradually integrate climate risk in the preparation of its statutory financial statements. Climate change-related risks are not a new risk category but rather an aggravating factor for categories already covered by the risk management system of Societe Generale. In this regard, the impact of transitional risk on the credit risk of the corporate customers of Societe Generale remains the primary climate risk for the Bank.

As at 31 December 2023, the determination of impairment and provisions for credit losses includes the possible impact of climate risks as taken into account in the assessment of individual risks and sectoral risks whenever it is compatible with the provisioning horizon. The impact of Societe Generale's commitments in favour of energy and environmental transition and the development of the territories are still taken into account in the budget trajectories used to assess the recoverability of the differed tax assets.

5. Geopolitical crises and macroeconomic context

2023 was a year of cumulative uncertainties with, in particular, the continuing conflict in Ukraine but also tensions in the banking sector in the United States of America and Europe at the beginning of the year, as well as the situation in the Middle East at the end of the year. Monetary policies were clearly restrictive. Focusing on inflation control, central banks increased interest rates rapidly and significantly.

In the euro area:

- the slowdown in economic activity observed during the first half of 2023 continued and was accentuated during the second half of the year;
- inflation remained high in 2023; it is expected to drop down under 3% in 2024 and fall back to the target in the mid-term.

In the U.S.A., the economy performed better than expected by most forecasters. Warning signs point to a sharper slowdown already apparent towards the end of the year.

In this context, Societe Generale updated the macroeconomic scenarios chosen for the preparation of its statutory statements as at 31 December 2023. These macroeconomic scenarios are taken into account in the measurement models for credit risk impairment and provisions (see Note 2.6) and in tests regarding deferred tax assets recovery (see Note 5).

MACROECONOMIC SCENARIOS AND WEIGHTING

As at 31 December 2023, Societe Generale has selected three macroeconomic scenarios to help understand the uncertainties related to the current macroeconomic context.

The assumptions selected to draw up the scenarios are listed below:

- the central scenario ("SG Central"), weighted at 62%, predicts a continued economic slowdown in the euro area in 2024, and only a modest rebound in 2025. A fall in inflation, down to 2.5% approximately, will be accompanied by an increase in unemployment rate. The ECB might lower its interest rates starting in Spring 2024, but would continue scaling down its balance sheet at least until 2025 (reducing its direct purchases on the market). In the U.S.A, in 2024, economic growth is expected to decelerate, interest rates will likely decrease, inflation should remain on a downward trend while the unemployment rate increases;
- the favourable scenario ("SG Favourable"), weighted at 10%, describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions. In both cases, stronger growth will have a positive impact on employment and the profitability of companies;
- the stressed scenario ("SG Stress"), weighted at 28%, corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (2008 crisis, euro area crisis…), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research Department of Societe Generale based, in particular, on information published by statistical institutes.

Forecasts from institutions (IMF, Global Bank, ECB, OECD…) and the consensus among market economists serves as a reference to challenge Societe Generale's forecasts.

COVID-19 CRISIS: STATE GUARANTEED LOANS (PGE)

Until 30 June 2022, Societe Generale offered to its crisis-impacted customers (professionals and corporate customers) the allocation of State Guaranteed Loan facilities (PGE) within the framework of the 2020 French Amending Finance Act and the conditions set by the French decree of 23 March 2020. These are financings granted at cost price and guaranteed by the government for a share of the borrowed amount between 70 to 90% depending on the size of the borrowing enterprise (with a waiting period of two months after disbursement at the end of which the guarantee period begins).

With a maximum amount corresponding, in the general case, to three months of turnover before tax, these loans came with a one-year repayment exemption. At the end of that year, the customer could either repay the loan or amortise it over one to five more years, with the possibility of extending the grace period for the repayment of principal for one year (in line with the announcements made by the French *Ministre de l'Économie, des Finances et de la Relance* on 14 January 2021) without extending the total duration of the loan.

The remuneration conditions of the guarantee have been set by the State and applied by all French banking institutions: the Bank keeps only a share of the guarantee premium paid by the borrower (the amount of which depends on the size of the Company and the maturity of the loan) remunerating the risk it bears, which corresponds to the part of the loan not guaranteed by the State (*i.e.*, between 10% and 30% of the loan depending on the size of the borrowing company). A French decree published on 19 January 2022, amending the decree published on 23 March 2020, allows some companies to benefit, under certain conditions, from an extension of their PGE repayment deadlines from 6 to 10 years.

These State Guaranteed Loan facilities (PGE) have been recorded among Customer loans. The share of the guarantee premium received from the borrowers and kept by the Bank to compensate the share of risk not guaranteed by the French State is assimilated to interest income. It is spread and recognised over the effective lifetime of the loans in net income amongst Interest and similar income, along with the recording of the contractual interest.

At 31 December 2023, after the first repayments made in 2022 and in 2023 at the end of the moratorium period, the outstanding amount corresponding to the State Guaranteed Loans (PGE) granted by Societe Generale is approximately EUR 7.8 billion (including EUR 1.6 billion of underperforming loans and EUR 0.9 billion of doubtful loans). The State guarantee for these loans covers, on average, 90% of their amount. The amount of credit risk impairment and provisions recorded as at 31 December 2023 related to these State Guaranteed Loan facilities represents approximately EUR 171 million (including EUR 28 million of underperforming loans and EUR 124 million of doubtful loans).

CONSEQUENCES OF THE WAR IN UKRAINE

Societe Generale holds assets on Russian counterparties (including the residual exposures on Rosbank) the volume of which dropped between 31 December 2022 and 31 December 2023 owing in particular to the disposal of assets but also to customer reimbursements completed without incident (EUR 0.8 billion against EUR 1.1 billion in 2022). As a result of an assessment of the changes in these credit exposures, Societe Generale has classified them from the very beginning of the conflict as “underperforming loans” or “doubtful loans” when necessary (see Note 2.6.2).

6. Merger of the retail banking network with Crédit du Nord and its subsidiaries

On 1 January 2023, Societe Generale achieved the legal merger of its two retail banking networks in France, Societe Generale and the Crédit du Nord group. SG is, from now on, the new retail bank of Societe Generale in France.

The legal merger was achieved in several stages:

- absorption by Crédit du Nord of its seven banking subsidiaries in France;
- merger of Crédit du Nord with Societe Generale SA;
- transfer of all the assets (French *Transmission Universelle de Patrimoine* (TUP) of Société de Banque de Monaco to Societe Generale SA.

During the first stage, Crédit du Nord recognised a merger bonus of EUR 544 million for the differences between the net assets absorbed and the book value of the derecognised interests (Banque Kolb, Banque Courtois, Banque Laydernier, Banque Nuger, Banque Rhône-Alpes, Banque Tarneaud), as well as a merger malus of EUR 397 million for the negative difference between the net assets absorbed and the book value of Société Marseillaise de Crédit. This amount is called a “technical malus” and has been allocated as follows:

- EUR 49 million to the revaluation of the buildings of Société Marseillaise de Crédit; and
- EUR 348 million to the recognition of a business goodwill.

After completion of this operation, the net book assets of Crédit du Nord used as a calculation basis for the merger bonus of the next stage increased by EUR 544 million.

During the second stage, Societe Generale SA recognised a merger bonus of EUR 2,848 million for the differences observed between the net assets absorbed and the book value of Crédit du Nord, after absorption of its seven subsidiaries. The amount of this merger bonus has been fully recognised under the “Net gains on other assets” of the financial year. Under the merger preferential treatment provided for in the provisions of Article 210 A of the French General Tax Code, this bonus is not taxable.

Lastly, during the transfer of all assets (TUP) of Société de Banque de Monaco, Societe Generale SA recognised a merger bonus of EUR 3.5 million.

After completion of these legal mergers, the total outstanding consumer loans from the Crédit du Nord group was transferred by Societe Generale SA to its Sogefinancement subsidiary. This transfer in kind was made in two stages (in March and in May 2023); it was paid for by the issuance of new shares through two capital increases of Sogefinancement amounting to EUR 1,429 million. In the financial statements of Societe Generale as at 31 December 2023, the sale of these outstanding loans amounts to a loss of EUR 71 million, recognised under “Net banking income”.

The impacts of these operations on the balance sheet and income statement items are shown in the tables below:

BALANCE SHEET

The amounts which are negative in the "Effects of the merger" column result from the elimination of intra-group transactions between Societe Generale and Crédit du Nord which, after the merger, are considered in-house and thus derecognised from the balance sheet of Societe Generale.

TOTAL ASSETS

(In EURm)		31.12.2023	01.01.2023	Effects of the merger	31.12.2022
Cash, due from central banks and post office accounts		197,369	184,853	19,512	165,341
Treasury notes and similar securities	Note 2.1	73,667	52,072	126	51,946
Due from banks	Note 2.3	219,601	201,324	(15,426)	216,750
Customer loans	Note 2.3	523,169	547,801	52,159	495,642
Bonds and other debt securities	Note 2.1	118,168	109,610	3	109,607
Shares and other equity securities	Note 2.1	71,151	74,834	1	74,833
Affiliates and other long-term securities	Note 2.1	948	812		812
Investments in related parties	Note 2.1	22,732	21,324	(864)	22,188
Tangible and intangible fixed assets	Note 7.2	3,562	3,654	674	2,980
Treasury stock	Note 2.1	273	1,130		1,130
Accruals, other accounts receivables and other assets	Note 3.2	158,747	184,305	(4,426)	188,731
TOTAL		**1,389,387**	**1,381,719**	**51,759**	**1,329,960**

TOTAL LIABILITIES

(In EURm)		31.12.2023	01.01.2023	Effects of the merger	31.12.2022
Due to central banks and post office accounts		9,573	8,230		8,230
Due to banks	Note 2.4	335,675	341,211	463	340,748
Customer deposits	Note 2.4	603,260	602,881	52,645	550,236
Liabilities in the form of securities issued	Note 2.4	142,308	119,831	218	119,613
Accruals, other accounts payables and other liabilities	Note 3.2	226,613	231,592	(4,933)	236,525
Provisions	Note 2.6	9,723	10,720	515	10,205
Long-term subordinated debt and notes	Note 6.4	25,290	28,311		28,311
Shareholders' equity					
Common stock	Note 6.1	1,004	1,062		1,062
Additional paid-in capital	Note 6.1	20,260	21,330		21,330
Retained earnings	Note 6.1	12,331	13,700		13,960
Net income	Note 6.1	3,350	2,851	2,851	(260)
SUB-TOTAL		**36,945**	**38,943**	**2,851**	**36,092**
TOTAL		**1,389,387**	**1,381,719**	**51,759**	**1,329,960**

INCOME STATEMENT

The combined accounts below have been prepared in order to provide comparative information in respect of the main items of the income statement between the 2022 financial year and the 2023 financial year.

These combined accounts have been prepared on the basis of the Company financial statements published by Crédit du Nord and Societe Generale as at 31 December 2022.

The information shown below thus corresponds to the best possible estimate of the reconstitution, for the 2022 financial year, of the activities integrated at the time of the merger, taking into account the flows with Societe Generale SA. They have been adjusted for the main transactions between the two entities.

(In EURm)	31.12.2023	31.12.2022 Societe Generale and Crédit du Nord (combined accounts)	31.12.2022 Published
Net banking income	12,392	14,560	12,746
Gross operating income	965	2,899	2,336
Operating income	484	2,211	1,737
Operating income before tax	3,397	198	(342)
Net income	**3,350**	**162**	**(260)**

7. Acquisition of LeasePlan by ALD

The acquisition of 100% of LeasePlan by ALD, for which Societe Generale and ALD had signed two Memorandums of Understanding on 6 January 2022, was completed on 22 May 2023, following approval by the ALD Board of Directors and the relevant regulatory authorities.

As part of the financing of this acquisition, ALD completed in 2022 a EUR 1,212 million capital increase with shareholders' preferential subscription rights, subscribed for EUR 803 million by Societe Generale (66.26% of the capital increase). Societe Generale held 79.82% of ALD's share capital prior to this increase, and 75.94% after its completion on 31 December 2022, in accordance with its commitment to remain ALD's long-term majority shareholder.

In 2023, the cost of this acquisition, totalling EUR 4,897 million, was financed by ALD in cash and shares.

In this context, ALD carried out, in 2023, a capital increase in favour of LeasePlan shareholders. As a result, Societe Generale remains majority shareholder of the new combined entity, named Ayvens since 16 October 2023, with a controlling interest of 52.59%. This share may be reduced to 50.95% in case of exercise of the warrants attached to the shares ("ABSA" - *Actions à Bons de Souscription d'Actions*) attributed to LeasePlan shareholders to provide them with the means to increase their minority interest up to 32.91% of Ayvens' share capital.

8. Creation of a joint venture by Societe Generale and AllianceBernstein

On 6 February 2023, Societe Generale and AllianceBernstein signed a Memorandum of Understanding for the creation of a joint venture combining their cash equities and equity research businesses.

On the date of completion of the transaction, scheduled in the first half of 2024, the joint venture will be organised under two separate legal entities focusing on North America and Europe & Asia, respectively. Subject to the relevant regulatory approvals, some options might allow Societe Generale to eventually reach 100% ownership in both entities.

9. Event after the reporting period

PLAN TO IMPLEMENT ORGANISATIONAL CHANGES IN SOCIETE GENERALE HEAD OFFICE IN FRANCE

On 5 February 2024, Societe Generale has announced a plan to implement organisational changes in its head office in France to simplify its operations and structurally improve its operational efficiency.

Several French head office entities are considering organisational changes that require specific social support measures. The objective is to group and pool certain activities and functions, remove hierarchical layers to streamline decision-making, and resize certain teams due to reviews of projects or processes.

This reorganisation project has been submitted for consultation with the staff representative bodies. Following the completion of the consultation scheduled for the second quarter of 2024, the implementation of these organisational changes would result in approximately 900 job cuts at head office without forced departures (*i.e.* approximately 5% of head office staff).

The cost of the social support measures that will be recorded as provision during the first quarter of 2024 is estimated to be around EUR 0.3 billion.

NOTE 2 FINANCIAL INSTRUMENTS

NOTE 2.1 Securities portfolio

ACCOUNTING PRINCIPLES

Securities are classified according to:

- their type: government securities (Treasury notes and similar securities), bonds and other debt securities (negotiable debt instruments, interbank securities), shares and other equity securities;
- the purpose for which they were acquired: trading, short-term and long-term investment, shares intended for portfolio activity, investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments.

Purchases and sales of securities are recorded in the balance sheet at the date of settlement-delivery.

The classification and valuation rules applied for each portfolio category are as follows and the impairment rules applied are described in Note 2.6.5.

Trading Securities

Trading securities are securities acquired or incurred with the intention of selling or repurchasing them in the near term or held for the purpose of market-making activities. These securities are traded in active markets, and the available market price reflects actual and regularly occurring market transactions on an arm's length basis. Trading securities also include the securities covered by a sale commitment in the context of an arbitrage on a regulated market or similar, and the securities purchased or sold as part of the specialised management of a trading portfolio containing forward financial instruments, securities or other financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Trading securities are recognised in the balance sheet at acquisition price, excluding acquisition expenses.

They are marked to market at the end of the financial year.

The net unrealised gains or losses thus recognised, together with the net gains or losses on disposals, are recorded on the income statement under "Net income" from the trading portfolio, or, from short-term investment securities. The coupons received on the fixed-income securities in the trading portfolio are recorded on the income statement under "Net interest income" from bonds, or other debt securities.

The trading securities that are no longer held with the intention of selling them in the near term, or no longer held for the purpose of market-making activities, or held as part of the specialised management of a trading portfolio for which there is no longer evidence of a recent pattern of short-term profit-taking, may be reclassified into the Short-term investment securities category or into the Long-term investment securities category if:

- exceptional market situations generate a change in holding strategy; or
- if debt securities become no longer negotiable in an active market after their acquisition, and Societe Generale has the intention and ability to hold them for the foreseeable future or until maturity.

Securities which are then reclassified are recorded in their new category at their fair market value on the date of reclassification.

Long-Term Investment Securities

Long-term investment securities are debt securities acquired or reclassified from Trading securities and Short-term investment securities which Societe Generale intends and has the capacity to hold until maturity.

Societe Generale must therefore have, in particular, the necessary financing capacity to continue holding these securities until their expiry date. These long-term investment securities shall not be subject to any legal or other form of constraint that might call into question its intention to hold it until maturity.

Long-term investment securities also include trading and short-term investment securities which have been reclassified by Societe Generale following the particular conditions described here before (facing exceptional market situations or when debt securities are no longer negotiable in an active market). These reclassified securities are identified within the long-term investment securities portfolio.

Societe Generale may have to dispose of long-term investment securities or transfer them to another accounting category only in the specific following cases:

- the sale or transfer is made at a date close to the maturity of the security; or
- the sale or transfer is due to an isolated event independent of Societe Generale control.

These instruments may be designated as hedged items when forward financial instruments are used to hedge interest rate risk on identifiable items or groups of similar items.

Long-term investments securities are recorded in the balance sheet at their purchase cost excluding acquisition expenses.

Affiliates, Investments In related parties and Other Long-Term Securities

This category of securities covers on the one hand affiliates and investments in related parties, when it is deemed useful to Societe Generale's business to hold said shares in the long term. This notably covers the investments that meet the following criteria:

- shares in fully integrated companies or issued by companies accounted for using the equity method;
- shares in companies that share Directors or senior managers with Societe Generale and where influence can be exercised over the company whose shares are held;
- shares in companies that belong to the same group controlled by individuals or legal entities, where the said persons or entities exercise control over the Group and ensure that decisions are taken in unison;
- shares representing more than 10% of the voting rights in the capital issued by a bank or a company whose business is directly linked to that of Societe Generale.

This category also includes the other long-term securities. These are equity investments made by Societe Generale with the aim of developing special professional relations with a company over the long term but without exercising any influence on its management due to the low proportion of attached voting rights.

Affiliates, investments in related parties and other long-term securities are recorded at their purchase price net of acquisition costs. Dividend income earned on these securities is recognised in the income statement under "Dividend income".

Short-Term Investment Securities

Short-term investment securities are all the securities that are not classified as trading securities, long-term investment securities, or investments in consolidated subsidiaries and affiliates.

SHARES AND OTHER EQUITY SECURITIES

Equity securities are initially recognised on the balance sheet at cost excluding acquisition expenses, or at contribution value. At year-end, cost is compared to realisable value. Only the unrealised losses are recorded with the recognition of a depreciation of the securities portfolio. Income from these securities is recorded in Dividend income.

BONDS AND OTHER DEBT SECURITIES

These securities are initially recognised on the balance sheet at cost excluding the acquisition expenses, and excluding interest accrued not due at the date of purchase. The positive or negative differences between the cost and redemption values are recognised as premiums (if positive) or discounts (if negative) in the income statement over the life of the securities concerned and spread using the actuarial method. The accrued interest on bonds and other short-term investment securities is recorded as related receivables with a counterpart entry under "Interest and similar income" in the income statement.

Short-term investment securities may be reclassified into Long-term investment securities category provided that:

- exceptional market situations generate a change in holding strategy; or
- if after their acquisition debt securities become no longer negotiable in an active market and if Societe Generale has the intention and ability to hold them for the foreseeable future or until maturity.

NOTE 2.1.1 TREASURY NOTES, BONDS AND OTHER DEBT SECURITIES, SHARES AND OTHER EQUITY SECURITIES

	31.12.2023				31.12.2022			
(In EURm)	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities(1)	Total	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities(2)	Total
Trading securities	**55,019**	**70,944**	**48,771**	**174,734**	**32,051**	**74,610**	**42,851**	**149,512**
Short-term investment securities	**18,487**	**186**	**16,748**	**35,421**	**19,747**	**197**	**13,119**	**33,063**
Gross book value	18,771	214	16,943	35,928	20,260	217	13,193	33,670
Impairment	(284)	(28)	(195)	(507)	(513)	(20)	(74)	(607)
Long-term investment securities	**63**	**-**	**52,381**	**52,444**	**53**	**-**	**53,475**	**53,528**
Gross book value	63	-	52,381	52,444	53	-	53,475	53,528
Impairment	-	-	-	-	-	-	-	-
Related receivables	**98**	**21**	**268**	**387**	**95**	**26**	**162**	**283**
TOTAL	**73,667**	**71,151**	**118,168**	**262,986**	**51,946**	**74,833**	**109,607**	**236,386**

(1) *As at 31 December 2023, the amount of bonds and other debt securities includes EUR 961 million of securities issued by public organizations.*
(2) *As at 31 December 2022, the amount of bonds and other debt securities includes EUR 1,454 million of securities issued by public organizations.*

ADDITIONAL INFORMATION ON SECURITIES

(In EURm)	31.12.2023	31.12.2022
Estimated market value of short-term investment securities		
Unrealised capital gains[1]	717	104
Estimated value of long-term investment securites		
Premiums and discounts relating to short-term and long-term investment securities	26	292
Investments in mutual funds:	9,736	15,310
■ French mutual funds	1,352	8,527
■ Foreign mutual funds	8,384	6,783
of which mutual funds which reinvest all their income	*5*	*5*
Listed securities[2]	389,839	361,737
Subordinated securities	-	110
Securities lent	79,745	71,453

(1) The amount does not include unrealised gains or losses on forward financial instruments, if any, used to hedge short-term investment securities.
(2) As at 31 December 2023, the amount of listed trading securities is EUR 301,065 million (274,544 million as at 31 December 2022).

NOTE 2.1.2 AFFILIATES, INVESTMENTS IN RELATED PARTIES AND OTHER LONG-TERM SECURITIES

AFFILIATES AND OTHER LONG TERM SECURITIES

(In EURm)	31.12.2023	31.12.2022
Banks	335	332
Others	732	585
Affiliates and other long-term securities before impairment	**1,067**	**917**
Impairment	(119)	(105)
TOTAL	**948**	**812**

The main changes are:

- the inclusion of “Affiliates and other long-term securities” held by Crédit du Nord, following its merger into Societe Generale Paris: EUR +139 million in net book value (*o.w.* the associates’ certificates of the French deposit insurance and resolution fund (*Fonds de Garantie des Dépôts et de Résolution* – FGDR) for EUR +48 million, *Crédit Logement* for EUR +39 million and Sicovam Holding for EUR +35 million);
- the acquisition of Payxpert Services Limited shares for EUR +34 million and the participation in the creation of Inno Energy for EUR +30 million;
- the increase of the associates’ certificates of the French deposit insurance and resolution fund: EUR +18 million;
- the partial disposal of CRH shares following the annual adjustment of the subsidiary’s shareholding: EUR -32 million;
- the reclassification of investments in Payxpert Services Limited, SG Saudi, Société Services Fiduciaires and Investima, in the frame of their inclusion in the consolidation scope during the year, from the category “Affiliates and other long term securities” to “Investments in related parties” for EUR -48 million.

INVESTMENTS IN RELATED PARTIES

(In EURm)	31.12.2023	31.12.2022
Banks	**8,805**	**8,843**
Listed	1,821	1,862
Unlisted	6,984	6,981
Others	**16,977**	**16,487**
Listed	1,948	1,948
Unlisted	15,029	14,539
Investments in related parties before impairment	**25,782**	**25,330**
Impairment	(3,050)	(3,142)
TOTAL	**22,732**	**22,188**

All transactions with the related parties were concluded under normal market conditions.

On 1 January 2023, the merger of Crédit du Nord into Societe Generale Paris led to:

- the cancelation of shares of Crédit du Nord: EUR -1,410 million;
- the inclusion of shares held by Crédit du Nord in the category “Investments in related parties”: EUR +475 million in net book value (o.w. Antarius for EUR +257 million, Société de Banque de Monaco for EUR +82 million, Etoile Capital for EUR +58 million and Starlease for EUR +55 million).

The merger was followed by:

- the asset contribution to Sogefinancement of the consumer loan portfolio recognised following the merger. The contributions were remunerated in shares by Sogefinancement *via* two capital increases leading to the increase in the share of Societe Generale in Sogefinancement’s capital for EUR +1,430 million;
- the transer of all the assets (*Tansmission Universelle de Patrimoine*) of Société de Banque de Monaco to the SG Monaco branch: EUR -82 million.

The other main changes are:

- the merger of Parel into Societe Generale Paris: EUR -61 million;
- the capital increase of Societe Generale Capital Canada Inc. with the restructuring of the Group’s Canadian entities: EUR +135 million.

The main changes in the impairment are as follow:

- the impairment of SG Securities Singapore Pte Ltd.: EUR -15 million;
- the impairment recovery of Societe Generale Securities Services SPA (held by the SG Milan branch): EUR +51 million;
- the impairment recovery of SG Americas Inc.: EUR +32 million;
- the impairment recovery of Societe Generale Mauritania: EUR +20 million.

NOTE 2.1.3 TREASURY STOCK

ACCOUNTING PRINCIPLES

Societe Generale’s shares acquired for allocation to employees are recorded as Short-term investment securities and presented under “Treasury stock” on the assets side of the balance sheet.

Societe Generale’s shares held with a view to underpinning the share price or as part of arbitrage transactions on the CAC 40 index are recorded as Trading securities and presented under “Treasury stock” on the assets side of the balance sheet.

Societe Generale’s shares acquired with the intend to cancel them are recorded as Long-term equity investments and presented under “Treasury stock” on the assets side of the balance sheet.

	31.12.2023			31.12.2022		
(In EURm)	Quantity	Book value[2]	Market value	Quantity	Book value[2]	Market value
Trading securities[1]	3,321,132	80	80	282,892	7	7
Short-term investment securities	6,735,519	193	162	7,061,203	209	166
Long-term equity investments[3]	-	-	-	41,674,813	914	979
TOTAL	**10,056,651**	**273**	**242**	**49,018,908**	**1,130**	**1,151**

Nominal value : EUR 1.25.

Market value per share : EUR 24.03 as at 31 December 2023.

(1) Societe Generale set up on 22 August 2011 a liquidity contract which was endowed with EUR 170 million for carrying out transactions on the Societe Generale share. As at 31 December 2023, no Societe Generale shares were held under this contract, which has EUR 5 million to intervene on this share.

(2) The accounting value is assessed according to the notice of the CNC N° 2008-17 approved on 6 November 2008 concerning stock-options and bonus issues of shares.

(3) As at 31 December 2022, 41,674,813 Societe Generale shares were purchased on the market at a cost price of EUR 914 million, for the purpose of cancellation on 01 February 2023 in accordance with the decision of the General Meeting of 17 May 2022.

NOTE 2.1.4 DIVIDEND INCOME

(In EURm)	2023	2022
Dividends from shares and other equity securities	14	17
Dividends from affiliates and other long-term securities	3,543	2,799
TOTAL	**3,557**	**2,816**

Dividends received from investments in the trading portfolio have been classified under “Net income from the trading portfolio and short-term investment securities.”

NOTE 2.1.5 NET INCOME FROM THE TRADING PORTFOLIO AND SHORT-TERM INVESTMENT SECURITIES

(In EURm)	2023	2022
Net income from the trading portfolio:	**3,137**	**6,176**
Net income from operations on trading securities[1]	11,119	(11,130)
Net income from forward financial instruments[2]	(8,696)	18,538
Net income from foreign exchange transactions	714	(1,232)
Net income from short-term investment securities:	**(166)**	**(190)**
Gains on sale	135	500
Losses on sale	(407)	(427)
Allocation of impairment	(164)	(531)
Reversal of impairment	270	268
TOTAL	**2,971**	**5,986**

(1) Of which EUR 1,906 million of received dividends on trading portfolio.

(2) Of which EUR 139 million of expenses in 2023 related to the correction of the amount of management fees on forward financial instruments which had not been correctly valued in 2022

NOTE 2.1.6 NET INCOME FROM LONG-TERM INVESTMENTS

ACCOUNTING PRINCIPLES

This item includes capital gains or losses realised on disposals, as well as the net allocation to depreciation for investments in subsidiaries and affiliates, long-term investment securities.

(In EURm)	2023	2022
Long-term investment securities:	**3**	**-**
Net capital gains (or losses) on sale	3	-
Net allocation to impairment	-	-
Investments in subsidiaries and affiliates:	**2,908**	**(2,093)**
Gains on sale(1)	2,879	59
Losses on sale(1)	(64)	(2,686)
Allocation to impairment(2)	(38)	(356)
Reversal of impairment(2)	131	890
Subsidies granted to affiliates (subsidiaries)	-	-
Net income from long term investment (see Note 7.2)	2	14
TOTAL	**2,913**	**(2,079)**

(1) As at 31 December 2023, the main change is related to the merger of Crédit du Nord into Societe Generale Paris for EUR +2,848 million.
(2) Allocations and reversals mainly concern subsidiaries (See Note 2.1.2 - Investments in subsidiaries).

NOTE 2.2 Transactions on forward financial instruments

ACCOUNTING PRINCIPLES

Transactions on forward financial instruments on interest rates, foreign exchange rates or equities are used for trading or hedging purposes.

Nominal commitments on forward financial instruments are recorded as a separate off-balance sheet item. This amount represents the volume of current transactions and does not reflect the potential gain or loss associated with the market or counterparty risk on these transactions. Credit derivatives purchased to hedge credit risks on financial assets which are not valued at market value are classified and treated as guarantee commitments received.

The accounting treatment of income or expense on these forward financial instruments depends on the purpose of the transaction, as follows:

Hedging transactions

Income and expense on forward financial instruments used as hedge assigned from the beginning to an identifiable item or group of similar items are recognised in the income statement symmetrically to the income and expense on the hedged items. Income and expense on interest rate instruments are recorded as net interest income in the same interest income or expense account as the items hedged. Income and expense on other instruments such as equity instruments, stock market indexes or currencies are recognised under “Net income” from short-term investment securities.

Income and expense on forward financial instruments used to hedge or manage an overall interest rate risk are recognised in the income statement over the life of the instrument under “Net income” from the trading portfolio.

Market transactions

Market transactions include:

- the instruments traded on organised or similar markets and other instruments, such as credit derivatives and composite option products, which are included in the trading portfolio although they are traded over-the-counter on less liquid markets;
- some debt securities with a forward financial instrument component for which this classification in the accounts most appropriately reflects the results and associated risks.

These transactions are measured at their market value as at the closing date. When financial instruments are not quoted in an active market, this value is generally determined based on internal models. Where necessary, these valuations are adjusted for reasons of prudence by applying a discount (Reserve Policy). This discount is determined on the basis of the instruments concerned and the associated risks, and takes into account:

- a conservative valuation of all the instruments, regardless of the liquidity of the corresponding market;
- a reserve calculated based on the size of the exposure and intended to cover the risk that Societe Generale will be unable to liquidate the investment in one go due its size;
- an adjustment for the reduced liquidity of the instruments and for model risk in the case of complex products as well as transactions on less liquid markets (less liquid since they have been developed recently or are more specialised).

Furthermore, for over-the-counter transactions on forward interest rate instruments, these valuations also take into account counterparty risk and the present value of the future management fees.

The corresponding gains or losses are directly recognised as income or expense for the period, regardless of whether they are realised or unrealised. They are recognised in the income statement as Net income from the trading portfolio.

The gains or losses corresponding to the contracts concluded as part of the cash management activities managed by the trading room in order to benefit from any interest rate fluctuations, are recorded when these contracts are settled or *prorata temporis* over the life of the contracts, depending on the type of instrument. Any unrealised losses are provisioned at year-end and the corresponding amounts are recorded under “Net income” from the trading portfolio.

NOTE 2.2.1 FORWARD FINANCIAL INSTRUMENTS COMMITMENTS (NOTIONAL)

(In EURm)	Fair Value Trading transactions	Hedging transactions	Total at 31.12.2023	31.12.2022
Firm transactions	**12,805,395**	**19,158**	**12,824,553**	**12,161,938**
Transactions on organised markets	3,178,572	123	3,178,695	3,036,439
Interest rate futures	*765,381*	-	*765,381*	*776,802*
Foreign exchange futures	*2,122,505*	-	*2,122,505*	*1,932,872*
Other futures contracts	*290,686*	*123*	*290,809*	*326,765*
OTC agreements	9,626,823	19,035	9,645,858	9,125,499
Interest rate swaps	*7,354,732*	*18,840*	*7,373,572*	*7,169,836*
Currency financing swaps	*1,277,267*	*195*	*1,277,462*	*1,144,067*
Forward Rate Agreements (FRA)	*972,883*	-	*972,883*	*787,632*
Other	*21,941*	-	*21,941*	*23,964*
Optional transactions	**3,868,559**	**706**	**3,869,265**	**3,687,488**
Interest rate options	1,941,993	-	1,941,993	1,781,146
Foreign exchange options	585,157	706	585,863	565,846
Equity and index options	1,239,147	-	1,239,147	1,096,715
Other options	102,262	-	102,262	243,781
TOTAL	**16,673,954**	**19,864**	**16,693,818**	**15,849,426**

NOTE 2.2.2 FAIR-VALUE OF THE TRANSACTIONS QUALIFIED AS HEDGING

(In EURm)	31.12.2023	31.12.2022
Firm transactions	**(3,719)**	**(5,079)**
Transactions on organised markets	(24)	(14)
Interest rate futures	-	-
Foreign exchange futures	-	-
Other forward contracts	*(24)*	*(14)*
OTC agreements	(3,695)	(5,065)
Interest rate swaps	*(3,785)*	*(5,165)*
Currency financing swaps	*90*	*100*
Forward Rate Agreements (FRA)	-	-
Other	-	-
Optional transactions	**-**	**-**
TOTAL[1]	**(3,719)**	**(5,079)**

(1) A positive value represents a net receivable and a negative value represents a net debt.

NOTE 2.2.3 MATURITIES OF FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

(In EURm)	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Firm transactions	**2,362,011**	**3,084,504**	**3,712,338**	**3,665,700**	**12,824,553**
Transactions on organised markets	1,525,681	970,578	247,454	434,982	3,178,695
OTC agreements	836,330	2,113,926	3,464,884	3,230,718	9,645,858
Optional transactions	**886,270**	**984,481**	**1,266,950**	**731,564**	**3,869,265**
TOTAL	**3,248,281**	**4,068,985**	**4,979,288**	**4,397,264**	**16,693,818**

NOTE 2.3 Loans andreceivables

ACCOUNTING PRINCIPLES

Amounts due from banks and customer loans are classified according to their initial duration and type: demand deposits (current accounts and overnight transactions) and term deposits for credit institutions, commercial loans, overdrafts and other loans to customers. They also include the securities purchased from banks or customers under resale agreements, and the loans secured by notes and securities.

Only the amounts due and customer loans that meet the following criteria are offset on the balance sheet: those with the same counterparty, maturity, currency and accounting entity, and those for which an agreement exists with the counterparty allowing the Bank to combine the accounts and exercise the right of offset.

The interest accrued on these receivables is recorded as Related receivables and recognised in the income statement under "Interest income and expenses".

The fees and commissions received and the incremental transaction costs related to the granting of a loan (finder's and handling fees) are comparable to interest and spread over the effective life of the loan.

The loan commitments recorded on the off-balance sheet reflect transactions that have not yet resulted in cash flows, such as the irrevocable commitments for the undrawn portion of facilities made available to banks and customers or guarantees given on their behalf.

If a commitment bears a proven credit risk that makes it probable that Societe Generale will not recover all or part of the amounts due under the counterparty's commitment in accordance with the original terms of the contract, the corresponding outstanding loan is classified as a doubtful loan, despite the existence of a guarantee. Moreover, any loan will be classified as doubtful if one or more repayments are more than three months overdue (six months for mortgage loans and nine months for loans to local authorities), or if, regardless of any missed payments, it can be assumed that there is a proven risk, or if legal proceedings have been started.

If a loan to a given debtor is classified as doubtful, all the outstanding loans and commitments to that debtor are reclassified as doubtful, regardless of whether or not they are backed by a guarantee.

Impairment for unrealised losses and for doubtful loans is recorded for the amount of probable loss (see Note 2.6).

Restructuring of loans and receivables

When an asset recorded under "Due from banks" or "Customer loans" is restructured, contractual changes that would not have been considered in other circumstances are made to the amount, term or financial conditions of the initial transaction approved by Societe Generale, due to the financial difficulties or insolvency of the borrower (whether this insolvency is proven or will definitely occur unless the debt is restructured). The restructured financial assets are classified as impaired and the borrowers are considered to be in default.

These classifications are maintained for at least one year and for as long as some uncertainty remains for Societe Generale as to the borrowers' ability to meet their commitments. At the restructuring date, the carrying amount of the restructured financial asset is decreased to the present amount of the estimated new future recoverable cash flows discounted using the initial effective interest rate. This loss is booked in the income statement under "Cost of risk". The restructured financial assets do not include the loans and receivables subject to commercial renegotiations.

Loans and receivables may be subject to commercial renegotiations provided that the borrowing customer is not experiencing financial difficulties and is not insolvent. Such transactions thus involve customers whose debt Societe Generale is willing to renegotiate in the interest of maintaining or developing a commercial relationship, in accordance with the credit granting rules, and without relinquishing any principal or accrued interest.

These renegotiated loans and receivables are derecognised as at the renegotiation date and replaced as at the same date on the balance sheet by the new loans, contractualised under the renegotiated conditions. These new loans are subsequently measured at amortised cost, based on the effective interest rate arising from the new contractual conditions and taking into account the renegotiation fees billed to the customer.

NOTE 2.3.1 DUE FROM BANKS

(In EURm)	31.12.2023	31.12.2022
Demand deposits and loans	**5,259**	**5,448**
Current accounts	4,652	4,571
Overnight deposits and loans	607	877
Loans secured by notes-overnight	-	-
Term accounts and loans	**214,360**	**211,336**
Term deposits and loans	84,078	94,231
Securities purchased under resale agreements	129,032	115,479
Subordinated and participating loans	548	989
Loans secured by notes and securities	-	-
Related receivables	702	637
Due from banks before impairment	**219,619**	**216,784**
Impairment	(18)	(34)
TOTAL(1)(2)	**219,601**	**216,750**

(1) *As at 31 December 2023 doubtful loans amounted to EUR 37 million (of which EUR 10 million were non-performing loans) against EUR 64 million as at 31 December 2022(of which EUR 27 million were non-performing loans as at 31 December 2022).*

(2) *Including amounts receivable from subsidiaries: EUR 81,410 million as at 31 December 2023 against EUR 92,322 million as at 31 December 2022.*

NOTE 2.3.2 CUSTOMER LOANS

(In EURm)	31.12.2023	01.01.2023	Effect of the merger	31.12.2022
Overdrafts	26,634	48,507	1,733	46,774
Discount of trade notes	1,469	1,659	227	1,432
Other loans(1)(2)(3)	346,106	366,205	50,670	315,535
Loans secured by notes and securities	84	246	-	246
Securities purchased under resale agreements	149,495	132,082	-	132,082
Related receivables	1,937	1,730	145	1,585
Customer loans before impairment	**525,725**	**550,429**	**52,775**	**497,654**
Impairment	(2,556)	(2,628)	(616)	(2,012)
TOTAL(4)(5)	**523,169**	**547,801**	**52,159**	**495,642**

(1) *Including pledged loans: EUR 89,869 million (EUR 89,132 million as at 31 December 2022) of which amounts eligible for refinancing with Banque de France: EUR 12,087 million as at 31 December 2023 (EUR 8,529 million as at 31 December 2022).*

(2) *Of which participating loans: EUR 3,703 million as at 31 December 2023 (EUR 2,241 million as at 31 December 2022).*

(3) *As at 31 December 2023 doubtful loans amounted to EUR 7,404 million (of which EUR 3,240 million were doubtful compromised loans) against EUR 5,517 million (of which EUR 2,097 million were doubtful compromised loans) as at 31 December 2022.*

(4) *Of which amounts receivable from affiliates: EUR 131,772 million as at 31 December 2023 (EUR 136,988 million as at 31 December 2022).*

(5) *Including restructured loans: EUR 4,346 million as at 31 December 2023 (EUR 4,138 million as at 31 December 2022.*

The detail of other loans is composed of:

(In EURm)	31.12.2023	01.01.2023	Effects of the merger	31.12.2022
Short-term loans	100,030	109,332	10,599	98,733
Export loans	11,661	12,929	9	12,920
Equipment loans	64,043	61,866	10,197	51,669
Housing loans	92,003	100,809	28,297	72,512
Lease financing agreements	-	-	-	-
Other loans	78,369	81,269	1,568	79,701
TOTAL	**346,106**	**366,205**	**50,670**	**315,535**

NOTE 2.3.3 COMMITMENTS GRANTED

(In EURm)	31.12.2023	31.12.2022
Loan commitments	**326,102**	**306,565**
To banks	99,370	84,295
To customers	226,732	222,270
Guarantee commitments	**223,514**	**233,347**
On behalf of banks	118,778	110,203
On behalf of customers	104,736	123,144

Commitments granted are those granted to affiliates for EUR 84,803 million as at 31 December 2023 (EUR 85,489 million as at 31 December 2022).

NOTE 2.3.4 SECURITISATION

ACCOUNTING PRINCIPLES

Loans and receivables transferred by Societe Generale to a securitisation undertaking (securitisation fund, securitisation vehicle or equivalent foreign undertaking) are derecognised and the gain or loss on sale calculated as the difference between the selling price and the carrying amount of the transferred loans or receivables is recognised in profit or loss.

If the transfer agreement contains an overcollateralisation clause, Societe Generale records on the assets side of its balance sheet, among the loans and receivables, a receivable for the part of the amount of transferred loans and receivables exceeding the selling price.

Ordinary units issued by a gaining securitisation undertaking and acquired or subscribed by Societe Generale are recorded as trading securities or as short-term investment securities according to their purpose.

Specific units, subordinated units and other financial instruments issued by the gaining securitisation undertaking and acquired or subscribed by Societe Generale as collateral for the benefit of the undertaking are recorded as short-term investment securities (see Note 2.1).

If Societe Generale makes a cash security deposit with the gaining securitisation undertaking to bear the losses resulting from the default of debtors of the loans and receivables transferred, it records such deposit on the assets side of its balance sheet under “Accruals”, other accounts receivable and other assets as a receivable from the securitisation undertaking, provided that the possible balance of the deposit will be allocated to it upon the liquidation of the securitisation undertaking.

If the guarantee granted by Societe Generale takes the form of a commitment by signature, it is recorded in the off-balance sheet as a guarantee commitment granted to customers or to banks, as the case may be.

On 24 February 2022, Societe Generale proceeded to a new securitization in order to substitute in the assets, housing loans against bonds which are eligible to the Euro system refinancing operations.

In this context, Societe Generale has transferred EUR 10,625 million of housing loans to a securitization mutual fund. To capitalize the acquisition, the fund has issued bonds which were fully subscribed by Societe Generale.

As at 27 January 2023, an additional purchase of bonds amounting to EUR 3,410 million has been performed.

As at 31 December 2023, the bonds are recognised in the assets on the balance sheet for a total amount of EUR 11,605 million as a result of the underlying housing loans partial amortization.

NOTE 2.4 Debts

ACCOUNTING PRINCIPLES

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand debt (demand deposits, current accounts) and term deposits due to banks, regulated savings accounts and other deposits due to customers. They also include the securities sold to banks and customers under repurchase agreements.

The interest accrued on these deposits is recorded as related payables with a counterpart entry in the income statement.

NOTE 2.4.1 DUE TO BANKS

(In EURm)	31.12.2023	31.12.2022
Demand deposits	**26,541**	**24,327**
Demand deposits and current accounts	26,541	24,327
Borrowings secured by notes - overnight	-	-
Term deposits	**192,989**	**212,249**
Term deposits and borrowings	192,989	212,249
Borrowings secured by notes and securities	-	-
Related payables	**2,285**	**732**
Securities sold under repurchase agreements	113,860	103,440
TOTAL	**335,675**	**340,748**

Related parties payables amount to EUR 121,121 million as at 31 December 2023 (EUR 125,274 million as at 31 December 2022).

The European Central Bank (ECB) launched in 2019 a third series of Targeted Longer-Term Refinancing Operations – (TLTRO) with the aim of maintaining favourable credit conditions in the euro area. As with the two previous mechanisms, the level of remuneration of these borrowings depends on the performance of the borrowing banking institutions in granting credit facilities to their household customers (excl. real estate loans) and business customers (excl. financial institutions); depending on these performances, the borrowing institutions may benefit from a reduced interest rate and a temporary additional bonus applicable for the period from 24 June 2020 to 23 June 2021 (decrease by 50 basis points in the average interest rate of the deposit facility with a floor at -1%). These TLTRO III have been performed on a quarterly basis from September 2019 and December 2021, for a total of 10 potential draws. Each operation has a three-year term, with an early repayment option. Certain conditions have been modified in March 2020, in particular the loan production targets, interest rate conditions and drawdown limit, in order to further strengthen the support to credit granting at the time at the start of the Covid-19 crisis. In January 2021, the ECB decided to renew the temporary additional bonus for the period from 24 June 2021 to 23 June 2022 subject to the credit granting performance observed during a new reference period from 1 October 2020 to 31 December 2021.

Societe Generale subscribed to TLTRO III through quarterly drawdowns staggered between December 2019 and December 2021. As a result of the early repayments in the financial year 2023 amounting to EUR 28.7 billion, the residual amount of TLTRO loans on the liabilities side of the balance sheet amounted to EUR 24 billion at 31 December 2023, including EUR 4 billion provided by Crédit du Nord.

As at 31 December 2021, Societe Generale had already reached the objective of stability of the outstanding amount of eligible loans enabling it to benefit from the reduced interest rate as well as from two additional temporary bonuses applied respectively from 24 June 2020 to 23 June 2021 and from 24 June 2021 to 23 June 2022. The additional bonuses have been considered to determine the amount of interest recognised in the profit or loss for the TLTRO loans.

On 27 October 2022, the ECB modified the calculation method of the interest rate applying to the last period of TLTRO III. These new calculation procedures were applied as of 23 November 2022. As at 31 December 2023, the total cost of the TLTRO borrowings including interests and bonuses is between 1.40% and 3.10% depending on the draw dates. For the financial year 2023, the total amount of interests and bonuses on the TLTRO borrowings recorded as a deduction from Interest and similar expense amounts to EUR 1.2 billion.

NOTE 2.4.2 CUSTOMER DEPOSITS

(In EURm)	31.12.2023	01.01.2023	Effects of the merger	31.12.2022
Regulated savings accounts	**62,958**	**67,040**	**12,003**	**55,037**
Demand	46,166	47,900	9,293	38,607
Term	16,792	19,140	2,710	16,430
Other demand customer deposits	**187,650**	**216,802**	**35,267**	**181,535**
Businesses and sole proprietors	82,326	133,680	21,527	112,153
Individual customers	49,482	53,899	11,292	42,607
Financial customers	44,925	21,060	14	21,046
Others	10,917	8,163	2,434	5,729
Other term customer deposits	**218,204**	**201,894**	**5,364**	**196,530**
Businesses and sole proprietors	90,255	75,739	4,834	70,905
Individual customers	4,633	1,119	311	808
Financial customers	113,176	113,413	33	113,380
Others	10,140	11,623	186	11,437
Related payables	**2,057**	**1,130**	**11**	**1,119**
Securities sold to customers under repurchase agreements	**132,391**	**116,015**	**-**	**116,015**
TOTAL	**603,260**	**602,881**	**52,645**	**550,236**

Related parties due to customers amount EUR 125,533 million as at 31 December 2023 (EUR 137,465 million as at 31 December 2022).

NOTE 2.4.3 LIABILITIES IN THE FORM OF SECURITIES ISSUED

ACCOUNTING PRINCIPLES

The liabilities in the form of securities issued are classified by type of security: loan notes, interbank market certificates and negotiable debt instruments, bonds and other debt securities, but exclude subordinated notes which are classified under “Subordinated debt”.

The interest accrued is recorded as related payables with a counterpart entry in the income statement. Bond issuance and redemption premiums are amortised on a straight-line or actuarial basis over the life of the related borrowings. The resulting expense is recorded in the income statement under “Interest and similar expense”.

Bond issuance costs accrued over the period are all recorded as expenses for the period under “Interest and similar expense” in the income statement.

(In EURm)	31.12.2023	31.12.2022
Loan notes	-	-
Bond borrowings	-	-
Interbank market certificates and negotiable debt instruments	141,030	119,023
Related payables	1,278	590
TOTAL	**142,308**	**119,613**

Related parties payables amount for EUR 321 million as at 31 December 2023 (EUR 341 million as at 31 December 2022).

NOTE 2.4.4 COMMITMENTS RECEIVED

(In EURm)	31.12.2023	31.12.2022
Loan commitments received from banks	68,683	85,354
Guarantee commitments received from banks	74,541	62,807

Related parties commitments amount for EUR 8,042 million as at 31 December 2023 (EUR 10,517 million as at 31 December 2022).

NOTE 2.5 Interest income and expenses

ACCOUNTING PRINCIPLES

Interest income and expense are recognised in the income statement under "Interest and similar income" or "Interest and similar expense" for all the financial instruments measured at amortised cost using the effective interest rate method. The negative interest is deducted from the interest income and expense accounts related to these instruments.

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

When a financial asset or group of similar financial assets has been impaired following an impairment loss, the subsequent interest income is recorded based on the effective interest rate used to discount the future cash flows when measuring the impairment loss.

Moreover, except for those related to employee benefits, the provisions recognised as balance sheet liabilities generate interest expenses that are calculated using the same interest rate used to discount the expected outflow of resources.

	2023			2022		
(In EURm)	Income	Expense	Net	Income	Expense	Net
Transactions with banks	**14,885**	**(12,790)**	**2,095**	**3,136**	**(3,143)**	**(7)**
Transactions with central banks, post office accounts and banks(1)	10,147	(8,328)	1,819	2,178	(1,934)	244
Securities sold under repurchase agreements and borrowings secured by notes and securities	4,738	(4,462)	276	958	(1,209)	(251)
Transactions with customers	**20,929**	**(17,647)**	**3,282**	**10,429**	**(7,127)**	**3,302**
Trade notes	20	-	20	16	-	16
Other customer loans	13,984	-	13,984	8,428	-	8,428
Overdrafts	1,549	-	1,549	479	-	479
Regulated savings accounts	-	(1,293)	(1,293)	-	(469)	(469)
Other customer deposits	-	(10,535)	(10,535)	-	(5,131)	(5,131)
Securities sold/bought under repurchase agreements and borrowings secured by notes and securities	5,376	(5,819)	(443)	1,506	(1,527)	(21)
Bonds and other debt securities	**5,453**	**(7,416)**	**(1,963)**	**2,401**	**(3,576)**	**(1,175)**
Other interest expenses and related income	**2,466**	**(3,640)**	**(1,174)**	**2,407**	**(3,318)**	**(911)**
TOTAL	**43,733**	**(41,493)**	**2,240**	**18,373**	**(17,164)**	**1,209**

(1) In 2022, the interests, then negative on TLTRO borrowing were deducted from expenses under "Transactions with central banks, post office accounts and banks". (see Note 2.4).

The detail of other customer loans is composed of:

(In EURm)	2023	2022
Short-term loans	4,895	2,364
Export loans	536	323
Equipment loans	1,823	935
Housing loans	1,561	1,097
Other customer loans	5,169	3,709
TOTAL	**13,984**	**8,428**

NOTE 2.6 Impairment and provisions

NOTE 2.6.1 DETAILS OF THE PROVISIONS

ACCOUNTING PRINCIPLES

On the liabilities side of the balance sheet, the section entitled "Provisions comprises provisions on credit risk", on commitments related to mortgage savings accounts/plans (CEL/PEL), on forward financial instruments, on employee benefits, on tax adjustments and on risks and expenses.

(In EURm)	Amount as at 31.12.2022	Effects of the merger	Allocations	Reversals	Change in scope and reclassifying	Amount as at 31.12.2023
Provisions on credit risk (See Note 2.6.2.2)	1,864	297	1,088	(1,229)	(2)	2,018
Provision on commitments related to mortgage saving agreements (PEL/CEL)	108	12	-	(8)	-	112
Provisions on forward financial instruments (See Note 2.6.4)	5,282	27	1,594	(1,886)	(340)	4,677
Provisions on employee benefits	1,717	135	462	(384)	8	1,939
Provisions for tax adjustments (See Note 5.2)	12	-	-	(1)	-	11
Other provisions on risks and expenses(1)	1,222	43	240	(530)	(8)	967
TOTAL	**10,205**	**514**	**3,384**	**(4,038)**	**(342)**	**9,723**

(1) Including provisions for legal disputes, fines, penalties and commercial disputes.

NOTE 2.6.2 IMPAIRMENT AND PROVISIONS FOR CREDIT RISK

GEOPOLITICAL CRISIS AND MACROECONOMIC CONTEXT

In 2023, Societe Generale revised the parameters used in the models of determination of the impairment and provisions for credit risk, based on the updated macroeconomic scenarios which take account of the recent economic developments and macroeconomic impacts related to the current geopolitical environment (see Note 1). To account for the uncertainties related to the macroeconomic and geopolitical environment, Societe Générale updated the model and post-model adjustments in 2023.

Furthermore, owing to the geopolitical context related to the war in Ukraine, all Russian counterparties (EUR 1.1 billion as at 31 December 2022) have been classified as underperforming assets from the beginning of the conflict. As at 31 December 2023, they amount to EUR 0.8 billion. An additional analysis has also made it possible to identify within this population, and this has been the case since the beginning of the war in Ukraine, the outstanding amounts requiring a transfer to doubtful outstanding amounts (EUR 0.2 billion). The amount of provisions and impairments for credit risk on these outstanding amounts to EUR 131 million as at 31 December 2023, of which EUR 28 million on outstanding amounts transferred to doubtful loans (EUR 259 million as at 31 December 2022, of which EUR 73 million on outstanding amounts transferred to doubtful outstandings).

ADJUSTMENTS SUPPLEMENTING THE APPLICATION OF MODELS

To better reflect the deterioration of credit risk on certain portfolios or business segments, Societe Generale has updated existing adjustments in addition to the application of the models, such as sector adjustments and adjustments when using simplified models.

Sectoral adjustments make it possible to better anticipate the default or recovery cycle of certain sectors whose activity is cyclical and which have been subject to default peaks in the past or which are particularly exposed to current crises and whose exposure to the Bank exceeds a threshold reviewed and set each year by the Risk Direction.

Along the revision of these adjustments, whenever compatible with the provisioning horizon, a qualitative analysis of the possible impact of climate risks on the determination of the impairment and provisions for credit risks has been integrated (see the "Incorporating the environment in the risk management framework" section of Chapter 4 in the Universal Registration Document).

As at 31 December 2023, the adjustment regarding the additional criterion for transfer to underperforming loans set in 2020 following the Covid-19 crisis, has been removed.

NOTE 2.6.2.1 IMPAIRMENT FOR CREDIT RISK

ACCOUNTING PRINCIPLES

The value of impairment allowance for doubtful outstandings is equal to the difference between the gross carrying amount of the asset and the present value of the estimated future recoverable cash flows, taking into account any guarantees, discounted at the original effective interest rate. Furthermore, the amount of this impairment may not be less than the full amount of the interest not collected on the doubtful loan.

The effects of financial guarantees received to compensate losses on a portfolio of loans are recorded among assets impairment.

The impairment allowances, impairment reversals, losses on bad debts and recoveries of impaired debts are recognised under "Cost of risk", along with write-backs of impairment linked to the passage of time.

Doubtful loans can be reclassified as performing loans once the proven credit risk has been definitively eliminated and regular payments have resumed according to the original terms of the contract. Similarly, the doubtful loans that have been restructured can be reclassified as performing loans. When a loan is restructured, any difference between the cash flows expected to be received under the initial terms of the contract and the present value of the future flows of capital and interest expected to be received under the new terms, is discounted at the original effective interest rate.

The amount deducted is recognised under "Cost of risk". If the restructured loan is subsequently reclassified as a performing loan, this deduction is reincorporated into net interest income over the remaining term of the loan.

When a borrower's solvency is such that after the loan has been classified as doubtful for a reasonable period, it is not foreseeable that it will be reclassified as a performing loan, this loan is identified as a non-performing loan. A loan is classified as non-performing once the Bank has formally demanded payment, or when the contract is terminated and in any case one year after it was classified as doubtful, except where the original terms of the contract have been respected or where the loan is covered by guarantees which ensure its recovery. Loans that have been restructured and for which the borrower has not respected the new conditions are also classified as non-performing.

(In EURm)	Amount as at 31.12.2022	Effect of the merger	Net cost of risk	Other income statement	Used Reversals	Change in scope and reclassifying	Amount as at 31.12.2023
Banks	34	-	-	-	(17)	-	17
Customer loans	2,012	616	446	-	(432)	(86)	2,556
Other	84	-	14	-	-	(2)	96
TOTAL[(1)]	**2,130**	**616**	**460**	**-**	**(449)**	**(88)**	**2,669**

(1) Of which impairment for non-performing loans: EUR 2,081 million.

NOTE 2.6.2.2 PROVISIONS FOR CREDIT RISK

ACCOUNTING PRINCIPLES

Provisions for off-balance sheet commitments (provisions for commitments by signature)

Provisions for off-balance sheet commitments represent the Societe Generale's probable losses incurred by Societe Generale following the identification of a proven credit risk on an off-balance sheet financing or guarantee commitment that would not be considered as a derivative instrument or designated as financial assets at fair value through profit or loss.

Collective provisions for credit risk

Without waiting for the incurred credit risk to individually affect one or more receivables or commitments and in order to provide a better information regarding its activity, a provision is recognised by Societe Generale for the amount of credit losses that are expected to incur on performing outstandings over the next year.

12-month expected credit losses are calculated taking into consideration past data and the current situation. Accordingly, the amount of impairment equals to the present value of the expected credit losses, taking into account the probability of a default event occurring within the next 12 months and if any, the impact of collateral called up or liable to be called up.

Moreover, identification, amongst homogeneous portfolios, of a significant deterioration of the credit risk leads to the recognition of a provision for the amount of credit losses that are expected to incur on those underperforming outstandings over the life of the exposures (lifetime expected credit loss).

Lifetime expected credit losses are calculated taking into consideration past data, the present situation and reasonable forecasts of changes in economic conditions and relevant macroeconomic factors through to maturity. Accordingly, the amount of impairment is equal to the present value of the expected credit losses, taking into account the probability of a default event occurring through to maturity, and, if need be, the impact of collateral called up or liable to be called up.

Changes in collective provisions for credit risk are recorded under "Cost of risk".

Comments related to the identification of the downgrading of credit risk:

To identify the exposures covered by the collective provision for credit risk, Societe Generale determines whether or not there is a significant increase in credit risk based on the available historical and prospective information (behaviour scoring, loan to value indicators, macroeconomic scenarios, etc.).

The assessment of changes in credit risk takes account of the following criteria:

- 1st criterion: changes in the counterparty's credit rating (where it is the subject of an internal analysis) as well as the changes in its operating sector, in macroeconomic conditions and in the behaviours of the counterparty that may be a sign of deteriorating credit risk;
- 2nd criterion: changes in the default probability contract by contract, from origination date to closing date;
- 3rd criterion: the existence of amounts past due of more than 30 days.

As soon as one of these criteria is met, the relative contract is impaired as described before.

(In EURm)	Amount as at 31.12.2022	Net cost of risk	Change in scope and reclassifying	Amount as at 31.12.2023
Provisions for off-balance sheet commitments to banks	7	(4)	-	3
Provisions for off-balance sheet commitments to customers	119	(25)	46	140
Collective provisions for credit risk on performing loans	436	25	97	558
Collective provisions for credit risk on under performing loans	1,302	(137)	152	1,317
TOTAL	**1,864**	**(141)**	**295**	**2,018**

NOTE 2.6.2.3 COST OF RISK

ACCOUNTING PRINCIPLES

Cost of risk includes allocations, net of reversals, to provisions and to impairment for credit risk, the bad debt losses and the amount of recoveries on loans written off.

(In EURm)	2023	2022
Net allocations to impairment and provisions for receivable and off-balance sheet commitments	(315)	(438)
Losses not covered and amounts of recoveries on loans written off	(166)	(161)
TOTAL	**(481)**	**(599)**
of which gain on revaluation of currency hedge of provisions	*3*	*1*

NOTE 2.6.3 COMMITMENTS LINKED TO MORTGAGE SAVINGS AGREEMENTS/PLANS (CEL/PEL)

ACCOUNTING PRINCIPLES

Comptes d'épargne-logement (CEL or mortgage savings accounts) and *plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers under French Law 65-554 of 10th July 1965. These saving schemes combine an initial phase when deposits are made in specific interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans to the depositors, on regulated terms and conditions, both phases being inseparable. Both the savings deposits collected and the loans granted are recognised at amortised cost.

These instruments create two types of commitments for Societe Generale: the obligation to subsequently lend to the customer at an interest rate established at the inception of the savings agreement and the obligation to remunerate customer savings for an indeterminate future period at an interest rate also established at the inception of the mortgage savings agreement.

As if it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Company: a provision is recorded on the liabilities side of the balance sheet. Any change in these provisions is recognised as net banking income under "Net interest income". These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between the different PEL generations, and for all mortgage saving accounts (CEL) which constitute a single generation.

During the deposits phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of historical observed past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable based on the amount of balance sheet deposits at the date of calculation on one side and on the historical observed past customer behaviour on the other.

A provision is recorded if the discounted value of the expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated based on the interest rates offered to individual customers for equivalent savings and loan instruments (with similar estimated life and date of inception).

OUTSTANDING DEPOSITS IN MORTGAGE SAVINGS AGREEMENTS (PEL/CEL)

(In EURm)	31.12.2023	31.12.2022
Mortgage savings plans (PEL)	**14,726**	**14,687**
Less than 4 years old	638	458
Between 4 and 10 years old	5,407	6,988
More than 10 years old	8,681	7,241
Mortgage savings accounts (CEL)	**1,542**	**1,248**
TOTAL	**16,268**	**15,935**

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO MORTGAGE SAVINGS AGREEMENTS (PEL/CEL)

(In EURm)	31.12.2023	31.12.2022
Less than 4 years old	3	-
Between 4 and 10 years old	-	1
More than 10 years old	3	4
TOTAL	**6**	**5**

PROVISIONS FOR COMMITMENTS LINKED TO MORTGAGE SAVINGS AGREEMENTS (PEL/CEL)

(In EURm)	31.12.2022	Allocations	Reversals	31.12.2023
Mortgage savings plans (PEL)	**73**	**8**	**(45)**	**36**
less than 4 years old	1	-	-	1
between 4 and 10 years old	2	8	-	10
more than 10 years old	70	-	(45)	25
Mortgage savings accounts (CEL)	**35**	**-**	**41**	**76**
TOTAL	**108**	**8**	**(4)**	**112**

The level of provisions is sensitive to the long-term interest rates. The provisions of PEL and CEL mortgage savings accounts are linked to the risks attached to the commitment to remunerate the deposits. Since the long-term rates were increasing during 2023, the provisioning of PEL/CEL decreased. The provisioning for PEL/CEL savings amounted to 0.7% of the total outstandings as at the 31 December 2023.

METHODS USED TO ESTABLISH THE PARAMETERS FOR VALUING PROVISIONS

The parameters used for estimating the future behaviour of customers are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these parameters can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the various market parameters used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the periods in question, in line with the Retail Banking Division's policy of interest rate risk management.

The discount rates used are derived from the zero coupon swaps *vs.* Euribor yield curve on valuation date, averaged over a 12-month period.

NOTE 2.6.4 PROVISIONS FOR FORWARD FINANCIAL INSTRUMENTS

ACCOUNTING PRINCIPLES

Provisions on forward financial instruments are related to the unrealised losses calculated on homogeneous sets of forward financial contracts recognised in the balance sheet as isolated open positions

They are determined as the difference between the market value estimated as at the balance sheet closing date and that determined as at the previous balance sheet closing date. They are recognised in the balance sheet as provisions for probable risks and expenses. The changes in provisions thus calculated are recorded in net income under "Net income" from the trading portfolio.

(In EURm)	Amount as at 31.12.2022	Net allocations	Reversals	Change in scope and reclassifying	Amount as at 31.12.2023
Provisions for forward financial instruments	5,282	1,594	(1,886)	(313)	4,677

NOTE 2.6.5 IMPAIRMENT ON SECURITIES

ACCOUNTING PRINCIPLES

Short-term investment securities

SHARES AND OTHER EQUITY SECURITIES

At year-end, cost is compared to realisable value. For listed securities, the realisable value is defined as the most recent market price. Unrealised capital gains are not recognised in the accounts but an impairment of portfolio securities is recorded to cover unrealised capital losses, without this impairment being offset against any unrealised capital gains.

BONDS AND OTHER DEBT SECURITIES

At year-end, cost is compared to realisable value or, in the case of listed securities, to their most recent market price. Unrealised capital gains are not recognised in the accounts but a impairment of portfolio securities is recorded to cover unrealised capital losses, after consideration of any gains made on any related hedging transactions.

Allocations to and reversals of impairment for losses on short-term investment securities together with gains and losses on sales of these securities are recorded under "Net income" from short-term investment securities in the income statement.

Long-term investment securities

At year-end, no impairment is made for unrealised losses, unless there is a strong probability that the securities will be sold in the short term, or unless there is a risk that the issuer will be unable to redeem them.

Allocations to and reversals of impairment for losses on long-term investment securities, together with gains and losses on sales of these securities, are recorded in the income statement under "Net income" from long-term investments.

Affiliates, other long-term securities and investments in related parties

At year-end, affiliates, other long-term securities and investments in related parties are valued at their value in use, namely the price the Company would accept to pay to obtain the said securities if it had to acquire them in view of its investment objective. This value is estimated on the basis of various criteria, such as shareholders' equity, profitability (based on the business plans defined by the entities), and the average share price over the last three months. Unrealised capital gains are not recognised in the accounts but an impairment on portfolio securities is recorded to cover unrealised capital losses. Allocations to and reversals of impairment as well as any capital gains or losses realised on the disposal of these securities, including any profit or loss generated when tendering these securities to public share exchange offers, are recognised under "Net income" from long-term investments.

(In EURm)	31.12.2023	31.12.2022
Short-term investment securities	507	607
Long-term investment securities	-	-
Affiliates and other long-term securities	119	105
Investments in related parties	3,050	3,142
TOTAL	**3,676**	**3,854**

NOTE 2.6.6 OTHER PROVISIONS FOR RISKS AND EXPENSES

ACCOUNTING PRINCIPLES

The other provisions for risks and expenses are defined as liabilities with no precisely defined amount or due date.

They are only recorded if the Company has an obligation to a third party that will probably or necessarily lead to a transfer of funds to this third party, without compensation for at least an equivalent amount being expected from it.

Net allocations to provisions are classified by type of risk in the corresponding sections of the income statement.

A description of the risks and disputes is provided in the Risk Management Report.

Information on the nature and the amount of the risks involved is not disclosed if Societe Generale estimates that such disclosure could seriously prejudice its position in a dispute with other parties on the subject matter of the provision.

Other provisions include provisions for restructuring (except staff costs), provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

Societe Generale is subject to an extensive legal and regulatory framework in the countries where it operates. In this complex legal context, Societe Generale and some of its former and current representatives may be involved in various legal actions, including civil, administrative and criminal proceedings. The vast majority of these proceedings are part of Societe Generale's current business. In recent years, litigation with investors and the number of disputes involving financial intermediaries such as banks and investment advisors has increased, partly due to a difficult financial environment.

It is by nature difficult to foresee the outcome of disputes, regulatory proceedings and acts involving Societe Generale entities, particularly if they are initiated by various categories of complainants, if the amount of claims for damages is not specified or is indeterminate or if the proceedings have no precedent.

In preparing its financial statements, Societe Generale assesses the consequences of the legal, regulatory or arbitration proceedings in which it is involved. A provision is booked when losses from these proceedings become probable and the amount can be estimated reliably.

To assess the probability of losses and the amount of these losses, and thus to determine the amount of provisions to book, estimations are important. Management makes these estimates by exercising its judgement and taking into account all information available when financial statements are prepared. In particular, Societe Generale takes into account the nature of the dispute, the underlying facts, ongoing proceedings and court rulings already handed down, as well as its experience and the experiences of other companies dealing with similar cases (assuming that Societe Generale has knowledge thereof) and, where appropriate, the opinion and reports of experts and independent legal advisers.

Each quarter, Societe Generale carries out a detailed examination of pending disputes that present a significant risk. These disputes are described in the Note 8 "Information on risks and litigation".

NOTE 3 OTHER ACTIVITIES

NOTE 3.1 Net fees for services

ACCOUNTING PRINCIPLES

Societe Generale recognises fee income and expense for services provided and received in different ways depending on the type of service.

Fees for ongoing services, such as some payment services, custody fees, or web-service subscriptions are recorded as income over the lifetime of the service. Fees for one-off services, such as fees on movements of fund, finder's fees received, arbitrage fees, or non-payment penalties are fully recognised in income when the service is provided.

In syndication deals, the effective interest rate for the portion of the funding retained on the asset side of the Societe Generale balance sheet is comparable to that applying to the other members of the syndicate including, when needed, a share of the underwriting fees and participation fees; the balance of these fees is recorded in the income statement at the end of the syndication period. Arrangement fees are recorded in income when the placement is legally complete.

	2023			2022		
(In EURm)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	98	(44)	54	77	(38)	39
Transactions with customers	1,910	(40)	1,870	1,693	(33)	1,660
Securities transactions	616	(1,120)	(504)	453	(869)	(416)
Primary market transactions	417	-	417	55	-	55
Foreign exchange transactions and forward financial instruments	498	(578)	(80)	343	(470)	(127)
Loan and guarantee commitments	980	(526)	454	914	(554)	360
Services	2,126	-	2,126	1,785	-	1,785
Other	-	(385)	(385)	-	(424)	(424)
TOTAL	**6,645**	**(2,693)**	**3,952**	**5,320**	**(2,388)**	**2,932**

NOTE 3.2 Accruals, other assets and liabilities

NOTE 3.2.1 ACCRUALS, OTHER ACCOUNTS RECEIVABLES AND OTHER ASSETS

(In EURm)	31.12.2023	31.12.2022
Other assets	**110,357**	**130,051**
Guarantee deposits paid(1)	49,848	56,599
Miscellaneous receivables	3,207	2,578
Premiums on options purchased	56,144	69,484
Settlement accounts on securities transactions	1,042	1,282
Other	116	108
Accruals and similar	**48,485**	**58,764**
Prepaid expenses	515	523
Deferred taxes	3,081	2,969
Accrued income	3,064	1,828
Others(2)	41,825	53,444
Accruals, other accounts receivables and other assets before impairment	**158,842**	**188,815**
Impairment	(95)	(84)
TOTAL	**158,747**	**188,731**

(1) Mainly relates to guarantee deposits paid on financial instruments.
(2) Including derivative instruments valuation for EUR 32,832 million as at 31 December 2023 (EUR 44,005 million as at 31 December 2022).

NOTE 3.2.2 ACCRUALS, OTHER ACCOUNTS PAYABLES AND OTHER LIABILITIES

(In EURm)	31.12.2023	31.12.2022
Securities transactions	**83,533**	**75,213**
Amounts payable for borrowed securities	15,202	25,792
Other amounts due for securities	68,331	49,421
Other liabilities	**106,412**	**125,733**
Guarantee deposits received(1)	38,608	47,359
Miscellaneous payables	1,415	184
Premiums on options sold	64,872	76,100
Settlement accounts on securities transactions	1,344	1,806
Other securities transactions	-	19
Related payables	173	265
Accruals and similar	**36,668**	**35,579**
Accrued expenses	5,310	4,118
Deferred taxes	26	18
Deferred income	2,395	2,104
Other(2)	28,937	29,339
TOTAL	**226,613**	**236,525**

(1) *Mainly relates to guarantee deposits received on financial instruments.*
(2) *Including derivative instruments valuation for EUR 14,248 million as at 31 December 2023 (EUR 14,081 million as at 31 December 2022).*

BREAKDOWN OF AMOUNTS PAYABLE FOR BORROWED SECURITIES

(In EURm)	31.12.2023	31.12.2022
GROSS BOOK VALUE OF AMOUNTS PAYABLE FOR BORROWED SECURITIES	**188,790**	**200,349**
Borrowed securities from trading securities deducted from related payables(1)	**173,588**	**174,557**
Treasury notes and similar securities	120,752	123,136
Shares and other equity securities	39,116	41,410
Bonds and other debt securities	13,720	10,011
NET TOTAL	**15,202**	**25,792**

(1) *Including relent securities for EUR 31,465 million as at 31 December 2023 (EUR 39,358 million as at 31 December 2022).*

NOTE 4 EXPENSES AND EMPLOYEE BENEFITS

NOTE 4.1 Personnel expenses and remuneration of members of the Board of Directors and Chief Executive Officers

ACCOUNTING PRINCIPLES

The Personnel expenses include all expenses related to the staff, notably the cost of the legal employee profit-sharing as well as the cost of internal restructuring plans.

Short-term employee benefits are recorded under "Personnel expenses" during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and other long-term benefits are described in Note 4.2; those related to share-based payments are described in Note 4.3.

NOTE 4.1.1 PERSONNEL EXPENSES

(In EURm)	2023	2022
Employee compensation	4,020	3,616
Social security benefits and payroll taxes	1,772	1,522
Employer contribution, profit sharing and incentives	227	222
TOTAL	**6,019**	**5,360**
Average staff	**49,592**	**42,450**
In France	45,302	38,107
Outside France	4,290	4,343

A provision of 12 million euros was recorded to take into account, in France, the judgments of the Court of Cassation regarding the acquisition of rights to paid leave in the event of absence due to illness; this provision was calculated with three-year retroactivity.

In France, the Group has taken into account the effects of the Amending Social Security Financing Act of 14 April 2023 to assess its employee retirement obligations (impact of EUR 13 million under "Other general operating expenses").

Analysis of employer contribution, profit sharing and incentives for the last five years:

(In EURm)	2023	2022	2021	2020	2019
Societe Generale	**225**	**220**	**219**	**71**	**168**
Profit sharing	4	12	15	6	11
Incentives	146	144	163	22	99
Employer contribution	75	64	41	43	58
Branches	**2**	**2**	**-**	**-**	**-**
TOTAL	**227**	**222**	**219**	**71**	**168**

NOTE 4.1.2 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS

Total attendance fees paid in 2023 to the Company's Directors amounted to EUR 1.7 million. The remuneration paid in 2023 to the senior management (Chairman of the Board, the Chief Executive Officer and his Deputies) amounted to EUR 8.8 million (including EUR 3.6 million of variable pay paid in cash or in shares for 2016, and 2018 to 2021 fiscal years and EUR 0.44 million of long-term incentives paid in cash or in shares for 2017, 2019, 2020, 2021 and 2022 fiscal years).

NOTE 4.2 Employee benefits

ACCOUNTING PRINCIPLES

Employee benefits are divided into four categories:

- short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled within twelve months of the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing;
- post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- other long-term employee benefits are employee benefits that are not expected to be fully settled within twelve months, such as deferred variable compensation paid in cash and not indexed, long service awards and time saving accounts;
- termination benefits.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

(In EURm)	Amount 31.12.2022	Effects of the merger	Net allowances	Used Reversals	Change at scope	Amount at 31 December 2023
Post-employment benefits	841	46	96	(82)	7	908
Other long-term benefits	728	34	96	(1)	(2)	855
Termination benefits	148	46	65	(96)	13	176
TOTAL	**1,717**	**126**	**257**	**(179)**	**18**	**1,939**

ACCOUNTING PRINCIPLES

Pension plans may be defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans limit the liability of Societe Generale to contributions paid into the plan but do not commit the bank to a specific level of future benefits. The contributions paid are recorded as an expense for the current year.

Defined benefit plans

Defined benefit plans commit Societe Generale, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the medium- or long-term risk. The present value of defined benefit obligations is valued by independent qualified actuaries.

Provisions are recognised on the liability side of the balance sheet under “Provisions” to cover all of these retirement obligations. They are regularly assessed by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

Societe Generale can choose to finance defined benefit plans by assets held in a long-term employee benefit fund or by qualifying insurance policies.

Funding assets are classified as plan assets if these assets are held by an entity (a fund) that is legally separate from the reporting entity and are only intended to pay employee benefits.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the benefit obligations.

When these plans are financed from funds not classified as plan assets, these funds, classified as separate assets, are displayed separately on the asset side of the balance sheet.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance (return on plan assets) are recognised as actuarial gains or losses. They are recorded immediately and in full in the income statement.

Where a new or amended plan comes into force the cost of past services is recorded immediately and in full in the income statement.

An annual expense is recorded under "Personnel expenses" for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost);
- the financial expense resulting from the discount rate;
- the expected return on plan assets (gross return);
- the actuarial gains and losses and past service cost;
- the settlement or curtailment of plans.

Other long-term benefits

Other long-term employee benefits are those that are payable to employees for services rendered during their employment, but which are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Other long-term benefits are measured in the same way as post-employment benefits.

NOTE 4.2.1 DEFINED CONTRIBUTION PLANS

Main defined contribution plans provided to employees of Societe Generale are located in France. They include state pension plans and other national pension plan such as AGIRC-ARRCO, as well as pension schemes put in place by some branches of the Societe Generale for which the only commitment is to pay annual contributions (PERCO).

NOTE 4.2.2 POST-EMPLOYMENT BENEFIT PLANS (DEFINED BENEFIT PLANS)

Pension plans include pension benefit as annuities and end of career payments. Pension benefit annuities are paid in addition to pensions state plans.

In France, since 4 July 2019, date of publication of the ordinance ending the so-called "random rights" defined benefit pension plans in application of the *Loi Pacte*, the supplementary pension plan for executive managers, set up in 1991, is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

(En M EUR)	31.12.2023	31.12.2022
A – Present value of defined benefit obligations	1,796	1,705
B – Fair value of plan assets	924	893
C – Fair value of separate assets	1,076	903
D – Change in assets ceiling	-	-
E – Unrecognised items	-	-
A - B - C + D - E = Net balance	**(204)**	**(91)**
On the liabilities side of the balance sheet	907	841
On the asset side of the balance sheet(1)	(1,111)	(932)

(1) This item includes excess in plan assets for EUR 35 million and separate assets for EUR 1,076 million as at 31 December 2023 against EUR 29 million and EUR 903 million as at 31 December 2022.

NOTE 4.2.3 INFORMATION REGARDING PLAN ASSETS

Funding assets include plan assets and separate assets.

The breakdown of the fair value of plan assets is as follows: 78% bonds, 10% equities and 12% other investments. Societe Generale's own financial instruments directly held are not significant.

Excess in funding assets amounted to EUR 333 million.

Employer contributions to be paid to post-employment defined benefit plans for 2024 are estimated at EUR 3.1 million.

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

(In percentage)	31.12.2023	31.12.2022
Discount rate		
France	3.15%	3.61%
United Kingdom	4.52%	4.80%
Other	3.85%	4.31%
Long-term inflation		
France	2.20%	2.45%
United Kingdom	3.10%	3.30%
Other	2.02%	2.07%
Future salary increase net of inflation		
France	1.93%	1.60%
United Kingdom	N/A	N/A
Other	1.15%	0.60%
Average remaining working lifetime of employees *(in years)*		
France	7.26	7.09
United Kingdom	2.36	2.93
Other	7.51	7.90
Duration *(in years)*		
France	11.64	11.70
United Kingdom	12.11	12.74
Other	12.58	13.52

The assumptions by geographical area are averages weighted by the present value of the Defined Benefit Obligation (DBO) with the exception of the expected returns on plan assets, which are averages weighted by the fair value of assets.

The yield curves used to discount the liabilities are corporate AA yield curves (source: Merrill Lynch) observed in the end of October for USD, GBP and EUR, and corrected at the end of December if the variation in discount rates had a significant impact.

Inflation rates used for EUR and GBP monetary areas are market rates observed in the end of October and corrected at the end of December if the variation had a significant impact. Inflation rates used for the other monetary areas are the long-term targets of the central banks.

The average remaining working lifetime of employees is calculated taking into account turn over assumptions.

The assumptions described above have been applied on post-employment benefit plans.

NOTE 4.3 Free share plans

ACCOUNTING PRINCIPLES

In the case of share purchase options and free shares plans granted to employees without issuance of new shares, a provision must be recorded for the loss that the entity expects to incur when it will deliver treasury shares to the employees.

This provision is recorded under "Personnel expenses" for an amount equal to the difference:

- between the closing market price of the treasury shares and the exercise price (zero in the case of free shares) if the entity has not already purchased its treasury shares in order to give them to the employees;
- between the acquisition cost of the treasury shares already held and the exercise price (zero in the case of free shares) if the entity has already purchased the treasury shares in order to be allocated to employees.

If vesting conditions such as service or performance conditions must be satisfied for Societe Generale employees to become entitled to shares, the expense shall be accounted for the services as they are rendered by the employees during the vesting period.

In the case of stock option plans, no expense shall be recorded for the treasury shares to be issued.

NOTE 4.3.1 MAIN TERMS OF THE FREE SHARE PLANS OF THE YEAR

The plans for employees for the year ended 31 December 2023 are briefly described below:

Issuer	**Societe Generale**
Year of grant	**2023**
Type of plan	**Performance shares**
Number of free shares granted	3,110,116
Shares delivered	445
Shares forfeited as at 31.12.2023	37,309
Shares outstanding as at 31.12.2023	3,072,362
Number of shares reserved as at 31.12.2023	3,072,362

The performance conditions are described in the "Corporate Governance" section of the present document.

NOTE 4.3.2 AMOUNT OF THE DEBT RECORDED IN THE BALANCE SHEET AND THE EXPENSE OF THE YEAR

The amount of the debt recorded in the balance sheet for on-going plans is EUR 171 million as at 31 December 2023, and yearly expense is EUR 61 million.

NOTE 4.3.3 INFORMATION RELATED TO TREASURY SHARES FOR 2023 PLANS

The number of treasury shares acquired in relation to the 2022 plans is 1,724,707 for a cost of EUR 45 million.

Plans 2023 were partially covered during the year. At the end of December 2023, 553,611 treasury shares were acquired out of a total of 3,518,416 treasury shares.

NOTE 5 TAXES

ACCOUNTING PRINCIPLES

Current taxes

In the financial year 1989, Societe Generale opted to apply a tax consolidation regime. As at 31 December 2023, 190 subsidiaries had signed a tax consolidation agreement with Societe Generale.

Each of the integrated companies shall record in its accounts the tax debt to Societe Generale, determined in accordance with the application of the tax consolidation agreement.

Deferred taxes

Societe Generale applies the option allowing it to recognise deferred taxes in its annual financial statements.

Deferred taxes are recognised whenever Societe Generale identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities. They are calculated using the liability method, whereby the deferred taxes from previous years are adjusted to account for a change in tax rates. The impact of such change is recorded in the income statement under deferred taxes. Net deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set timeframe.

Deferred taxes are determined separately for each taxable entity (parent company and foreign branches) and are never discounted to present value.

NOTE 5.1 Income tax

(In EURm)	2023	2022
Current taxes	(60)	224
Deferred taxes	13	(142)
TOTAL	**(47)**	**82**

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter is set to 25% in 2023 (article 219 of the French Tax Code) plus the existing national contribution (CSB) of 3.3% (article 235 *ter* ZC of French Tax Code), *i.e.*, a compound tax rate of 25,83%.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount in a net long term capital gains situation (article 219 I a *quinquies* of the French Tax Code).

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to the taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate (article 216 of the French Tax Code).

NOTE 5.2 Provisions for tax adjustments

ACCOUNTING PRINCIPLES

Provisions for tax adjustment represent liabilities whose timing or amount cannot be determined precisely.

Provisions may be recorded only:

- when, by virtue of an obligation related to the corporate income tax toward a tax authority, Societe Generale will probably or certainly incur an outflow of resources to this third-party without receiving at least the equivalent value in exchange;
- and when the amount of probable outflow of resources can be reliably estimated.

The expected outflows are then discounted to present value to determine the amount of the provision, when this discounting has a significant impact. Charge to and reversals of provisions for tax adjustments are booked to current taxes in the income statement “Tax expenses/income”.

Information on the nature and the amount of the associated risks is not disclosed when Societe Generale considers that such disclosure could seriously undermine its position in a dispute with other parties on the subject matter of the provision.

(In EURm)	Amount as at 31.12.2022	Net allocations	Used reversals	Change in scope and reclassifying	Amount as at 31.12.2023
PROVISIONS FOR TAX ADJUSTMENTS	**12**	**-**	**(1)**	**-**	**11**

NOTE 5.3 Deferred tax assets

(In EURm)	31.12.2023	31.12.2022
Tax loss carryforwards	1,676	1,603
Gains on sales of assets to companies included in the tax consolidation, in France	(83)	(120)
Other (primarily relating to other reserves)	1,487	1,486
TOTAL	**3,080**	**2,969**

Societe Generale performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario SG Central) over three years (from 2024 to 2027) extrapolated to 2028, which corresponds to a “normative” year.

These budgets notably take into account the impacts of the commitments to energy and environmental transition and regional development which are detailed in the Declaration of Non-Financial Performance.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the entity’s tax expertise. An extrapolation of the tax result is performed from 2028 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

On principle, the appreciation of the macro-economic factors selected and the internal estimates used to determine the tax results involve risks and uncertainties about their materialization over the estimated timeframe for the absorption of the losses. These risks and uncertainties are in particular related to possible changes in applicable tax rules (computation of the tax result, as well as allocation rules for tax loss carry-forwards) or materialization of the assumptions selected. These uncertainties are mitigated by robustness checks of the budgetary and strategic assumptions.

At 31 December 2023, the updated projections confirm the probability that Societe Generale will be able to offset the tax losses subject to deferred tax assets against future profits.

NOTE 5.4 Deferred tax assets recognised on tax loss carry-forwards and deferred tax assets not recognised

As at 31 December 2023, based on the tax system of each franchise and a realistic projection of their tax income, the projected period for deferred tax asset recovery is indicated in the table below:

(In EURm)	31.12.2023	Statutory time limit on carryforwards	Expected recovery period
Total deferred tax assets relating to tax loss carryforwards	1,676		
o.w. French tax group	*1,572*	*Unlimited*(1)	*8 years*
o.w. US tax group	*88*	*20 years*(2)	*7 years*
others	*16*		

(1) In accordance with the 2013 Finance Law, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.
(2) Tax losses generated before December 2011.

As at 31 December 2023, deferred tax assets and liabilities not recognised on the asset side of the balance sheet concerned in particular:

(In EURm)	31.12.2023	31.12.2022
French tax group	930	520
Franchises in the United States of America	273	287
SG Singapore	80	82

For the France tax group, deferred tax assets of EUR 410 million could not be recognised at the end of December 2023, bringing the amount of unrecognised deferred tax assets in France to EUR 930 million. If tax projections improve, all or part of these deferred taxes may be recognised as deferred tax assets in future years.

In parallel, the unrecognised deferred tax assets of the US tax group decreased by EUR 49 million due to the recognition in the 2023 balance sheet of EUR 40 million deferred tax assets and a EUR -9 million foreign exchange effect.

With regard to the tax treatment of the loss caused by the actions of Jérôme Kerviel, Societe Generale considers that the judgment of the Versailles Court of Appeal of 23 September 2016 does not call into question its validity in light of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law which was recently confirmed again in this regard. Consequently, Societe Generale considers that the related tax loss remains recoverable against the future taxable income (see Note 8).

“Pillar 2”: tax reform – global minimum corporate tax rate (“globe” rules)

In October 2021, 137 of the 140 jurisdictions members of the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) committed to the principle of establishing a global minimum corporate income tax rate of 15%. A set of rules, referred to as “Pillar 2” (or “globe rules”), published by the OECD on 20 December 2021, specifies the mechanism which will apply, in the states that will adopt it, to the profits by country of multinational groups with revenues exceeding EUR 750 million.

European Directive (EU) 2022/2523 incorporating the Pillar 2 rules was adopted and published in the Official Journal of the European Union on 22 December 2022. *Article 4* of the French Finance act for 2024 incorporates the directive into French law. The minimum level of tax will take the form of an additional “top-up” tax determined according to rules compliant with the directive. Transitional Safe Harbour set out by the OECD for the first three fiscal years are also included in the law. These rules apply from 1 January 2024 to Societe Generale, as parent company of the Societe Generale group, in respect of jurisdictions where the Group operates which would present an effective tax rate calculated according the rules of Pillar 2, lower than the minimum rate of 15%.

On 7 July 2023, the French Accounting Standards Board (*Autorité des Normes Comptables, ANC*), published Regulation No. 2023-02, approved by decree of 26 December 2023, amending ANC Regulation No. 2020-01 of 6 March 2020 relating to consolidated financial statements. This regulation, which is mandatory from 31 December 2023 with prospective effect, introduces an exemption from recognition of deferred tax assets and liabilities related to the application of the OECD Pillar 2 rules. For the preparation of its annual accounts at 31 December 2023, Societe Generale applies this exemption to the recognition of deferred taxes associated with additional taxes arising from Pillar 2 rules.

A project structure has been established to analyse the provisions of the Pillar 2 European Directive and take the necessary measures to comply with them as soon as they enter into force. According to initial estimates based on the available data (in particular data from the country-by-country reports of years 2021 and 2022), the effective Pillar 2 tax rates would exceed 15% in most jurisdictions in which the Societe Generale group operates. However, there is a limited number of jurisdictions in which a top-up tax would have to be paid. To date, Societe Generale does not anticipate any material impact of this reform. Because of the calculation complexity resulting from these rules and the changes in the Societe Generale group's consolidation scope, the effects of this reform are still being examined to refine the quantification in view of the first accounting recognition of any additional tax burden in Societe Generale's financial statements in 2024.

NOTE 6 SHAREHOLDER'S EQUITY

NOTE 6.1 Changes in shareholders' equity

(In EURm)	Capital Stock	Additional paid-in-capital	Legal reserve	Retained earnings			Net income of the period	Shareholders' equity
				Special reserves	Other reserves	Retained earnings		
As at 31 December 2021	**1,067**	**21,556**	**107**	**2,097**	**1,435**	**9,699**	**1,995**	**37,956**
2021 Income Allocation	-	-	-	-	-	1,995	(1,995)	-
Increase/Decrease in capital stock	(5)	(226)	(2)	-	-	-	-	(233)
Net income of the period	-	-	-	-	-	-	(260)	(260)
Dividends paid	-	-	-	-	-	(1,371)	-	(1,371)
Other movements	-	-	-	-	-	-	-	-
As at 31 December 2022	**1,062**	**21,330**	**105**	**2,097**	**1,435**	**10,323**	**(260)**	**36,092**
2022 Income Allocation	-	-	-	-	-	(260)	260	-
Increase/Decrease in capital stock	(58)	(1,069)	(6)	-	-	-	-	(1,133)
Net income of the period	-	-	-	-	-	-	3,350	3,350
Dividends paid	-	-	-	-	-	(1,363)	-	(1,363)
Other movements	-	(1)	-	1	-	(1)	-	(1)
As at 31 December 2023	**1,004**	**20,260**	**99**	**2,098**	**1,435**	**8,699**	**3,350**	**36,35045**

During the first semester of 2023 Societe Generale proceeded a capital reduction of EUR 52 million by cancelling 41,674,813 shares, with an impact on the issue premium of EUR 858.4 million and on the legal reserve of EUR 3.6 million.

During the second semester of 2023 Societe Generale proceeded:

- a capital increase reserved for employees of EUR 15.7 million, with a EUR 205.6 million issuing premium;
- a capital reduction of EUR 22 million by cancelling 17,777,697 shares, with an impact on the issue premium of EUR 416 million and on the legal reserve of EUR 2.2 million.

As at 31 December 2023, Societe Generale's fully paid-up capital amounts to EUR 1,003,724,927.50 and comprises 802,979,942 shares with a nominal value of EUR 1.25.

The dividends distribution performed by Societe Generale in 2023 amounted to EUR 1,363 million after elimination of treasury stock dividend for EUR 11 million.

NOTE 6.2 Proposed distribution of income

At the Annual General Meeting of 22 May 2024, the Board of Directors will propose an allocation of income for the year ended 31 December 2023 and dividend distribution under the following terms:

(In EURm)	2023
Net income	3,350
Unappropriated retained earnings	8,699
TOTAL INCOME TO BE APPROPRIATED	**12,049**
Dividend	723
Retained earnings	11,326
TOTAL APPROPRIATED INCOME	**12,049**

The dividend corresponds to EUR 0.90 per share with a par value of EUR 1.25.

The amount of dividend of EUR 723 million to be paid to shareholders is calculated on the basis of an existing number of shares as at 31 December 2023.

NOTE 6.3 Net earnings per share

(In EURm)	31.12.2023	31.12.2022
Net income attributable to ordinary shareholders	**3,350**	**(260)**
Weighted average number of ordinary shares outstanding	799,315,070	822,437,425
Earnings per ordinary share (in EUR)	**4.19**	**(0.32)**
Average number of ordinary shares used in the dilution calculation[1]	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	799,315,070	822,437,425
Diluted earnings per ordinary share (in EUR)	4.37	(0.32)

(1) The number of shares used in the dilution calculation is computed using the "share buy-back" method and takes into account free shares issues and stock-option plans.

NOTE 6.4 Subordinated debt

ACCOUNTING PRINCIPLES

This item includes borrowings, whether or not in the form of securitised debt, with fixed-term or undetermined duration, which in the event of liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

Any accrued interest payable in respect of subordinated debt is recorded as related payables and as an expense in the income statement.

(In million) Issuance date	Currency	Amount issued	Maturity date	31.12.2023	31.12.2022
Undated deeply subordinated capital notes					
18 December 2013	USD	1750	Undetermined duration	-	1,641
29 September 2015	USD	1250	Undetermined duration	1,131	1,172
6 April 2018	USD	1250	Undetermined duration	1,131	1,172
4 October 2018	USD	1250	Undetermined duration	-	1,172
16 April 2019	SGD	750	Undetermined duration	514	524
12 September 2019	AUD	700	Undetermined duration	430	446
18 November 2020	USD	1500	Undetermined duration	1,358	1,406
26 May 2021	USD	1000	Undetermined duration	905	938
15 July 2022	SGD	200	Undetermined duration	137	140
22 November 2022	USD	1500	Undetermined duration	1,358	1,406
18 January 2023	EUR	1000	Undetermined duration	1,000	-
14 November 2023	USD	1250	Undetermined duration	1,131	-
SUB-TOTAL				**9,095**	**10,017**
Subordinated long-term debts and notes					
21 July 2000	EUR	78	31 July 2030	5	6
16 August 2005	EUR	226	18 August 2025	216	216
07 April 2008	EUR	250	6 April 2023	-	155
15 April 2008	EUR	321	15 April 2023	-	321
28 April 2008	EUR	50	6 April 2023	-	50
14 May 2008	EUR	90	6 April 2023	-	90
14 May 2008	EUR	50	6 April 2023	-	50
14 May 2008	EUR	150	6 April 2023	-	150
30 May 2008	EUR	79	15 April 2023	-	79
10 June 2008	EUR	300	12 June 2023	-	260
30 June 2008	EUR	40	30 June 2023	-	40
07 June 2013	EUR	1000	7 June 2023	-	1000
17 January 2014	USD	1000	17 January 2024	905	938
23 February 2018	EUR	1000	23 February 2028	-	1000
27 February 2015	EUR	1250	27 February 2025	1,250	1250
14 April 2015	USD	1500	14 April 2025	1,358	1406
15 April 2015	EUR	150	7 April 2026	150	150
10 June 2015	AUD	50	10 June 2025	31	32
12 June 2015	JPY	27800	12 June 2025	178	198
12 June 2015	JPY	2500	12 June 2025	16	18
22 July 2015	USD	50	23 July 2035	45	47
30 September 2015	JPY	20000	30 September 2025	128	142
21 October 2015	EUR	70	21 October 2026	70	70
24 November 2015	USD	1000	24 November 2025	905	938
24 November 2015	USD	500	24 November 2045	452	469

(In million) Issuance date	Currency	Amount issued	Maturity date	31.12.2023	31.12.2022
03 June 2016	JPY	15000	03 June 2026	96	107
27 June 2016	USD	500	27 June 2036	452	469
20 July 2016	AUD	325	20 July 2028	-	207
19 August 2016	USD	1000	19 August 2026	905	938
13 October 2016	AUD	150	13 October 2026	92	96
16 December 2016	JPY	10000	16 December 2026	64	71
24 January 2017	AUD	200	24 January 2029	123	127
19 May 2017	AUD	500	19 May 2027	400	414
7 March 2018	JPY	6500	7 March 2028	-	46
13 April 2018	JPY	6500	13 April 2028	-	46
17 April 2018	JPY	6500	17 April 2028	-	46
24 October 2018	JPY	13100	24 October 2028	-	93
18 April 2019	AUD	300	18 April 2034	184	191
8 July 2020	USD	500	08 July 2035	452	469
24 November 2020	EUR	1000	24 November 2030	1,000	1000
1 March 2021	USD	1000	1 March 2041	905	938
1 April 2021	EUR	1000	30 June 2031	1,000	1000
30 June 2021	JPY	7000	30 June 2031	45	49
19 July 2021	JPY	7000	12 July 2032	45	49
9 December 2021	AUD	80	9 December 2036	49	51
19 January 2022	USD	750	21 January 2043	679	703
15 June 2022	USD	1250	15 June 2033	1,131	1172
5 September 2022	EUR	500	6 September 2032	500	500
20 October 2022	JPY	10000	20 October 2032	64	71
10 January 2023	USD	1000	10 January 2053	905	0
2 June 2023	EUR	1000	2 June 2033	1,000	0
19 October 2023	JPY	5100	19 October 2033	34	0
SUB-TOTAL(1)				**15,834**	**17,928**
Related payables				**361**	**366**
TOTAL(1)(2)				**25,290**	**28,311**

(1) The Bank's global subordinated debt expense, net of tax and of the repurchase impact, amounted to EUR 1,441 million in 2023 (compared with EUR 1,326 million in 2022).

(2) Debt with related parties has been reimbursed as at 31 December 2023 (EUR 43 million as at 31 December 2022).

Societe Generale is entitled to cancel the remuneration of the perpetual subordinated debt issued.

As a general rule, subordinated debt may include an early repayment clause at the option of Societe Generale, which may take place no earlier than in its fifth year.

NOTE 7 OTHER INFORMATION

NOTE 7.1 Geographical breakdown of net banking income[1]

(In EURm)	France		Europe		Americas	
	2023	2022	2023	2022	2023	2022
Net interest and similar income[2]	4,975	2,951	294	446	463	460
Net fee income	3,407	2,407	293	322	146	114
Net income from financial transactions	1,543	4,566	1,120	1,163	(120)	(2)
Other net operating income	(402)	(246)	74	47	(2)	1
NET BANKING INCOME	**9,523**	**9,678**	**1,781**	**1,978**	**487**	**573**

(In EURm)	Asia/Oceania		Total	
	2023	2022	2023	2022
Net interest and similar income[2]	65	168	5,797	4,025
Net fee income	106	89	3,952	2,932
Net income from financial transactions	428	259	2,971	5,986
Other net operating income	2	1	(328)	(197)
NET BANKING INCOME	**601**	**517**	**12,392**	**12,746**

(1) Geographical regions in which companies recording income is located.
(2) Including dividend income and net income from lease financing and similar agreements.

NOTE 7.2 Tangible and intangible fixed assets

ACCOUNTING PRINCIPLES

Tangible or intangible fixed assets include operating premises, investment property, software, etc.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortization and impairment. The purchase price of fixed assets include borrowing costs incurred to fund a lengthy construction period, along with all other directly attributable expenses. Software created in-house is recognised for its direct cost of development, that includes external expenditure on hardware and services and personnel costs directly attributable to the production and the preparation of the asset for use.

As soon as they are ready for use, tangible assets are depreciated using a component-based approach. Each component is depreciated over its own useful life.

For operating premises and investment property, the depreciation periods of the different components are between 10 to 50 years.

Infrastructures	Major structures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Techical installations	Elevators	10-30 years
	Electrical installations	10-30 years
	Electrical generators	
	Air conditioning, extractors	
	Technical wiring	
	Securities and surveillance installations	
	Plumbing	
	Fire and safety equipment	
Fixtures and fittings	Finishing, surroundings	10 years

For the other fixed assets, depreciation periods have been defined based on the useful life of the assets considered which is generally estimated between three to twenty years.

Plant and equipment	5 years
Transport	4 years
Furniture	10-20 years
Office equipment	5-10 years
IT equipment	3-5 years
Software, developed or aquired	3-8 years
Concessions, patents, licences, etc.	5-20 years

If any, the depreciable value of each asset or component is reduced for its residual value. In the event of a subsequent decrease or increase of the residual value initially retained, the adjustment of the depreciable base shall affect the depreciation or amortisation plan of the asset prospectively.

Depreciation or amortisation allowances are recognised in the income statement under "Impairment, amortisation and depreciation".

Gains or losses on disposal of operating assets are recorded in Net gains or losses on other assets.

NOTE 7.2.1 CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

(In EURm)	31.12.2022	Effects of the merger	01.01.23	Acquisition/ Allocations	Disposals/ Reversals	Scope variation and other movements	31.12.2023
Intangible assets							
Gross book value	5,403	1,013	6,416	381	(530)	(55)	6,212
Impairment and amortisation	(3,518)	(538)	(4,056)	(364)	519	3	(3,898)
Tangible operating assets							
Gross book value	3,694	727	4,421	187	(145)	44	4,507
Impairment and depreciation	(2,601)	(532)	(3,133)	(272)	139	3	(3,263)
Tangible non-operating assets							
Gross book value	9	13	22	-	(1)	(4)	17
Impairment and depreciation	(7)	(9)	(16)	-	-	3	(13)
TOTAL	**2,980**	**674**	**3,654**	**(68)**	**(18)**	**(6)**	**3,562**

NOTE 7.2.2 NET INCOME FROM LONG-TERM INVESTMENTS

ACCOUNTING PRINCIPLES

The Net income from long-term investments items cover the capital gains or losses realised on disposals, as well as the net allocation to impairment of operating fixed assets. Income from non-operating assets is recorded under net banking income.

(In EURm)	31.12.2023	31.12.2022
Operating fixed assets:		
Gains on sale	4	17
Losses on sale	(2)	(3)
TOTAL	**2**	**14**

NOTE 7.3 Breakdown of assets and liabilities by term of maturity

(In EURm)	Outstanding as at 31 December 2023					
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Intercompany eliminations: Societe Generale Paris/branches	Total
Assets	**432,730**	**176,364**	**299,929**	**167,448**	**(215,533)**	**860,938**
Due from banks	234,975	68,789	105,982	24,862	(215,007)	219,601
Customer loans	178,151	62,387	178,427	104,730	(526)	523,169
Bonds and other debt securities:	19,604	45,188	15,520	37,856	-	118,168
Trading securities	*11,729*	*33,010*	*3,954*	*80*	-	*48,773*
Short-term investment securities	*7,491*	*9,074*	*119*	*72*	-	*16,756*
Long-term investment securities	*384*	*3,104*	*11,447*	*37,704*	-	*52,639*
Liabilities	**734,697**	**190,950**	**248,012**	**123,116**	**(215,532)**	**1,081,243**
Due to banks	242,194	85,154	158,382	64,839	(214,894)	335,675
Customer deposits	468,379	77,172	33,391	24,955	(637)	603,260
Liabilities in the form of securities issued	24,124	28,624	56,239	33,322	(1)	142,308

NOTE 7.4 Transactions in foreign currencies

ACCOUNTING PRINCIPLES

Gains and losses arising from ordinary activities in foreign currencies are recognised in the income statement. Outright forward foreign exchange transactions and those used to hedge other forward foreign exchange transactions are valued on the basis of the forward foreign exchange rate of the relevant currency for the remaining maturity. Spot and other forward foreign exchange positions are revalued on a monthly basis using official month-end spot rates. unrealized gains and losses are recognised in the income statement. premiums and discounts resulting from hedged forward foreign exchange transactions are amortized to the income statement on a straight-line basis over the remaining maturity of these transactions.

(In EURm)	31.12.2023				31.12.2022			
	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered
EUR	669,433	672,297	409,749	412,511	653,595	656,457	316,771	342,021
USD	487,942	486,300	877,179	843,198	420,317	418,187	785,562	734,925
GBP	56,194	55,818	154,087	147,493	79,238	79,213	201,577	201,147
JPY	80,104	79,589	112,298	143,530	69,360	68,777	98,327	123,035
Other currencies	95,714	95,383	511,992	529,395	107,450	107,326	472,245	477,458
TOTAL	**1,389,387**	**1,389,387**	**2,065,305**	**2,076,127**	**1,329,960**	**1,329,960**	**1,874,482**	**1,878,586**

NOTE 7.5 Establishments in non-cooperative states or territories

Since 2013, Societe Generale has defined strict internal rules to prevent developing any establishment in an extended list of countries that could become non cooperative states or territories or generate a reputational risk. Any establishment or development of new activities as part of existing operations, may only be authorised by decision of the General Management after approval by the Corporate Secretariat and the Compliance and Risk Divisions.

Since 2010, Societe Generale has decided to close (and has therefore taken the necessary steps to do so) all the Societe Generale's operations in countries and territories deemed non-cooperative by France that do not meet the criteria of the strict policy regarding tax havens established in the tax Code of Conduct. The list was updated by the Ministerial order of 3 February 2023 (published on 5 February 2023).

As of 31 December 2023, Societe Generale did not directly or indirectly own any business in the States and territories concerned.

NOTE 7.6 Table of subsidiaries and affiliates

TABLE OF SUBSIDIARIES AND AFFILIATES

(In EURk or local currency)			2023		
Company/Head Office or Establishment	Activity/Division		Registered capital *(local currency)* (1)	Shareholders' equity other than capital *(local currency)* (1)	Share of capital held *(in %)*
I - INFORMATION ON INVESTMENTS WITH A BOOK VALUE IN EXCESS OF 1% OF SOCIETE GENERALE'S SHARE CAPITAL					
A) Subsidiaries (more than 50 % owned by Societe Generale)					
SG AMERICAS SECURITIES HOLDINGS, LLC	**Brokerage**				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	1,430,976	1,803,368	100.00
SG FINANCIAL SERVICES HOLDING	**Portfolio management**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	1,641,835	214,175	100.00
SOCIETE GENERALE INTERNATIONAL LIMITED	**Brokerage and clearing**				
One Bank Street – Canary Wharf – London E14 4SG – United Kingdom	Global Banking and Investor Solutions	GBP	1,150,000	178,306	100.00
GENEFINANCE	**Portfolio management**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	1,000,000	237,567	100.00
SG KLEINWORT HAMBROS LIMITED	**Asset management**				
One Bank Street - Canary Wharf - London E14 4SG - United Kingdom	Global Banking and Investor Solutions	GBP	466,651	(74 ,961)	100.00
SOCIETE GENERALE REAL ESTATE	**Real estate and real estate financing**				
29, boulevard Haussmann – 75009 Paris – France	French Retail Banking	EUR	327,112	32,745	100.00
SOCIETE GENERALE SECURITIES JAPAN LIMITED	**Brokerage**				
1-1, Marunouchi 1-chome, Chiyoda-ku – Tokyo – Japan	Global Banking and Investor Solutions	JPY	35,765,000	40,276,000	100.00
SOGEMARCHE	**Real estate**				
17, cours Valmy – 92800 Puteaux – France	Corporate Centre	EUR	440,000	192	100.00
SOCIETE GENERALE SECURITIES SERVICES SPA	**Credit institution**				
Via Benigno Crespi, 19 A (MAC2) – 20159 Milan – Italy	Global Banking and Investor Solutions	EUR	111,309	257,406	100.00
FIDITALIA SPA	**Consumer finance**				
Via Guglielmo Silva n°34 – 20149 Milan – Italy	International Retail Banking and Financial Services	EUR	130,000	289 ,919	100.00
SALINGER S.A.	**Portfolio management**				
2, rue Hildegard von Bingen – Luxembourg – Luxembourg	Global Banking and Investor Solutions	EUR	100	313,552	100.00
BANCO SOCIETE GENERALE BRASIL S/A	**Investment banking**				
Avenida Paulista, 2300 – Cerqueira Cesar – 01310-300 – Sâo Paulo – SP – Brasil	Global Banking and Investor Solutions	BRL	2,956,929	(1,264,558)	100.00
SOCIETE GENERALE (CHINA) LIMITED	**International retail banking**				
F15, West Tower Genesis, 8 Xinyuannan Street – Chaoyang District – 100027 Beijing – China	Global Banking and Investor Solutions	CNY	4,000,000	355,598	100.00

(1) *For foreign subsidiaries and affiliates, shareholders' equity is booked in the Group consolidated financial statements in their consolidated reporting currency.*
(2) *For banking and finance subsidiaries, revenue refers to net banking income.*
(3) *Financial statements not yet audited for French companies.*

2023							
Book value of shares held		Unreimbursed loans and advances made by the Company *(in EUR)*	Guarantees given by the Company *(in EUR)*	Revenue excluding tax for the last financial year *(local currency)* (1)(2)(3)	Net income (gain or loss) for the last financial year *(local currency)* (1)(3)	Dividends received by the Company during the year *(in EUR)*	Remarks
Gross *(in EUR)*	Net *(in EUR)*						Revaluation differences
2,970,450	2,970,450	0	0	631,132	238,845	0	1 EUR = 1.105 USD
2,136,144	2,136,144	2,078,521	0	879,221	876,162	1,135,269	
1,606,373	1,606,373	3,727,963	1,562,927	310,884	156,870	224,437	1 EUR = 0.86905 GBP
1,076,025	1,076,025	416,075	0	111,237	156,458	246,000	
605,985	605,985	0	0	184,653	43,021	138,656	1 EUR = 0.86905 GBP
586,505	586,505	0	0	45,342	44,903	34,445	
496,958	496,958	291,070	382	26,663,000	5,220,000	24,945	1 EUR = 156.33 JPY
460,400	460,400	0	0	27,277	6,025	2,300	
745,062	419,691	0	100,000	157,843	42,822	0	
340,974	340,974	3,929,320	0	251,901	78,489	36,002	
315,184	315,184	0	0	5,222	5,120	0	
915,615	283,251	0	2,859	232,033	27,682	0	1 EUR = 5.3618 BRL
414,836	255,570	196,947	0	406,249	122,840	0	1 EUR = 7.8509 CNY

(In EURk or local currency)

Company/Head Office or Establishment	Activity/Division	2023	Registered capital *(local currency)* (1)	Shareholders' equity other than capital *(local currency)* (1)	Share of capital held *(in %)*
SOGECAMPUS	**Real estate**				
17, cours Valmy – 92800 Puteaux – France	Corporate Centre	EUR	241,284	45,199	100.00
SOCIETE GENERALE CAPITAL CANADA INC.	**Brokerage**				
1501 Avenue McGill College – Suite 1800 H3A 3M8 – Montreal -Canada	Global Banking and Investor Solutions	CAD	345,042	94,172	100.00
GENEGIS I	**Office space**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	192,900	14,309	100.00
SOCIETE GENERALE ALGERIE	**International retail banking**				
Residence EL KERMA – Gue de Constantine, Wilaya d'Alger – 16105 – Algeria	International Retail Banking and Financial Services	DZD	20,000,000	33,405,656	100.00
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	**Office space**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	76,627	3 ,228	100.00
SG SECURITIES KOREA CO, LTD	**Business consulting**				
24th Floor, D1 D-Tower, 17 Jong-ro 3-gil, Jongno-gu – Seoul – South Korea	Global Banking and Investor Solutions	KRW	205,500,000	157,275,930	100.00
SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	**Office space**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	120,030	216,051	100.00
SG AMERICAS, INC.	**Investment banking**				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	0	396,759	100.00
SG VENTURES	**Portfolio management**				
17, cours Valmy – 92800 Puteaux – France	Corporate Centre	EUR	94,421	(2,626)	100.00
SG SECURITIES (SINGAPORE) PTE. LTD.	**Brokerage**				
8 Marina Boulevard – #12-01 – Marina Bay financial Centre Tower 1 – 018981 – Singapore – Singapore	Global Banking and Investor Solutions	SGD	99,156	6,403	100.00
ETOILE CAPITAL	**Portfolio management**				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	50,400	12,672	100.00
STAR LEASE	**Rental and Real Estate Lease**				
59, boulevard Haussmann – 75008 Parris – France	French Retail Banking	EUR	55,000	96,767	100.00
SG FACTORING SPA	**Factoring**				
Via Trivulzio n. 7 – 20146 Milan – Italy	Global Banking and Investor Solutions	EUR	11,801	37,323	100.00
ORPAVIMOB	**Real estate and real estate financing**				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	44,253	6,588	100.00

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(2) For banking and finance subsidiaries, revenue refers to net banking income.
(3) Financial statements not yet audited for French companies.

2023							
Book value of shares held		Unreimbursed loans and advances made by the Company	Guarantees given by the Company	Revenue excluding tax for the last financial year	Net income (gain or loss) for the last financial year	Dividends received by the Company during the year	Remarks
Gross *(in EUR)*	Net *(in EUR)*	*(in EUR)*	*(in EUR)*	*(local currency)* (1)(2)(3)	*(local currency)* (1)(3)	*(in EUR)*	Revaluation differences
241,284	241,284	72,707	0	23,310	2,697	0	
235,156	235,156	0	0	58,457	19,251	0	1 EUR = 1.4642 CAD
196,061	196,061	14,335	0	222,135	(5,019)	3,086	
180,626	180,626	0	42,535	26,524,526	8,597,476	36,992	1 EUR = 148.4472 DZD
155,837	155,837	0	0	390	400	1,622	
143,489	143,489	0	0	89,698,100	22,868,510	0	1 EUR = 1433.66 KRW
119,992	119,992	55,000	0	10,508	(43,865)	0	
							capital = 1 USD
1,573,453	111,633	0	0	(2,929)	(2,824)	0	1 EUR = 1.105 USD
94,421	94,421	0	0	(6,679)	(6,984)	0	
103,058	72,479	0	0	28,769	13,354	22,493	1 EUR = 1.4591 SGD
57,977	57,977	0	0	(3,127)	(4,024)	5,320	
55,000	55,000	1,566,409	119,869	0	10,991	0	
46,100	46,100	1,271,594	2,350,000	14,366	5,054	0	
44,253	44,253	0	0	12,218	2,528	4,155	

(In EURk or local currency)		2023			
Company/Head Office or Establishment	**Activity/Division**		**Registered capital** *(local currency)* (1)	**Shareholders' equity other than capital** *(local currency)* (1)	**Share of capital held** *(in %)*
SG AMERICAS OPERATIONAL SERVICES LLC (SGAOS)	**Transversal services company**				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	716	68,757	100.00
SOCIETE GENERALE SECURITIES AUSTRALIA PTY LTD	**Brokerage on equity markets**				
Level 25, 1-7 Bligh Street – NSW 2000 – Sydney – Australia	Global Banking and Investor Solutions	AUD	100,000	(42,723)	100.00
SG AUSTRALIA HOLDINGS LTD	**Portfolio management**				
Level 25, 1-7 Bligh street – NSW 2000 – Sydney – Australia	Global Banking and Investor Solutions	AUD	19,500	695	100.00
SOGELEASE B.V.	**Leasing and financing**				
Amstelplein 1 – 1096 HA Amsterdam – 1090 GB – Amsterdam – Netherland	Global Banking and Investor Solutions	EUR	2,269	7,966	100.00
SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG KONG)	**Investment banking**				
Level 38, Three Pacific Place, 1 Queen's Road East, Hong-Kong	Global Banking and Investor Solutions	USD	154,972	148,394	100.00
SOCIETE GENERALE EQUIPMENT FINANCE SA	**Portfolio management**				
17, cours Valmy – 92800 Puteaux – France	International Retail Banking and Financial Services	EUR	201,397	12,520	100.00
SOCIETE GENERALE SFH	**Credit institution**				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	375,000	355,373	100.00
BOURSORAMA SA	**Online banking**				
44, rue Traversiere – 92100 Boulogne-Billancourt – France	French Retail Banking	EUR	51,171	759,428	100.00
SOCIETE GENERALE IMMOBEL	**Online banking**				
Rue des Colonies 11 – 1000 Bruxelles – Belgique	French Retail Banking	EUR	18,562	2,005	100.00
SOCIETE GENERALE SCF	**Mortgages**				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	150,000	160,701	100.00
VALMINVEST	**Office space**				
29 boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	248,877	13,535	100.00
SOCIETE GENERALE SECURITIES SERVICES HOLDING	**Portfolio management**				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	12,487	66	100.00
SOCIETE DE LA RUE EDOUARD VII	**Office space**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	11,396	1,733	100.00

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(3) *Financial statements not yet audited for French companies.*

2023							
Book value of shares held		Unreimbursed loans and advances made by the Company	Guarantees given by the Company	Revenue excluding tax for the last financial year	Net income (gain or loss) for the last financial year	Dividends received by the Company during the year	Remarks
Gross *(in EUR)*	Net *(in EUR)*	*(in EUR)*	*(in EUR)*	*(local currency)* (1)(2)(3)	*(local currency)* (1)(3)	*(in EUR)*	Revaluation differences
42,365	42,365	0	0	7,209	38,827	0	1 EUR = 1.105 USD
62,745	31,218	101,457	245,957	10,546	(4,714)	0	1 EUR = 1.6263 AUD
12,033	11,872	0	0	35,767	28,913	16,450	1 EUR = 1.6263 AUD
18,000	10,301	508,664	0	(579)	(892)	0	
146,513	146,513	219,028	0	438,240	133,509	153,514	1 EUR = 1.105 USD
281,549	281,549	603,146	0	23,895	37,543	58,800	
375,000	375,000	107,151	54,889,499	648,603	73,988	0	
1,468,841	1,468,841	10,193,432	0	387,997	35,362	0	
18,561	18,561	0	0	970	602	1,103	
150,000	150,000	0	16,711,845	35,874	21,851	0	
249,427	249,427	0	0	16,972	10,185	9,303	
237,555	12,553	355	0	0	-37	0	
59,634	23,698	0	0	0	152	0	

(In EURk or local currency)		2023			
Company/Head Office or Establishment	**Activity/Division**		**Registered capital** *(local currency)* (1)	**Shareholders' equity other than capital** *(local currency)* (1)	**Share of capital held** *(in %)*
PAYXPERT SERVICES LIMITED	**Enterprise Support Services Delivery**				
30, Churchill place – E14 5RE – London – United Kingdom	International Retail Banking and Financial Services	EUR	0	12,181	99.72
SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	**Investment banking**				
One Bank Street - Canary Wharf - London E14 4SG - United Kingdom	Global Banking and Investor Solutions	GBP	157,819	117,410	98.96
SOGEFINANCEMENT	**Retail banking**				
53, rue du Port – CS 90201 – 92724 Nanterre Cedex – France	French Retail Banking	EUR	13,966	1,418,538	95.96
SOCIETE GENERALE MAURITANIE	**International retail banking**				
Ilot A N°652 – Nouakchott – Mauritania	International Retail Banking and Financial Services	MRU	1,000,000	(401,015)	95.50
TREEZOR	**Electronic money institution**				
33, Avenue de Wagram – 75017 Paris – France	Corporate Centre	EUR	5,308	0	95.35
SHINE	**Online banking**				
5, rue Charlot - 75003 Paris - France	French Retail Banking	EUR	4	(33,050)	93.97
BANQUE DE POLYNESIE	**Retail banking**				
355, boulevard Pomare, BP 530, 98713 Papeete – Ile de Tahiti – French Polynesia	International Retail Banking and Financial Services	XPF	1,380,000	9,463,934	72.10
SOCIETE GENERALE DE BANQUES EN COTE D'IVOIRE	**International retail banking**				
5/7, avenue Joseph Anoma – Abidjan – Ivory Coast	International Retail Banking and Financial Services	XOF	15,555,555	283,038,430	71.84
ALD	**Automobile leasing and financing**				
1-3, rue Eugene et Armand Peugeot – Le Corosa – 92500 Rueil Malmaison- France	International Retail Banking and Financial Services	EUR	1 ,225 ,441	5,842,755	68.97
KOMERCNI BANKA A.S	**International retail banking**				
Na Prikope 33 – Building Register number 969 – P rague 1 – Czech Republic	International Retail Banking and Financial Services	CZK	19,004,926	89,277,295	60.35
BRD – GROUPE SOCIETE GENERALE	**International retail banking**				
B-dul Ion Mihalache Nr 1 7 – Sector 1 – Bucarest – Roumania	International Retail Banking and Financial Services	RON	696,902	7,312,744	60.17
SOCIETE GENERALE CAMEROUN	**International retail banking**				
78, Avenue Joss – Douala – Cameroon	International Retail Banking and Financial Services	XAF	12,500,000	101,473,250	58.08
SG MAROCAINE DE BANQUES	**International retail banking**				
55 boulevard Abdelmoumen – 20100 – Casablanca – Morocco	International Retail Banking and Financial Services	MAD	2,152,500	10,914,075	57.67

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(3) *Financial statements not yet audited for French companies.*

2023							
Book value of shares held		Unreimbursed loans and advances made by the Company *(in EUR)*	Guarantees given by the Company *(in EUR)*	Revenue excluding tax for the last financial year *(local currency)* (1)(2)(3)	Net income (gain or loss) for the last financial year *(local currency)* (1)(3)	Dividends received by the Company during the year *(in EUR)*	Remarks
Gross *(in EUR)*	Net *(in EUR)*						Revaluation differences
33,600	33,600	0	0	182	(934)	0	
190,995	190,995	2,684,164	0	6,199	3,410	0	1 EUR = 0.86905 GBP
1,434,258	1,434,258	7,462,418	0	327,833	66,028	277,309	
20,361	20,361	0	0	1,424,958	260,089	0	1 EUR = 43.42265 MRU
72,925	72,925	0	0	0	0	0	
131,311	131,311	0	0	31,993	(12,913)	0	
46,100	46,100	376	162,688	8,200,015	2,094,445	3,754	1 EUR = 119.33174 XPF
30,504	30,504	64,179	39,926	243,815,157	100,376,305	37,904	1 EUR = 655.957 XOF
1,947,662	1,947,662	2,299,365	0	1,557,583	1,437,697	455,428	
1,421,255	1,421,255	5,369,618	484,168	34,739,343	15,336,814	292,724	1 EUR = 24.724 CZK
216,023	216,023	1,227,138	32,387	3,721,322	1,643,004	77,751	1 EUR = 4.9756 RON
16,940	16,940	0	29,813	98,676,393	25,750,257	10,307	1 EUR = 655.957 XAF
143,847	143,847	365,332	75,800	5,207,316	1,317,768	18,307	1 EUR = 10.91095 MAD

(In EURk or local currency)		2023			
Company/Head Office or Establishment	**Activity/Division**		**Registered capital** *(local currency)* (1)	**Shareholders' equity other than capital** *(local currency)* (1)	**Share of capital held** *(in %)*
GENEFIM	**Real estate lease finance**				
29, boulevard Haussmann – 75009 Paris – France	French Retail Banking	EUR	72,779	20,547	57.62
UNION INTERNATIONALE DE BANQUES	**International retail banking**				
65, avenue Habib Bourguiba – Tunis – Tunisia	International Retail Banking and Financial Services	TND	172,800	504,097	52.34
B) Affiliates (10% to 50% owned by Societe Generale)					
ANTARIUS	**Insurance company**				
Tour D2 – 17, bis place des Reflets – 92919 Paris la Defense Cedex – France	International Retail Banking and Financial Services	EUR	514,060	40,868	50.00
TRANSACTIS	**Payment**				
1, Boulevard des Bouvets – 92000 – Nanterre – France	Global Banking and Investor Solutions	EUR	46 ,498	861	50.00
SOCIETE SERVICES FIDUCIAIRES	**Pooling of connected machines**				
3, rue du Général Compans – 93500 Pantin – France	International Retail Banking and Financial Services	EUR	39 ,000	0	33.33
SA SOGEPARTICIPATIONS	**Portfolio management**				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	411,267	307,101	24.58
SOCIETE GENERALE CALEDONIENNE DE BANQUE	**Retail banking**				
44, rue de l'Alma 98848 Noumea cedex – New Caledonia	International Retail Banking and Financial Services	XPF	1,068,375	17,425,448	20.60
SICOVAM HOLDING	**Portfolio management**				
18, rue Lafayette – 75009 – Paris – France	Corporate Centre	EUR	10 ,264	885,624	17.90
CREDIT LOGEMENT	**Credit institution**				
50, boulevard Sebastopol – 75003 Paris – France	Corporate Centre	EUR	1,259,850	216,337	16.50
CAISSE DE REFINANCEMENT DE L'HABITAT	**Housing loan refinancing**				
3, rue de la Boetie – 75008 Paris – France	Corporate Centre	EUR	578,384	25,450	16.19

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(3) *Financial statements not yet audited for French companies.*

2023							
Book value of shares held		Unreimbursed loans and advances made by the Company *(in EUR)*	Guarantees given by the Company *(in EUR)*	Revenue excluding tax for the last financial year *(local currency)* [1][2][3]	Net income (gain or loss) for the last financial year *(local currency)* [1][3]	Dividends received by the Company during the year *(in EUR)*	Remarks
Gross *(in EUR)*	Net *(in EUR)*						Revaluation differences
89,846	89,846	2,874,353	0	37,762	26,138	0	
153,211	153,211	0	69,716	537,781	119 ,779	4,074	1 EUR = 3.39375 TND
257,407	257,407	0	0	925,972	65,208	69,719	
23,474	23,474	66,999	0	164,406	(133)	0	
13,000	13,000	0	0	0	0	0	
234,000	234,000	766,931	0	218,168	219,509	6,065	
16,266	16,266	110,162	0	9,642,194	2,571,851	4,497	1 EUR = 119.33174 XPF
46,100	46,100	0	0	41,123	40,600	19,863	
209,888	209,888	219,920	0	457,650	103,746	18,886	
62,703	62,703	0	0	423,496	3,521	0	

TABLE OF SUBSIDIARIES AND AFFILIATES (CONTINUED)

(In EURk)	Book value of shares held: Gross	Book value of shares held: Net	Unreimbursed loans and advances made by the Company	Guarantees given by the Company	Dividends received during the year	Remarks	
II – INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES							
A) Subsidiaries not included in paragraph 1:							
1°) French subsidiaries	98,619	63,770	8,270,359	952,338	5,760	Revaluation difference:	0
2°) Foreign subsidiaries	266,440	60,231	1,363,211	227,915	23,447	Revaluation difference:	1,447
B) Affiliates not included in paragraph 1:							
1°) French companies	19,963	15,024	0	0	2,043	Revaluation difference:	0
2°) Foreign companies	9,794	6,687	0	67,032	2,662	Revaluation difference:	0

NOTE 8 INFORMATION ON RISKS AND LITIGATION

Every quarter, Societe Generale reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the Bank, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale will not fail to assert its rights before the competent courts. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.
- Between 2003 and 2008, Societe Generale set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey and in the UK against Societe Generale. In the action brought by Societe Generale against Goldas in the UK, Goldas applied to have the action of Societe Generale struck-out and applied to the UK court for damages. On 3 April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. On 15 May 2018, the London Court of Appeal discharged entirely the inquiry into damages granted by the London High Court to Goldas but rejected Societe Generale's arguments relating to service of the claims issued against Goldas, which are therefore time-barred. On 18 December 2018, the Supreme Court refused permission to appeal to both Societe Generale and Goldas, which has therefore become definitive. On 16 February 2017, the Paris Commercial Court dismissed Societe Generale's claims against its insurers. Societe Generale filed an appeal against the Paris Commercial Court's decision. On 1 February 2023, the Paris Court of Appeals confirmed this decision. Societe Generale filed an appeal before the Supreme Court against this decision.
- In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing. To support this reform (known as EIC – *Échange d'Images Chèques*), which has contributed to the improvement of cheque payments security and to the fight against fraud, the Banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.

  On 20 September 2010, the French competition authority ruled that the joint implementation and the setting of the amount of the CEIC and of two additional fees for related services were in breach of competition law. The authority fined all the participants to the agreement (including the Banque de France) a total of approximately EUR 385 million of penalties. On 2 December 2021, after several years of proceedings and two decisions of the Supreme Court, the Paris Court of Appeal overturned the decision of the French competition authority and ruled that (i) it was not proven that the establishment of the CEIC and the fees for related services on AOCT (cancellation of wrongly cleared transactions) as well as their collection had infringed the provisions of Article L. 420-1 of the French Commercial Code and of Article 101 of the Treaty on the Functioning of the European Union and, (ii) that its decision was giving rise to a right of restitution of the sums paid in execution of the overturned decision, namely approximatively EUR 53.5 million for Societe Generale and approximatively EUR 7 million for Crédit du Nord, together with interests at the legal rate. On 31 December 2021, the French competition authority filed an appeal before the Supreme court against this decision. The Supreme Court dismissed this appeal by a decision of 28 June 2023, putting a definitive end to this litigation.
- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS") entered into an agreement to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates. On 21 February 2023, the Receiver and the Official Stanford Investors Committee ("OSIC") filed a motion in US District Court for the Northern District of Texas seeking approval of the settlement. The settlement provides for the payment by SGPBS of USD 157 million in exchange for the release of all claims. During the 7 June 2023 hearing, the Court granted the Receiver's motion to approve the settlement. This order is now subject to an appeal. The settlement amount that SGPBS must pay is fully covered by reserves in the accounts of Societe Generale S.A. following a financial guarantee provided by Societe Generale S.A. to SGPBS. Each of the other defendant banks in this litigation also announced settlements in the first quarter of 2023 with the US Receiver and OSIC resolving their claims. These settlements were reached in advance of a jury trial that had been scheduled to start on 27 February 2023 (which ultimately did not take place).

In the same matter, a pre-contentious claim (*requête en conciliation*) was initiated in Geneva in November 2022 by the Joint Liquidators of Stanford International Bank Limited ("SIBL"), appointed by the courts in Antigua, representing the same investors as those represented by the US plaintiffs. SGPBS was served with the statement of claim on 20 June 2023 and will defend itself against the claims in this proceeding.

- Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter") and the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter, the Bank continues to defend civil proceedings in the United States (as described below) and has responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

  In the United States, Societe Generale, along with other financial institutions, has been named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale has also been named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions are pending in the US District Court in Manhattan (the "District Court").

  As to US Dollar Libor, all claims against Societe Generale were dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that were effectively stayed. The class plaintiffs and a number of individual plaintiffs appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit ("Second Circuit"). On 30 December 2021, the Second Circuit reversed the dismissal and reinstated the antitrust claims. These reinstated claims which have been returned to the District Court include those asserted by a proposed class of over-the-counter (OTC) plaintiffs and by OTC plaintiffs that have filed individual actions. On 21 June 2022, the US Supreme Court denied a petition filed by Societe Generale and other defendants that sought review of the Second Circuit's ruling. Discovery is ongoing. The stayed putative class actions were voluntarily dismissed by plaintiffs on 10 August 2022 and 26 October 2023. On 9 January 2023, the claims against Societe Generale by one of the individual plaintiffs, National Credit Union Administration (as Liquidating Agent for certain credit unions) which included the stayed individual action referred to above, were voluntarily dismissed with prejudice. On 12 May 2023, Societe Generale and two other financial institutions entered into a settlement agreement to resolve the OTC class action for a combined USD 90 million. Societe Generale's portion of this settlement was fully covered by reserves. On 17 October 2023, the District Court granted final settlement approval.

  As to Japanese Yen Libor, the District Court dismissed the complaint brought by purchasers of Euroyen over-the-counter derivative products. On 1 April 2020, the Second Circuit reversed the dismissal and reinstated the claims. On 30 September 2021, the District Court dismissed certain plaintiffs and all Racketeer Influenced and Corrupt Organizations Act claims but upheld certain federal antitrust and New York state law claims against Societe Generale. On 11 January 2024, plaintiffs and Societe Generale entered into a binding settlement term sheet. The settlement is covered by reserves. The settlement remains subject to Court approval. Discovery in that action is ongoing. In the other action, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange on 27 September 2019, plaintiff filed a motion for class certification. On 25 September 2020, the District Court granted defendants' motion for judgment on the pleadings and dismissed plaintiff's remaining claims. Plaintiff appealed to the Second Circuit. On 18 October 2022, as amended on 8 December 2022, the Second Circuit affirmed the District Court's dismissal of plaintiff's claims. On 2 October 2023, the US Supreme Court denied a petition filed by plaintiff that sought review of the Second Circuit's ruling. As a result, the action is now concluded.

  As to Euribor, the District Court dismissed all claims against Societe Generale in the putative class action and denied the plaintiffs' motion to file a proposed amended complaint. Plaintiffs have appealed those rulings to the Second Circuit. Societe Generale reached a settlement of this action in an amount covered by reserves. Shortly thereafter, on 21 November 2022, the Second Circuit stayed plaintiffs' appeal as to Societe Generale and remanded that portion of the case to the District Court for consideration of the proposed settlement. On 31 October 2023, the District Court granted final settlement approval. As a result, this action is now concluded.

  In Argentina, Societe Generale, along with other financial institutions, has been named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concern violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Societe Generale has not yet been served with the complaint in this matter.

- Societe Generale, along with several other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the Commodities Exchange Act (CEA) in connection with foreign exchange spot and derivatives trading. The action was brought by persons or entities that transacted in certain over-the-counter and exchange-traded foreign exchange instruments. Societe Generale reached a settlement of USD 18 million, which was approved by the Court on 6 August 2018. On 7 November 2018, a group of individual entities that elected to opt out of the settlement filed a lawsuit against Societe Generale, and several other financial institutions. The discovery phase is on going for Societe Generale and the remaining co-defendants. On 11 November 2020, Societe Generale was named, along with several other banks, in a UK action alleging collusion in the market for FX instruments. The action was subsequently transferred to the Competition Appeal Tribunal. By orders dated 17 May 2023 and 23 May 2023 respectively, the US and UK actions were dismissed. These actions are now concluded.

- On 10 December 2012, the French Supreme Administrative Court (*Conseil d'État*) rendered two decisions confirming that the "*précompte* tax" which used to be levied on corporations in France does not comply with EU law and defined a methodology for the reimbursement of the amounts levied by the tax authorities. However, such methodology considerably reduces the amount to be reimbursed. Societe Generale purchased in 2005 the "*précompte* tax" claims of two companies (Rhodia and Suez, now Engie) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts.
- Several French companies applied to the European Commission, which considered that the decisions handed down by the *Conseil d'État* on 10 December 2012, which were supposed to implement the decision rendered by the European Union Court of Justice (EUCJ) on 15 September 2011, breached a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by referring the matter to the EUCJ on 8 December 2016. The EUCJ rendered its judgement on 4 October 2018 and sentenced France on the basis that the *Conseil d'État* disregarded the tax on EU sub-subsidiaries in order to secure the *précompte* paid erroneously and failed to raise a preliminary question before the EUCJ. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Engie on our 2002 and 2003 Suez claims, and ordered a financial enforcement in our favour. The Court held that the advance payment (*précompte*) did not comply with the Parent-Subsidiary Directive. Further to proceedings brought before the *Conseil d'État*, the latter ruled that a question should be raised before the EUCJ in order to obtain a preliminary ruling on this issue. The EUCJ has confirmed on 12 May 2022 that the *précompte* did not comply with the Parent-Subsidiary Directive. The *Conseil d'État*, by an Engie judgment of 30 June 2023 took note of this incompatibility and confirmed the decision held by the Administrative Court of Appeal of Versailles with respect to the 2002 year, but referred the examination of the 2003 year to this same Court, which confirmed on 9 January 2024 the partial relief granted by the administration in the course of the proceedings. In parallel, a compensation litigation in relation to the Rhodia claim and the Suez claims (between 1999 and 2001) was brought in March 2023 before the European Commission and the Paris Administrative Court of Appeal, further to the negative judgements issued by the *Conseil d'État* in 2012 (Rhodia) and 2016 (Suez).
- Societe Generale, along with other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for USD 50 million. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate *inter alia* to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

  Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.
- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately USD 150 million of which USD 55 million from Societe Generale. The Societe Generale entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the Bankruptcy Court for further proceedings. The Societe Generale defendants filed a motion to dismiss on 29 April 2022. The motion was denied by order dated 7 October 2022. Discovery is proceeding.

- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss. By order entered 30 March 2023, the court granted Societe Generale's motion to dismiss. Plaintiffs have appealed.
- On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in a similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss the amended complaint on 19 March 2021, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss, which was granted by the court on 23 January 2023. Plaintiffs have appealed.

  On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The case was stayed pending developments in Pujol I. At the parties' request, following dismissal of Pujol I, the court lifted the stay on Pujol II and entered an order dismissing the case for the same reasons it dismissed Pujol I. Plaintiff has appealed.
- In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or CHF-indexed loans issued by Euro Bank. The reserve in this matter in Societe Generale SA's accounts takes into consideration the increase in the number of court cases regarding the loans subject of the sale and the substance of the decisions handed down by Polish courts.
- Like other financial institutions, Societe Generale is subject to audits by the tax authorities regarding its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017, 2018, 2019 and 2020 audited years are subject to notifications of proposals of tax adjustments in respect of the application of a withholding tax. These proposals are contested by the Group. Given the significance of the matter, on 30 March 2023, the French Banking Federation has brought proceedings against the tax administration's doctrine. In this respect, on 8 December 2023, the French *Conseil d'État* ruled that the tax authorities may not extend the dividend withholding tax beyond its statutory scope, except if taxpayers engaged in an abusive behavior (*abus de droit*), thereby characterizing the tax administration's position based on the concept of beneficial owner as illegal. In addition, further to raids conducted by the *parquet national financier* at the end of March 2023 at the premises of five banks in Paris, among which Societe Generale, the latter has been informed that it was subject to a preliminary investigation pertaining to the same issue. Societe Generale is defending the action.
- On 19 August 2022, a Russian fertiliser company, EuroChem North West-2 ("EuroChem"), a wholly owned subsidiary of EuroChem AG, filed a claim against Societe Generale S.A. and its Milan branch ("Societe Generale") before English courts. This claim relates to five on-demand bonds that Societe Generale issued to EuroChem in connection with a construction project in Kingisepp, Russia. On 4 August 2022, EuroChem made demands under the guarantees. Societe Generale explained it was unable to honour the claims due to international sanctions directly impacting the transactions, an assessment which EuroChem disputes. Societe Generale filed its defence submissions on 1 November 2022, to which EuroChem replied on 19 December 2022. A case management conference ("CMC") was held on 26 September 2023, in the course of which the court set the procedural timetable. As of the date of this update, the Parties' disclosures are due by the end of April 2024 and the trial (if any) is expected to take place in June 2025.
- SG Americas Securities, LLC ("SGAS") received a request for information in December 2022 from the US Securities and Exchange Commission ("SEC") focused on compliance with record-keeping requirements in connection with business-related communications on messaging platforms that were not approved by the firm. On 28 March 2023, SGAS and Societe Generale received a similar request from the US Commodity Futures Trading Commission ("CFTC"). These inquiries follow a number of regulatory settlements in 2022 with other firms covering similar matters. SGAS reached a settlement with the SEC, announced on 8 August 2023, and agreed to pay a penalty of USD 35 million, take certain remedial actions, and engage an independent compliance consultant. Societe Generale and SGAS reached a settlement with the CFTC, also announced on 8 August 2023, and agreed to pay a penalty of USD 75 million and take certain remedial actions.

6.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the Annual General Meeting of Société Générale,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Société Générale for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Internal Control Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on specific items of the financial statements.

ASSESSMENT OF IMPAIRMENT AND PROVISIONS FOR CUSTOMER LOANS

Risk identified	Our response
Customer loans and receivables carry a credit risk which exposes your company to a potential loss if its client or counterparty is unable to meet its financial commitments. Your company recognizes impairment and provisions to cover this risk. The accounting principles used for the measurement of individual impairment, on the one hand, and collective provisions, on the other, are set out in Note 2.6 "Impairment and provisions" to the financial statements. The amount of the collective provisions for credit risk is calculated on the basis of non-downgraded performing loans and downgraded performing loans, respectively. These collective provisions are determined using statistical models requiring the exercise of judgment at the various stages in the calculation, particularly in the context of uncertainty relating to the geopolitical and economic situation. In addition, your company uses judgment and makes accounting estimates to measure the level of individual impairment for doubtful loans. As at December 31, 2023, outstanding loans to clients exposed to credit risk totaled M€ 376,146; total impairment amounted to M€ 2,556 and total provisions amounted to M€ 2,018. We consider the measurement of impairment and provisions relating to customer loans to be a key audit matter as they require Management to exercise judgment and make estimates, particularly concerning the economic sectors and geographical areas most seriously weakened by the crisis.	Our work focused on the most significant loans and customer loan portfolios, as well as the most vulnerable economic sectors and geographical areas, in particular, loans linked to Russia and sectors weakened by inflation and rising interest rates. After including credit risk management experts in our audit team, our audit work included: ▪ obtaining an understanding of Société Générale's governance and internal control relating to the assessment of the credit risk and the measurement of the expected losses, and testing the key manual and automated controls; ▪ assessing, with the support of economists from our firms, the relevance of the macro-economic projections and the weighting of scenarios used by your company; ▪ analyzing the main parameters used by your company to measure the collective provisions as at December 31, 2023; ▪ assessing the capacity of model and parameter adjustments as well as sectoral adjustments to adequately cover the credit risk level in the context of the economic crisis; ▪ assessing, using data analysis tools, the measurement of the collective provisions on a sample of portfolios; ▪ testing, on a selection of the most significant loans to corporate clients, the main criteria used to classify loans as doubtful, as well as the assumptions used to estimate the related individual impairment. We also analyzed the information on credit risk in the evolving context of the pandemic disclosed in Notes 1.4 "Use of estimates and judgment", 2.3 "Loans and receivables" and 2.6 "Impairment and provisions" to the financial statements.

RECOVERABILITY OF DEFERRED TAX ASSETS IN FRANCE

Risk identified	Our response
As at December 31, 2023, deferred tax assets on loss carryforwards were recorded in the amount of M€ 1,676, including M€ 1,572 for the tax group in France. As stated in Note 5 "Taxes" to the financial statements, your company calculates deferred taxes at the level of each tax entity and recognizes deferred tax assets at the closing date when it is considered probable that the tax entity concerned will have future taxable profits against which temporary differences and tax loss carryforwards can be offset, within a given timeframe. As at December 31, 2023, this timeframe is eight years for the tax group in France. In addition, as stated in Notes 5 "Taxes" and 8 "Information on risks and litigation" to the financial statements, certain tax loss carryforwards are challenged by the French tax authorities and are therefore liable to be called into question. Given the importance of the assumptions used to assess the recoverability of the deferred tax assets in France, notably on future taxable profits, and of the judgment exercised by Management in this respect, we considered this issue to be a key audit matter.	Our audit approach consisted in assessing the probability that your company will be able to use in the future its tax loss carryforwards generated to date, in particular in view of its ability to generate future taxable profits in France. After including tax specialists in our audit team, our procedures mainly consisted in: ▪ comparing the projected results of the previous years with the actual results of the corresponding fiscal years, so as to assess the reliability of the tax business plan development process; ▪ obtaining an understanding of the budget for 2024 drawn up by Management and approved by the Board of Directors, as well as the assumptions underlying the projections over the 2024-2027 timeframe, which take into account the expected impacts of operations known at the closing date (in particular, the merger of the France networks or the acquisition of Leaseplan); ▪ assessing the relevance of the methods used to extrapolate the tax results after the 2024-2027 timeframe; ▪ assessing the assumptions used to analyze sensitivity in the event of adverse scenarios defined by the Société Générale group; ▪ analyzing the sensitivity of the recovery period for tax losses under different scenarios we created; ▪ analyzing the situation of your company, notably by taking note of the opinions of its external tax advisers regarding its tax loss carryforwards in France, partly challenged by the tax authorities. We also analyzed the information provided by your company, concerning deferred tax assets, disclosed in Notes 1.4 "Use of estimates and judgment", 5 "Taxes" and 8 "Information on risks and litigation" to the financial statements.

VALUATION OF COMPLEX FINANCIAL INSTRUMENTS

Risk identified	Our response
Within the scope of its market activities, your company holds financial instruments for trading purposes. As at December 31, 2023, M€ 174,734 are recorded in this respect under assets on your company's balance sheet. To determine the fair value of these instruments, your company uses techniques or in-house valuation models. As stated in Note 2.2 "Operations on forward financial instruments" to the financial statements, if necessary, these valuations include discounts calculated according to the relevant instruments and associated risks. In the absence of available market data or market valuation models, the models and data used to value these instruments may, for example, be based on Management's judgment and estimates. Given the complexity of the modelling in determining the fair value, the multiplicity of models used, and the use of Management's judgment in determining these fair values, we consider the valuation of complex financial instruments to be a key audit matter.	Our audit approach is based on the key internal control processes related to the valuation of complex financial instruments. After including financial instrument valuation specialists in our audit team, our procedures consisted in: ■ obtaining an understanding of the procedure to authorize and validate new products and their valuation models, including the process for the entry of these models in the information systems; ■ analyzing the governance set up by the Risk Department for the control of the valuation models; ■ analyzing the valuation methodologies for certain categories of complex instruments and the related reserves or value adjustments; ■ testing the key controls relating to the independent verification of the valuation parameters, and evaluating the reliability of the market parameters used to provide input for the valuation models with reference to external data; ■ as regards the process used to explain the changes in fair value, obtaining an understanding of the bank's analysis principles and performing tests of controls on a sample basis. In addition, we performed "analytical" IT procedures on the control data relating to certain activities; ■ obtaining the quarterly results of the model independent validation process; ■ obtaining the quarterly results of the valuation adjustment process based on external market data, and analyzing the differences in parameters with the market data in the event of a significant impact, and the accounting treatment of such differences. Where external data is absent, we assessed the existence of reserves or the non-materiality of the associated issues; ■ performing counter-valuations of a selection of complex derivative financial instruments using our tools. We also analyzed the compliance of the methods underlying the estimates and the principles described in Note 2.2 "Operations on forward financial instruments" to the financial statements.

IT RISK RELATING TO MARKET ACTIVITIES

Risk identified	Our response
The Market Activities of the Global Banking & Investor Solutions division (GBIS) constitute an important activity, as illustrated by the significance of the financial instruments positions in Note 2.2 "Operations on forward financial instruments" to the financial statements. This activity is highly complex given the nature of the financial instruments processed, the volume of transactions, and the use of numerous interfaced information systems. The risk of occurrence of a significant misstatement in the accounts related to an incident in the data processing chains used or the recording of transactions until their transfer into the accounting system may result from: ■ changes made to management and financial information by unauthorized persons via the information systems or underlying databases; ■ a failure in processing or in the transfer of data between systems; ■ a service interruption or an operating incident which may or may not be related to internal or external fraud. Furthermore, in a context of widespread home working and an increasing number of malicious acts, your company is exposed to risks relating to the opening up of information systems to allow remote access to transaction processing applications. To ensure the reliability of the accounts, it is therefore essential for your company to master the controls relating to the management of the information systems. In this context, the IT risk relating to the Market Activities of the GBIS division constitutes a key audit matter.	Our audit approach for this activity is based on the controls related to the management of the information systems set up by your company. After including information system specialists in our audit team, we tested the IT general controls of key applications that we considered to be key for this activity. Our work mainly consisted in assessing: ■ the controls set up by your company on access rights, especially at sensitive periods in a professional career (recruitment, transfer, resignation, end of contract) with, where applicable, extended procedures in the event of anomalies identified during the financial year; ■ potential privileged access to applications and infrastructure; ■ change management relating to applications, and more specifically the separation between development and business environments; ■ security policies in general and their deployment in IT applications (for example, those related to passwords); ■ handling of IT incidents during the audit period; ■ governance and the control environment on a sample of applications. For these same applications, and in order to assess the transfer of information flows, we tested the key application controls relating to the automated interfaces between the systems. In addition, our tests on the general IT and application controls were supplemented by data analysis procedures on certain IT applications. We also evaluated the governance implemented by your company to ensure the resilience of the information systems faced with cyber risks. Our work consisted in interviewing the bank's security teams and studying the reports from the cybersecurity teams as well as any incidents occurring during the period.

ASSESSMENT OF THE LEGAL OR TAX RISKS RELATING TO REGULATORY OR ARBITRATION PROCEEDINGS INVOLVING THE GROUP

Risk identified	Our response
Société Générale is a party to various legal actions, particularly civil, administrative and criminal proceedings as indicated in Notes 2.6.6 "Other provisions for contingencies and losses" and 5.2 "Tax provisions" to the financial statements. Other provisions for contingencies and losses amounted to M€ 967 and included in particular provisions for litigation and tax provisions which totaled M€ 11 as of December 31, 2023. As indicated in Note 8 "Information on risks and litigation" to the financial statements, legal disputes presenting a material risk are analyzed on a quarterly basis to assess the need to record provisions or adjust the amount of raised provisions. Given the complexity of certain proceedings, the significant amount of management judgment in assessing the risks and the financial repercussions for your Group, we consider the accounting treatment of legal disputes to be a key audit matter.	After including tax experts in our audit team, our approach mainly consisted in: ■ obtaining an understanding of the process set up by your company to assess provisions for litigation; ■ conducting interviews with the group's legal and tax departments and the functions affected by the ongoing proceedings to monitor the development of the main legal proceedings and ongoing investigations conducted by legal and tax authorities and regulators; ■ obtaining and analysing available documentation such as management's position and the memos of the Group's legal and tax advisors; ■ requesting confirmation from the lawyers in charge of the most significant proceedings; ■ assessing the assumptions used to determine the need for and the amount of provisions raised, in particular on the basis of information gathered from the group's external advisers involved in the relevant cases; ■ assessing the appropriateness of the information provided in the notes to the financial statements.

VALUATION OF EQUITY SECURITIES, OTHER LONG-TERM SECURITIES AND SHARES IN AFFILIATED COMPANIES

Risk identified	Our response
Equity securities, shares in affiliated companies and other long-term securities are recognized in the balance sheet for a net carrying amount value of €24 billion (including €3.2 billion in impairment). As stated in Note 2.1 "Securities portfolio" to the financial statements, securities are recognized at their purchase price excluding acquisition costs. Your company must ascertain whether there is any indication that the securities may be impaired, and notably whether such impairment is taken into account in the forecasts made and the variables used to discount the resulting flows. The comparison of the net carrying amount of the securities with their recoverable amount is an essential factor in assessing the need for a potential impairment. As stated in Note 2.6.5 "Impairment of securities" to the financial statements, the recoverable amount is assessed at the value in use determined, for each security, with reference to a valuation method based on available information such as equity, profitability or the average stock market price of the last three months (for listed securities). Given the importance of the sensitivity of the models used to data variations and the assumptions on which the estimates are based, we consider the measurement of equity securities, other long-term securities and shares in affiliated companies to be a key audit matter.	Our audit approach is based on gaining an understanding of the control procedures concerning (i) impairment testing of equity securities, other long-term securities and shares in affiliated companies and (ii) the drawing up of the business plans in place at the level of each entity to understand future changes in your company's structure and activities, and identify any indicators of impairment of these assets. After including valuation specialists in our audit team, our work mainly consisted in: ■ assessing, on a sample basis, the justification of the valuation methods and the figures used by Management to calculate values in use; ■ analyzing the consistency of the business plans drawn up by the entities' finance departments on the basis of our understanding of the activities and projected results from previous financial years, in order to assess the reliability of the drawing-up of the business plans; ■ critically analyzing the main assumptions and parameters used with regard to the available internal and external information (macro-economic scenarios, financial analyst consensus); ■ evaluating the sensitivity analyses of the results to the key parameters, notably via comparison with multiples; ■ testing, via sampling, the arithmetic accuracy of the value-in-use calculations used by your Company. Lastly, we analyzed the information concerning equity securities, other long-term securities and shares in affiliated companies disclosed in Notes 1.4 "Use of estimates and judgment", 2.1 "Securities portfolio" and 2.6.5 "Impairment of securities" to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS ADDRESSED TO SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders except for the matter described below.

We have the following matter to report regarding the fair presentation and consistency with the financial statements of the information relating to payment deadlines referred to in Article D. 441-6 of the French Commercial Code: as stated in the management report, this information does not include bank and other related operations as your Company considers that such operations fall outside the scope of disclosable information.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to remunerations and benefits received by or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, the identity of the shareholders and holders of the voting rights and the cross-shareholdings has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Société Générale by your Annual General Meeting held on April 18, 2003 for Deloitte & Associés and on May 22, 2012 for Ernst & Young et Autres.

As of December 31, 2023, Deloitte & Associés and Ernst & Young et Autres were in their twenty-first year and twelfth year of total uninterrupted engagement, respectively.

Previously, Ernst & Young Audit had been statutory auditor of Société Générale from 2000 to 2011.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Internal Control Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- dentifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT AND INTERNAL CONTROL COMMITTEE

We submit a report to the Audit and Internal Control Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Internal Control Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Internal Control Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Internal Control Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 11, 2024

The Statutory Auditors

DELOITTE & ASSOCIES		ERNST & YOUNG et Autres	
Jean-Marc Mickeler	Maud Monin	Micha Missakian	Vincent Roty

7

SHARE, SHARE CAPITAL AND LEGAL INFORMATION

7.1 THE SOCIETE GENERALE SHARE

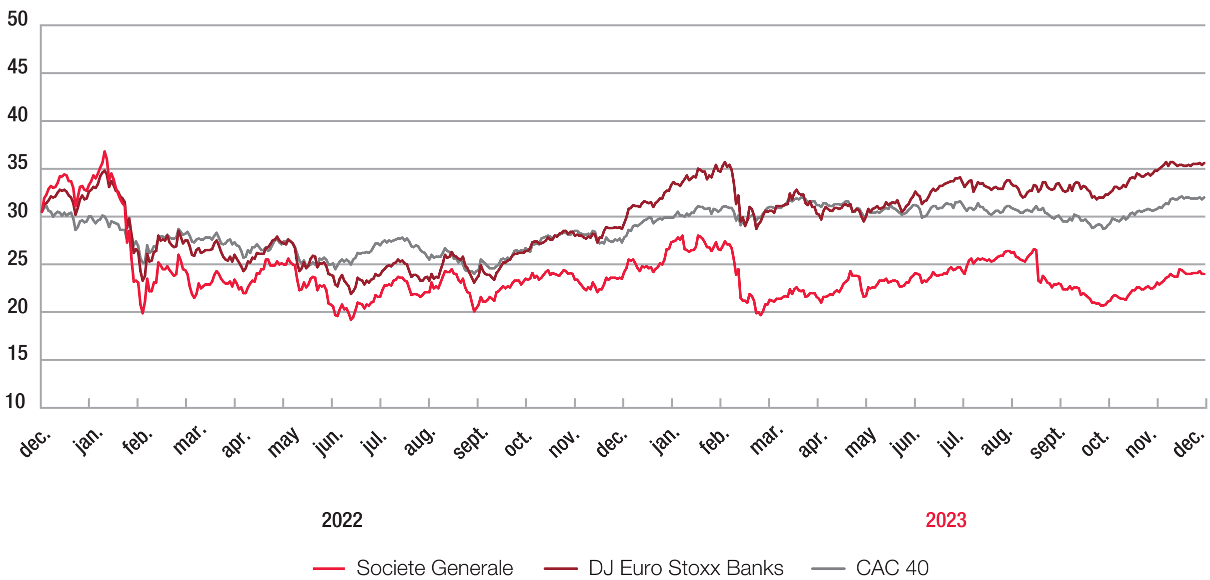
7.1.1 STOCK MARKET PERFORMANCE

Societe Generale's share price increased by 2.3% between 31 December 2022 and 31 December 2023, closing at EUR 24.03 at 31 December 2023. This performance can be compared over the same period to an increase of 23.5% for the eurozone bank index (DJ EURO STOXX BANK) and to an increase of 16.5% for the CAC 40 index.

At 31 December 2023, Societe Generale Group's market capitalisation stood at EUR 19.3 billion and is ranked 31st among CAC 40 stocks (28th at 31 December 2022), 28th in terms of free float (26th at 31 December 2022) and 12th among eurozone banks (12th at 31 December 2022).

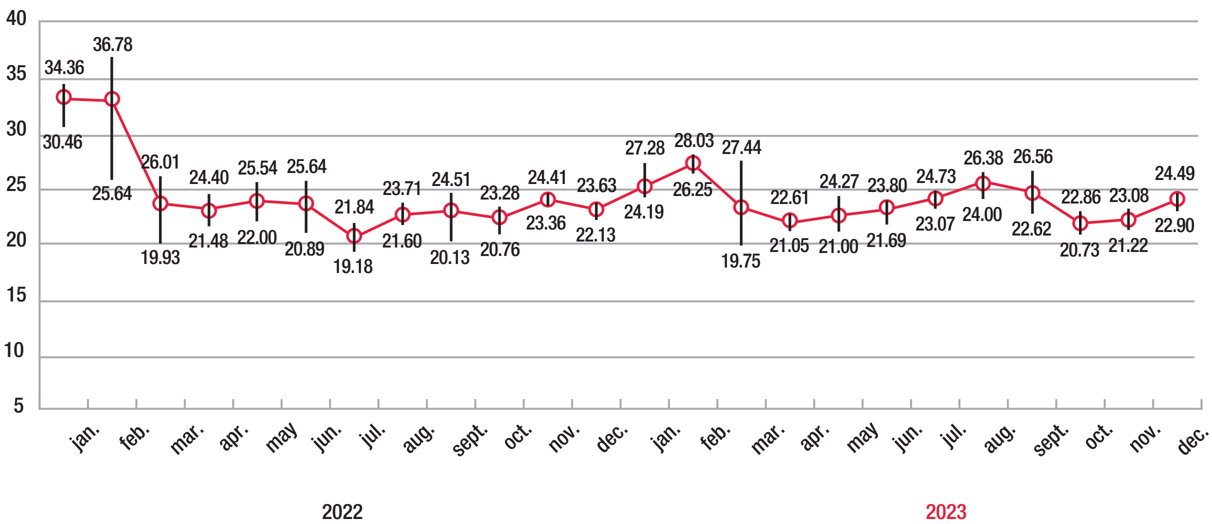
The market for the Group's shares remained highly liquid in 2023, with an average daily trading volume of EUR 90 million, representing a daily capital rotation ratio of 0.47% (versus 0.52% in 2022). In value terms, Societe Generale's shares were the 13th most actively traded stocks on the CAC 40 index.

SHARE PERFORMANCE (BASE: SOCIETE GENERALE SHARE PRICE AT 31 DECEMBER 2021)



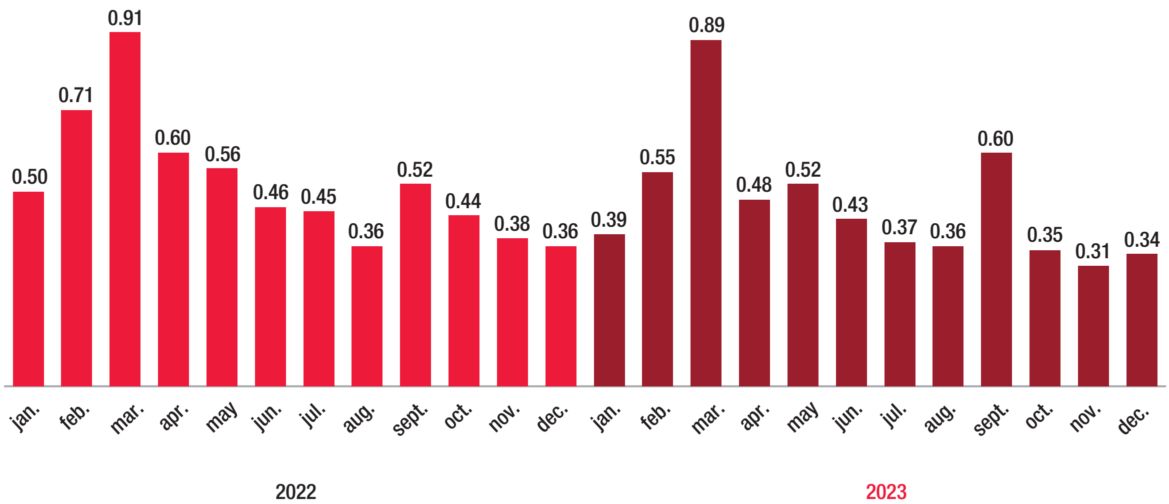
Source: Thomson Reuters Eikon

MONTHLY CHANGE IN SHARE PRICE (AVERAGE MONTHLY PRICE IN EURO)



Source: Thomson Reuters Eikon

TRADING VOLUMES (AVERAGE DAILY TRADING VOLUMES AS A PERCENTAGE OF CAPITAL)



Source: Thomson Reuters Eikon.

7.1.2 TOTAL RETURN* FOR SHAREHOLDERS

The following table shows the cumulative and annualised average total return on investment for Societe Generale shareholders over different time periods ending 31 December 2023.

Duration of shareholding	Date	Cumulative total return*	Annualised average total return*
Since privatisation	8 July 1987	599.6%	5.5%
15 years	31 December 2008	21.9%	1.3%
10 years	31 December 2013	-10.2%	-1.1%
5 years	31 December 2018	10.9%	2.1%
4 years	31 December 2019	-9.2%	-2.4%
3 years	31 December 2020	65.4%	18.3%
2 years	31 December 2021	-8.7%	-4.5%
1 year	31 December 2022	10.1%	10.1%

**Total return = capital gain + net dividend reinvested in shares.*

Source: Thomson Reuters Eikon

7.1.3 STOCK EXCHANGE LISTING

The Societe Generale share is listed on the Paris Stock Exchange (deferred settlement market, continuous trading group A, ISIN code FR0000130809) and is also traded in the United States under an American Depository Receipt (ADR) programme (SCGLY).

7.1.4 STOCK MARKET INDICES

The Societe Generale share is a component stock of the CAC 40, STOXX All Europe 100, EURO, Euronext 100, MSCI PAN EURO, FTSE4Good Global and ASPI Eurozone indices.

7.1.5 2023 SHAREHOLDER DISTRIBUTION

The Board of Directors of Societe Generale, which met on 7 February 2024, decided to propose a cash dividend of EUR 0.90 per share to the Joint General Meeting of 22 May 2024. The dividend detachment will take place on 27 May 2024 and payment will occur from 29 May 2024.

The Group is planning to launch a share buyback programme totalling approximately EUR 280 million, i.e. the equivalent of EUR 0.35 per share. The implementation of the buyback programme is conditional on receiving the usual approvals.

7.1.6 HISTORY OF SHAREHOLDER DISTRIBUTION

	2023	2022	2021	2020	2019
Net dividends *(in EUR/share)*	0.90[6]	1.70[5]	1.65[4]	0.55[3]	-
Share buyback *(EUR/share equivalent)*	0.35[6]	0.55[5]	1.10[4]	0.55[3]	-
Payout ratio *(%)*[1]	41%	36.9	50	-	-
Net yield *(%)*[2]	5.2	9.6	9.1	-	-

(1) Since 2023, the distribution is calculated on the basis of the Group Net Income restated from the interest on deeply and undated subordinated notes and non-cash items that have no impact on the CET 1 ratio.

(2) Based on closing price at end-December.

(3) 2020 shareholder distribution of 1.10 euro per share, including a dividend in cash of 0.55 euro per share and a share buyback programme equivalent to EUR 0.55 per share. The dividend per ordinary share and the pay-out rate were fixed on the basis of the 2019 and 2020 results restated for items not affecting the CET1 ratio, pursuant to European Central Bank's recommendations. On this basis, the pay-out ratio is 14.2%.

(4) 2021 shareholder distribution of 2.75 euros per share including a dividend in cash of 1.65 euro per share and a share buyback programme, for around EUR 915 million, equivalent to EUR 1.10 per share.

(5) 2022 shareholder distribution of 2.25 euros per share including a dividend in cash of 1.70 euro per share and a share buyback programme, equivalent to EUR 0.55 per share, ~440 MEUR.

(6) Proposed 2023 shareholder distribution of 1.25 euros per share including a dividend in cash of 0.90 euro per share (subject to the General Meeting on 22 May 2024) and a share buyback programme, equivalent to EUR 0.35 per share, ~280 MEUR (conditional on receiving the usual approvals).

Stock market data	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Share capital *(number of outstanding shares)*	802,979,942	849,883,778	853,371,494	853,371,494	853,371,494
Market capitalisation *(In EURbn)*	19.3	20.0	25.8	14.5	26.4
Earnings per share *(In EUR)*	2.17	1.50*	5.97	-1.01	3.05
Book value per share at year-end *(In EUR)*	71.45	71.14*	68.72	62.36*	63.70
Share price *(In EUR)*					
high	28.03	36.8	30.3	31.9	31.4
low	19.75	19.2	15.4	10.9	21.1
closing	24.03	23.5	30.2	17.0	31.0

** Amounts restated compared with the financial statements published.*

7.2 INFORMATION ON SHARE CAPITAL

7.2.1 SHARE CAPITAL

At 1 Janvier 2024, Societe Generale's paid-up share capital amounted to EUR 1,003,724,927.50 and comprised 802,979,942 shares with a nominal value of EUR 1.25 per share.

As part of the Group's capital market activities, transactions may be carried out involving indices or underlying assets with a Societe Generale share component. These transactions do not have an impact on the Group's future capital.

7.2.2 SHARE BUYBACKS AND TREASURY SHARES

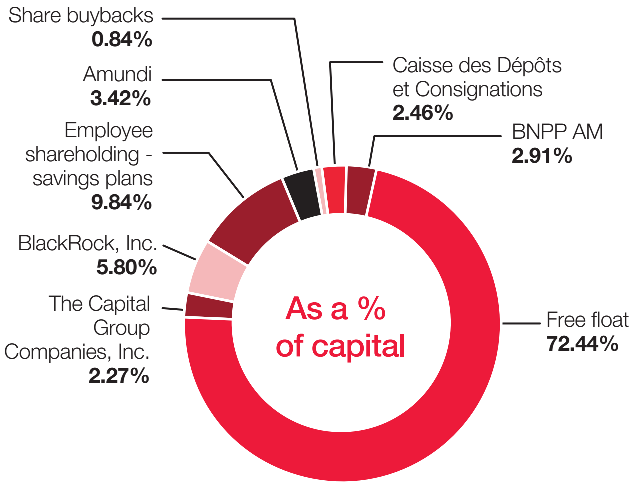
At 31 December 2023, Societe Generale held 6,736,010 shares under its share buyback programme, representing 0.84% of its capital.

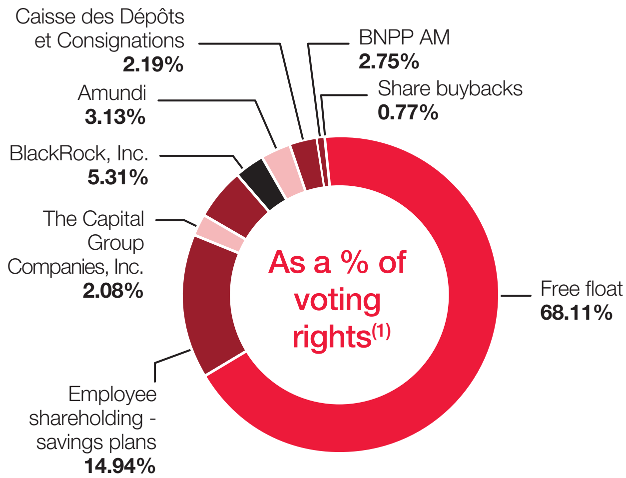
7.2.3 BREAKDOWN OF CAPITAL AND VOTING RIGHTS OVER THREE YEARS

	31.12.2023(1)				31.12.2022(2)			31.12.2021(3)		
	Number of shares	% of capital	% of voting rights(4)	% of voting rights exercisable at GM(4)	Number of shares	% of capital	% of voting rights(4)	Number of shares	% of capital	% of voting rights(4)
Employee shareholding - savings plans(5)	79,044,623	9.84%	14.94%	15.06%	67,397,757	7.93%	13.20%	56,760,755	6.65%	11.90%
BlackRock, Inc.	46,608,395	5.80%	5.31%	5.36%	64,827,548	7.63%	7.00%	60,585,876	7.10%	6.51%
The Capital Group Companies, Inc.	18,250,599	2.27%	2.08%	2.10%	13,723,111	1.61%	1.48%	65,313,266	7.65%	7.02%
Amundi	27,485,814	3.42%	3.13%	3.16%	45,673,838	5.37%	4.93%	43,050,669	5.04%	4.63%
Caisse des Dépôts et Consignations	19,792,309	2.46%	2.91%	2.93%	18,582,218	2.19%	2.62%	18,650,371	2.19%	2.62%
BNPP AM	23,399,058	2.91%	2.75%	2.77%	20,558,422	2.42%	2.22%	16,556,646	1.94%	1.78%
Free float	581,663,134	72.44%	68.11%	68.63%	570,383,868	67.11%	63.28%	570,211,343	66.82%	63.14%
Share buybacks	6,736,010	0.84%	0.77%	0.00%	48,737,016	5.73%	5.26%	22,242,568	2.61%	2.39%
TOTAL	**802,979,942**	**100%**	**100%**	**100%**	**849,883,778**	**100%**	**100%**	**853,371,494**	**100%**	**100%**
Calculation base		802,979,942	877,042,414	870,306,404		849,883,778	926,181,244		853,371,494	929,955,234

(1) At 31 December 2023, the share of European shareholders in the capital is estimated at 43 %.
(2) At 31 December 2022, the share of European institutional shareholders in the capital was estimated at 41%.
(3) At 31 December 2021, the share of European institutional shareholders in the capital was estimated at 45%.
(4) In accordance with Article 223-11 of the AMF's General Regulations, while voting rights are attached to share buybacks and treasury shares to calculate the total number of voting rights, but these shares do not give the right to vote at General Meetings.
(5) Since January 1, 2021, the voting rights relating to the Société Générale shares included in the FCPE "Société Générale Actionnariat (Fonds E)" are exclusively exercised individually by the unitholders and for the fractional units forming fractional rights, by the Supervisory Board of this fund.

The table above lists the shareholders which have issued a legal threshold-crossing declaration and those who have recently issued a statutory threshold-crossing declaration (since 19 May 2020).





(1) From 2006 and in accordance with Article 223-11 of the AMF's General Regulations, while voting rights are attached to share buybacks and treasury shares to calculate the total number of voting rights, but these shares do not give the right to vote at General Meetings.

7.2.4 SHARE BUYBACKS

The General Meeting of 23 May 2023 authorised the Company to buy or sell its own shares with a view to (i) cancelling bought-back shares, (ii) granting, covering and honouring any free share allocation plan, employee savings plan and any form of allocation for the benefit of employees and company officers of the Company or affiliated companies, (iii) granting shares when rights attached to convertible securities are exercised, (iv) holding and subsequently using shares in exchange or as payment for acquisitions, and executing a liquidity contract.

Share buyback programme, excluding liquidity contract

During 2023, Societe Generale purchased:

- 17,777,697 shares (EUR 440.5 million) for the purpose of cancelling them. The share buyback took place from 7 August to 22 September 2023 included, for an average price of 24.78 euros;
- 1,724,707 shares (EUR 44.5 million) in order to cover and honour the free share allocation plan for the benefit of employees and company officers. The share buyback took place from 2 January to 17 February 2023 included, for an average price of EUR 25.80.

The transaction fees amounted to EUR 1.5 million.

The detailed and aggregated transactions are available on the Group website under Chapter 6, "Regulated information".

Under the Group's shareholder return policy, on 1 February 2023 Societe Generale performed a capital reduction by cancelling 41,674,813 of its own shares (EUR 914.1m), and performed a further capital reduction on 17 November 2023 by cancelling 17,777,697 of its own shares (EUR 440.5m). The cancellation of these treasury shares followed on from the share buybacks that were carried out for cancellation purposes. The buybacks took place from 8 August to 15 December 2022 inclusive and from 7 August to 22 September 2023 inclusive.

Liquidity contract

Under the liquidity contract implemented on 22 August 2011, Societe Generale acquired 1,145,812 shares in 2023, for a value of EUR 26.4 million and sold 1,145,812 shares with a value of EUR 26.4 million.

The liquidity contract was temporarily suspended from 2 January to 17 February 2023, and later from 7 August to 22 September 2023 throughout the share buyback period.

At 31 December 2023, the liquidity contract held 0 shares.

SUMMARY TABLE AT 31 DECEMBER

	Purchases			Transfers/Disposals				
From 1 January to 31 December 2023	**Number**		**Purchase price**	**Number**		**Purchase price**		**Disposal/ transfer price**
Cancellation	17,777,697	24.78	440,509,652	59,452,510	22.79	1,354,641,403		
Acquisitions				509	22.97	11,691		
Allocation to employees and company officers	1,724,707	25.80	44,500,924	2,050,391	29.64	60,777,968		
Liquidity contract	1,145,812	23.03	26,387,569	1,145,812	23.03	26,387,569	23.05	26,407,021
TOTAL	**20,648,216**	**24.77**	**511,398,145**	**62,649,222**	**23.01**	**1,411,818, 631**	**23.05**	**26,407,021**

Percentage of capital held directly or indirectly	**0.84%**
Number of shares cancelled over the last 24 months	75,699,572
Number of shares held directly	6,736,010
Book value of shares held directly	193,842,561 EUR
Market value of shares held directly(1)	161,832,640 EUR

(1) The current value is equal to the average share price of the last month for available-for-sale listed securities.

At 31.12.20223	**Number of shares**	**Nominal value** *(in EUR)*	**Book value** *(in EUR)*
Societe Generale*	6,736,010	8,420,013	193,842,561
TOTAL	**6,736,010**	**8,420,013**	**193,842,561**

* *O/w zero shares were held under the liquidity contract at 31 December 2023.*

7.2.5 INFORMATION ON SHARE CAPITAL

Operation	Date of record or completion	Change	Number of shares	Share capital *(In EUR)*	Change in share capital resulting from operation *(%)*
Increase through the exercise of the option for the payment of dividends in shares	recorded on 12 June 2019	+39,814,909	847,732,648	1,059,665,810.00	+4.93
Increase through 2019 Company Savings Plan	recorded on 1 August 2019	+5,638,846	853,371,494	1,066,714,367.50	+0.67
Cancellation of treasury shares	recorded on 1 February 2022	(16,247,062)	837,124,432	1,046,405,540	-1.90
Increase through 2022 Company Savings Plan	recorded on 18 July 2022	+12,759,346	849,883,778	1,062,345,722.50	+1.52
Cancellation of treasury shares	recorded on 1 February 2023	(41,674,813)	808,208,965	1,010,261,206.25	-4.90
Increase through 2023 Company Savings Plan	recorded on 24 July 2023	+12,548,674	820,757,639	1,025,947,048.75	+1.55
Cancellation of treasury shares	recorded on 17 November 2023	(17,777,697)	802,979,942	1,003,724,927.50	-1.73

In 2023, the Board of Directors approved the principle of a Global Employee Share Ownership Plan for the second consecutive year.

7.2.6 SUMMARY STATEMENT OF TRANSACTIONS REFERRED TO IN ARTICLE L. 621-18-2 OF THE MONETARY AND FINANCIAL CODE

Summary statement published in compliance with Article 223–26 of the AMF General Regulation. For each person whose first and last names are given below, the transactions described include, where applicable, those reported by persons closely associated with that person.

	Type of transaction	Date	Amount *(In EUR)*
Philippe AYMERICH Deputy Chief Executive Officer	Acquisition of 8,392 Societe Generale shares	31.03.2023	-
Béatrice COSSA-DUMURGIER Director	Acquisition of 1,000 Societe Generale shares	25.09.2023	22,998.70
Claire DUMAS Chief Financial Officer	Acquisition of 3,569 Societe Generale shares	31.03.2023	-
Ulrika EKMAN Director	Acquisition of 600 Societe Generale shares	19.09.2023	13,635.00
Diony LEBOT Deputy Chief Executive Officer	Acquisition of 9,636 Societe Generale shares	31.03.2023	-
Frédéric OUDÉA Chief Executive Officer	Acquisition of 15,096 Societe Generale shares	31.03.2023	-
Sébastien PROTO Deputy General Manager	Acquisition of 9,187 Societe Generale shares	31.03.2023	-
Benoît de RUFFRAY Director	Acquisition of 1,500 Societe Generale shares	19.09.2023	34,087.50

7.2.7 EXISTING AGREEMENTS BETWEEN SOCIETE GENERALE AND ITS SHAREHOLDERS

On 24 July 2000, Societe Generale entered into an agreement with Santander Central Hispano (which became "Banco Santander") relating to the management of their cross-holdings. According to this agreement, Societe Generale and Santander Central Hispano each grant the other party a pre-emptive right to the shares held, directly or through a subsidiary, by each of the parties in the share capital of the other, although this right does not apply in the event of a public tender offer initiated by a third party for the shares of either party.

When it was initally signed, the duration of the agreement was three years, following which it has been subsequently renewed every two years.

This pre-emptive clause was published by the French Financial Markets Council (*Conseil des marchés financiers*) in Decision No. 201C1417 dated 30 November 2001. The agreement was still in force on 31 December 2023. However, at this date, Banco Santander no longer held any shares in Societe Generale and Societe Generale no longer held any shares in Banco Santander.

7.3 ADDITIONAL INFORMATION

7.3.1 GENERAL INFORMATION

Name

Societe Generale

Registered office

29, boulevard Haussmann, 75009 Paris (FranceFrance)

Administrative office

17, cours Valmy, 92972 Paris-La Défense (France)

Postal address: Societe Generale, 17, cours Valmy, CS50318, 92972 Paris La Défense Cedex

Telephone number: +33 (0)1 42 14 20 00

Website: *www.societegenerale.com.* The information on the website does not form part of the Universal Registration Document.

Legal form

Societe Generale is a public limited company (*société anonyme*) established under French law that has the status of a credit institution.

Governing law

Societe Generale is a public limited company (*Société anonyme*) governed by French commercial legislation, in particular by Articles L. 210-1 *et seq.* of the French Commercial Code, as well as by its By-laws.

Société Générale is a credit institution under French law authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"), under the direct prudential supervision of the European Central Bank ("ECB"). As a company whose securities are admitted to trading on a regulated market and an investment services provider, Société Générale is also subject to supervision by the Autorité des Marchés Financiers ("AMF").

Societe Generale is authorised to carry out all banking transactions and provide all investment services except for the investment service of operating a multilateral trading facility (MTF) or an organised trading system (OTF). It is subject to the laws and regulations specific to the financial sector, in particular the provisions of the applicable European regulations, the articles of the Monetary and Financial Code and, where applicable, to local law provisions, in particular for its branches. It is also subject to compliance with a certain number of prudential rules and, as such, to the controls of the ECB, as well as of the ACPR in respect of the latter's sphere of competence.

Date of incorporation and lifetime

Societe Generale was incorporated following a deed approved by decree dated 4 May 1864. The lifetime of Societe Generale, previously set at fifty years from 1 January 1899, was subsequently extended for ninety-nine years from 1 January 1949.

It will cease to exist on 31 December 2047, unless extended or dissolved early.

Corporate purpose

Article 3 of the Company's By-laws describes the corporate purpose. Pursuant to the conditions determined by the laws and regulations applicable to credit institutions, the purpose of Societe Generale is to carry out with individuals or legal entities, in France and abroad:

- all banking transactions;
- all transactions related to banking operations, including in particular investment services or related services referred to in Articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code;
- all acquisitions of interests in other companies.

Societe Generale may also, on a regular basis, engage in all transactions other than those mentioned above, in particular insurance brokerage, as defined in the conditions set by the regulations in effect.

In general, Societe Generale may carry out, on its own behalf, on behalf of a third party or jointly, all financial, commercial, industrial or agricultural, security or property transactions, directly or indirectly related to the abovementioned activities or likely to facilitate their execution.

Identification

552 120 222 RCS PARIS

ISIN code (International Securities Identification Number): FR 0000130809

NAF (trade sector) code: 6419Z

LEI (Legal Entity Identifier): O2RNE8IBXP4R0TD8PU41

Corporate documents

Documents relating to the Company and in particular its By-laws, its accounts, the reports submitted to its General Meetings by the Board of Directors or the Statutory Auditors, are available at Tours Société Générale, 17 cours Valmy, 92972 Paris-La Défense (France).

The By-laws of Societe Generale are posted on the website under the Board of Directors tab.

Financial year

From 1 January to 31 December of each year.

Categories of shares and attached rights

Under Article 4 of the Company's By-laws, the share capital is divided into 802,979,942 fully paid-up shares with a nominal value of EUR 1.25.

Double voting rights

In accordance with Article 14 of the Company's By-laws, double voting rights are allocated, in relation to the amount of share capital represented by the shares in question, to all shares which are fully paid-up and which have been registered in the name of the same shareholder for at least two years from 1 January 1993, as well as to any new registered shares that may be freely allocated to a shareholder, in the event of a capital increase by incorporation of reserves, profits or premiums, on the basis of shares benefiting from this right.

According to the law, double voting rights cease for shares which have been converted into bearer form or if ownership of the shares is transferred. Nevertheless, transfer through inheritance, liquidation of marital assets, donation *inter vivos* to a spouse or a direct relative entitled to inherit, does not result in the loss of rights and does not affect the minimum two-year vesting period. The same applies, unless otherwise stated in the Company's By-laws, in case of transfer following a merger or a spin-off of a shareholder company. The amendment to the regulations of Fund E as at 1 January 2021 has no effect on the calculation of the double voting rights of the shares in Fund E's assets.

Restriction on voting rights

In accordance with Article 14 of the Company's By-laws, the number of votes at General Meetings to be used by one shareholder, either personally or through a proxy, may not exceed 15% of the total voting rights existing at the date of the Meeting. This 15% limit does not apply to the Chairman or any other proxy with respect to the total number of voting rights they hold on a personal basis and in their capacity as proxy, provided that each proxy complies with the 15% rule. For the purposes of applying this 15% limit, shares held by a single shareholder include shares held indirectly or jointly in accordance with the conditions described in Articles L. 233-7 *et seq.* of the French Commercial Code. This limit ceases to apply when a shareholder comes to hold, following a public tender offer, either directly or indirectly or jointly with another shareholder, more than 50.01% of the Company's voting rights.

Disclosure of statutory threshold crossings

In accordance with the provisions of Article 6.2 of the Company's By-laws, any person, acting on his own or in concert, who comes to hold directly or indirectly, in any manner whatsoever, a number of shares representing at least 1.5% or 3% of the share capital or voting rights of the Company, must inform the latter, in writing, within four trading days of the crossing of this threshold, and must also indicate in his declaration the number of securities giving access to the share capital of the Company it holds. Mutual fund management companies must provide this information based on the total number of shares held in the Company by the funds they manage.

Beyond the threshold of 3%, any additional 1% crossing of the company capital or of the voting rights must be notified to the Company as provided by Article 6.2 of the Company's By-laws.

Any person, acting either individually or in concert, is also required to inform the Company within four trading days if the percentage of their capital or voting rights falls below each of the thresholds described in Article 6.2 of the By-laws.

For the purposes of the obligations to disclose the crossings of statutory thresholds provided by Article 6.2 of the Company's By-laws, the shares or voting rights listed in Article L. 233-9, I of the French Commercial Code are assimilated to the shares or voting rights held.

Failure to comply with these requirements will be penalised in accordance with applicable laws, at the request of one or more shareholders holding at least 5% of the Company's capital or voting rights. Said request will be duly recorded in the minutes of the General Meeting.

Convening and rules for attending General Meetings of Shareholders

Under Article 14 of the Company's By-laws, General Meetings are convened and deliberate in accordance with the conditions set forth by the laws and regulations in force. They meet at the registered office or in any other place in mainland France indicated in the convening notice. Such meetings are chaired by the Chairman of the Board of Directors or, failing this, by a Director appointed for this purpose by the Chairman of the Board of Directors.

Regardless of the number of shares held, any shareholder whose shares are registered under the terms and at a date set by decree, has the right, upon proof of their identity and status as a shareholder, to participate in the General Meetings. A shareholder may, in accordance with the laws and regulations in force, personally attend the General Meetings, vote remotely or appoint a proxy. The intermediary registered on behalf of shareholders may participate in the General Meetings, under the conditions set forth by the provisions of the laws and regulations in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless a shorter period is specified in the convening notice or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when provided for in the convening notice and subject to the conditions defined therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval of and under the terms set by the Board of Directors. Notice will be given in the notice of meeting and/or the convening notice.

In all General Meetings, the voting right attached to shares that include a usufructuary right is exercised by the usufructuary.

Identifiable bearer securities

Societe Generale may at any time, in accordance with the provisions of the laws and regulations in force, request the organisation responsible for clearing the securities to provide information regarding the securities that grant the right to vote in its General Meetings, either immediately or in the future, as well as information about the holders of these securities.

Employee shareholding

Following the amendments to the By-laws voted by the Combined General Meeting on 19 May 2020 and since the General Meeting of 18 May 2021, employee shareholders are represented on the Board of Directors by a Director, in addition to the two Directors representing all employees. The level of employee shareholding, calculated for the specific need of this new Director appointment represents 11.23% of the share capital at 31 December 2023, in accordance with the calculation methods provided in Article L. 225-102 of the French Commercial Code and with the stipulations of Article 6.4 of the By-laws,.

Following the amendments of the rules of the FCPE "Société Générale actionnariat (FONDS E)" decided on 16 April 2020, which came into force on 1 January 2021, in accordance with paragraph 3 of Article L. 214-165 II of the French Monetary and Financial Code, the voting rights relating to Société Générale shares included in the assets of this fund, corresponding to 13.68% of the voting rights at 31 December 2023, will be exclusively exercised individually by the unit holders and, for the fractional units forming fractional rights, by the Supervisory Board of this fund.

The last capital increase reserved for subscribers to the company savings plans or to that of Societe Generale Group was held on 24 July 2023. The operation, implemented under Resolution 21 of the Combined General Meeting of 17 May 2022, was offered throughout 40 countries, subscribed to by approximately 50,000 people for a total of EUR 221.2 million and resulted in the issuance of 12,548,674 new shares, *i.e.* 1.5% of the share capital at the date of the operation. The principle of the capital increase, which was approved by the Board of Directors on 7 February 2023, was made public in the table setting out the use of financial delegations in Part 3.1.7 of the Universal Registration Document filed on 13 March 2023 with the French Financial Markets Authority (AMF - *Autorité des marchés financiers*), and subsequently reprised in various documents, including the Board of Directors' Report which presents the resolutions that are included in the Notice of Meeting brochure. The period and the subscription price of the capital increase were approved at the General Meeting of 23 May 2023. The Board of Directors' and Statutory Auditors' Reports were brought to the attention of the shareholders during the General Meeting and are permanently available on the French website dedicated to Societe Generale General Meetings[1]

Following the absorption of Crédit du Nord by Societe Generale on 1 January 2023, Societe Generale shares held by the employees of Crédit du Nord *via* the FCPE "Fonds G" fund are held *via* the FONDS E fund since 7 March 2023, and Fonds G disappeared at this date owing to its merger with FONDS E.

(1) https://www.societegenerale.com/en/societe-generale-group/governance/annual-general-meeting

7.4 BY-LAWS

NAME – TYPE OF COMPANY – DURATION – REGISTERED OFFICE – PURPOSE

Article 1

The Company, named Societe Generale, is a public limited company incorporated by deed approved by the Decree of 4 May 1864, and is approved as a bank.

The duration of Societe Generale, previously fixed at 50 years with effect from 1 January 1899, was then extended by 99 years with effect from 1 January 1949.

Under the legislative and regulatory provisions relating to credit institutions, notably the articles of the French Monetary and Financial Code that apply to them, the Company is subject to commercial laws, in particular articles L. 210-1 *et seq.* of the French Commercial Code, as well as these By-laws.

Article 2

Societe Generale's registered office is at 29, boulevard Haussmann, Paris (9^{th} arrondissement).

In accordance with current legislative and regulatory provisions, it may be transferred to any other location.

Article 3

The purpose of Societe Generale is, under the conditions determined by the laws and regulations applicable to credit institutions, to carry out with individuals and corporate entities, in France or abroad:

- all banking transactions;
- all transactions related to banking operations, including in particular investment services or allied services as listed by articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code;
- all acquisitions of interests in other entities.

Societe Generale may also, on a regular basis, as defined in the conditions set by the regulations in force, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Societe Generale may carry out, on its own behalf, on behalf of a third party or jointly, all financial, commercial, industrial, agricultural, moveable assets or real property transactions, directly or indirectly related to the above-mentioned activities or likely to facilitate the accomplishment of such activities.

CAPITAL – SHARES

Article 4

4.1 SHARE CAPITAL

The share capital amounts to 1,003,724,927.50 euros. It is divided into 802,979,942 fully paid-up shares, each with a nominal value of 1.25 euro.

4.2 CAPITAL INCREASE AND REDUCTION

The capital may be increased or reduced on the decision of the competent General Meeting or meetings.

Any capital reduction motivated by losses shall be divided between shareholders in proportion to their share of the capital.

Article 5

Unless otherwise provided by legislative, regulatory or statutory provisions, all shares have the same rights.

All shares which make up or which will make up the share capital will be given equal rank as regards taxes. Consequently, all taxes which, for whatever reason, may become payable on certain shares following capital reimbursement, either during the life of the Company or during its liquidation, shall be divided between all the shares making up the capital on such reimbursement(s) so that, while allowing for the nominal and non-amortised value of the shares and for their respective rights, all present or future shares shall entitle their owners to the same effective advantages and to the right to receive the same net sum.

Whenever it is necessary to possess a certain number of shares in order to exercise a right, it is incumbent on shareholders who own fewer shares than the total number required to assemble the necessary number of shares.

Article 6

6.1 FORM AND TRANSFER OF SHARES

The shares may, in accordance with the holder's wishes, be registered or bearer shares and shall be freely negotiable, unless otherwise stipulated by legislative and regulatory provisions.

6.2 STATUTORY THRESHOLDS

Any person, acting on his own or in concert, who comes to hold directly or indirectly, in any manner whatsoever, a number of shares representing at least 1.5% or 3% of the share capital or voting rights of the Company, must inform the Company, in writing, within four trading days of the crossing of this threshold, and must also indicate in his declaration the number of securities giving access to the share capital of the Company it holds. Mutual fund management companies must provide this information based on the total number of shares held in the Company by the funds they manage.

Beyond the threshold of 3%, any additional crossing of 1% of the capital or voting rights of the Company must be notified to the Company under the aforementioned conditions.

Any person, acting on his own or in concert, is also required to inform the Company within four trading days if the percentage of his capital or voting rights falls below each of the thresholds described in this article.

For the purposes of the three preceding subparagraphs, the shares or voting rights listed in Article L. 233-9, I of the French Commercial Code are assimilated to the shares or voting rights held.

Failure to comply with these requirements will be penalised in accordance with applicable laws, at the request of one or more shareholders holding at least a 5% in the Company's capital or voting rights. Said request will be duly recorded in the minutes of the General Meeting.

6.3 SHAREHOLDERS' RIGHTS

The rights of shareholders shall comply with applicable legislative and regulatory provisions, subject to the specific provisions of the current by-laws.

6.4 EMPLOYEE SHAREHOLDING

Registered shares held directly by employees and governed by Article L. 225-197-1 of the French Commercial Code are taken into account in determining the proportion of capital held by employees in accordance with the legislative and regulatory provisions in force.

BOARD OF DIRECTORS

Article 7

I – DIRECTORS

The Company is managed by a Board of Directors made up of three categories of Directors:

1. Directors appointed by the Ordinary General Meeting of Shareholders

There are at least nine of these Directors, and thirteen at the most.

The term of office of Directors appointed by the Ordinary General Meeting is four years.

When, in application of current legislative and regulatory provisions, a Director is appointed to replace another, then his term of office shall not exceed the term of office remaining to be served by his predecessor.

Each Director must hold at least six hundred shares.

2. Directors representing the employees elected by employees

The status and methods of electing these Directors are set out in Articles L. 225-27 to L. 225-34 of the French Commercial Code, as well as by these By-laws.

There are two Directors, one to represent the executives and one to represent all other Company employees.

In any event, their number may not exceed one third of the Directors appointed by the General Meeting.

The duration of their terms of office is three years. It shall be four years as of the General Meeting called to approve accounts for the 2023 financial year.

3. A Director representing employee shareholders appointed by The Ordinary General Meeting of Shareholders

The General Meeting appoints a Director representing employee shareholders.

The term of office is four years.

Regardless of the appointment procedure, the duties of a Director cease at the end of the Ordinary General Meeting called to approve the financial statements of the previous fiscal year and held during the year in which his term of office expires.

Directors may be reelected, as long as they meet the legislative and regulatory provisions in force, particularly with regard to age.

II – METHODS OF ELECTING

1. Directors representing employees elected by employees

For each seat to be filled, the voting procedure is that set forth by the legislative and regulatory provisions in force.

The first Directors elected by employees will begin their term of office during the Board of Directors' meeting held after publication of the full results of the first elections.

Subsequent Directors shall take up office upon expiry of the outgoing Directors' terms of office.

If, under any circumstances and for any reason whatsoever, there shall remain in office less than the statutory number of elected Directors before the normal end of the term of office of such Directors, vacant seats shall remain vacant until the end of the term of office and the Board shall continue to meet and take decisions validly until that date.

Elections shall be organised every three years so that a second vote may take place at the latest fifteen days before the normal end of the term of office of outgoing Directors.

For both the first and second ballot, the following deadlines should be adhered to:

- posting of the date of the election at least eight weeks before the polling date;
- posting of the lists of the electors at least six weeks before the polling date;
- registration of candidates at least five weeks before the polling date;
- posting of lists of candidates at least four weeks before the polling date;
- sending of documents required for postal voting at least three weeks before the polling date.

The candidatures or lists of candidates other than those entered by a representative trade union should be accompanied by a document including the names and signatures of the one hundred employees presenting the candidates.

Polling takes place the same day, at the work place, and during working hours. Nevertheless, the following may vote by post:

- employees not present on the day of polling;
- employees working abroad;
- employees of a department or office, or seconded to a subsidiary in France, not having a polling station, or who cannot vote in another office.

Each polling station consists of three elective members, the Chairman being the oldest one among them. The Chairman is responsible for seeing that voting operations proceed correctly.

Votes are counted in each polling station, and immediately after the closing of the polls; the minutes are drawn up as soon as the counting has been completed.

Results are immediately sent to the Head Office of Societe Generale, where a centralised results station will be set up with a view to drafting the summary report and announcing the results.

Methods of polling not specified by Articles L. 225-27 to L. 225-34 of the French Commercial Code or these By-laws are decreed by the General Management after consulting with the representative trade unions.

These methods may include electronic voting, whose organisation may deviate from the practical organisation and conduct of the election described herein.

2. Director representing employee shareholders appointed by the Ordinary General Meeting of Shareholders

When the legal conditions are met, a member of the Board of Directors representing employee shareholders is appointed by the Ordinary General Meeting in accordance with the terms and conditions set by the regulations in force and by these By-laws.

The term of office is identical to the terms of the other Directors appointed by the Ordinary General Meeting. The term of office is exercised by the candidate appointed, or by his replacement in the event of definitive termination, during the term of office, of the duties as Director of the candidate with whom he was appointed. The term of office ends automatically in the event of loss of the capacity of employee of the Company or of an affiliated company within the meaning of the regulations in force.

Candidates for appointment as Director representing employee shareholders are nominated by a single election of all employee shareholders, including holders of units of mutual funds invested in Societe Generale securities. The scope of voters and eligible candidates is defined by the regulations in force and these By-laws.

Employee shareholders may be consulted by any technical means that ensures the reliability of the vote, including electronic voting or postal ballot. Each elector has a number of votes equal to the number of shares he holds directly or indirectly through a mutual fund.

Every candidate must stand for election with a replacement who meets the same legal conditions of eligibility as the candidate. The replacement is called upon to replace the candidate for the remainder of the term of office. The candidate and his replacement shall be of different sexes.

Only candidacies presented by voters (i) representing at least 0.1% of the shares held directly or indirectly by employee shareholders and (ii) benefitting from 100 sponsorships of employees who vote, are admissible.

Minutes of the consultation are drawn up: they include the number of votes received by each of the candidates as well as a list of validly nominated candidates and replacements.

Only the two candidacies having obtained the highest number of votes cast during the consultation of employee shareholders shall be submitted to the vote of the Ordinary General Meeting.

The procedures relating to the organisation and conduct of the consultation of employee shareholders and the appointment of candidates not defined by the regulations in force and these Articles of Association shall be determined by the Board of Directors, on the proposal of the General Management.

The Board of Directors presents the designated candidates and their replacements to the Ordinary General Meeting by means of separate resolutions, and approves, if necessary, one of the resolutions.

The Director representing employee shareholders and his replacement are appointed by the Ordinary General Meeting from among the validly nominated candidates and replacements. Under the quorum and majority conditions applicable to any appointment of a Director, the person who has received the highest number of votes cast by the shareholders present or represented at the Ordinary General Meeting shall be elected as Director.

The Director representing employee shareholders shall hold on a continuous basis, either directly or through a mutual fund, at least one share or a number of shares of such fund equivalent to at least one share. Failing this, he shall be deemed to have resigned automatically unless he has rectified his situation within three months.

In the event of the definitive termination of the mandate of the Director representing employee shareholders, his replacement, if he still meets the eligibility conditions, shall take up office immediately for the remainder of the term of office. If he is no longer a shareholder, he must rectify his situation within three months of taking office; failing this, he is deemed to have resigned at the end of this period.

In the event of a vacancy, for any reason whatsoever, in the office of the Director representing employee shareholders, the appointment of candidates to replace the Director representing employee shareholders shall be made under the conditions provided for in this article, at the latest before the meeting of the next Ordinary General Meeting or, if such meeting is held less than four months after the vacancy occurs, before the next Ordinary General Meeting. The Director representing employee shareholders so appointed to the vacant position shall be appointed for the duration of one term of office.

Until the date of replacement of the Director representing the employee shareholders, the Board of Directors may validly meet and deliberate.

In the event that, during the term of office, the conditions provided for by the regulations in force for the appointment of a Director representing employee shareholders are no longer met, the term of office of the Director representing employee shareholders shall end at the end of the Ordinary General Meeting at which the Board of Directors' report acknowledging this fact is presented.

III – NON-VOTING DIRECTORS

On the proposal of the Chairman, the Board of Directors may appoint one or two Non-Voting Directors.

Non-Voting Directors are convened and attend Board of Directors' meetings in a consultative capacity.

They are appointed for a period not exceeding four years and the Board can renew their terms of office or terminate them at any time.

They may be selected from among shareholders or non-shareholders, and receive an annual remuneration determined by the Board of Directors.

Article 8

The Board of Directors determines the Company's strategy and supervises its implementation, in accordance with its corporate interest, taking into consideration the social and environmental stakes of its activity. Subject to the powers expressly attributed to the General Meeting and within the scope provided for in the corporate purpose, it considers all matters that affect the Company's operations and settles by its decisions matters that concern it.

It carries out all the controls and verifications it deems appropriate. The Chairman or Chief Executive Officer is required to furnish each Director with all documents and information required to carry out their function.

Article 9

The Board of Directors elects a Chairman from among its natural person members, determines his remuneration and sets the duration of his term of office, which may not exceed that of his term of office as Director.

No member of 74 years of age or more shall be appointed Chairman. If the Chairman in office reaches the age of 74, his duties shall cease after the next Ordinary General Meeting called to approve the financial statements for the financial year ended.

The Chairman organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He ensures that the Company's bodies operate correctly and in particular ensures that the Directors are able to fulfil their functions.

Article 10

The Board of Directors meets as often as is required by the interests of the Company, upon convocation by the Chairman, either at the registered office or in any other place indicated in the Notice of Meeting. The Board examines the items placed on the agenda.

It shall meet when at least one-third of Board members or the Chief Executive Officer submits a request for a meeting with a specific agenda to the Chairman.

If the Chairman is unable to attend, the Board of Directors can be convened either by one-third of its members, or by the Chief Executive Officer or a Deputy Chief Executive Officer, provided they are members of the Board.

Unless specifically provided for, Directors are called to meetings by letter or by any other means. In any event, the Board may always deliberate validly if all its members are present or represented.

Under the conditions provided for by the legislative and regulatory provisions in force, decisions falling within the powers of the Board of Directors as well as decisions to transfer the registered office within the same department may be taken by written consultation with the Directors.

Article 11

Board meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director designated for this purpose at the beginning of the meeting.

Every Director may give his proxy to another Director, but a Director may act as proxy for only one other Director and a proxy can only be given for one specific meeting of the Board.

In all cases, deliberations of the Board are valid only if at least half the members are present.

The Chief Executive Officer attends meetings of the Board.

One or several delegates of the Central Social and Economic Committee attend Board meetings, under the conditions laid down by the legislative and regulatory provisions in force.

At the request of the Chairman of the Board of Directors, members of the Management, the Statutory Auditors or other persons outside the Company with specific expertise relating to the items on the agenda may attend all or part of a Board meeting.

Resolutions are adopted by a majority vote of the Directors present or represented. In the event of a tie, the Chairman holds a casting vote.

A member of the Management appointed by the Chairman serves as Secretary of the Board.

Minutes are prepared and copies or extracts certified and delivered in accordance with the legislative and regulatory provisions in force.

Article 12

Under the conditions provided for by the legislative and regulatory provisions in force, members of the Board may receive, for the term of their offices, a remuneration, the total amount of which shall be determined by the General Meeting and which shall be split among the Directors by the Board according to allocation principles submitted to the General Meeting.

GENERAL MANAGEMENT

Article 13

The General Management of the Company is the responsibility of either the Chairman of the Board of Directors, or any other individual appointed by the Board of Directors to act as Chief Executive Officer.

The Board of Directors may choose between the two general management structures, and its decision is only valid if:

- the agenda with respect to this choice is sent to members at least 15 days before the date of the Board Meeting;
- at least two-thirds of Directors are present or represented.

Shareholders and third parties shall be informed of this decision in accordance with the regulations in force.

When the Chairman of the Board of Directors assumes responsibility for the general management of the Company, the following provisions relating to the Chief Executive Officer shall be applicable to him.

The Chief Executive Officer shall be vested with the most extensive powers to act under any circumstances on behalf of the Company. He shall exercise these powers within the scope of the Company's purpose and subject to those powers expressly assigned by law to meetings of shareholders and the Board of Directors. He shall represent the Company vis-à-vis third parties.

The Board of Directors sets the remuneration under the conditions provided for by the legislative and regulatory provisions in force and the duration of the Chief Executive Officer's term, which may not exceed that of the dissociation of the functions of Chairman and Chief Executive Officer nor, where applicable, the term of his Directorship.

No person aged 70 or more may be appointed Chief Executive Officer. If the Chief Executive Officer in office reaches 70 years of age, his functions shall end at the end of the next Ordinary General Meeting called to approve the financial statements for the financial year ended.

On recommendation by the Chief Executive Officer, the Board of Directors can appoint up to five persons to assist the Chief Executive Officer, who shall have the title Deputy Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to Deputy Chief Executive Officers. The Board of Directors sets their remuneration under the conditions provided for by the legislative and regulatory provisions in force. With respect to third parties, Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

SHAREHOLDERS' MEETING

Article 14

General Meetings are comprised of all shareholders.

The General Meeting is called and deliberates as provided for by the legal and regulatory provisions in force.

It meets at the Company's head office or in any other place in mainland France indicated in the Notice to attend the General Meeting.

Such meetings are chaired by the Chairman of the Board or, in his absence, by a Director appointed for this purpose by the Chairman of the Board.

Regardless of the number of shares held, all shareholders whose shares are registered under the terms and at a date set forth by the legislative and regulatory provisions in force, have the right, upon proof of their identity and status as a shareholder, to participate in the General Meetings. The shareholders may, as provided for by the legal and regulatory provisions in force, personally attend the General Meetings, vote remotely or appoint a proxy.

The intermediary registered on behalf of shareholders may participate in the General Meetings, as provided for by the legal and regulatory provisions in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless otherwise specified in the Notice of Meeting or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when stipulated in the Notice of Meeting and subject to the conditions provided therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval and under the terms set by the Board of Directors. Notice will be given in the preliminary Notice of Meeting and/or Notice to attend the meeting.

Double voting rights, in relation to the share of capital stock they represent, are allocated to all those shares which are fully paid up and which have been registered in the name of the same shareholder for at least two years as from 1 January 1993. Double voting rights are also allocated to new registered shares that may be allocated free of charge to a shareholder in respect of the shares with double voting rights already held by him, in the case of a capital increase by incorporation of reserves, earnings, or additional paid-in capital.

The number of votes at General Meetings to be used by one shareholder, either personally or by a proxy, may not exceed 15% of total voting rights at the date of the meeting.

This 15% limit does not apply to the Chairman or any other proxy with respect to the total number of voting rights they hold on a personal basis and in their capacity as proxy, provided each shareholder for whom they act as proxy complies with the rule stipulated in the previous paragraph.

For the purposes of applying this limit, shares held by a single shareholder include shares held indirectly or jointly in accordance with the conditions described in Articles L. 233-7 *et seq.* of the French Commercial Code.

This limit ceases to apply when a shareholder acquires – either directly or indirectly or jointly with another shareholder – more than 50.01% of the Company's voting rights following a public offering.

In all General Meetings, the voting right attached to shares that include a usufructuary right, is exercised by the usufructuary.

SPECIAL MEETINGS

Article 15

When different categories of shares exist, the Special Meetings of the Shareholders of such categories of shares deliberate as provided by applicable legislative and regulatory provisions and Article 14 herein.

STATUTORY AUDITORS

Article 16

The Statutory Auditors are appointed and carry out their duties according to the applicable legislative and regulatory provisions.

ANNUAL FINANCIAL STATEMENTS

Article 17

The financial year starts on 1 January and ends on 31 December.

The Board of Directors prepares the financial statements for the year under the conditions set by the applicable legislative and regulatory provisions.

All other documents prescribed by the applicable legislative and regulatory provisions are also drawn up.

Article 18

The results for the year are determined in accordance with the applicable legal and regulatory provisions.

At least 5% of the profits for the year, less any previous losses, must be set aside by the legislative provisions in force to form a reserve fund until said fund reaches 10% of the capital.

The net income available after this deduction, increased by any net income brought forward, constitutes the profits available for distribution, to be successively allocated to ordinary, extraordinary or special reserves or to be carried forward in those amounts which the General Meeting may deem useful, upon the recommendation of the Board of Directors.

The balance is then allocated to the Shareholders in proportion to their stake in the share capital.

The General Meeting may also resolve to distribute amounts from available reserves.

The General Meeting approving the annual financial statements may, with regard to the whole or part of the dividend or interim dividend, grant each shareholder the option to choose between payment of the dividend or interim dividend in cash or in shares in accordance with the conditions set by the legislative and regulatory provisions in force. A shareholder who exercises this option must do so for all of the dividends or interim dividends attached to their shares.

Except in cases of a reduction in capital, no distribution may be made to shareholders if the shareholders' equity of the Company is or may subsequently become less than the minimum capital and reserves that may not be distributed by the legislative or statutory provisions.

FORUM SELECTION CLAUSE

Article 19

Any dispute arising during the life of the Company or during its liquidation, between the Company and its shareholders or among the shareholders themselves, related to Company matters, shall be brought before the courts under the proper jurisdiction effective at the Company's registered office.

DISSOLUTION

Article 20

In the event that Societe Generale is wound up and unless otherwise provided for by the legislative and regulatory provisions in force, the General Meeting determines the method of liquidation, appoints the liquidators on the proposal of the Board of Directors and continues to exercise its assigned powers during said liquidation until completion thereof.

The net assets remaining after repayment of the nominal value of the shares are distributed among the shareholders, in proportion to their share of the capital.

8

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

8.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Slawomir Krupa

Chief Executive Officer of Societe Generale

8.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation scope, and that the Management Report (the cross-reference table of the annual financial report in Chapter 9 indicates the contents of said report) presents a fair view of the Company's business, performance and financial position and that of all the undertakings included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed

Paris, 11 March 2024

Chief Executive Officer

Slawomir Krupa

8.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

STATUTORY AUDITORS

Name: Ernst & Young et Autres
represented by Micha Missakian and Vincent Roty

Address: 1/2, place des Saisons,
92400 Courbevoie – Paris-La Défense (France)

Date of appointment: 22 May 2012

Date of renewal: 23 May 2018

Term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2023

Name: Deloitte & Associés
represented by Jean-Marc Mickeler and Maud Monin

Address: 6, place de la Pyramide
92908 Paris-La Défense Cedex (France)

Date of first appointment: 18 April 2003

Date of last renewal: 23 May 2018

Term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2023

The companies Ernst & Young et Autres and Deloitte & Associés are registered as Statutory Auditors with the Compagnie régionale des Commissaires aux comptes de Versailles.

9

CROSS-REFERENCE TABLES

9.1 CROSS-REFERENCE TABLES

9.1.1 CROSS-REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004, and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

Headings		Page numbers of the Universal Registration Document
10.2	Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	18 - 19
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12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT**	
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13	**REMUNERATION AND BENEFITS**	
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13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	548 - 556
14	**BOARD AND GENERAL MANAGEMENT PRACTICES**	
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In accordance with EC Regulation No. 2019/890 dated 14 March 2019, complementary to (EU) Regulation No. 2017/1129 of the European Parliament and of the Council, the following information is included by reference in this Universal Registration Document:

- the parent company and consolidated accounts for the year ended 31 December 2021, the related Statutory Auditors' reports and the Group Management Report and presented respectively on pages 551 to 608 and 133-135, 167-172, 180-181, 191-194, 196, 206-210, 213-217, 222-226, 228-229, 242-248, 350-537, 538-543, 609-615, 544-550 of the Registration Document D. 22-0080 filed with the AMF on 9 March 2022;
- the parent company and consolidated accounts for the year ended 31 December 2022, the related Statutory Auditors' reports and the Group Management Report and presented respectively on pages 571 to 627 and 149-153, 181-187, 195-196, 206-209, 211, 222, 226-230, 235-239, 241, 247-253, 374-556, 628-634, and 557-563 of the Registration Document D. 23-0089 filed with the AMF on 13 March 2023.

The chapters of the Registration Documents D. 23-0089 and D. 22-0080 not mentioned above do not apply to investors or are covered in another part of this Universal Registration Document.

Both of the aforementioned Universal Registration Documents are available on the Company's website www.societegenerale.com and on the AMF's (French Financial Markets Authority) website https://www.amf-france.org/en.

9.1.2 ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE

Pursuant to Article L. 222-3 of the General Regulation of the *Autorité des marchés financiers* (French financial markets authority), the annual financial report mentioned in Part I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) includes the items described in the following pages of the Universal Registration Document:

Annual Financial Report	Page No.
Statement of the person responsible for the Universal Registration Document	**724**
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■ Analysis of results, financial position, risks and main characteristics of internal control and risk managementprocedures for the preparation and processing of accounting and financial information of the parent company and consolidated Group (Article L. 225-100-1 of the French Commercial Code)	10 - 28; 32 - 45; 64 - 66 189 - 324; 420 - 620; 631 - 637
■ Information about share buybacks (Article L. 225-211, paragraph 2 of the French Commercial Code)	710 - 711
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Financial statements	
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9.1.3 CROSS-REFERENCE TABLE FOR THE REGISTRY OF THE COURT

Pursuant to Article L. 232-23 of the French Commercial Code, it is specified that the Universal Registration Document includes the items described in the following pages and/or chapters of the Universal Registration Document:

Financial statements	Page No.
■ Annual accounts	638 - 697
■ Statutory Auditors' report on the annual accounts	
■ Consolidated accounts	420 - 620
■ Statutory Auditors' report on the consolidated accounts	621 - 630

Management report (article L. 225-100 of the French Commecial Code)			Page No.
1	**SITUATION AND ACTIVITY OF THE GROUP**		
1.1	Situation of the company over the past financial year and objective and exhaustive analysis of the business development, results and the financial situation of the company and the group, in particular its debt situation, with regard to volume and business complexity	Articles L. 225-100-1, I., 1°, L. 232-1, II, L. 233-6 and L. 233-26 of the French Commercial Code	29 - 74; 420 - 704
1.2	Key financial performance indicators	Article L. 225-100-1, I., 2°	29 - 45
1.3	Key non-financial performance indicators related to the specific activity of the company and the group, in particular information related to environmental and personnel issues	Article L. 225-100-1, I., 2°	46 - 55
1.4	Key events occurring between the closing date of the financial year and the date on which the Management Report is drawn up	Articles L. 232-1, II. and L. 233-26 of the French Commercial Code	72
1.5	Identity of the main shareholders and holders of voting rights at general meetings, and changes made during the year	Article L. 233-13 of the French Commercial Code	709
1.6	Existing branches	Article L. 232-1, II of the French Commercial Code	30 - 31
1.7	Significant equity investments in companies having their head office in France	Article L. 233-6 al. 1 of the French Commercial Code	70 - 71
1.8	Cross-shareholdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	NA
1.9	Foreseeable evolution of the company's and Group's situation and outlook	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	13 - 19
1.10	Activities related to Research & Development	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	NA
1.11	Table showing the company's results over the last 5 financial years	Article R. 225-102 of the French Commercial Code	12

Management report (article L. 225-100 of the French Commecial Code)			Page No.
1.12	Information on payment terms of suppliers and clients	Article D. 441-4 of the French Commercial Code	633; 634
1.13	Amount of inter-company loans granted and auditor's declaration	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	634 - 704
2	**INTERNAL CONTROL AND RISK MANAGEMENT**		
2.1	Overview of main risks and uncertainties that the company is faced with	Article L. 225-100-1, I., 3° of the French Commercial Code	189 - 324
2.2	Information on the financial risks related to the impacts of climate change and overview of the measures the company is taking to reduce them by implementing a low-carbon strategy in all components of its activity	Article L. 22-10-35, 1° of the French Commercial Code	303 - 322
2.3	Main characteristics of the internal control and risk management procedures put in place by the company and the group, relating to the preparation and processing of accounting and financial information	Article L. 22-10-35, 2° of the French Commercial Code	218 - 224
2.4	Guidance on the objectives and policy regarding the hedging of each main category of transactions and on the exposure to price, credit, liquidity risks, including the use of financial instruments	Article L. 225-100-1., 4° of the French Commercial Code	189 - 324
2.5	Anti-corruption procedures	Act No. 2016-1691 of 9 December 2026, referred to as the Sapin II Act	296 - 300
2.6	Vigilance plan and report on its effective implementation	Article L. 225-102-4 of the French Commercial Code	404 - 418
3	**REPORT ON CORPORATE GOVERNANCE**		
	Information on compensation		
3.1	Compensation policy for corporate officers	Article L. 22-10-8, I., alinéa 2 of the French Commercial Code Article R. 22-10-14 of the French Commercial Code	114 - 161
3.2	Compensation and benefits of any kind paid during the year or allocated for the year to each corporate officer	Article L. 22-10-9, I., 1° of the French Commercial Code Article R. 22-10-15 of the French Commercial Code	114 - 161
3.3	Relative proportion of fixed and variable remuneration	Article L. 22-10-9, I., 2° of the French Commercial Code	116 - 118; 134 - 153
3.4	Use of the possibility of requesting the return of variable remuneration	Article L. 22-10-9, I., 3° of the French Commercial Code	118 - 119; 128
3.5	Commitments of any kind made by the company for the benefit of its corporate officers, corresponding to elements of remuneration, indemnities or benefits due or likely to be due by reason of the taking, termination or change of their functions	Article L. 22-10-9, I., 4° of the French Commercial Code	118 - 119; 129 - 130; 134 - 153
3.6	Remuneration paid or awarded by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	Article L. 22-10-9, I., 5° of the French Commercial Code	128
3.7	Ratios between the level of remuneration of each executive officer and the average and median remuneration of the company's employees	Article L. 22-10-9, I., 6° of the French Commercial Code	131 - 132
3.8	Annual evolution of remuneration, company performance, average compensation of the company's employees and the above-mentioned ratios over the five most recent financial years	Article L. 22-10-9, I., 7° of the French Commercial Code	131 - 132
3.9	Explanation of how the total remuneration complies with the remuneration policy adopted, including how it contributes to the long-term performance of the company and how the performance criteria have been applied	Article L. 22-10-9, I., 8° of the French Commercial Code	115 - 117
3.10	How the vote of the last ordinary general meeting provided for in I of Article L. 22-10-34 of the French Commercial Code was taken into account	Article L. 22-10-9, I., 9° of the French Commercial Code	122
3.11	Gap with the procedure for implementing the remuneration policy and any derogation	Article L. 22-10-9, I., 10° of the French Commercial Code	115
3.12	Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of the payment of directors' remuneration in the event of non-compliance with the mixed nature of the board of directors)	Article L. 22-10-9, I., 11° of the French Commercial Code	NA
3.13	Allocation and retention of options by corporate officers	Article L. 225-185 of the French Commercial Code	153
3.14	Allocation and retention of free shares to executive officers	Article L. 22-10-57 of the French Commercial Code Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	153 - 161

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	Information on governance		
3.15	List of all the mandates and functions exercised in any company by each of the corporate representative during the fiscal year	Article L. 225-37-4, 1° of the French Commercial Code	88 - 96; 109 - 110
3.16	Agreements between an officer or significant shareholder and a subsidiary	Article L. 225-37-4, 2° of the French Commercial Code	166; 167
3.17	Summary table of valid delegations granted by the general meeting in respect of capital increases	Article L. 225-37-4, 3° of the French Commercial Code	164 - 165
3.18	Modalités d'exercice de la direction générale	Article L. 225-37-4, 4° of the French Commercial Code	76
3.19	Composition, conditions of preparation and organization of the work of the Board	Article L. 22-10-10, 1° of the French Commercial Code	78 - 107
3.20	Application of the principle of balanced representation of women and men on the Board	Article L. 22-10-10, 2° of the French Commercial Code	78
3.21	Any limitations that the Board makes to the powers of the Chief Executive Officer	Article L. 22-10-10, 3° of the French Commercial Code	108; 170
3.22	Reference to a corporate governance code and application of the "comply or explain" principle	Article L. 22-10-10, 4° of the French Commercial Code	77
3.23	Special arrangements for shareholder participation in the general meeting	Article L. 22-10-10, 5° of the French Commercial Code	162
3.24	Assessment procedure for current agreements - Implementation	Article L. 22-10-10, 6° of the French Commercial Code	166
3.25	Information likely to have an impact in the event of a public purchase or exchange offer:	Article L. 22-10-11 of the French Commercial Code	162
4	**SHAREHOLDING AND CAPITAL**		
4.1	Structure, evolution of the Company's capital and crossing of thresholds	Article L. 233-13 of French Commercial Code	709
4.2	Acquisition and disposal by the Company of its own shares	Articles L. 225-211 and R. 225-160 of French Commercial Code	710
4.3	Statement of employee participation in share capital on the last day of the financial year (proportion of capital represented)	Article L. 225-102, alinéa 1er of French Commercial Code	
4.4	Mention of any adjustments for securities giving access to capital in the event of share buybacks or financial transactions	Articles R. 228-90 and R. 228-91 of French Commercial Code	710
4.5	Information on the transactions from key managers and related people on the Company's securities	Article L. 621-18-2 of Monetary and Financial Code	712
4.6	Amounts of dividends that have been distributed over the last 3 years	Article 243 bis of Tax Authority Code	708
5	**DECLARATION ON NON-FINANCIAL PERFORMANCE (DNFP)**		
5.1	Business model	Articles L. 225-102-1 and R. 225-105, I of the French Commercial Code	cf 9.1.4
5.2	Description of the main risks associated with the activity of the company or group, including, where relevant and proportionate, the risks created by business relationships, products or services	Articles L. 225-102-1 and R. 225-105, I. 1° of the French Commercial Code	cf 9.1.4
5.3	Information on the impacts of the activity on the respect for human rights and the fight against corruption and tax evasion, and the way in which the company or group takes into account the social and environmental consequences of its activity (description of policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks related to the activity of the company or group)	Articles L. 225-102-1, III, L. 22-10-36 and R. 22-10-29, R. 225-104 and R. 225-105, I. 2° of the French Commercial Code	cf 9.1.4
5.4	Results of policies applied by the company or group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I. 3° of the French Commercial Code	cf 9.1.4
5.5	Social information (employment, work organization, health and safety, social relations, training, equal treatment)	Articles L. 225-102-1 and R. 225-105, II. A. 1° of the French Commercial Code	cf 9.1.4
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change)	Articles L. 225-102-1 and R. 225-105, II. A. 2° of the French Commercial Code	cf 9.1.4
5.7	Societal information (societal commitments in favour of sustainable development, subcontracting and suppliers, fair practices)	Articles L. 225-102-1 and R. 225-105, II. A. 3° of the French Commercial Code	cf 9.1.4
5.8	Information relating to the fight against corruption and tax evasion	Articles L. 225-102-1, L. 22-10-36 and R. 22-10-29 et R. 225-105, II. B. 1° of the French Commercial Code	cf 9.1.4

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5.9	Information on actions in favor of human rights	Articles L. 225-102-1, L. 22-10-36 and R. 22-10-29 and R. 225-105, II. B. 2° of the French Commercial Code	cf 9.1.4
5.10	Specific information:		
	▪ company policy for preventing the risk of technological accidents;	Article L. 225-102-2 of the French Commercial Code	Refer to 9.1.4
	▪ ability of the company to cover its civil liability towards property and persons as a result of the operation of such facilities;		
	▪ means provided by the company to ensure the management of compensation for victims in the event of a technological accident involving its liability.		
5.11	Collective agreements concluded in the company and their impact on the economic performance of the company as well as on the working conditions of employees	Articles L. 225-102-1, III and R. 225-105 of the French Commercial Code	Refer to 9.1.4
5.12	Certification from the independent third-party body on the information contained in the DNFP	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	Refer to 9.1.4
6	**OTHER INFORMATION**		
6.1	Additional tax information	Articles 223 quater and 223 quinquies of the French General Tax Code	297; 558 - 561; 616 - 619; 673 - 675
6.2	Financial injunctions or penalties for anti-competitive practices	Article L. 464-2 of the French Commercial Code	616 - 619; 694 - 697

9.1.4 DECLARATION OF EXTRA-FINANCIAL PERFORMANCE – CROSS-REFERENCE TABLE

Where to find the information referred to in the Declaration of Extra-Financial Performance:

1. Business model

The Group's main activities: core businesses and their key figures, products or services, results
Chapter 1: *Profile of Societe Generale*, page10
Chapter 1: *The Group's core businesses*, page 20
Chapter 2: *Group activity and results*, page 32
Chapter 2: *Extra-Financial Report*, page 46
Chapter 2: *Significant new products or services*, page 56

Organisation: core businesses presentation, employees, corporate governance
Chapter 1: *The Group's core businesses*, page 20
Chapter 5: *Being a responsible employer*, page 368
Chapter 3: *Board of Directors' report on corporate governance*, page 76

Economic model: key resources, added value for stakeholders, margin analysis
Chapter 1: *Profile of Societe Generale*, page10
Chapter 2: *Group activity and results*, page 32
Chapter 2: *Analysis of the consolidated balance sheet*, page 64

Strategy, outlook and targets
Chapter 1: *A clear strategy for a sustainable future*, page 13

2. Significant extra-financial risk factors for the Group(1) and recap on the main policies to limit their occurrence

Cyber risk and IT breakdown	Chapter: 4.1.5.1 *Cyber risk*, page 200 Chapter: 4.1.5.3 *IT breakdown*, page 201 Risk management framework for IT security risks Chapter 4: *Risks related to information and communication technology (ICT) and security risks,* page 288 Personal data protection policy Chapter 4: *Compliance / Data protection*, page 298
Non compliance and fraud risk	Chapter: 4.1.5.2 *Non compliance risk,* page 201 Chapter: 4.1.5.4 *Fraud risk,* page 201 Group's normative framework Chapter 4: *Compliance / Regulatory compliance risk*, page 296 Chapter 4: *Compliance / Anti-money laundering and countering the financing of terrorism (AML/CFT),* page 296 Chapter 4: *Compliance / Anti-corruption measures,* page 298 Chapter 4: *Compliance / Tax transparency and evasion,* page 297 Code of Conduct and Culture & Conduct programme Chapter 5: *The Code of Conduct, a vehicle for the Group's values,* page 330 Chapter 5: *Respecting human rights,* page 333 Chapter 5: *Duty of Care Plan*, page 404 Measures to protect clients Chapter 4: *Compliance / Customer protection,* page 296 Chapter 5: *A marketing policy that takes the client's interests into account,* page 363 Chapter 5: *Tackling discrimination,* page 364 Chapter 5: *Supporting vulnerable clients and promoting inclusive banking and education,* page 364
ESG Risks (environmental, social and governance)	Chapter: 4.1.1.5 *ESG Risks,* page 195 ESG risk management in the Group's businesses Normative framework Chapter 4: *Analytical approach to extra-financial risk factors,* page 303 Chapter 4: *Managing potential E&S risks / Environmental and Social (E&S) General Principles and sector policies,* page 306 Chapter 4: *Managing potential E&S risks / Operational implementation procedures*, page 307 Chapter 4: *Incorporating ESG risk factors in the risk management framework – general principles,* page 310 Chapter 5: *Duty of Care Plan*, page 404 Managing the Group's direct environmental impact Chapter 5: *Managing the Group's carbon footprint,* page 385 Chapter 5: *Responsible sourcing,* page 384

Non-compliance with laws and with health and safety standards	Chapter 5: *Being a responsible employer / Risk related to working condition*s, page 375 ■ Agreement on workplace well-being ■ Health, safety and prevention policy ■ Diversity and inclusion policy ■ Collective bargaining agreements signed with social partners ■ Support measures for employees serving in the army reserves Chapter 5: Chapter 5: *Duty of Care Pla*n, page 404
E&S issues that could affect the Group's credit risk, especially climate change issues (may become more significant over time)	Chapter 4: *Incorporating environmental factors in the risk management framework,* page 313 ■ Identification of environmental risks ■ Risk appetite and climate risks ■ Quantifying climate risks and stress tests ■ Processes and tools for identifying and measuring climate risks and mitigation Chapter 4: *Managing potential E&S risks / Environmental and Social (E&S) General Principles and sector policies,* page 306 Climate policies Chapter 5: *Aligning activities with pathways consistent with a maximum temperature rise of 1.5 °C,* page 336 ■ The various measurement methodologies and credit portfolio alignment goals Chapter 5: *A Bank that supports its clients,* page 347
Employee misconduct	Chapter 5: *Rolling out a Code of Conduct underpinned by shared values and human rights,* page 330 ■ Leadership Model ■ Code of Conduct ■ Culture & Conduct programme Chapter 5: *Being a responsible employer / Risks relating to non-compliance withlabour regulations and the Group's own labour rules*, page 381 ■ Group's policy on inappropriate conduct ■ Global disciplinary policy ■ Advocating a speak-up* culture Chapter 5: *Duty of Care Plan,* page 404
Lack of qualified staff	Chapter 5: *Being a responsible employer* / Risks relating to a lack of qualified staff, page 369 ■ Group's recruitment policy ■ Strategic workforce planning ■ Principles for mobility and filling positions ■ Skills and Development Programs ■ Compensation policy
3. Other regulatory topics	
Anti-tax avoidance measures	Chapter 4: *Compliance / Tax transparency and evasion,* page 297 Chapter 4: *Compliance / Anti-money laundering and countering the financing of terrorism (AML/CFT),* page 296 Chapter 4: *Compliance / Anti-corruption measures,* page 298 Policy on tax havens Chapter 2: *Information about geographic locations and activities as at 31 December 2023,* page 73
Actions to promote human rights	Chapter 5: *Respecting human rights,* page 333 Chapter 5: *Rolling out a Code of Conduct underpinned by shared values and human rights,* page 330 Chapter 5: *Duty of Care Plan,* page 404 Chapter 4: *Managing potential E&S risks / Environmental and Social (E&S) General Principles and sector policies,* page 306

(1) See page 303 for the methodology used to identify these risk factors. As a provider of financial products and services,Societe Generale deems that the following areas do not represent major CSR risks for it and will not therefore consider them further in this DEFP: the circular economy, food waste, the fight against food poverty, animal welfare and the development of a responsible, fair and sustainable food industry.

9.2 DECLARATION OF THE ISSUER

This Universal Registration Document was filed on 11 March 2024 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

10

APPENDICES

10.1 GAR INDICATORS

SUMMARY OF KPIs TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total environmentally sustainable assets *M EUR*	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	10,167	1.42%	1.42%	50.88%	42.92%	49.12%

		Total environmentally sustainable activities *M EUR*	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)		NA	NA	NA	NA	NA
	Trading book*		NA	NA			
	Financial guarantees	4,014	4.91%	4.91%			
	Assets under management	76	0.17%	0.17%			
	Fees and commissions income**		NA	NA			

* *For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.*

** *Fees and commissions income from services other than lending and AuM.*

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** *% of assets covered by the KPI over banks´ total assets.*

**** *based on the Turnover KPI of the counterparty.*

******based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.*

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

10.1.1 ASSETS FOR THE CALCULATION OF GAR

ASSETS FOR THE CALCULATION OF GAR - TURNOVER

		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)			
	Million EUR	**Total [gross] carrying amount**			**Of which Use of Proceeds**	**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	162,626	144,802	10,162	-	348	1,363
2	**Financial undertakings**	**4,267**	**1,098**	**102**	**-**	**2**	**102**
3	Credit institutions	2,963	187	18	-	-	18
4	Loans and advances	2,176	6	-		-	-
5	Debt securities, including UoP	787	181	18		-	18
6	Equity instruments	-	-	-			
7	Other financial corporations	1,304	911	84	-	2	84
8	*of which investment firms*	*1,280*	*911*	*84*	*-*	*2*	*84*
9	Loans and advances	1,278	911	84		2	84
10	Debt securities, including UoP	-	-	-		-	-
11	Equity instruments	2	-	-		-	-
12	*of which management companies*	*5*	*-*	*-*	*-*	*-*	*-*
13	Loans and advances	5	-	-		-	-
14	Debt securities, including UoP	-	-	-		-	-
15	Equity instruments	-	-	-		-	-
16	*of which insurance undertakings*	*19*	*-*	*-*	*-*	*-*	*-*
17	Loans and advances	19	-	-		-	-
18	Debt securities, including UoP	-	-	-		-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	**22,506**	**7,859**	**1,261**	**-**	**330**	**1,261**
21	Loans and advances	21,671	7,778	1,259		330	1,259
22	Debt securities, including UoP	432	81	2		-	2
23	Equity instruments	403	-	-		-	-
24	**Households**	**47,006**	**47,006**	**1,355**	**-**	**16**	**-**
25	*of which loans collateralised by residential immovable property*	*42,321*	*42,321*	*1,339*	*-*	*-*	
26	*of which building renovation loans*	*2,251*	*2,251*	*-*	*-*	*-*	
27	*of which motor vehicle loans*	*2,434*	*2,434*	*16*	*-*	*16*	
28	**Local governments financing**	**8**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	8	-				
30	Other local government financing	-	-				
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**88,839**	**88,839**	**7,444**	**-**	**-**	
32	**ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)**	**554,181**					

	g	h	i	j	ab	ac	ad	ae	af
	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 Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
1	212	5	-	-	145,014	10,167	-	348	1,363
2	**23**	**-**	**-**	**-**	**1,121**	**102**	**-**	**2**	**102**
3	16	-	-	-	203	18	-	-	18
4	16	-		-	22	-	-	-	-
5	-	-		-	181	18	-	-	18
6	-	-		-	-	-		-	-
7	7	-	-	-	918	84	-	2	84
8	-	-	-	-	*911*	*84*	-	*2*	*84*
9	-	-		-	911	84	-	2	84
10	-	-		-	-	-	-	-	-
11	-	-		-	-	-		-	-
12	-	-	-	-	-	-	-	-	-
13	-	-		-	-	-	-	-	-
14	-	-		-	-	-	-	-	-
15	-	-		-	-	-		-	-
16	*7*	-	-	-	*7*	-	-	-	-
17	7	-		-	7	-	-	-	-
18	-	-		-	-	-	-	-	-
19	-	-		-	-	-		-	-
20	**189**	**5**	**-**	**-**	**8,048**	**1,266**	**-**	**330**	**1,261**
21	189	5		-	7,967	1,264	-	330	1,259
22	-	-		-	81	2	-	-	2
23	-			-	-	-		-	-
24	**-**	**-**	**-**	**-**	**47,006**	**1,355**	**-**	**16**	**-**
25					*42,321*	*1,339*	-	-	-
26					*2,251*	-	-	-	-
27					*2,434*	*16*	-	*16*	-
28	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29					-	-	-	-	-
30					-	-	-	-	-
31					**88,839**	**7,444**	**-**	**-**	**-**
32					**-**	**-**	**-**	**-**	**-**

		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)			
	Million EUR	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	**297,226**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	163,972					
35	Loans and advances	158,246					
36	*of which loans collateralised by commercial immovable property*	*25,118*					
37	*of which building renovation loans*	-					
38	Debt securities	4,785					
39	Equity instruments	941					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	115,298					
41	Loans and advances	111,087					
42	Debt securities	3,668					
43	Equity instruments	543					
44	**Derivatives**	**10,427**					
45	**On demand interbank loans**	**38,930**					
46	**Cash and cash-related assets**	**2,323**					
47	**Other categories of assets (*e.g.* Goodwill, commodities etc.)**	**205,275**					
48	**TOTAL GAR ASSETS**	**716,807**	**144,802**	**10,162**	**-**	**348**	**1,363**
49	**ASSETS NOT COVERED FOR GAR CALCULATION**	**691,887**					
50	Central governments and Supranational issuers	77,354					
51	Central banks exposure	238,658					
52	Trading book	375,874					
53	**TOTAL ASSETS**	**1,408,694**					
OFF-BALANCE SHEET EXPOSURES – UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS							
54	Financial guarantees	81,828	9,562	4,014	-	352	4,014
55	Assets under management	44,406	233	76	-	12	76
56	*Of which debt securities*	*3,847*	*25*	*8*	-	*1*	*8*
57	*Of which equity instruments*	*11,666*	*208*	*68*	-	*11*	*68*

1. *This Template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).*
2. *The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.*
3. *Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations*
4. *For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.*
5. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	g	h	i	j	ab	ac	ad	ae	af
	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 Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48	**212**	**5**	**-**	**-**	**145,014**	**10,167**	**-**	**348**	**1,363**
49									
50									
51									
52									
53									
OFF-BALANCE SHEET EXPOSURES – UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS									
54	889	-	-	-	10,451	4,014	-	352	4,014
55	46	0	-	-	280	76	-	12	76
56	*18*	-	-	-	*43*	*8*	-	*1*	*8*
57	*28*	*0*	-	-	*236*	*68*	-	*11*	*68*

ASSETS FOR THE CALCULATION OF GAR – CAPEX

		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)			
	Million EUR	**Total [gross] carrying amount**			**Of which Use of Proceeds**	**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	162,626	146,026	11,517	-	435	2,714
2	**Financial undertakings**	**4,267**	**1,127**	**262**	**-**	**15**	**262**
3	Credit institutions	2,963	195	68	-	-	68
4	Loans and advances	2,176	-	-		-	-
5	Debt securities, including UoP	787	195	68		-	68
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	1,304	932	194	-	15	194
8	*of which investment firms*	*1,280*	*932*	*194*	*-*	*15*	*194*
9	Loans and advances	1,278	932	194		15	194
10	Debt securities, including UoP	-	-	-		-	-
11	Equity instruments	2	-	-		-	-
12	*of which management companies*	*5*	-	-	-	-	-
13	Loans and advances	5	-	-		-	-
14	Debt securities, including UoP	-	-	-		-	-
15	Equity instruments	-	-	-		-	-
16	*of which insurance undertakings*	*19*	-	-	-	-	-
17	Loans and advances	19	-	-		-	-
18	Debt securities, including UoP	-	-	-		-	-
19	Equity instruments	-	-	-		-	-
20	**Non-financial undertakings**	**22,506**	**9,054**	**2,456**	**-**	**404**	**2,452**
21	Loans and advances	21,671	8,967	2,455		404	2,451
22	Debt securities, including UoP	432	83	1		-	1
23	Equity instruments	403	4	-		-	-
24	**Households**	**47,006**	**47,006**	**1,355**	**-**	**16**	**-**
25	*of which loans collateralised by residential immovable property*	*42,321*	*42,321*	*1,339*	-	-	
26	*of which building renovation loans*	*2,251*	*2,251*	-	-	-	
27	*of which motor vehicle loans*	*2,434*	*2,434*	*16*	-	*16*	
28	**Local governments financing**	**8**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	8	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**88,839**	**88,839**	**7,444**	**-**	**-**	**-**
32	**ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)**	**554,181**					

	g	h	i	j	ab	ac	ad	ae	af
	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 Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**
1	328	9	-	9	146,354	11,526	-	435	2,723
2	**-**	**-**	**-**	**-**	**1,127**	**262**	**-**	**15**	**262**
3	-	-	-	-	195	68	-	-	68
4	-	-		-	-	-	-	-	-
5	-	-		-	195	68	-	-	68
6	-	-		-	-	-		-	-
7	-	-	-	-	932	194	-	15	194
8	-	-	-	-	*932*	*194*	-	*15*	*194*
9	-	-		-	932	194	-	15	194
10	-	-		-	-	-	-	-	-
11	-	-		-	-	-		-	-
12	-	-	-	-	-	-	-	-	-
13	-	-		-	-	-	-	-	-
14	-	-		-	-	-	-	-	-
15	-	-		-	-	-		-	-
16	-	-	-	-	-	-	-	-	-
17	-	-		-	-	-	-	-	-
18	-	-		-	-	-	-	-	-
19	-	-		-	-	-		-	-
20	**328**	**9**	**-**	**9**	**9,382**	**2,465**	**-**	**404**	**2,461**
21	328	9		9	9,295	2,464	-	404	2,460
22	-	-		-	83	1	-	-	1
23	-	-		-	4	-		-	-
24	**-**	**-**	**-**	**-**	**47,006**	**1,355**	**-**	**16**	**-**
25					*42,321*	*1,339*	-	-	-
26					*2,251*	-	-	-	-
27					*2,434*	*16*	-	*16*	-
28	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	-	-	-	-	-	-	-	-	-
30	-	-	-	-	-	-	-	-	-
31	**-**	**-**	**-**	**-**	**88,839**	**7,444**	**-**	**-**	**-**
32					-	-	-	-	-

	Million EUR	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)			
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	**297,226**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	163,972					
35	Loans and advances	158,246					
36	*of which loans collateralised by commercial immovable property*	*25,118*					
37	*of which building renovation loans*	-					
38	Debt securities	4,785					
39	Equity instruments	941					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	115,298					
41	Loans and advances	111,087					
42	Debt securities	3,668					
43	Equity instruments	543					
44	**Derivatives**	**10,427**					
45	**On demand interbank loans**	**38,930**					
46	**Cash and cash-related assets**	**2,323**					
47	**Other categories of assets (*e.g.* Goodwill, commodities, etc.)**	**205,275**					
48	**TOTAL GAR ASSETS**	**716,807**	**146,026**	**11,517**	**-**	**435**	**2,714**
49	**ASSETS NOT COVERED FOR GAR CALCULATION**	**691,887**					
50	Central governments and Supranational issuers	77,354					
51	Central banks exposure	238,658					
52	Trading book	375,874					
53	Total assets	1,408,694					
	OFF-BALANCE SHEET EXPOSURES – UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS						
54	Financial guarantees	81,828	10,652	4,898	-	387	4,898
55	Assets under management	44,406	547	137	-	33	137
56	*Of which debt securities*	*3,847*	*32*	*14*	-	*1*	*14*
57	*Of which equity instruments*	*11,666*	*516*	*123*	-	*32*	*123*

1. *This Template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).*
2. *The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.*
3. *Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.*
4. *For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.*
5. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	g	h	i	j	ab	ac	ad	ae	af
	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 Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48	**328**	**9**	**-**	**9**	**146,354**	**11,526**	**-**	**435**	**2,723**
49									
50									
51									
52									
53									
OFF-BALANCE SHEET EXPOSURES – UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS									
54	242	3	-	-	10,894	4,901	-	387	4,898
55	156	0	-	-	703	137	-	33	137
56	*17*	*0*	-	-	*49*	*14*	-	*1*	*14*
57	*139*	*0*	-	-	*655*	*123*	-	*32*	*123*

10.1.2 GAR SECTOR INFORMATION

GAR SECTOR INFORMATION – TURNOVER

		a	b	c	d
		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector – NACE 4 digits level (code and label)	M EUR	Of which environmentally sustainable (CCM)	M EUR	Of which environmentally sustainable (CCM)
1	D.35.11 – PRODUCTION OF ELECTRICITY	828	553		
2	C.30.20 – MANUFACTURE OF RAILWAY LOCOMOTIVES AND ROLLING STOCK	150	87		
3	H.49.31 – URBAN AND SUBURBAN PASSENGER LAND TRANSPORT	269	86		
4	C.29.10 – MANUFACTURE OF MOTOR VEHICLES	1,445	85		
5	L.68.20 – RENTING AND OPERATING OF OWN OR LEASED REAL ESTATE	574	43		
6	H.49.39 – OTHER PASSENGER LAND TRANSPORT N.E.C.	50	29		
7	C.19.20 – MANUFACTURE OF REFINED PETROLEUM PRODUCTS	40	28		
8	F.41.20 – CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	124	27		
9	K.66.19 – OTHER ACTIVITIES AUXILIARY TO FINANCIAL SERVICES, EXCEPT INSURANCE AND PENSION FUNDING	241	26		
10	F.42.11 – CONSTRUCTION OF ROADS AND MOTORWAYS	87	24		
11	C.27.12 – MANUFACTURE OF ELECTRICITY DISTRIBUTION AND CONTROL APPARATUS	35	24		
12	H.49.10 – PASSENGER RAIL TRANSPORT, INTERURBAN	238	22		
13	H.52.29 – OTHER TRANSPORTATION SUPPORT ACTIVITIES	32	18		
14	H.52.21 – SERVICE ACTIVITIES INCIDENTAL TO LAND TRANSPORTATION	84	17		
15	M.70.10 – ACTIVITIES OF HEAD OFFICES	523	16		
16	F.42.99 – CONSTRUCTION OF OTHER CIVIL ENGINEERING PROJECTS N.E.C.	30	15		
17	K.64.20 – ACTIVITIES OF HOLDING COMPANIES	70	12		
18	C.29.32 – MANUFACTURE OF OTHER PARTS AND ACCESSORIES FOR MOTOR VEHICLES	15	12		
19	E.36.00 – WATER COLLECTION, TREATMENT AND SUPPLY	32	11		
20	M.71.12 – ENGINEERING ACTIVITIES AND RELATED TECHNICAL CONSULTANCY	29	11		
21	C.24.10 – MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	65	10		
22	E.37.00 – SEWERAGE	10	7		
23	E.38.21 – TREATMENT AND DISPOSAL OF NON-HAZARDOUS WASTE	50	5		
24	N.77.12 – RENTING AND LEASING OF TRUCKS	22	7		
25	C.27.32 – MANUFACTURE OF OTHER ELECTRONIC AND ELECTRIC WIRES AND CABLES	38	6		
26	C.30.12 – BUILDING OF PLEASURE AND SPORTING BOATS	18	5		
27	G.45.11 – SALE OF CARS AND LIGHT MOTOR VEHICLES	175	5		
28	F.42.13 – CONSTRUCTION OF BRIDGES AND TUNNELS	10	5		
29	F.43.22 – PLUMBING, HEAT AND AIR-CONDITIONING INSTALLATION	24	4		
30	K.64.99 – OTHER FINANCIAL SERVICE ACTIVITIES, EXCEPT INSURANCE AND PENSION FUNDING	223	4		
31	F.42.12 – CONSTRUCTION OF RAILWAYS AND UNDERGROUND RAILWAYS	7	3		
32	D.35.14 – TRADE OF ELECTRICITY	4	3		
33	F.43.21 – ELECTRICAL INSTALLATION	8	3		
34	F.41.10 – DEVELOPMENT OF BUILDING PROJECTS	192	3		
35	N.77.11 – RENTING AND LEASING OF CARS AND LIGHT MOTOR VEHICLES	26	3		
36	J.61.20 – WIRELESS TELECOMMUNICATIONS ACTIVITIES	15	2		
37	C.23.51 – MANUFACTURE OF CEMENT	51	2		
38	H.49.41 – FREIGHT TRANSPORT BY ROAD	11	2		
39	F.43.99 – OTHER SPECIALISED CONSTRUCTION ACTIVITIES N.E.C.	14	1		
40	E.39.00 – REMEDIATION ACTIVITIES AND OTHER WASTE MANAGEMENT SERVICES	2	1		
OTHERS		1,999	33		

1. *Credit institutions shall disclose in this Template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty*
2. *The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.*
3. *Categories "Others" sectors stand for less that 5% of total aligned amounts.*
4. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	e	f	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)				Total (CCM + CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	M EUR	Of which environmentally sustainable (CCA)	M EUR	Of which environmentally sustainable (CCA)	M EUR	Of which environmentally sustainable (CCM + CCA)	M EUR	Of which environmentally sustainable (CCM + CCA)
1	0	-			828	553		
2	-	-			150	87		
3	-	-			269	86		
4	2	-			1,447	85		
5	0	-			574	43		
6	-	-			50	29		
7	-	-			40	28		
8	3	-			128	27		
9	1	-			242	26		
10	5	-			92	24		
11	-	-			35	24		
12	-	-			238	22		
13	0	0			32	18		
14	-	-			84	17		
15	0	-			523	16		
16	0	-			31	15		
17	112	2			182	14		
18	-	-			15	12		
19	-	-			32	11		
20	0	-			30	11		
21	-	-			65	10		
22	0	0			10	7		
23	2	2			51	7		
24	0	-			22	7		
25	-	-			38	6		
26	-	-			18	5		
27	-	-			175	5		
28	0	-			10	5		
29	4	-			28	4		
30	-	-			223	4		
31	0	-			7	3		
32	-	-			4	3		
33	0	-			8	3		
34	0	-			192	3		
35	-	-			26	3		
36	3	0			17	2		
37	-	-			51	2		
38	-	-			11	2		
39	0	-			14	1		
40	1	0			2	1		
OTHERS	55	0			2,054	33		

GAR SECTOR INFORMATION – CAPEX

		A	B	C	D
		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector – NACE 4 digits level (code and label)	M EUR	Of which environmentally sustainable (CCM)	M EUR	Of which environmentally sustainable (CCM)
1	D.35.11 – PRODUCTION OF ELECTRICITY	1,284	1,032		
2	C.29.10 – MANUFACTURE OF MOTOR VEHICLES	1,511	396		
3	M.70.10 – ACTIVITIES OF HEAD OFFICES	277	192		
4	L.68.20 – RENTING AND OPERATING OF OWN OR LEASED REAL ESTATE	592	104		
5	K.64.99 – OTHER FINANCIAL SERVICE ACTIVITIES, EXCEPT INSURANCE AND PENSION FUNDING	117	85		
6	C.30.20 – MANUFACTURE OF RAILWAY LOCOMOTIVES AND ROLLING STOCK	150	81		
7	C.19.20 – MANUFACTURE OF REFINED PETROLEUM PRODUCTS	97	81		
8	K.66.19 – OTHER ACTIVITIES AUXILIARY TO FINANCIAL SERVICES, EXCEPT INSURANCE AND PENSION FUNDING	252	61		
9	J.61.10 – WIRED TELECOMMUNICATIONS ACTIVITIES	177	42		
10	C.27.12 – MANUFACTURE OF ELECTRICITY DISTRIBUTION AND CONTROL APPARATUS	68	33		
11	H.49.31 – URBAN AND SUBURBAN PASSENGER LAND TRANSPORT	292	32		
12	C.27.32 – MANUFACTURE OF OTHER ELECTRONIC AND ELECTRIC WIRES AND CABLES	55	23		
13	D.35.14 – TRADE OF ELECTRICITY	20	20		
14	M.71.12 – ENGINEERING ACTIVITIES AND RELATED TECHNICAL CONSULTANCY	32	19		
15	G.45.11 – SALE OF CARS AND LIGHT MOTOR VEHICLES	178	18		
16	H.52.21 – SERVICE ACTIVITIES INCIDENTAL TO LAND TRANSPORTATION	78	16		
17	H.49.10 – PASSENGER RAIL TRANSPORT, INTERURBAN	244	15		
18	H.49.39 – OTHER PASSENGER LAND TRANSPORT N.E.C.	63	14		
19	J.62.02 – COMPUTER CONSULTANCY ACTIVITIES	104	11		
20	C.29.32 – MANUFACTURE OF OTHER PARTS AND ACCESSORIES FOR MOTOR VEHICLES	24	11		
21	G.47.30 – RETAIL SALE OF AUTOMOTIVE FUEL IN SPECIALISED STORES	13	11		
22	K.64.20 – ACTIVITIES OF HOLDING COMPANIES	47	3		
23	F.41.20 – CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	79	10		
24	N.77.11 – RENTING AND LEASING OF CARS AND LIGHT MOTOR VEHICLES	28	10		
25	H.52.29 – OTHER TRANSPORTATION SUPPORT ACTIVITIES	40	9		
26	B.06.10 – EXTRACTION OF CRUDE PETROLEUM	10	8		
27	G.46.12 – AGENTS INVOLVED IN THE SALE OF FUELS, ORES, METALS AND INDUSTRIAL CHEMICALS	12	8		
28	F.42.11 – CONSTRUCTION OF ROADS AND MOTORWAYS	57	8		
29	G.46.71 – WHOLESALE OF SOLID, LIQUID AND GASEOUS FUELS AND RELATED PRODUCTS	20	7		
30	D.35.21 – MANUFACTURE OF GAS	8	6		
31	C.28.22 – MANUFACTURE OF LIFTING AND HANDLING EQUIPMENT	18	6		
32	C.20.16 – MANUFACTURE OF PLASTICS IN PRIMARY FORMS	6	5		
33	F.42.99 – CONSTRUCTION OF OTHER CIVIL ENGINEERING PROJECTS N.E.C.	15	4		
34	G.46.52 – WHOLESALE OF ELECTRONIC AND TELECOMMUNICATIONS EQUIPMENT AND PARTS	5	4		
35	J.62.09 – OTHER INFORMATION TECHNOLOGY AND COMPUTER SERVICE ACTIVITIES	15	3		
36	G.47.11 – RETAIL SALE IN NON-SPECIALISED STORES WITH FOOD, BEVERAGES OR TOBACCO	130	3		
37	E.36.00 – WATER COLLECTION, TREATMENT AND SUPPLY	21	3		
38	C.30.12 – BUILDING OF PLEASURE AND SPORTING BOATS	18	3		
39	J.61.20 – WIRELESS TELECOMMUNICATIONS ACTIVITIES	7	2		
40	F.42.12 – CONSTRUCTION OF RAILWAYS AND UNDERGROUND RAILWAYS	5	2		
OTHERS		2,887	53		

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2. *The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.*
3. *Categories "Others" sectors stand for less that 5% of total aligned amounts.*
4. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	E	F	G	H	Y	Z	Aa	Ab
	Climate Change Adaptation (CCA)				Total (CCM + CCA)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	M EUR	Of which environmentally sustainable (CCA)	M EUR	Of which environmentally sustainable (CCA)	M EUR	Of which environmentally sustainable (CCM + CCA)	M EUR	Of which environmentally sustainable (CCM + CCA)
1	0	0			1,284	1,032		
2	1	-			1,511	396		
3	0	0			277	192		
4	0	0			592	104		
5	-	-			117	85		
6	-	-			150	81		
7	-	-			97	81		
8	0	0			252	61		
9	1	-			177	42		
10	-	-			68	33		
11	-	-			292	32		
12	-	-			55	23		
13	-	-			20	20		
14	0	0			32	19		
15	-	-			178	18		
16	-	-			78	16		
17	-	-			244	15		
18	-	-			63	14		
19	0	0			104	11		
20	-	-			24	11		
21	-	-			13	11		
22	263	7			310	11		
23	3	0			82	10		
24	-	-			28	10		
25	1	0			41	9		
26	-	-			10	8		
27	-	-			12	8		
28	1	0			58	8		
29	-	-			20	7		
30	-	-			8	6		
31	-	-			18	6		
32	-	-			6	5		
33	0	0			15	4		
34	-	-			5	4		
35	15	-			30	3		
36	-	-			130	3		
37	-	-			21	3		
38	-	-			18	3		
39	2	0			9	2		
40	0	0			5	2		
OTHERS	41	1			2,927	54		

10.1.3 GAR KPI STOCK

GAR KPI STOCK – TURNOVER

	% (compared to total covered assets in the denominator)	a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	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	89.0%	6.2%	0.0%	0.2%	0.8%
2	**Financial undertakings**	**25.7%**	**2.4%**	**0.0%**	**0.0%**	**2.4%**
3	Credit institutions	6.3%	0.6%	0.0%	0.0%	0.6%
4	Loans and advances	0.3%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	23.0%	2.3%	0.0%	0.0%	2.3%
6	Equity instruments	NA	NA		NA	NA
7	Other financial corporations	69.9%	6.4%	0.0%	0.2%	6.4%
8	*of which investment firms*	*71.2%*	*6.6%*	*0.0%*	*0.2%*	*6.6%*
9	Loans and advances	71.3%	6.6%	0.0%	0.2%	6.6%
10	Debt securities, including UoP	NA	NA	NA	NA	NA
11	Equity instruments	0.0%	0.0%		0.0%	0.0%
12	*of which management companies*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	NA	NA	NA	NA	NA
15	Equity instruments	NA	NA		NA	NA
16	*of which insurance undertakings*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	NA	NA	NA	NA	NA
19	Equity instruments	NA	NA		NA	NA
20	**Non-financial undertakings**	**34.9%**	**5.6%**	**0.0%**	**1.5%**	**5.6%**
21	Loans and advances	35.9%	5.8%	0.0%	1.5%	5.8%
22	Debt securities, including UoP	18.8%	0.5%	0.0%	0.0%	0.5%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%
24	**Households**	**100.0%**	**2.9%**	**0.0%**	**0.0%**	**0.0%**
25	*of which loans collateralised by residential immovable property*	*100.0%*	*3.2%*	*0.0%*	*0.0%*	*0.0%*
26	*of which building renovation loans*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
27	*of which motor vehicle loans*	*100.0%*	*0.7%*	*0.0%*	*0.7%*	*0.0%*
28	**Local governments financing**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	NA	NA	NA	NA	NA
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.0%**	**8.4%**	**0.0%**	**0.0%**	**0.0%**
32	**TOTAL GAR ASSETS**	**20.2%**	**1.4%**	**0.0%**	**0.0%**	**0.2%**

1. *Institution shall disclose in this Template the GAR KPIs on stock of loans calculated based on the data disclosed in Template 1, on covered assets, and by applying the formulas proposed in this template.*
2. *Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.*
3. *Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.*
4. *Credit institutions shall duplicate this Template for revenue based and CapEx based disclosures.*
5. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	f	g	h	i	aa	ab	ac	ad	ae	af
	Disclosure reference date T									
	Climate Change Adaptation (CCA)				**Total (CCM + CCA)**					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**					**Proportion of total assets covered**
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**				
			Of which Use of Proceeds	**Of which enabling**			**Of which Use of Proceeds**	**Of which transitional**	**Of which enabling**	
1	0.1%	0.0%	0	0.0%	89.2%	6.3%	0.0%	0.2%	0.8%	11.5%
2	**0.5%**	**0.0%**	**0**	**0.0%**	**26.3%**	**2.4%**	**0.0%**	**0.0%**	**2.4%**	**0.3%**
3	0.5%	0.0%	0	0.0%	6.9%	0.6%	0.0%	0.0%	0.6%	0.2%
4	0.7%	0.0%	0	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.2%
5	0.0%	0.0%	0	0.0%	23.0%	2.3%	0.0%	0.0%	2.3%	0.1%
6	NA	NA		NA	NA	NA		NA	NA	0.0%
7	0.5%	0.0%	0.0%	0.0%	70.4%	6.4%	0.0%	0.2%	6.4%	0.1%
8	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*71.2%*	*6.6%*	*0.0%*	*0.2%*	*6.6%*	*0.1%*
9	0.0%	0.0%	0.0%	0.0%	71.3%	6.6%	0.0%	0.2%	6.6%	0.1%
10	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
11	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
15	NA	NA		NA	NA	nc		NA	NA	0.0%
16	*36.8%*	*0.0%*	*0.0%*	*0.0%*	*36.8%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
17	36.8%	0.0%	0.0%	0.0%	36.8%	0.0%	0.0%	0.0%	0.0%	0.0%
18	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
19	NA	NA		NA	NA	NA		NA	NA	0.0%
20	**0.8%**	**0.0%**	**0.0%**	**0.0%**	**35.8%**	**5.6%**	**0.0%**	**1.5%**	**5.6%**	**1.6%**
21	0.9%	0.0%	0.0%	0.0%	36.8%	5.8%	0.0%	1.5%	5.8%	1.5%
22	0.0%	0.0%	0.0%	0.0%	18.8%	0.5%	0.0%	0.0%	0.5%	0.0%
23	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**	**2.9%**	**0.0%**	**0.0%**	**0.0%**	**3.3%**
25	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*	*3.2%*	*0.0%*	*0.0%*	*0.0%*	*3.0%*
26	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.2%*
27										
28	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0%**	**0.0%**	***0.v0%***	**0.0%**	**0.0%**	**0.0%**
29	0.0%	0.0%	0.0%	0.0%	0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
31	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100%**	**8.4%**	**0.0%**	**0.0%**	**0.0%**	**6.3%**
32	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**20%**	**1.4%**	**0.0%**	**0.0%**	**0.2%**	**50.9%**

GAR KPI STOCK – CAPEX

	% (compared to total covered assets in the denominator)	a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	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	89.8%	7.1%	0.0%	0.3%	1.7%
2	**Financial undertakings**	**26.4%**	**6.1%**	**0.0%**	**0.4%**	**6.1%**
3	Credit institutions	6.6%	2.3%	0.0%	0.0%	2.3%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	24.8%	8.6%	0.0%	0.0%	8.6%
6	Equity instruments	NA	NA		NA	NA
7	Other financial corporations	71.5%	14.9%	0.0%	1.2%	14.9%
8	*of which investment firms*	72.8%	15.2%	0.0%	1.2%	15.2%
9	Loans and advances	*72.9%*	*15.2%*	*0.0%*	*1.2%*	*15.2%*
10	Debt securities, including UoP	NA	NA	NA	NA	NA
11	Equity instruments	0.0%	0.0%		0.0%	0.0%
12	*of which management companies*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	NA	NA	NA	NA	NA
15	Equity instruments	NA	NA		NA	NA
16	*of which insurance undertakings*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	NA	NA	NA	NA	NA
19	Equity instruments	NA	NA		NA	NA
20	**Non-financial undertakings**	**40.2%**	**10.9%**	**0.0%**	**1.8%**	**10.9%**
21	Loans and advances	41.4%	11.3%	0.0%	1.9%	11.3%
22	Debt securities, including UoP	19.2%	0.2%	0.0%	0.0%	0.2%
23	Equity instruments	1.0%	0.0%		0.0%	0.0%
24	**Households**	**100.0%**	**2.9%**	**0.0%**	**0.0%**	**0.0%**
25	*of which loans collateralised by residential immovable property*	*100.0%*	*3.2%*	*0.0%*	*0.0%*	*0.0%*
26	*of which building renovation loans*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
27	*of which motor vehicle loans*	*100.0%*	*0.7%*	*0.0%*	*0.7%*	*0.0%*
28	**Local governments financing**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	NA	NA	NA	NA	NA
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100.0%**	**8.4%**	**0.0%**	**0.0%**	**0.0%**
32	**TOTAL GAR ASSETS**	**20.4%**	**1.6%**	**0.0%**	**0.1%**	**0.4%**

1. *Institution shall disclose in this Template the GAR KPIs on stock of loans calculated based on the data disclosed in Template 1, on covered assets, and by applying the formulas proposed in this template.*
2. *Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.*
3. *Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.*
4. *Credit institutions shall duplicate this Template for revenue based and CapEx based disclosures.*
5. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	f	g	h	i	aa	ab	ac	ad	ae	af
	Disclosure reference date T									
	Climate Change Adaptation (CCA)				Total (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	0.2%	0.0%	0.0%	0.0%	90.0%	7.1%	0.0%	0.3%	1.7%	11.5%
2	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**26.4%**	**6.1%**	**0.0%**	**0.4%**	**6.1%**	**0.3%**
3	0.0%	0.0%	0.0%	0.0%	6.6%	2.3%	0.0%	0.0%	2.3%	0.2%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
5	0.0%	0.0%	0.0%	0.0%	24.8%	8.6%	0.0%	0.0%	8.6%	0.1%
6	NA	NA		NA	NA	NA		NA	NA	0.0%
7	0.0%	0.0%	0.0%	0.0%	71.5%	14.9%	0.0%	1.2%	14.9%	0.1%
8	0.0%	0.0%	0.0%	0.0%	72.8%	15.2%	0.0%	1.2%	15.2%	0.1%
9	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*72.9%*	*15.2%*	*0.0%*	*1.2%*	*15.2%*	*0.1%*
10	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
11	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
15	NA	NA		NA	NA	NA		NA	NA	0.0%
16	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
17	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
19	NA	NA		NA	NA	NA		NA	NA	0.0%
20	**1.5%**	**0.0%**	**0.0%**	**0.0%**	**41.7%**	**11.0%**	**0.0%**	**1.8%**	**10.9%**	**1.6%**
21	1.5%	0.0%	0.0%	0.0%	42.9%	11.4%	0.0%	1.9%	11.4%	1.5%
22	0.0%	0.0%	0.0%	0.0%	19.2%	0.2%	0.0%	0.0%	0.2%	0.0%
23	0.0%	0.0%		0.0%	1.0%	0.0%		0.0%	0.0%	0.0%
24	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**	**2.9%**	**0.0%**	**0.0%**	**0.0%**	**3.3%**
25	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*	*3.2%*	*0.0%*	*0.0%*	*0.0%*	*3.0%*
26	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.2%*
27										
28	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
29	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.0%
31	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**	**8.4%**	**0.0%**	**0.0%**	**0.0%**	**6.3%**
32	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**20.4%**	**1.6%**	**0.0%**	**0.1%**	**0.4%**	**50.9%**

10.1.4 KPI OFF-BALANCE SHEET EXPOSURES

KPI OFF-BALANCE SHEET EXPOSURES – TURNOVER

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	11.7%	4.9%	0.0%	0.4%	4.9%
2	Assets under management (AuM KPI)	0.5%	0.2%	0.0%	0.0%	0.2%

1. *Institution shall dislcose in this Template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in Template 1, on covered assets, and by applying the formulas proposed in this template.*
2. *Institutions shall duplicate this Template to disclose stock and flow KPIs for off-balance sheet exposures.*
3. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	f	g	h	i	aa	ab	ac	ad	ae
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				Total (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	1.1%	0.0%	0.0%	0.0%	12.8%	4.9%	0.0%	0.4%	4.9%
2	0.4%	0.0%	0.0%	0.0%	1.6%	0.2%	0.0%	0.0%	0.2%

KPI OFF-BALANCE SHEET EXPOSURES – CAPEX

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	13.0%	6.0%	0.0%	0.5%	6.0%
2	Assets under management (AuM KPI)	1.2%	0.3%	0.0%	0.1%	0.3%

1. *Institution shall disclose in this Template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in Template 1, on covered assets, and by applying the formulas proposed in this template.*
2. *Institutions shall duplicate this Template to disclose stock and flow KPIs for off-balance sheet exposures.*
3. *The table presented above is not identical to the original model. Columns that do not contain any information have been removed to make the table easier to read.*

	f	g	h	i	aa	ab	ac	ad	ae
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				Total (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	0.3%	0.0%	0.0%	0.0%	13.3%	6.0%	0.0%	0.5%	6.0%
2	0.4%	0.0%	0.0%	0.0%	1.6%	0.3%	0.0%	0.1%	0.3%

10.2 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

The first template aims to define funding dedicated to research, development, construction or exploitation activities in the nuclear or fossil gas sectors. The following six templates illustrate the share of eligible and aligned activities in the natural gas and nuclear sector in relation to the main performance indicator of the GAR. These shares are calculated on turnover and capital expenditure, either from the numerator or the denominator of the GAR stock. The latter two templates show the amount and proportion of exposures to gas and nuclear activities that are not eligible for Taxonomy in relation to all exposures classified as such.

This template shall take into account financing transactions, whether or not they are exposures, for which the use of the product is known.

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

		Amount *(in Million EUR)* **and proportion (the information is to be presented in monetary amounts and as percentages)**					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
Row	**Economic activities based on KPI Turnover**	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	198	0	198	0	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	9,969	1	9,964	1	5	0
8.	**TOTAL APPLICABLE KPI**	**716,808**	**100**	**716,808**	**100**		

		Amount *(in Million EUR)* **and proportion (the information is to be presented in monetary amounts and as percentages)**					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
Row	**Economic activities based on KPI Capex**	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	40	0	40	0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	312	0	312	0	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	11,174	2	11,165	2	9	0
8.	**TOTAL APPLICABLE KPI**	**716,808**	**100**	**716,808**	**100**		

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

		Amount *(in Million EUR)* **and proportion (the information is to be presented in monetary amounts and as percentages)**					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
Row	**Economic activities based on KPI Turnover**	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	198	2	198	2	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	9,969	98	9,964	98	5	100
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI**	**10,167**	**100**	**10,162**	**100**	**5**	**0**

		Amount *(in Million EUR)* **and proportion (the information is to be presented in monetary amounts and as percentages)**					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
Row	**Economic activities based on KPI Capex**	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	41	-	41	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	312	3	312	3	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0	-	0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	11,173	97	11,164	97	9	100
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE APPLICABLE KPI**	**11,526**	**100**	**11,517**	**100**	**9**	**0**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

		Amount *(in Million EUR)* and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities based on KPI Turnover	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0	3	0	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	90	0	90	0	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0	5	0	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	134,748	100	134,540	100	208	100
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI**	**134,848**	**100**	**134,640**	**100**	**208**	**0**

		Amount *(in Million EUR)* and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities based on KPI Capex	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	50	0	50	0	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0	2	0	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0	-	0	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	134,776	100	134,457	100	319	100
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI**	**134,829**	**100**	**134,510**	**100**	**319**	**0**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

Row	Economic activities based on KPI Turnover	Amount *(in Million EUR)*	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,208	0
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	570,586	100
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI**	**571,794**	**100**

Row	Economic activities based on KPI Capex	Amount *(in Million EUR)*	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,208	0
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	569,246	100
8.	**TOTAL AMOUNT AND PROPORTION OF TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI**	**570,454**	**100**

GLOSSARY

CORPORATE SOCIAL RESPONSIBILITY GLOSSARY

AA1000: the AccountAbility 1000 (AA1000) framework standard was published in November 1999 by the predominantly Anglo-Saxon Institute of Social and Ethical Accountability (ISEA). Based on systematic stakeholder engagement in a company's day-to-day business, it contains a series of indicators, targets and reporting systems designed to assure the credibility of a company's performance in such respect. Various major corporations, non-governmental organisations and public institutions are among those to have adopted the standard.

Act4nature international is an initiative led by business networks with scientific partners, environmental NGOs and public bodies. Its objective is to develop the mobilisation of companies in favour of biodiversity through pragmatic commitments supported by their CEOs.

ADEME: the Environment and Energy Management Agency (ADEME or Ademe) is a French public industrial and commercial institution (EPIC) created in 1991. It is under the joint authority of the French ministries responsible for research and innovation, the ecological and solidarity transition, and higher education. ADEME drives, manages, coordinates, facilitates and carries out environmental protection and energy control operations.

B Corp: certification is provided by B Lab to businesses that meet high standards of verified social and environmental performance, public transparency and legal accountability in order to achieve a balance between business profits and objectives.

Bankers Association for Finance and Trade (BAFT): founded in 1921, BAFT is a global industry association for international transaction banking. It helps bridge solutions across financial institutions, service providers and the regulatory community that promote sound financial practices enabling innovation, efficiency and commercial growth.

Belt and Road: the new silk road comprises a "belt" of overland rail links and a "road" of shipping routes linking China to Europe through Kazakhstan, Russia, Belarus, Poland, Germany, France and the United Kingdom.

Biodiversity: Biodiversity refers to all living beings and the ecosystems in which they live. The term also includes the interactions of species with each other and with their environments.

Blended finance: the strategic use of development finance and philanthropic funds to encourage additional inflows of private capital for emerging markets, generating positive results for both investors and local communities.

Cash management: refers to one of the bank's business lines offering customers solutions in the following areas - management of means of payment, centralisation and optimisation of cash flow.

CDC Biodiversity: created in 2008 by Caisse des Dépôts, CDC Biodiversity is a subsidiary of the CDC Group whose main mission is to reconcile biodiversity and economic development in the service of the general interest.

***Charte Eco d'Eau*:** a collective initiative under which businesses and citizens take action to preserve water resources. It sets out a charter of voluntary commitments under which signatory businesses can access solutions to help them structure and share their commitments.

Circular economy: the circular economy consists of producing goods and services in a sustainable way by limiting the consumption and waste of resources and the production of waste. It's about moving from a throwaway society to a more circular business model.

CIU (Collective Investment Undertaking): a type of financial instrument set up by an accredited entity to manage savings in accordance with a predefined strategy. It is effectively a professionally managed share portfolio. All sums invested in a CIU are pooled and converted into units or shares in the undertaking. These units or shares reflect the portfolio's value at any given time. This value is expressed as a "net asset value", calculated by dividing the total value of the CIU's net assets by the total number of its units or shares. The net asset value represents both the subscription price for a unit or share (with fees being payable in addition) and its redemption price.

Cloud computing: is the practice of using a network of remote, internet-hosted computer servers to store, manage, and process data, rather than a local server or personal computer.

CSA: French polling institute specialising in market research and opinion polls.

CSRD (Corporate Sustainability Reporting Directive): an EU Directive that has been transposed into French law under the Order of 6 December 2023 and French Decree No. 2023-1394 of 30 December 2023. The CSRD provides for the creation of ESRS, European Sustainability Reporting Standards, which frame and harmonise sustainability reporting by businesses.

Ecosystems: a dynamic complex of communities of plants, animals and microorganisms and their non-living environment that interact to form a functional unit.

Eco-PTZ+: an interest-free loan for energy renovation work in residential properties. Subject to certain conditions, owners, occupiers and co-ownership associations can apply for loans ranging from EUR 7,000 to EUR 50,000, depending on the work they want to finance. The scheme is set to run until 31 December 2023.

Ecosystem services: the benefits that humans derive from ecosystems.

EcoTree: a French company specialised in solutions that promote forestry and biodiversity with a view to delivering financial and environmental benefits.

EcoVadis is a provider of sustainability and CSR ratings. It works with companies of all sizes and in all sectors looking to measure their environmental, social and ethical impact. It establishes a scorecard that illustrates the level of integration of sustainability by companies across four themes: environment, labour and human rights, ethics and sustainable procurement. Certification is obtained on the basis of a process of ongoing improvement involving annual assessments through which companies can track and work on improving their score.

EMEA: an abbreviation sometimes used by companies or organisations to refer to the business region encompassing Europe, the Middle East and Africa.

Entreprises pour l'environnement (EpE): Formed in 1992, a French association of some sixty major French and international companies from all sectors committed to environmental transition.

Equipment finance: financing of sales and capital goods.

ETF: Exchange Traded Funds (ETFs) are financial instruments that faithfully track the upward or downward movements in an underlying index.

Ethifinance: a European extra-financial rating, research and advisory group specialised in solutions for socially responsible investment (SRI) and corporate social responsibility (CSR).

Factoring/reverse factoring: factoring is a financial management technique by which a financial company (the factor) manages, within the framework of a contract (factoring contract), the accounts receivable of a company by financing its customer invoices, collecting its receivables, guaranteeing receivables from its debtors, applying and posting payments.

The factoring service is remunerated by a commission on the amount of invoices, service commission and financial commission. Factoring allows companies to improve their cash flow and reduce their accounts receivable management costs.

Reverse factoring or Reverse Factoring (or Supply Chain Finance) is a financing solution that allows companies to pay their supplier before the due date without calling on their cash flow. The factoring company pays your suppliers' invoices within 24 hours after the delivery of the goods or the performance of the service. Your company will only pay the factor when the invoice is due.

Fing: the *Fondation Internet Nouvelle Génération* (New Generation Internet Foundation) is a French non-profit association set up in 2000. Its work falls into four main categories: bringing people together around new technologies; taking part in emerging ethical and societal debates; fostering innovative ideas and projects; and encouraging partnerships and the appropriation of innovation.

France Active Garantie: France Active is a movement of entrepreneurs that provides support to businesses and associations in the social and solidarity economy and entrepreneurs with the least access to bank services through funding, advice and access to a network of business and social stakeholders. 90% of start-up entrepreneurs supported by France Active are job seekers, one third of whom are on the lowest level of social support. France Active carries a proportion of the credit risk on funding for these players, thereby facilitating the approval of loans by creditor banks.

FTE: refers to work performed on a full-time equivalent basis, in line with the legal working hours for the country in question.

GHG Protocol: is an international protocol providing a framework for measuring, accounting for and managing greenhouse gas emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute.

Green Bond Principles (GBP): a set of internationally recognised voluntary guidelines for issuers of green bonds that set out best practices and promote transparency. Established by the ICMA (International Capital Market Association), the GBP provide guidelines for issuers to follow when issuing green bonds. They aid investors by promoting availability of information necessary to evaluate the environmental impact of their green bond investments and they assist underwriters by offering vital steps that will facilitate transactions that preserve the integrity of the market.

Green circle: is a programming competition built in a serious game format by Societe Generale and CodinGame in order to raise awareness among developers about sustainable IT.

Greenfin: an initiative launched by the French Ministry for the Ecological and Solidarity Transition, Greenfin certification is a guarantee of an investment fund's green credentials. The label can be awarded to funds that invest in the common good and whose practices are transparent and sustainable. Funds that invest in companies in the nuclear and fossil fuel industries are not eligible for the Greenfin label.

Green Loan Principles (GLP): a set of internationally recognised voluntary guidelines to promote growth and transparency in the green loan market. Their aim is to create a framework of market standards and guidelines with a consistent methodology for use across the green loan market.

Green, social and sustainable loans, bonds and securitisations: green, social and sustainable loans or bonds finance projects offering clearly identified environmental and/or social benefits.

Green, sustainable export finance: trade finance instruments that support, guarantee and/or finance an underlying project that has a clear positive impact on the environment.

Green sustainable trade finance: trade finance instruments that support, guarantee and/or finance an underlying project with a clear positive contribution to the environment.

GRI: the Global Reporting Initiative, or GRI, is an NGO founded in 1997 by the CERES (Coalition for Environmentally Responsible Economies) and the UNEP (United Nations Environment Programme) that has attracted stakeholders (companies, organisations, non-profit associations, etc.) from around the world. It was set up to develop a reporting framework allowing companies to measure how they are doing in terms of sustainable development. It has published a series of standards designed to help companies report on their economic, social and environmental performance.

IIRC: the International Integrated Reporting Council (IIRC) is a global coalition of companies, investors, regulators, standard setters, members of the accounting profession and NGOs. Its members are united by the conviction that corporate reporting needs to be made more about value creation. To help make this happen, the International IR Framework provides a common set of guidelines, key concepts and components for Integrated Reporting.

Impact Based Finance: Societe Generale has developed a unique and disruptive impact-driven approach to address the need for guidance from private companies and public bodies that are transforming their operations to align with the SDGs in existing or new markets but facing difficulties in financing their investments. The approach is three-pronged: increasing impact, improving credit, and leveraging digital transformation.

Impact investing: impact investing is an investment strategy that seeks to generate synergies combining social, environmental and societal impact with a neutral financial return.

International Capital Market Association (ICMA): a global professional body and *de facto* regulator whose members include investment banks and securities dealers active on the international debt capital market.

Ipsos: French polling company founded in 1975 that also conducts opinion marketing research worldwide.

ISO 50001: ISO 50001, published on 15 June 2011 by the International Organization for Standardization, is the result of a collaboration between 61 countries. It aims to improve the energy performance of any organisation and its implementation is therefore a potential source of energy savings for companies.

LDDS: the *Livret de développement durable et solidaire* (sustainable development and solidarity savings account) is an instant-access interest-bearing savings account designed to finance small- and medium-sized enterprises, as well as the social and solidarity economy. Since 1 October 2020, LDDS accountholders have also had the option of making donations to one or more social and solidarity companies or non-profit associations.

***Le Chaînon Manquant*:** French non-profit association that combats food waste by recovering good-quality unsold foodstuffs from catering establishments for redistribution to those in need.

LGBTI: an acronym for people who are lesbian, gay, bisexual, transgender or intersex. It encompasses all those who engage in anything other than solely heterosexual relations.

Line of Defence (LoD) 3: Internal audit.

Line of Defence (LoD) 2: Compliance checks and risk management.

Line of Defence (LoD) 1: Other business lines and support functions.

***Livret A*:** an interest-bearing, instant-access savings passbook that is regulated, meaning that its terms – especially the cap and interest rate – are set by the public authorities. Part of the deposits in such accounts can be used to help finance social housing projects. The *Caisse des Dépôts et Consignations* pools 60% of all funds on *Livret A* accounts, using them to invest in projects in the public interest, such as building social housing and granting long-term loans to providers of social housing or to local authorities for infrastructure development, including building hospitals and transport infrastructure. The remaining 40% is managed by the banks and generates interest for savers.

LuxFLAG: the Luxembourg Finance Labelling Agency (LuxFLAG) is an independent and international non-profit association founded in July 2006. It aims to promote sustainable investments by awarding a transparent label to investment vehicles that are active in the fields of microfinance, the environment, ESG (environment, social, governance), climate finance and green bonds. LuxFLAG labels are designed to reassure investors that the investment vehicle in question genuinely pursues responsible investment of the assets it manages. There are no restrictions on eligibility for international investment vehicles based on issuing countries or where the vehicle is domiciled. LuxFLAG is guided by four core values: sustainability, transparency, independence and responsibility.

OMDF (Off-Grid Market Development Fund): a fund that aims to step up the rollout of sustainable electricity in Madagascar through the use of off-grid solar solutions.

***PEA PME/ETI*:** a French share savings plan designed to finance SMEs/mid-caps. The PEA PME/ETI was created to encourage French-resident savers to invest in French SMEs and mid-caps, in return for certain tax benefits. Savers benefit from tax reductions on the capital gains they derive from these plans, subject to certain conditions (such as a minimum holding period).

Phenix: a French start-up founded in 2014 to offer companies a way to cut down on waste. Phenix collects their unsold goods (foodstuffs, toiletries, cleaning products, school supplies, etc.) and then either donates them to food banks and charities or sells them at cut-price rates through its mobile app.

Physical risk: refers to the financial impact of climate change, as a result of more frequent extreme weather events as well as progressive climate change. Physical risks can be either “acute” (impact of extreme weather events, such as storms and flooding) or chronic (impact of more progressive shifts, such as higher temperatures, rising sea levels and water stress). These physical risks may have financial implications for organisations, such as direct damage, supply shocks (affecting their own assets or else their supply chains, resulting in an indirect impact) or demand shocks (affecting downstream destination markets). An organisation’s financial performance may also be affected by changes in water availability, sourcing and quality, food security, or extreme temperature variations affecting its premises, operations, supply chains, transport needs and employee safety.

Positive impact note and Positive impact support note: Societe Generale has put together a range of positive impact notes that offer investors the opportunity to invest in a structured note with the additional benefit of promoting Positive Impact Finance. When a client invests in positive impact notes, Societe Generale intends to hold in its books an amount of Positive Impact Finance assets equivalent to 100% of the outstanding nominal amount of the note.

Positive-impact project: a project whose environmental or social impacts have been measured and evaluated prior to its launch to identify how it will contribute to positive change for society or the planet. Positive-impact projects can cover a range of fields: the environment, education, social issues, health, food, biodiversity, gender equality, etc.

Proxy advisor: a firm that provides advice and voting recommendations to shareholders (generally in relation to corporate governance). Institutional investors can delegate proxy advisors to vote their shares for them, thus giving them influence that issuers must take into account. Proxy advisors also contribute to the production of governance ratings.

RTE: RTE, acronym for *Réseau de transport d'électricité*, is the French grid operator responsible for the public high-voltage electricity transmission network in France.

Scope 1,2,3: the methodology established by GHG Protocol* for calculating a company's carbon footprint requires the accounting of direct and indirect greenhouse gas emissions. Scope 1 corresponds to the direct emissions of the facilities owned by the company, Scope 2 corresponds to the indirect greenhouse gas emissions related to the consumption of electricity, heat or imported steam, Scope 3 makes it possible to list all other indirect emissions (upstream and downstream) related to the company's activity.

Serious game: the term refers to "a serious game", i.e. an activity combining a "serious" intention – of a pedagogical, informative, communicational, marketing type – with playful elements.

SFRD (Sustainable Finance Disclosure Regulation): The European Union's SFDR regulation imposes transparency rules on EU financial market participants and financial advisers with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their investment and advisory processes.

Social Bond Principles (SBP): established by the International Capital Market Association (ICMA), these are a set of best practices for issuers of social bonds. They provide guidelines, recommend transparency and disclosure and promote integrity. The SBP are voluntary guidelines that seek to support issuers in financing socially sound and sustainable projects that achieve greater social benefits. SBP-aligned issuance should provide transparent social credentials alongside an investment opportunity.

Social impact bond: financial bonds issued by the public sector to private operators on a pay-for-success basis to finance social projects.

Social impact Solutions: enable the creation of financial solutions to unlock both public and private funds for clients' social projects which contribute to their transition to sustainable development and the SDGs. These solutions require the use of joint expertise on social and economic aspects, most often leading to the establishment of multi-sectoral social partnerships with non-governmental organisations and the public sector.

Social Loan Principles (SLP): a set of voluntary guidelines that aim to create a framework of best practices and strengthen transparency in the social loan market. They seek to provide a consistent methodology for use across the social loan market.

Speak-up culture: in human resources, this refers to a working environment where people feel welcome, included and free to express their views and opinions, confident in the knowledge that they will be heard and acknowledged.

SPI: Sustainable and Positive Investment for wealth and asset management activities, including the structuring of products aimed at institutional and individual investors.

SPIF: Sustainable and Positive Impact Finance involves financing clients’ credit institution, leasing and/or support activities with a view to boosting their positive impact.

SRI: the SRI (Socially Responsible Investment) label is a tool for choosing sustainable and responsible investments. Created and supported by the French Ministry of Finance, the label aims to raise the profile of SRI products for savers in France and Europe.

Sustainability-linked bond: any type of bond instrument for which the characteristics (especially the financial characteristics) can vary depending on whether the issuer achieves certain predefined environmental, social and/or governance objectives.

Sustainability-Linked Bond Principles (SLBP): a set of guidelines intended for use by market participants and designed to drive the provision of the information needed to increase capital allocation to sustainability-linked bonds. The SLBP are applicable to all types of issuers and financial capital market instruments.

Sustainability-linked derivative: with these derivatives whose features are contingent on the achievement of specified sustainability targets, Societe Generale strengthens its commitment to the sustainable transformation of its corporate clients. Sustainability-linked swaps can notably hedge Sustainability-linked loans* and bonds*.

Sustainability-linked loan: a credit facility granted with an interest rate that varies according to the borrower's ESG performance. Also referred to as positive-impact loans.

Sustainable & positive impact bonds: Societe Generale has created a range of sustainable and positive impact bonds for its clients to invest in as part of a positive impact finance approach. Sustainable and positive impact bonds issued in accordance with the Societe Generale sustainable & positive impact bonds framework mainly contribute to the EU goal of combating climate change through the reduction of greenhouse gas emissions (GHG) and contribute towards one or more of the UN Sustainable Development Goals. https://www.societegenerale.com/sites/default/files/documents/2020-11/sg-sustainable-and-positive-impact-bond-framework-june-2020.pdf

Sustainable bond: a form of debt securities, sustainable bonds are issued to finance one or more existing, progressing or new projects that are identified and classified as "sustainable". Such bonds are intended for all investor classes. A project's "sustainability" is defined by its positive contribution to a sustainable development goal (social or environmental).

Sustainable bond issue: with a sustainable bond issue, the entirety of the net proceeds from the issue go towards financing or refinancing environmental and social projects.

Too Good to Go: a mobile application that connects its users with bakeries, restaurants, supermarkets and other food professionals that offer unsold food at reduced prices.

Transition risk: refers to the risk of financial losses for an institution as a direct or indirect result of adjusting to a more environmentally sustainable low-carbon economy. Transitioning to a low-carbon economy to meet the challenges of mitigating and adapting to climate change can involve major political, legal, technological and market changes. The exact nature and direction of these changes, as well as how fast they occur, will affect the extent of the financial and reputational risk elements making up transition risks. Although the TCFD's recommendations do not specifically mention it, the Group also includes within transition risk the liability risk arising from possible compensation claims from parties having sustained losses as a result of physical or transition risks.

Truspair: The fintech Trustpair is a next-generation third-party risk management platform that specializes in the prevention of wire transfer fraud. Trustpair supports Finance Departments in the digitization of their third-party control processes to improve security and performance.

WWF: the World Wildlife Fund is an international non-governmental organisation (INGO) established in 1961, dedicated to environmental protection and sustainable development. It is one of the world's largest environmental INGOs with more than six million supporters worldwide, working in more than 100 countries and supporting some 1,300 environmental projects.

GLOSSARY OF MAIN TECHNICAL TERMS

ACRONYM TABLE

Acronym	Definition	Glossary
ABS	Asset-Backed Securities	See: Securitisation
CDS	Credit Default Swap	See: Securitisation
CDO	Collateralised Debt Obligation	See: Securitisation
CLO	Collateralised Loan Obligation	See: Securitisation
CMBS	Commercial Mortgage Backed Securities	See: Securitisation
CRD	Capital Requirement Directive	
CVaR	Credit Value at Risk	
EAD	Exposure at default	
EL	Expected Loss	
ESG	Environment, Social and Governance	
G-SIB	Global Systemically Important Banks	See: SIFI
LCR	Liquidity Coverage Ratio	
LGD	Loss Given Default	
NSFR	Net Stable Funding Ratio	
PD	Probability of Default	
RMBS	Residential Mortgage Backed Securities	See: Securitisation
RWA	Risk Weighted Assets	
SVaR	Stressed Value at Risk	
VaR	Value at Risk	

Asset Backed Securities (ABS): see securitisation.

Basel 1 (Accords): prudential framework established in 1988 by the Basel Committee to ensure solvency and stability in the international banking system by setting an international minimum and standardised limit on banks' capital bases. It notably establishes a minimum capital ratio – as a proportion of the total risks taken on by banks – of 8% (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Basel 2 (Accords): prudential framework used to better assess and limit banks' risks. It is focused on banks' credit, market and operational risks (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Basel 3 (Accords): changes to prudential banking standards that supplement the Basel 2 accords by improving the quality and quantity of banks' required capital. They also implement minimum requirements in terms of liquidity risk management (quantitative ratios), define measures to limit the financial system's procyclicality (capital buffers that vary according to the economic cycle) and strengthen requirements related to systemically significant banks (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012). The Basel 3 Accords are implemented in Europe under Directive 2013/36/EU ("CRD4") and Regulation 575/2013 ("CRR"), which have been in force since 1 January 2014.

Bond: a bond is a fraction of a loan, issued in the form of a security, which is tradable and – in a given issue – grants a receivable over the issuer according to the issue's nominal value (the issuer being a company, public sector entity or government).

Cash Generating Unit (CGU): the smallest identifiable set of assets which generates incoming cash flow that is generally independent from the incoming cash flow generated by other assets or sets of assets in accordance with the IAS 36 accounting standard. "In accordance with IFRS standards, a company must determine the largest number of cash generating units (CGU) which make it up; these CGU should be generally independent in terms of operations and the company must allocate assets to each of these CGU. Impairment testing must be conducted at the CGU level periodically (if there are reasons to believe that their value has dropped) or annually (if they include goodwill)." (Source: *Les Echos.fr*, quoting Vernimmen).

Collateral: transferable asset or guarantee used as a pledge for the repayment of a loan in the event that the borrower cannot meet its payment obligations (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Collateralised Debt Obligation (CDO): see securitisation.

Collateralised Loan Obligation (CLO): see securitisation.

Commercial Mortgage Backed Securities (CMBS): see securitisation.

Common Equity Tier 1 capital: includes principally share capital, associated share premiums and reserves, less prudential deductions.

Common Equity Tier 1 ratio: ratio between **Common Equity Tier 1** capital and risk-weighted assets, according to CRD4/CRR rules. Common Equity Tier 1 capital has a more restrictive definition than in the earlier CRD3 Directive (Basel 2).

Comprehensive Risk Measurement (CRM): capital charge in addition to Incremental Risk Charge (IRC) for the credit activities correlation portfolio which accounts for specific price risks (spread, correlation, collection, etc.). The CRM is a 99.9% risk factor, meaning the highest risk obtained after eliminating the 0.1% most unfavourable incidents.

Core Tier 1 ratio: ratio between Core Tier 1 capital and risk-weighted assets, according to Basel 2 rules and their changes known as Basel 2.5.

Cost-to-income ratio: ratio indicating the share of net banking income (NBI) used to cover the company's operating costs. It is determined by dividing management fees by the NBI.

Cost of risk in basis points: the cost of risk in basis points is calculated using the ratio of the net cost of commercial risk to loan outstandings at the start of the period. Net cost of risk corresponds to the cost of risk calculated for on- and off-balance sheet exposures, *i.e.* Depreciation and reversals (used or not used) + Losses on unrecoverable receivables - Recovery of impaired debts. Provisions and reversals of provisions for litigation issues are excluded from this calculation.

CRD3: European Directive on capital requirements, incorporating the provisions known as Basel 2 and 2.5, notably in respect of market risk: improvement in the incorporation of the risk of default or rating migration for assets in the trading book (tranched and untranched assets), and reduction in the procyclicality of Value at Risk (see definition).

CRD4/CRR (Capital Requirement Regulation): Directive 2013/36/EU ("CRD4") and Regulation (EU) No. 575/2013 ("CRR") constitute the corpus of the texts transposing Basel 3 in Europe. They therefore define the European regulations relating to the solvency ratio, large exposures, leverage and liquidity ratios, and are supplemented by the European Banking Authority's ("EBA") technical standards.

Credit and counterparty risk: risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk also includes the counterparty risk linked to market transactions, as well as that stemming from securitisation activities.

Credit Default Swaps (CDS): insurance mechanism against credit risk in the form of a bilateral financial contract, in which the protection buyer periodically pays the seller in return for a guarantee to compensate the buyer for losses on reference assets (government, bank or corporate bonds) if a credit event occurs (bankruptcy, payment default, moratorium, restructuring) (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Credit Value at Risk (CVaR): the largest loss that would be incurred after eliminating the top 1% of the most adverse occurrences, used to set the risk limits for individual counterparties.

Derivative: a financial asset or financial contract, the value of which changes based on the value of an underlying asset, which may be financial (equities, bonds, currencies, etc.) or non-financial (agricultural or other commodities, etc.). Depending on the circumstances, this change may be accompanied by a leverage effect. Derivatives can take the form of securities (warrants, certificates, structured EMTNs, etc.) or contracts (forwards, options, swaps, etc.). Listed derivative contracts are called Futures.

Doubtful loan coverage rate: ratio between portfolio provision and depreciation and doubtful outstandings (customer loans and receivables, loans and receivables with credit institutions, finance leases and basic leases).

Expected Loss (EL): losses that may occur given the quality of a transaction's structuring and all measures taken to reduce risk, such as collateral.

Exposure at default (EAD): exposure in case of default, exposure incurred by the financial institution in the event of default of a counterparty. The EAD includes both balance sheet and off-balance sheet exposures. Off-balance sheet exposures are converted to their balance sheet equivalent using internal or regulatory conversion factors (drawdown assumption).

Fair value: the amount for which an asset could be exchanged or a liability settled, between informed and consenting parties under normal market conditions.

Government-backed loans (PGE): In light of the Covid-19 pandemic, the French State set up an emergency financing scheme to help debtors manage their cash requirements for an amount capped at 25% of their revenue and with an initial bullet redemption phase over 12 months. At the end of this initial phase, the client may opt for a redemption period of up to five years. Ninety percent of the loan amount for professional and VSB clients is backed by the French government. The only cost to these clients is a 0.25% commission to the French Public Investment Bank (BPI). For corporate clients, 70% to 90% of the loan amount is backed by the French government. The only cost to these clients is a commission of between 0.25% and 0.50% paid to the French government and collected by the French Public Investment Bank (BPI) depending on the revenue bracket.

Gross rate of doubtful outstandings: the ratio between doubtful outstandings and gross book loan outstandings (customer loans and receivables, loans and receivables with credit institutions, finance leases and basic leases).

Haircut: percentage by which the market value of securities is reduced to reflect their value in the context of stress (counterparty or market stress risk). The extent of the reduction reflects the perceived risk.

Impairment: recording of probable loss on an asset (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Incremental Risk Charge (IRC): capital cost incurred due to rating migration risk and risk of issuers' default within a one-year horizon for trading book debt instruments (bonds and CDS). The IRC is a 99.9% risk factor, meaning the highest risk obtained after eliminating the 0.1% most unfavourable incidents.

Insurance risk: beyond asset/liability risk management (interest-rate, valuation, counterparty and currency risk), insurance risk includes underwriting risk, mortality risk and structural risk of life and non-life insurance activities, including pandemics, accidents and catastrophic events (such as earthquakes, hurricanes, industrial disasters, or acts of terrorism or war).

Internal Capital Adequacy Assessment Process (ICAAP): process outlined in Pillar 2 of the Basel Accord, by which the Group verifies its capital adequacy with regard to all risks incurred. Investment grade: long-term rating provided by an external ratings agency, ranging from AAA/Aaa to BBB-/Baa3 for a counterparty or underlying issue. A rating of BB+/Ba1 or lower indicates a Non-Investment Grade instrument.

Leverage ratio: the leverage ratio is intended to be a simple ratio developed with a view to limiting the size of banks' balance sheets. The leverage ratio compares the Tier 1 capital with the accounting balance sheet/off-balance sheet, after restatements of certain items. A new definition of leverage ratio has been implemented in accordance with the application of the CRR.

Liquidity: for a bank, the capacity to cover its short-term maturities. For an asset, this term indicates the potential to purchase or sell it quickly on the market, with a limited discount (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Liquidity Coverage Ratio (LCR): this ratio is intended to promote the short-term resilience of a bank's liquidity risk profile. The LCR requires banks to hold risk-free assets that may be easily liquidated on markets in order to meet required payments for outflows net of inflows during a thirty-day crisis period without central bank support (Source: December 2010 Basel document).

Loss Given Default (LGD): ratio between the loss incurred from exposure to default by a counterparty and the amount of the exposure at the time of default.

Market risk: risk of decline in the value of financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equity, bonds), commodities, derivatives and other assets, including real estate.

Market stress tests: to assess market risks, alongside the internal VaR and SVaR model, the Group monitors its exposure using market stress test simulations to take into account exceptional market occurrences, based on 26 historical scenarios and eight hypothetical scenarios.

Mezzanine: form of financing between equity and debt. In terms of ranking, mezzanine debt is subordinate to senior debt, but it is still above equity.

Minimum requirement of own funds and eligible liabilities (MREL): the EU Bank Recovery and Resolution Directive (BRRD) requires compliance with a minimum ratio of "bail-inable" debt (*i.e.* debt that can be used in the event of the bank's resolution). The MREL requirement is determined on a case-by-case basis for each bank.

Monoline insurer: insurance company participating in a credit enhancement transaction and which guarantees bond issues (for example, a securitisation transaction), in order to improve the issue's credit rating.

Net earnings per share: net earnings of the company (adjusted for hybrid securities recorded under equity instruments) divided by the weighted average number of shares outstanding.

Net Stable Funding Ratio (NSFR): this ratio aims to promote resilience over a longer time horizon by creating additional incentives for banks to fund their activities with more stable sources of funding. This structural ratio has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities (Source: December 2010 Basel document).

Netting agreement: a contract in which two parties to a forward financial instrument, securities lending or resale contract agree to offset reciprocal claims arising from these contracts, with the settlement of these claims based only on the net balance, especially in the event of default or termination. A master netting agreement enables this mechanism to be extended to different kinds of transactions, subject to various framework agreements under a master agreement.

Operational risk (including accounting and environmental risk): risk of losses or sanctions, notably due to failures in procedures and internal systems, human error or external events, etc.

Own shares: shares held by the company, especially as part of the Share Buyback programme. Own shares are excluded from voting rights and are not included in the calculation of earnings per share, with the exception of shares held as part of a liquidity contract.

Personal commitment: represented by a deposit, autonomous guarantee or letter of intent. Whoever makes themselves guarantor for an obligation binds themselves to the creditor to honour that obligation, if the debtor does not honour it themselves. An independent guarantee is an undertaking by which the guarantor binds himself, in consideration of a debt subscribed by a third party, to pay a sum either on first demand or subject to terms agreed upon. A letter of intent is an undertaking to do or not to do, the purpose of which is the support provided to a debtor in honouring their obligation.

Physical collateral: guarantees consisting of assets including tangible and intangible property and securities, including commodities, precious metals, cash, financial instruments and insurance contracts.

Prime Brokerage: a bundled package of services dedicated to hedge funds to facilitate and improve their activities. In addition to performing standard brokerage transactions on financial markets (buying and selling on the customer's behalf), the prime broker offers securities lending and borrowing services and financing services specifically suited to hedge funds.

Probability of Default (PD): likelihood that a counterparty of the bank will default within one year.

Rating: assessment by a ratings agency (Moody's, Fitch Ratings, Standard & Poor's) of the financial solvency risk of an issuer (company, government or other public institution) or of a given transaction (bond loan, securitisation, covered bond). The rating has a direct impact on the cost of raising capital (Source: Bank of France Glossary - Documents et Débats - No. 4 - May 2012).

Resecuritisation: securitisation of an already securitised exposure where the risk associated with underlyings is divided into tranches and, therefore, at least one of the underlying exposures is a securitised exposure.

Residential Mortgage Backed Securities (RMBS): see securitisation.

Return On Equity (ROE): ratio between the net income restated for interest on hybrid securities recorded under equity instruments and restated book equity (especially hybrid securities), which enables return on capital to be measured.

Risk appetite: level of risk, by type and by business line, that the Group is prepared to take on with regard to its strategic objectives. Risk appetite is derived using both quantitative and qualitative criteria. The Risk Appetite exercise is one of the strategic steering tools available to the Group's decision-making bodies.

Risk weight: percentage of weighting of exposures which is applied to a particular exposure in order to determine the related risk-weighted asset.

Risk-Weighted Assets (RWA): value of a bank's assets or exposures, weighted according to risk.

Securitisation: transaction that transfers a credit risk (loan outstandings) to an organisation that issues, for this purpose, tradable securities to which investors subscribe. This transaction may involve a transfer of outstandings (physical securitisation) or a transfer of risk only (credit derivatives). Securitisation transactions may, if applicable, enable securities subordination (tranches).

The following products are considered securitisations:

ABS: Asset Backed Securities.

CDO: Collateralised Debt Obligation, a debt security backed by an asset portfolio (bank loans (residential) or corporate bonds). Interest and principal payments may be subordinated (tranche creation).

CLO: Collateralised Loan Obligation, a CDO backed by an asset portfolio of bank loans.

CMBS: Commercial Mortgage Backed Securities, a debt security backed by an asset portfolio of corporate real estate loans leading to a mortgage.

RMBS: Residential Mortgage Backed Securities, a debt security backed by an asset portfolio of residential mortgage loans.

Share: equity stake issued by a company in the form of shares, representing a share of ownership and granting its holder (shareholder) the right to a proportional share in any distribution of profits or net assets as well as a right to vote in a General Meeting of Shareholders.

Stressed Value at Risk (SVaR): identical to the VaR approach, the calculation method consists of a "historical simulation" with "one-day" shocks and a 99% confidence interval. Unlike the VaR, which uses 260 scenarios of daily variation year-on-year, the stressed VaR uses a fixed one-year window that corresponds to a historical period of significant financial tensions.

Structural interest rate and currency risk: risk of loss or of write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest rate and exchange rate risks are incurred in commercial activities and proprietary transactions.

Structured issue or structured product: a financial instrument combining a bond product and an instrument (an option for example) providing exposure to all types of asset (equities, currencies, interest rates, commodities). Instruments can include a total or partial guarantee in respect of the invested capital. The term "structured product" or "structured issue" also refers to securities resulting from securitisation transactions, where holders are subject to a ranking hierarchy.

Systemically Important Financial Institution (SIFI): the Financial Stability Board (FSB) coordinates all of the measures to reduce moral hazard and risks to the global financial system posed by Globally Systemically Important Financial Institutions (G-SIFI). These banks meet criteria defined in the Basel Committee rules included in the document titled "Global Systemically Important Banks: Assessment methodology and the additional loss absorbency requirement" and published as a list in November 2011. This list is updated by the FSB each November. Banks classified as G-SIBs are subject to increasingly strict capital requirements.

Tier 1 capital: comprises Common Equity Tier 1 capital and Additional Tier 1 capital. The latter corresponds to perpetual debt instruments, with no incentive to redeem, less prudential deductions.

Tier 2 capital: supplementary capital consisting mainly of subordinated notes less prudential deductions.

Tier 1 ratio: ratio between Tier 1 capital and risk-weighted assets.

Total capital ratio or Solvency ratio: ratio between total (Tier 1 and Tier 2) capital and risk-weighted assets.

Total Loss Absorbing Capacity (TLAC): on 10 November 2014, the Financial Stability Board (FSB) published for public consultation a term sheet proposing a "Pillar 1" type requirement regarding loss-absorbing capacity in the event of resolution. This new requirement only applies to G-SIBs (Global Systemically Important Banks). It is a ratio of liabilities considered to be "bail-inable" in the event of resolution and calculated with respect to weighted risks or the leverage ratio denominator (Source: *Revue de l'ACPR*, No. 25).

Transformation risk: appears as soon as assets are financed through resources with a different maturity. Due to their traditional activity of transforming resources with a short maturity into longer-term maturities, banks are naturally faced with transformation risk which itself leads to liquidity and interest-rate risk. Transformation occurs when assets have a longer maturity than liabilities; anti-transformation occurs when assets are financed through longer-maturity resources.

Treasury shares: shares held by a company in its own equity through one or several intermediary companies in which it holds a controlling share either directly or indirectly. Treasury shares are excluded from voting rights and are not included in the calculation of earnings per share.

Value at Risk (VaR): composite indicator used to monitor the Group's daily market risk exposure, notably for its trading activities (99% VaR in accordance with the internal regulatory model). It corresponds to the greatest risk calculated after eliminating the top 1% of most unfavourable occurrences observed over a one-year period. Within the framework described above, it corresponds to the average of the second and third largest losses computed.

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