

# **RISK REPORT**

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# 2026

PILLAR 3 2025

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# RISK REPORT

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# 2026

PILLAR 3 2025

**ABBREVIATIONS USED:**

**Millions of euros:** EURm / **Billions of euros:** EURbn / **FTE:** Headcount in Full-Time Equivalents  
Rankings: the source for all references to rankings is given explicitly. Where it is not, rankings are based on internal sources.



# 1

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## **GROUP CONCISE RISK STATEMENT**

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

- a robust CET1 ratio superior to 13% in 2026 after the implementation of Basel IV;
- revenue growth of >2% between 2025 and 2026;
- reduction in costs of ~-3% between 2025 and 2026;
- cost of risk between 25 and 30bps in 2026;

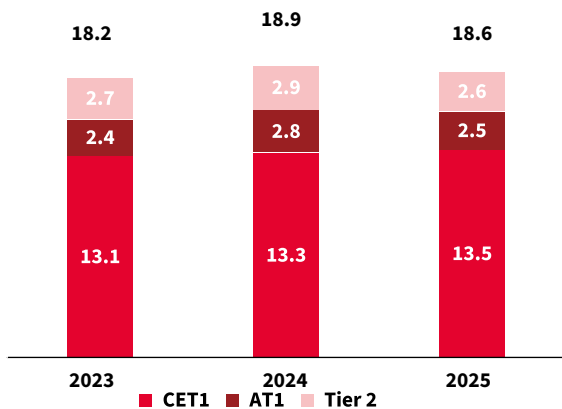
- an improved operating efficiency, with a cost-to-income ratio lower than 60% in 2026 and ROTE above 10% in 2026;
- an organic growth of RWA expected at around +2% in 2026.

At the end of 2025, the Group’s risk appetite monitoring indicators—covering solvency, credit risk, market and counterparty risk, compliance risk and structural risks—remain within the risk appetite framework defined by the Group, in line with the limits set by the Board of Directors.

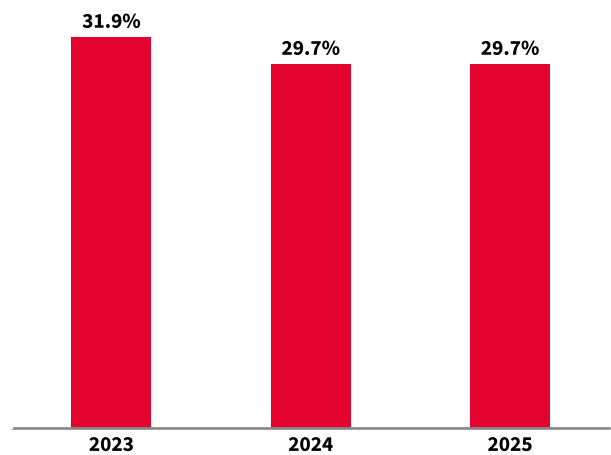
## 1.1 FINANCIAL STRENGTH PROFILE

In 31 December 2025, the Group complies with all regulatory requirements relating to solvency. Concerning the internal economic approach of the ICAAP, the rate of coverage of the Group’s internal capital requirement by the internal capital the end of 2025 is greater than 100% and complies the risk appetite validated by the Board.

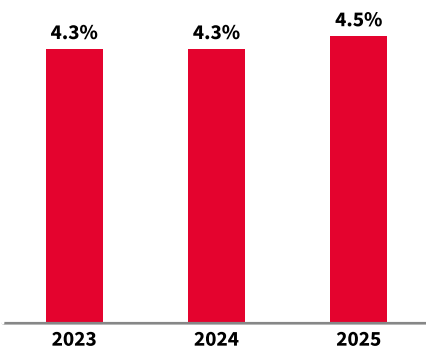
**SOLVENCY RATIOS AT 31 DECEMBER 2025 (IN %)**



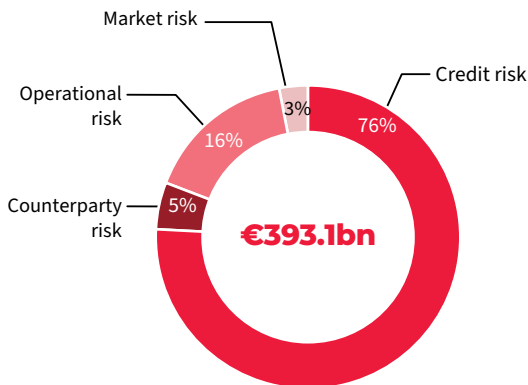
**TLAC RATIO AT 31 DECEMBER 2025**



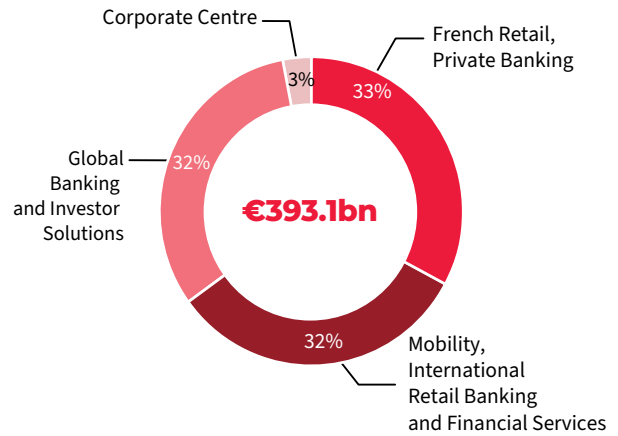
**LEVERAGE RATIO AT 31 DECEMBER 2025**



**DISTRIBUTION OF RWA BY RISK TYPE**  
(RWA AS OF 31.12.2025: EUR 393.1BN  
VS. RWA AS OF 31.12.2024: EUR 389.5BN)



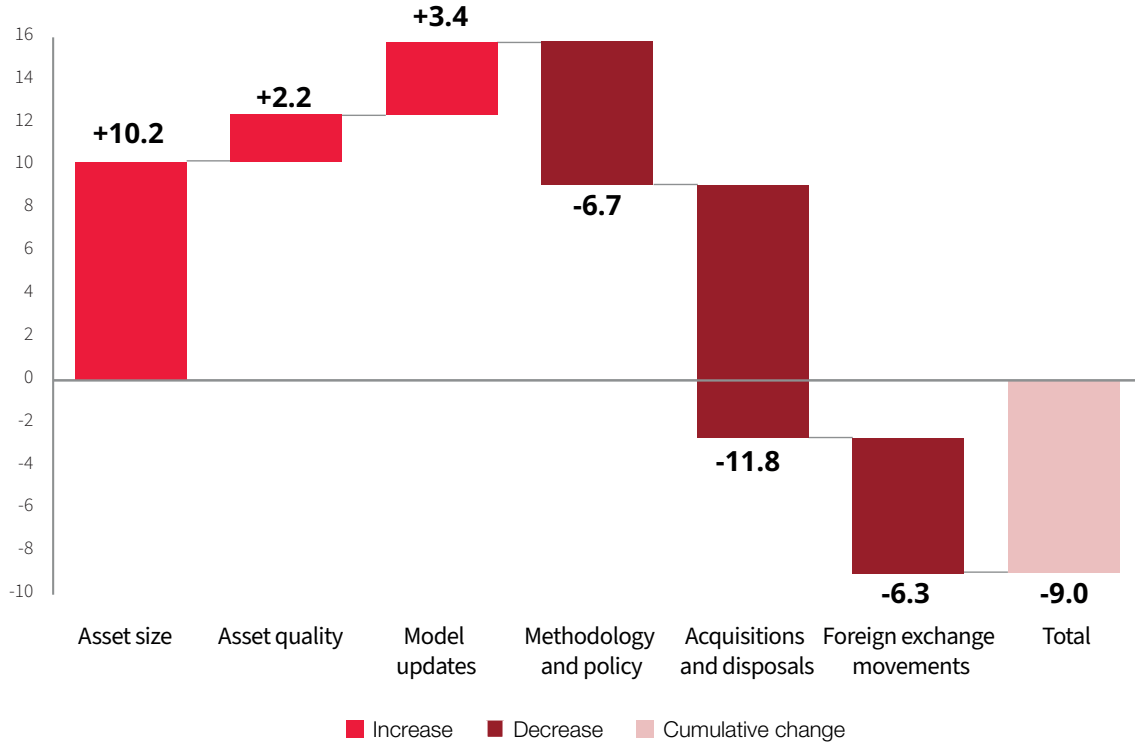
**DISTRIBUTION OF RWA BY CORE BUSINESS**  
(RWA AS OF 31.12.2025: EUR 393.1BN  
VS. RWA AS OF 31.12.2024: EUR 389.5BN)



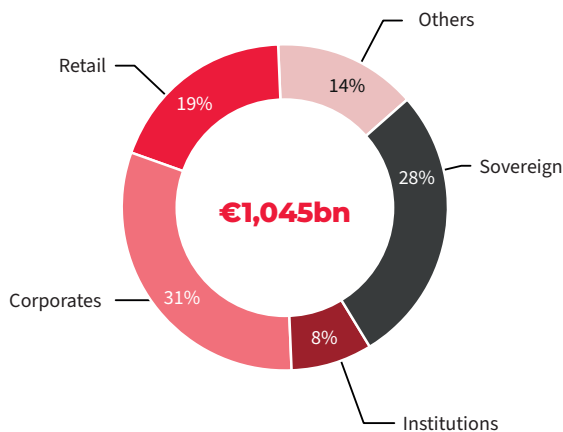
In addition, the Group presents its unconsolidated structured entities in Note 2.3 of the financial statements of the 2026 Universal Registration Document. Intra-group transactions are governed by a credit granting process complying different levels of delegation within the Business Units, the Risk Department and the Finance Department. The risks of intervention on the entities are tracked as part of the risk inventory and represent a non-material risk to date. The entities' structural risk management and oversight systems are also submitted to the Finance Department and the Risk Department.

## 1.2 CREDIT RISK AND COUNTERPARTY CREDIT RISK

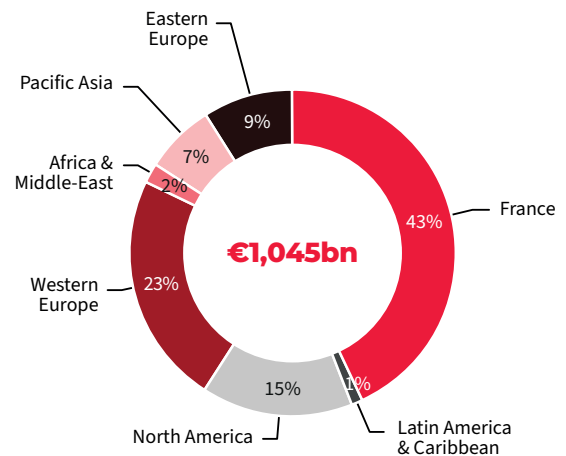
VARIATION OF WEIGHTED EXPOSURE FROM EUR 324BN TO EUR 315BN (IN BN EUR) AT 31 DECEMBER 2025



PORTFOLIO BREAKDOWN BY CUSTOMER TYPE EUR 1,045 BN (IN EAD) AT 31 DECEMBER 2025



BREAKDOWN OF GROUP EXPOSURE BY GEOGRAPHIC AREA EUR 1,045 BN (IN EAD) AT 31 DECEMBER 2025



As of December 2025, the evolution of counterparty and credit risk exposure compared to 2024 is stable.

**TABLE 1: PROVISIONING OF DOUBTFUL LOANS**

	<b>31.12.2025</b>	<b>31.12.2024</b>
Cost of risk (in bps)	26	26
Cost of risk (in EURm)	1,477	1,530
Group gross doubtful loans ratio <sup>(1)</sup>	2.81%	2.80%
Doubtful loans (Stage 3) (in EURbn)	14.3	14.4
Stage 3 Provisions (in EURbn)	6.3	6.2
Group net doubtful loans coverage ratio	44%	43%

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

The decrease in the cost of risk compared with 2024 (in absolute value) is explained by a decline in non-performing exposures, following a year 2024 marked by significant provisions on a limited number of large files in the market. Reversals on performing exposures (stage 1/stage 2) are slightly lower than in 2024. The Group maintains a prudent provisioning policy in an economic environment that remains characterised by significant geopolitical uncertainties.

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

As defined in Table 101 of Pillar 3 on ESG risks related to climate change's transition risk, the gross carrying amount of the sectors that contribute significantly to climate change<sup>(1)</sup> (based on NACE codes provided by the EBA) stands at EUR 159.2 billion.

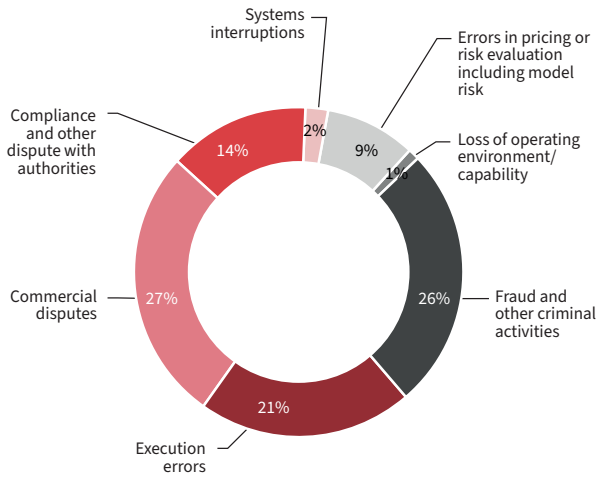
As indicated in Table 105 of Pillar 3 on ESG physical climate risks, and based on the underlying assumptions and available data, corporate exposures were assessed for gross physical risk. They amount to EUR 34.7 billion in gross book value before any mitigation.

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

## 1.3 OPERATIONAL RISK

Risk-weighted assets for operational risk amount to EUR 61.9 billion at end-2025, up 24% compared with 2024. The implementation of CRR3 since the first quarter of 2025 has led to the determination of own funds requirements under the standardised approach and explains this increase.

### OPERATIONAL RISK LOSSES BREAKDOWN BY RISK EVENT TYPE (IN VALUE) AT 31 DECEMBER 2025



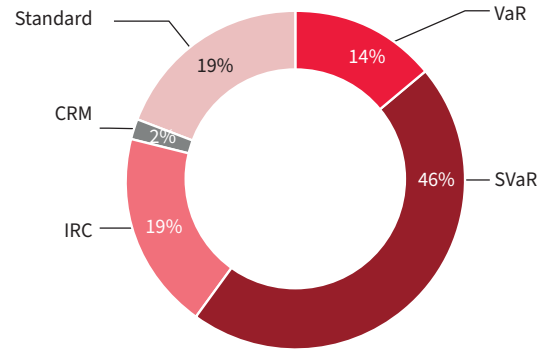
## 1.4 MARKET RISK

Market risk-weighted assets amounted to EUR 11.9 billion at end-2025, a slight decrease compared with end-2024. This decrease is mainly driven by risks calculated under the standardised approach, partly offset by the increase in risks measured using internal models:

- Risks calculated under the standardised approach decreased, primarily due to foreign-exchange and equity risks.
- Risks measured using internal models increased, reflecting the evolution of IRC partly offset by the changes in VaR and SVaR:
  - IRC/CRM: increase mainly linked to a methodological evolution on IRC implemented in Q4.
  - VaR/SVaR: decrease mainly due to a return to normal compared with the high VaR and SVaR levels observed at end-2024, especially on linear activities impacted by US funding cost pressures at the end of 2024.

Market risk-weighted exposures are determined predominantly through internal models (81% of the total at end-2025).

**BREAKDOWN OF MARKET RISK RWA BY COMPONENT AS OF 31.12.2025: EUR 11.9 BN VS. EUR 12.2BN AS OF 31.12.2024**



**TABLE 2: MARKET RISK - VAR AND SVAR AT 31 DECEMBER 2025**

(In EURm)	2025	2024
VaR (1 day, 99%) average value	15	19
SVaR (1 day, 99%) average value	41	41

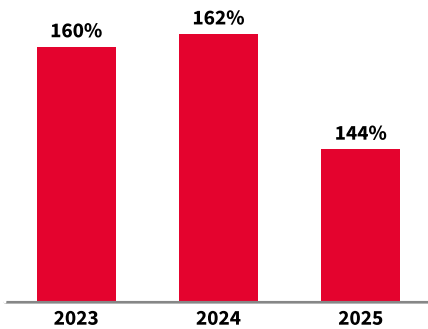
## 1.5 STRUCTURAL RISK - LIQUIDITY

The LCR decreases between end-period 2024 and end-period 2025, from 162% to 144%. The decrease of the ratio results from the combination of the decrease of the numerator (drop of the liquidity buffer by EUR -9 billion due to proactive decrease of short-term funding raised by Treasury) and of the increase of net cash outflows in denominator (EUR +9 billion). This level of 144% is in line with the internal steering target. The liquid reserves are stable (EUR

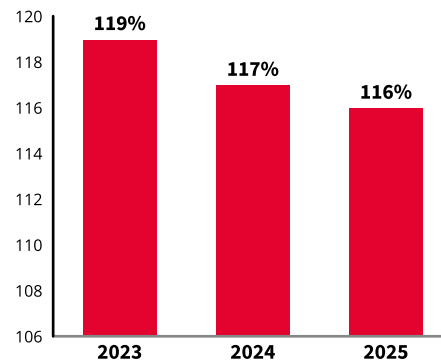
318 billion end of 2025 *versus* EUR 315 billion end of 2024), the impact of the lower liquidity buffer (EUR -9 billion) being more than offset by the increase in central bank eligible non-HQLA collateral (EUR +12 billion) resulting from the retained portion of new covered bonds issuances (EUR +7 billion) and of the replenishment of existing securitization programs (EUR +3 billion).

The NSFR ratio is stable at 116%.

### LCR RATIO AT 31 DECEMBER 2025



### NSFR RATIO AT 31 DECEMBER 2025



## 1.6 STRUCTURAL RISK - RATES

In a parallel shock scenario where the interest rates increase, the impact of the changes of EVE (economic value of equity) in 2025 is EUR -3,423 million and EUR 275 million on interest margin. On the contrary, in a parallel shock scenario where the interest rates decrease, the impact of the changes of EVE in 2025 is EUR -767 million and EUR -653 million on interest margin.

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

**TABLE 3: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1) AT 31 DECEMBER 2025**

(In EURm)		31.12.2025	
		Changes of the economic value of equity (*) (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
1	Parallel up	(3,423)	275
2	Parallel down	(767)	(653)
3	Steeper (decrease in short term rates, increase in long term rates)	337	
4	Flattener (increase in short term rates, decrease in long term rates)	(1,568)	
5	Short rates up	(1,942)	
6	Short rates down	859	

\* The Economic Value of Capital is a component of the Net Present Value as defined above, taking into account all assets and liabilities with the exception of shareholders' equity principally.

(In EURm)		31.12.2024	
		Changes of the economic value of equity (*) (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios			
1	Parallel up	(2,533)	371
2	Parallel down	(1,824)	(826)
3	Steeper (decrease in short term rates, increase in long term rates)	501	
4	Flattener (increase in short term rates, decrease in long term rates)	(1,768)	
5	Short rates up	(1,745)	
6	Short rates down	831	

\* The Economic Value of Capital is a component of the Net Present Value as defined above, taking into account all assets and liabilities with the exception of shareholders' equity principally.

## 1.7 SIGNIFICANT OPERATIONS IN 2025

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Various divestment projects were completed in 2025, fully aligned with Société Générale's strategic roadmap aimed at shaping a simplified, more synergistic and efficient model while strengthening the Group's capital:

- the sale of Société Générale Private Banking Switzerland to Union Bancaire Privée (UBP SA) was completed in January 2025;
- the sale of Société Générale Equipment Finance to the BPCE Group was finalized in February 2025, with a positive impact of around 30 basis points on the Group's CET1 ratio;
- the sale of SG Kleinwort Hambros to Union Bancaire Privée (UBP SA) was completed in March 2025;
- the sale of Société Générale Burkina Faso to Vista Group Holding was finalized in June 2025;
- the sale of Société Générale Mauritania to a consortium composed of Enko Capital and Oronte was finalized in August 2025;
- the full disposal of the Group's 57.94% stake in Société Générale Guinée to AFG Holding, the financial arm of the Atlantic Group, was finalized in August 2025;
- the full disposal of the Group's 52.44% stake in Société Générale de Banques en Guinée Equatoriale to the Republic of Equatorial Guinea was finalized in November 2025.

## 1.8 KEY FIGURES

**TABLE 4: KEY METRICS (KM1)**

(In EURm)		31.12.2025	30.09.2025	30.06.2025 <sup>o</sup>	31.03.2025 <sup>o</sup>	31.12.2024 <sup>o</sup>
<b>AVAILABLE OWN FUNDS (AMOUNTS)</b>						
1	Common Equity Tier 1 (CET1) capital	53,110	51,984	52,540	51,892	51,774
2	Tier 1 capital	62,953	61,892	61,426	62,429	62,583
3	Total capital	72,985	71,931	71,569	74,094	73,753
<b>RISK-WEIGHTED EXPOSURE AMOUNTS</b>						
4	Total risk-weighted assets	393,129	388,462	388,029	393,072	389,503
4a	Total risk exposure pre-floor	393,129	388,462	388,029	393,072	
<b>CAPITAL RATIO (AS A PERCENTAGE OF RISK-WEIGHTED AMOUNTS)</b>						
5	Common Equity Tier 1 ratio (%)	13.51%	13.38%	13.54%	13.20%	13.29%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	13.51%	13.38%	13.54%	13.20%	
6	Tier 1 ratio (%)	16.01%	15.93%	15.83%	15.88%	16.07%
6b	Tier 1 ratio considering unfloored TREA (%)	16.01%	15.93%	15.83%	15.88%	
7	Total capital ratio (%)	18.57%	18.52%	18.44%	18.85%	18.94%
7b	Total capital ratio considering unfloored TREA (%)	18.57%	18.52%	18.44%	18.85%	
<b>ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)(1)</b>						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.38%	2.38%	2.38%	2.38%	2.42%
EU 7e	of which to be made up of CET1 capital (%)	1.40%	1.40%	1.40%	1.40%	1.44%
EU 7f	of which to be made up of Tier 1 capital (%)	1.82%	1.82%	1.82%	1.82%	1.86%
EU 7g	Total SREP own funds requirements (%) <sup>(1)</sup>	10.38%	10.38%	10.38%	10.38%	10.42%
<b>COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)</b>						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution-specific countercyclical capital buffer (%)	0.84%	0.83%	0.82%	0.83%	0.82%
EU 9a	Systemic risk buffer (%)	0.04%	0.04%	0.04%	0.02%	0.02%
10	Global Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
EU 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	4.37%	4.37%	4.36%	4.35%	4.34%
EU 11a	Overall capital requirements (%)	14.75%	14.75%	14.74%	14.73%	14.76%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.61%	7.48%	7.64%	7.30%	7.35%
<b>LEVERAGE RATIO</b>						
13	Leverage ratio total exposure measure <sup>(2)</sup>	1,405,992	1,447,550	1,405,566	1,425,723	1,442,125
14	Leverage ratio (%)	4.48%	4.28%	4.37%	4.38%	4.34%
<b>Additional own funds requirements to address risk of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.10%	0.10%	0.10%	0.10%	0.10%
EU 14b	of which to be made up of CET1 capital (%)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%) <sup>(3)</sup>	3.10%	3.10%	3.10%	3.10%	3.10%

(In EURm)		31.12.2025	30.09.2025	30.06.2025*	31.03.2025*	31.12.2024*
<b>LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO</b>						
EU 14d	Leverage ratio buffer requirement (%)	0.50%	0.50%	0.50%	0.50%	0.50%
EU 14e	Overall leverage ratio requirements (%) <sup>(3)</sup>	3.60%	3.60%	3.60%	3.60%	3.60%
<b>LIQUIDITY COVERAGE RATIO</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	269,681	272,087	277,293	210,422	286,262
EU 16a	Cash outflows – Total weighted value	381,457	390,334	388,513	386,502	386,281
EU 16b	Cash inflows – Total weighted value	199,324	208,402	206,016	200,282	202,702
16	Total net cash outflows (adjusted value)	182,133	181,933	182,497	183,579	183,275
17	Liquidity coverage ratio (%)	148.26%	149.85%	152.19%	152.18%	156.39%
<b>NET STABLE FUNDING RATIO</b>						
18	Total available stable funding	638,373	637,520	630,222	637,354	660,801
19	Total required stable funding	548,754	545,594	540,329	552,218	566,450
20	NSFR ratio (%)	116.33%	116.85%	116.64%	115.42%	116.66%

(R) : Restated

(1) The own funds requirement applicable to Societe Generale group in relation to Pillar 2 reaches 2.38% (of which 1.40% in CET1) as of 01/01/2025 resulting in a total SREP own funds requirements of 10.38%.

(2) Over the whole historical period considered, the measurement of the leverage exposure has been taking into account the option to exempt temporarily some central bank exposures in accordance with the European regulation.

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

**TABLE 5: TLAC – KEY METRICS (KM2)**

(in EURm)		MREL		TLAC			
		31.12.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
<b>OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS <sup>(1)</sup></b>							
1	Own funds and eligible liabilities	127,828	116,842	116,671	116,026	115,787	115,758
EU-1a	of which own funds and subordinated liabilities	116,842					
2	Total RWA of the Group	393,129	393,129	388,462	388,029	393,072	389,503
3	<b>Own funds and eligible liabilities as a percentage of RWA</b>	<b>32.52%</b>	<b>29.72%</b>	<b>30.03%</b>	<b>29.90%</b>	<b>29.46%</b>	<b>29.72%</b>
EU-3a	of which own funds and subordinated liabilities	29.72%					
4	Total exposure measure of the Group	1,405,992	1,405,992	1,447,550	1,405,566	1 425 723	1,442,125
5	<b>Own funds and eligible liabilities as percentage of the total exposure measure</b>	<b>9.09%</b>	<b>8.31%</b>	<b>8.06%</b>	<b>8.25%</b>	<b>8.12%</b>	<b>8.03%</b>
EU-5a	of which own funds and subordinated liabilities	8.31%					
6a	Does the subordination exemption in Article 72b(4) of the CRR apply (5% exemption)		no	no	no	no	no
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)		N/A	N/A	N/A	N/A	N/A
6c	If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)		N/A	N/A	N/A	N/A	N/A
<b>MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL)</b>							
EU-7	MREL requirement expressed as percentage of the total risk exposure amount	27.48%					
EU-8	Of which to be met with own funds or subordinated liabilities	22.73%					
EU-9	MREL requirement expressed as percentage of the total exposure measure	6.13%					
EU-10	Of which to be met with own funds or subordinated liabilities	6.13%					

As of 31 december 2025, Societe Generale Group presents a TLAC ratio of 29.72% of riskweighted assets (RWA) for a regulatory requirement of 22.4%, and 8.3% of the leverage exposure for a regulatory requirement of 6.75%.

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

# 2

## RISK FACTORS

### **IN BRIEF**

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

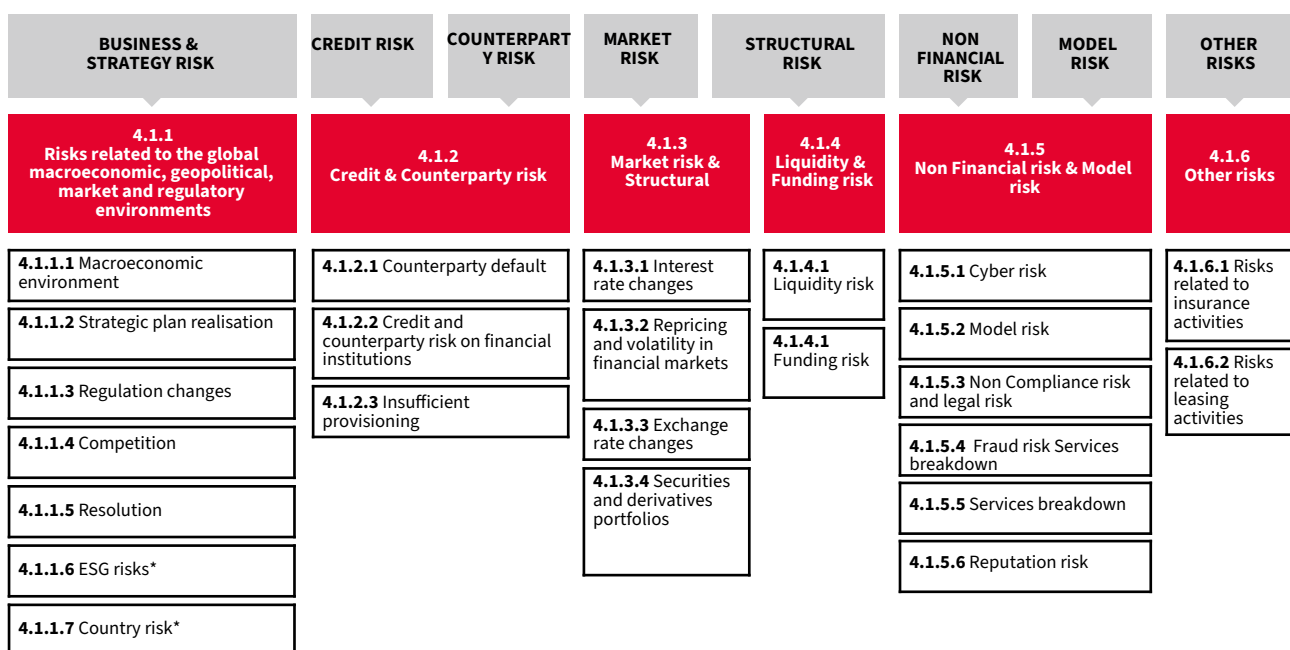
## 2.1 RISK FACTORS BY CATEGORY

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

Societe Generale has updated its risk typology as part of its internal risk management structure. For the purposes of this section, the different risks have been grouped into six main categories (4.1.1 to 4.1.6), in accordance with Article 16 of the Regulation (EU) 2017/

1129, also known as “Prospectus 3” regulation of 14 June 2017 according to the main risk factors that the Group estimates could impact the risk categories. Risk factors are presented based on an evaluation of their materiality, with the most material risks indicated first within each category.

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



■ Risk types in internal Group taxonomy

■ Risk category and paragraph §

□ Risk factor and paragraph §

\* This risk factor is identified as the root cause that could trigger or aggravate one or more risk categories.

Note to the reader: The diagram illustrates how the types of risks identified in the Group's risk typology have been grouped into the six categories and which risk factors mainly impact them.

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

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

As a global financial institution, the Group's activities are sensitive to changes in financial markets and economic conditions in Europe, the United States and elsewhere around the world. The Group generates 44% of its business in France (in terms of net banking income for the financial year ended 31 December 2025), 35% in Europe, 10% in the Americas and 11% in the rest of the world. The Group could face significant worsening of market and economic conditions in particular resulting from crises affecting capital or credit markets, liquidity constraints, regional or global recessions and fluctuations in commodity prices, notably oil and natural gas. Other factors could lead to such deteriorations, such as variations in currency exchange rates or interest rates, inflation or deflation, rating downgrades, restructuring or defaults of sovereign or private debt, adverse geopolitical events (such as the threat, occurrence and escalation of adverse events associated with wars, terrorism and any tensions between States and political actors that affect the course of international relations), or cybercrime risks. The rapid development of "artificial intelligence" carries risks of fraud and of obsolescence of various technologies.

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

The economic and financial environment is exposed to geopolitical risks and a level of uncertainty that remains high. The prospect of lasting trade and political tensions between major global players is likely to lead to production relocations and risks of supply constraints and regulatory and technological fragmentations. In Asia, the tensions between the US and China and around Taiwan are a source of risks with potential impacts for Europe. In the Middle East, the war started at the end of February by Israel and the United States against Iran stopped maritime traffic in the Strait of Hormuz, increased oil and gas prices, and could slow down the world economy if it lasts more than a few weeks or spreads to other countries in the region.

In the United States, the Trump administration is pursuing a protectionist program that prioritises support for domestic activity. This has resulted in increased tariffs whose long-term effects remain difficult to assess, and recurring trade tensions with China and most other trading partners, as well as large fiscal deficits. The United States has withdrawn from climate agreements and reduced development aid as well as its support for multilateral institutions. A high level of uncertainty persists regarding security arrangements and the role of the US dollar in the international monetary system.

The slowdown in economic activity that has begun in the United States and China could intensify, while in Europe structural factors (ageing population, low productivity and energy transitions) are likely to limit growth. Europe must also increase its defence spending in a budgetary context that is already tight in many countries, combined with international uncertainties weighing on the growth of the Eurozone countries. In France, fiscal adjustment is undermined by the absence of a parliamentary majority and persistent political instability. As a result, the debt trajectories of developed countries, including the United States and France, are unlikely to adjust quickly, which would maintain upward pressure on long-term interest rates. Threats to the independence of central banks could also impact term premiums.

Corporate defaults have begun to rise in the US and Europe, while solvency issues remain in the most fragile emerging markets. Credit spreads, currently at historically low levels, could come under pressure from corporate bankruptcies, while sovereign spreads in the Eurozone, particularly in France, could continue to suffer from political uncertainty or overly slow fiscal adjustment. Greater market volatility cannot be ruled out given the level of financial asset valuations.

Environmental issues, both physical and transitional, could increase market volatility, inflation and growth prospects, and weigh on already strained public finances.

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

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

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

During its Capital Markets Day held on 18 September 2023, the Group presented its 2026 strategic plan:

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

Under its strategic plan, the Group has set the following financial targets which were reviewed during the Q4 25 financial publication on 6 February 2026:

- revenue growth of >2% between 2025 and 2026;
- reduction in costs of ~-3% between 2025 and 2026;
- cost of risk between 25 and 30bps in 2026;
- an improved operating efficiency, with a cost-to-income ratio lower than 60% in 2026 and ROTE above 10% in 2026;
- an organic growth of RWA expected at around +2% in 2026;
- a robust CET1 ratio superior to 13% in 2026 ;
- a payout ratio of 50% of Group net income<sup>(1)</sup>.

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

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

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

- the simplification of its business portfolio, now largely completed, aimed at creating a simplified, more synergistic and efficient model, while strengthening the Group's capital, in particular through the disposal of businesses as part of the execution of its strategic roadmap. The conclusion of definitive agreements on these strategic transactions depends on numerous stakeholders and therefore remains subject to the usual conditions precedent and the approval of the relevant financial and regulatory authorities. More generally, any major difficulty encountered in implementing the main levers of the strategic plan, particularly in simplifying the business portfolios, allocating and using capital efficiently, improving operational efficiency and managing risks to the highest standards, could potentially weigh on Societe Generale's share price.

- the creation with AllianceBernstein of the joint venture Bernstein in cash equity and equity research activities, which was finalised on 2 April 2024, creating a global leader in equity research and cash equities. The integration program progressed on schedule in 2025 and will continue in 2026. If the integration plan is not executed as planned or according to the planned schedule, this could have adverse effects on the Group, notably by generating additional costs or reducing the expected synergies.
- the integration of Leaseplan's activities, whose acquisition was finalised in 2023, and the creation of Ayvens, following the merger of ALD and LeasePlan to become a global leader in the mobility ecosystem. In 2025, the transition to the target operating model progressed, notably with the implementation and stabilisation of IT and operational processes and the merger of a certain number of legal entities. The integration will continue in 2026. If the integration plan is not executed as planned or according to the planned schedule, this could have adverse effects on Ayvens and the Group, notably by generating additional costs or reducing the expected synergies.
- Finally, at Capital Markets Day, the Group announced its ambitions to improve operational efficiency, targeting a cost-to-income ratio of less than 60% in 2026. Failure to meet this commitment could generate reputational and strategic risk.

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

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

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

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

(i) the increase in transparency on the implementation of the new requirements and investor protection measures: review of MiFID II/MiFIR, whose final versions were published in the EU's Official Journal in March 2024 and the implementation texts of which are currently being finalised, the Insurance Distribution Directive (IDD), the European Long-Term Investment Fund Regulation (ELTIF); (ii) the implementation of the fundamental review of the trading book, or FRTB planned for the first quarter of 2027, which may significantly increase requirements applicable to EU; (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 2028; (iv) the review of Regulation (EU) No. 2016/1011 of 8 June 2016 (Benchmark Regulation or BMR) establishing a regulatory framework for indices used as benchmarks in financial instruments and contracts or to measure the performance of investment funds, in particular by Regulation (EU) 2025/914 of 7 May 2025; (v) the review of the Market Abuse ((EU) n°596/2014 of 16 April 2014) and Prospectus ((EU) 2017/1129 of 14 June 2017) Regulations, in the context of the Listing Act, which came into force on 4 December 2024, it being specified that many provisions are subject to differed application (15, 18 or 24 months following entry into force); (vi) the adoption of new obligations as part of the review of the EMIR regulation (EMIR 3.0); in particular, the obligation for active account funding in an EU central counterparty, the information requirements for clearing

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

service providers *vis-à-vis* their clients, the authorisation regime for initial margin models, simplification of the conditions for clearing and bilateral margining exemptions for intra-group OTC derivatives transactions, new requirements for entities subject to the reporting obligation to put in place appropriate procedures and systems to guarantee the quality of the data they report; (vii) the proposal for a T+1 settlement cycle published by the European Commission on 12 February 2025, which aims to amend the Central Securities Depositories Regulation (CSDR) to shorten the period of the settlement cycle for transactions in securities from two days to one day; and (viii) a targeted proposal to review the regulation on securitisation (SECR).

■ several initiatives concerning retail banking and remote banking:

(i) the proposal by the European Commission for a directive on retail investor protection published on 24 May 2023 (Retail Investor Strategy, or RIS), aimed at prioritising the interests of retail investors and strengthening their confidence in the EU Capital Markets Union, including measures to regulate commission in the case of "execution-only" transactions and to introduce a value-for-money test for investment products; (ii) Directive (EU) 2023/2225 of 18 October 2023 on consumer credit agreements, which aims to strengthen the rules on consumer creditworthiness assessments; (iii) Directive (EU) 2023/2673 of 22 November 2023, amending Directive 2011/83/EU with regard to distance contracts for financial services, which aims to respond to developments brought about by the digitalisation of the financial services market; (iv) the proposal to revise the Regulation on Packaged Retail Investment Products (PRIIPs) adopted by the European Commission on 23 May 2023, aimed at modernizing the key information document; and (v) the Omnibus II legislative package published on 26 February 2025, proposing a substantial simplification of EU investment programs (Invest EU). These proposals are part of the work program published on 11 February 2025.

■ various developments in digital finance and payments: the proposed Financial Data Access Regulation (FIDA) which, in conjunction with the proposed Payment Services Directive (PSD3) and the proposed Payment Services Regulation (PSR), aims to (i) tackle the risk of fraud and improve client choice and confidence in payments; (ii) improve the functioning of the Open Banking and Open Finance sectors; (iii) increase harmonisation of the implementation and execution of payments and the regulation of e-money; (iv) improve access to payment systems and bank accounts for non-banking Payment Service Providers (PSPs); (v) Regulation (EU) 2023/1114 of 31 May 2023 on markets in crypto-assets (Markets in Crypto Assets, or MiCA), which aims to provide legal clarity and certainty for issuers and providers of crypto-assets and to stimulate innovation while preserving financial stability and protecting investors from risks. It has been applicable since 30 December 2024, with the exception of the provisions on stablecoins, which entered into force on 30 June 2024; (vi) the adoption of Regulation (EU) 2023/886 of 13 March 2024, making instant euro payments fully available in the EU and EEA countries, which came into force on 9 January 2025 (among other things, this regulation excludes the screening of instant transfers in euros against European sanction lists, in order to limit the number of rejections, and provides for checks to be carried out at least once every calendar day after any new financial restrictive measure comes into force); (vii) Regulation (EU) 2024/1183 of 11 April 2024 (known as "eIDAS 2"), which entered into force on 20 May 2024, establishing a European framework for digital identity (*European Digital Identity Framework*) and requires EU Member States to provide individuals and legal entities with a

European Digital Identity Wallet (EUDIW) enabling them to identify themselves securely via a mobile device to access public and private services throughout Europe, while retaining control of their own data; and (viii) 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 enhancement and tightening of data protection requirements, network and information system security, and extending cyber-resilience requirements following the adoption by the Council on 28 November 2022 of the European Directive and regulation package on digital operational resilience for the financial sector (DORA), applicable since 17 January 2025. Added to this is the transposition of the NIS 2 Directive (Network and Information Security Directive, published in the Official Journal of the EU on 27 December 2022), which extends the scope of application of the initial NIS Directive;
- the implementation of European regulatory frameworks related to due diligence under the so-called "CS3D" Directive proposal (Corporate Sustainability Due Diligence Directive, which was adopted by the Council on 24 May 2024), as well as to sustainable finance including (i) the regulation on European green bonds; with (ii) an increase in non-financial reporting obligations, particularly under the CSRD (Corporate Sustainability Reporting Directive); and (iii) strengthening the inclusion of environmental, social and governance issues in risk management activities and the inclusion of such risks in the supervisory review and assessment process (SREP), as well as measures under the Omnibus Package published on 26 February 2025, which aims to simplify the CSRD provisions on sustainability reporting and the CS3D provisions on due diligence. This package also includes a proposal for a so-called "stop-the-clock" directive, postponing the application of certain requirements. This package was adopted on 14 April 2025;
- new obligations arising from the Basel Committee's proposed reform of banking regulations (the final text of Basel 3, also called Basel 4). The Regulation (EU) no. 575/2013 of 31 May 2024 (CRR3) which entered into force on 9 July 2024 and is applicable since 1 January 2025, together with the Directive (EU) 2024/1619 of 31 May 2024 (CRD6), constitute the texts implementing the reform in Europe;
- the European Commission's initiative, published on 18 April 2023, aimed at tightening the framework for bank crisis management and deposit insurance (CMDI). This proposal, which was adopted in April 2024 by the plenary session of the European Parliament, could lead to a wider use of the guarantee and resolution funds and thus increase the likelihood of having to bail out these funds in the future;
- since 2023, the "Interest Rate Risk in the Banking Portfolio" (IRRBB) guidelines published by the European Banking Authority in October 2022 have applied:
  - since 30 June 2023 for the IRRBB part,
  - since 31 December 2023 for the "Credit Spread Risk arising from non-trading Portfolio Activities" (CSRBB) section, requiring banks to calculate and manage the impact of a change in credit spread on the bank's value and revenues
  - for supervisory outlier tests (SOTs), which include a measurement and monitoring of the sensitivity of the net interest income and of the economic value of equity, and became mandatory on a quarterly basis since 30 June 2024 – a requirement already implemented by the Group since 2023,

- for the production of new detailed reports on IRRBB and CSRBB risks, produced and sent to the regulator (ITS and STE) since 31 December 2023;
- new obligations arising from European regulations adopted in June 2024 harmonising and strengthening rules on combating money laundering and the financing of terrorism within the EU, which will enter into force from July 2027, as well as creating a new European agency to combat money laundering;

The Group is also subject to complex tax rules in the countries where it operates which may have an impact on its activities both within and outside the particular country concerned. For example, US tax rules could have implications for transactions initiated outside the United States. Changes in applicable tax rules, uncertainty regarding the interpretation of certain evolutions or their impacts may have a negative impact on the Group's business, financial position and costs. In addition, the UK is developing its own financial services rulebook post-Brexit. Whilst the starting point is the single rulebook inherited from the EU, the UK deregulation agenda is leading to growing EU-UK divergence, raising issues of cross-Channel competitiveness and international interoperability, as well as a practical need for the Group to modify or bifurcate systems and controls that have historically served both the EU and UK jurisdictions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **2.1.1.6 Environmental, social and governance (ESG) risk factors could impact the Group's business activities, financial results and financial situation in the short, medium-and long-term**

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

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

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

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

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

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

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

The Group also remains exposed to specific social and governance risks, such as potential reputational risk in the event of governance deemed inappropriate, operational cost of implementing regulations (in particular those related to labour law) and human resources management

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

For more details on ESG risks, refer to the Chapter 5.1 "Sustainability statement" of the 2026 Universal Registration Document, in particular sections 1.1.3.2 "Description of the processes to identify and assess material IROs", 2.1.5 "Climate Risk management" and 4.1.2 "Management of material risks related to business conduct".

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

Because of its international activities, the Group is exposed to the aggravating factors of country risk and geopolitical risk. In its risk taxonomy, the decision taken in 2025 to move from the aggravating factor "country risk" to the aggravating factor "country risk and geopolitical risk" reflects the need to adapt to a world that is increasingly under strain.

Geopolitical risk is defined as all threats, the materialisation and escalation of adverse events related to conflicts (open armed conflicts, or those that are less directly visible, such as overflights of territories and cyberattacks), terrorism and tensions between states or political and economic actors. These risks are likely to compromise stability internationally or in a particular region or country, alter the security of trade and disrupt the peaceful conduct of diplomatic and economic relations.

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

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

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

## 2.1.2 CREDIT AND COUNTERPARTY RISKS

Risk-weighted assets (RWA) in relation to credit and counterparty risks amounted to EUR 319.3 billion as of 31 December 2025.

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

Due to its Financing and Market activities, the Group is significantly exposed to credit and counterparty risk. Despite the policy of obtaining collateral, guarantees, hedging transactions and insurance on credit transactions, the default of one or more counterparties could have an adverse effect on the Group's cost of risk, results and financial position. The risk of loss may arise in particular if the Group encounters difficulties in enforcing the collateral assigned to its exposures or if the value of such collateral is insufficient to fully cover the exposure in the event of default.

In order to limit the risk of excessive concentration on one or a few counterparties, the Group has implemented a management and monitoring system designed to limit individual concentration risk. In addition, the Group has implemented specific vigilance and monitoring measures to control and limit the effects of concentration of its loan portfolio in a single economic sector or region of the world. Despite these measures, the Group could suffer a financial loss exacerbated by the effects of interdependencies between counterparties.

Although specific guidelines have been put in place, credit risk could also be heightened in the context of leveraged credit transactions.

As of 31 December 2025, the Group's exposure at default (EAD, excluding counterparty risk) was EUR 921 billion, with the following breakdown by type of counterparty: 29% on sovereigns, 30% on corporates, 22% on retail clients and 4% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled EUR 296 billion.

Regarding counterparty risks resulting from market transactions (excluding CVA), at the end of December 2025, the exposure value (EAD) was EUR 124 billion, mainly to corporates (38%) and credit institutions and similar entities (40%) and to a lesser extent to sovereign entities (19%). Risk-weighted assets (RWA) for counterparty risk amounted to EUR 19 billion.

As of 31 December 2025, the main sectors to which the Group is exposed in its corporate portfolio included the financial services (accounting for 7.1% of Group's total EAD exposure), utilities (3.3%), real estate (2.9%), telecom, media and technologies (2.5%), manufacturing industries (2.3%) and agriculture and food industry (1.8%).

In terms of geographical concentration, the five main countries to which the Group was exposed as of December 2025 were France (43% of the Group's total EAD), the US (14%), the Czech Republic (6%), the UK (4%), and Germany (3%).

For more information on credit and counterparty risks, see sections 4.5.5 "Quantitative information" and 4.6 of the 2026 Universal Registration Document.

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

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

The recent growth of "private credit" activities, which have become an important part of financing the economy but without benefitting from the same kind of regulatory oversight as banking activities, could make the financial system even more fragile in the event of a major crisis, notably due to the interconnections with the insurance sector, pension funds and private equity funds. The structuring and securing of the Group's financing in the private market can mitigate this risk.

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

In addition, the Group is also exposed to risks related to clearing institutions and particularly to the default of one or more of their members. These exposures are significant and can be explained in particular by the increase in transactions traded through these institutions, particularly with regard to clearing on behalf of the Group's clients. The default of a member of a clearing institution<sup>(1)</sup> could generate losses for the Group and have an adverse impact on the business and results of the Group. These risks are also subject to specific monitoring and supervision (see section on counterparty risks).

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

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

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

The Group regularly records provisions for 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 and the prospective economic environment. In some cases, the provisioning method may call for the use of statistical models (loans to individual clients) or decision-support tools (loans to French retail banking business clients with less than EUR 1 million of exposure) based on the analysis of historical losses and recovery data. Since 1 January 2018, the Group has also been recording provisions on performing loans under the IFRS 9 accounting standard. This assessment is based on statistical models for assessing probabilities of default and potential losses in the event of default, which take into account a prospective analysis based on regularly updated macroeconomic scenarios.

IFRS 9 accounting standard principles and provisioning models could be pro-cyclical in the event of a sharp and sudden deterioration in the environment. Although the Group's IFRS 9 governance is designed to enable proactive updating of the forward-looking view taken into account in provisioning and thus quickly adjust the level of provisions to anticipated risks, a deterioration of the geopolitical and macroeconomic environment could nevertheless lead to a significant and/or not-fully-anticipated variation in the cost of risk and therefore in the Group's results of operations.

As of 31 December 2025, the stock of provisions relating to outstanding amounts (on- and off-balance-sheet) amounted to EUR 2.9 billion on performing assets and EUR 6.6 billion on assets in default. Outstanding loans in default at amortised cost (stage 3 under IFRS 9) represented EUR 14.4 billion, including 66% in France, 8.7% in Africa and Middle East and 11% in Western Europe (excluding France). The gross ratio of doubtful loans on the balance-sheet was 2.81% and the gross coverage ratio of these loans was approximately 44%. The cost of risk stood at 26 basis points in 2025, stable vs. 2024.

## 2.1.3 MARKET AND STRUCTURAL RISKS

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

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

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

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

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

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

For more information on structural interest-rate risks, see Chapter 4.8 "Structural risks, interest rate and foreign exchange rate" and Note 8.1 "Segmented reporting" in Chapter 6 of the 2026 Universal Registration Document.

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

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

In particular:

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

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

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

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

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

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

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

The policy of desensitising the CET1 ratio to changes in the foreign exchange rates of currencies against the euro may lead the Group to retain residual long currency positions against the euro. In the event of an appreciation in value of the euro against foreign currencies, the Group's consolidated equity would therefore be negatively impacted.

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

See Chapter 4.8 "Structural risks, interest rate and foreign exchange rate" of the 2026 Universal Registration Document.

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

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

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

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

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

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

As of 31 December 2025, 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 576 billion, EUR 8 billion and EUR 101 billion, respectively. On the liabilities side, financial instruments valued at fair value through profit or loss and hedging derivative instruments amounted respectively to EUR 398 billion and EUR 14 billion on 2025.

## 2.1.4 LIQUIDITY AND FUNDING RISKS

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

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

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

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

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

Material events such as severe damage to the Group's reputation, the deterioration of the economic environment (for example following the Covid-19 health crisis) or a sovereign rating downgrade of France or countries where the Group operates, could increase the risk of external rating downgrades in order to address such circumstances. The Group's ratings could thus be placed under negative watch or be subject to a downgrade. In particular, France's sovereign ratings could be downgraded again, following those that occurred in 2025, due to an increase in its debt and deficits, difficulty in taking budget-adjusting measures or adopting structural reforms due to the political and social context. These elements could have a negative impact on the Group's financing costs and its access to liquidity. The Group's ratings by Fitch Ratings, Moody's, R&I and Standard & Poor's are available on the Group's website (<https://investors.societegenerale.com/fr/informations-financieres-et-extra-financiere/notations/notations-financieres>).

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

In 2025, the Group raised a total of EUR 42.6 billion of long-term funding (of which EUR 39.9 billion for the parent company and EUR 2.8 billion for its subsidiaries) comprising, at the parent company level, subordinated and deeply subordinated issues (EUR 3.0 billion), senior vanilla non-preferred issues (EUR 13.3 billion), senior structured issues (EUR 23.3 billion) and secured issues (EUR 0.3 billion).

For 2026, the Group has planned a funding program of approximately EUR 15 billion in vanilla long-term debt, mainly focused on senior non-preferred and subordinated debt.

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

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

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

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

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

The Group's regulatory short-term liquidity coverage ratio (LCR) stood at 144% as of 31 December 2025 (end of period) and liquidity reserves amounted to EUR 318 billion as of 31 December 2025.

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

As of 31 December 2025, risk-weighted assets in relation to operational risk amounted to EUR 61.9 billion, or 15.7% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (39% of total operational risk).

Between 2021 and 2025, the Group's operational risks were primarily concentrated in five risk categories, representing 97% of the Group's total operating losses observed over the period: commercial disputes (27%), fraud (mainly external frauds) and other criminal activities (26%), execution errors (21%), disputes with authorities (14%), and errors in pricing or risk assessment, including model risk (9%). 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 3% of the Group's losses between 2021 and 2025.

See Chapter 4.10.2 "Operational risk measurement" of the 2026 Universal Registration Document for more information on the allocation of operating losses.

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

The Group relies heavily on communication and information systems to conduct its business and this is reinforced by the widespread use of remote banking and the digitalisation of processes. Any breach of its systems or the systems of its external partners could materially disrupt the Group's business. Such incidents could result in significant costs related to the recovery and verification of information, loss of revenues, client attrition, disputes with counterparties or clients, difficulties in managing market operations and short-term refinancing operations, and ultimately damage the Group's reputation. Difficulties experienced by the Group's counterparties could also indirectly generate credit and/or reputational risks for the Group. The situation stemming from the conflict in Ukraine has been accompanied by an intensification of cyber activities, thereby increasing the risk of cyberattacks for the Group and its external partners.

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

### 2.1.5.2 The models used within the Group in taking strategic decisions and in its risk management systems could fail, be delayed in their deployment or prove inadequate and result in financial losses for the Group

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

In particular:

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

Société Générale has conducted an in-depth review of its IRB (Internal Rating-Based) approach and defined a global strategy at Group level based on objective criteria to determine the most appropriate approach (IRB or Standard) for a given scope, thereby ensuring greater consistency of the framework. Requests for changes in approach resulting from this strategy (switch to Standard or IRB approach) have been submitted to the ECB for authorisation. In addition, for the scopes that are to remain under the IRB approach in accordance with this strategy, the Group is continuing to adjust its internal credit risk model system, the first milestones of which have been achieved, with the aim, among others, of complying with the new European regulatory requirements. All of these developments could have a significant impact on the calculation of its RWA for credit and counterparty risks.

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

The Group and certain of its former and current representatives may be involved in various types of litigation, including civil, administrative, tax, criminal and arbitration proceedings. The large majority of such proceedings arise from transactions or events that occur in the Group's ordinary course of business whether they are initiated by regulators in connection with alleged compliance breaches (see section 4.1.1.3). 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 as well as administrative proceedings initiated by French and international supervisory authorities. 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 license withdrawals, and civil, administrative, tax or criminal penalties that could adversely impact the Group's business, financial position and results of operations.

In preparing its financial statements, the Group makes estimates regarding the financial outcome of civil, administrative, tax, criminal and arbitration proceedings in which it is involved, and records a

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

For a description of the most significant ongoing proceedings, see section 4.11 "Non Compliance & Legal risk", Note 8.3.2 "Other provisions for risks and expenses" and Note 9 "Information on risks and litigation" of Chapter 6 of the 2026 Universal Registration Document.

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

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

The inherent risk of fraud increases in a crisis context (financial pressure among clients, third parties or our employees) and in a remote working environment which can limit the capacity for monitoring and communication by or with the manager or other employees contributing to the prevention or detection of fraud risk. Although security measures and countermeasures developed on-site and within the Group are being adapted continuously to combat fraud, this risk could materialise and mainly take the form of external fraud related to the Bank's credit activities and payment methods (electronic banking, transfers, and checks) made available to clients. Fraud schemes are changing rapidly in terms of volume and approach. Internal fraud is carried out through the misappropriation of funds and the granting of undue facilities and can be carried out with or without external collusion. Finally, unauthorised rogue trading, with or without circumvention of controls, could impact results and have a major negative impact on the Group's reputation.

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

Any dysfunction, loss of data, 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 of information or data, loss of revenue, loss of clients, litigation with counterparties or clients, difficulties in managing market operations and short-term refinancing, and ultimately damage to the Group's reputation.

Although the Group has governance and procedures in place to prevent, detect, and respond to such incidents, which are evolving, in particular to take into account the requirements of the DORA (Digital Operational Resilience Act) directive, the Group remains 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 market operators), as well as those of clients and other market participants.

In the context of increasing digitalisation, the interconnections between various financial institutions, clearing houses, market operators 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 appreciation of operational risks (see section 4.1.1.2 "The Group's failure to meet the strategic and financial targets it announced to the market could adversely impact its business activities and financial results").

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

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

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

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

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

Further information on reputational risk is available in Chapter 4.11 "Non Compliance & legal risk" and 4.10 "Operational risk" of the 2026 Universal Registration Document.

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

## 2.1.6 OTHER RISKS

### 2.1.6.1 Risks related to insurance activities

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

As of December 2025, the Group's insurance activities represented net banking income of EUR 0.7 billion, or 2.6% of the Group's consolidated net banking income. The Group's Insurance Division is mainly focused on life insurance. At end of December 2025, life insurance contracts registered outstandings of EUR 158 billion, divided between euro-denominated contracts (59%) and unit-linked contracts (41%).

In this context, hedging strategies are implemented to limit exposure to interest rate risk. These include the use of derivative instruments such as caps, which protect against rising interest rates, and swaptions, which are used to hedge against falling rates. In addition, collar contracts provide protection against a decline in equity markets. These instruments help mitigate the potential impact of unfavourable interest rate movements on asset valuations and business profitability.

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

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

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

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

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

### 2.1.6.2 Risks on long-term leasing activities

As part of its long-term automotive leasing activities, the Group is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases which expire during the period whose resale value is lower than their net carrying amount and (ii) additional depreciation 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, custom duties, consumer preferences, new vehicle prices, etc.

Regarding the used-vehicle market, the demand is still sustained for internal combustion engine vehicles, while the appetite for the second-hand electric vehicles remains low.

The European Union's Corporate Average Fuel Emissions (CAFÉ) regulation sets ambitious targets for Original Equipment Manufacturers (OEMs), to reduce CO2 emissions under significant penalties being applied if not met, even if the relaxation (in March 2025) of CAFÉ targets has smoothed CO2 emissions reduction targets over three years (2025-2027) instead of a single year initially. This last initiative has enabled to release the pressure on OEM sales as well as on Battery Electric Vehicles (BEVs) second-hand prices.

Pressure to lower BEV UCS prices remains strong in the United Kingdom, a market where imported BEVs are exempt from tariffs, resulting in an additional depreciation of vehicles.

The Group, which had a financed fleet of 2.5 million vehicles as of 31 December 2025, recorded a gross result<sup>(1)</sup> on used-vehicle sales of €1,075 per vehicle sold in 2025. Used car sales result profits excluding depreciation adjustments totalled €628.1 million in 2025.

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

(1) Excluding impacts of prospective depreciation and PPA



# 3

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## RISK MANAGEMENT ORGANISATION

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### **IN BRIEF**

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

## 3.1 SUITABILITY OF RISK MANAGEMENT SYSTEMS

The risk management framework is based on a three-lines-of-defence organisation, supplemented by a structured committee system at the level of the Board of Directors and Executive Management, and outlined at the pillar, Business Unit, and entity levels, in order to cover all material risks. It relies on the definition and monitoring of the Group's Risk Appetite as well as on risk assessment, notably through the implementation of stress tests, in accordance with an established framework and principles.

## 3.2 RISK MANAGEMENT GOVERNANCE

**Audited I** Risk management is one of the foundations of the banking business and Societe Generale group pays particular attention to it. Societe Generale Group has a robust organisation to manage all the risks to which it is exposed. It is based on three lines of defence and on the dissemination of a risk culture at all levels, in all geographies and in all business lines. This risk management, which is managed at the highest level, is carried out in compliance with the regulations in force, in particular the order of 3 November 2014 revised by the order of 25 February 2021 on the internal control of companies in the banking sector, payment services and investment services sector subject to the supervision of the French Prudential Supervisory and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR) and the finalised European Basel 3 Regulations (Capital Requirements Regulation/Capital Requirements Directive – CRR/CRD).

### Risk management and internal control

The Board of Directors and General Management ensure a well-defined division of labor within the Group and the definition and implementation of an effective risk management framework. The Group is organised according to a three line model of defence, with responsibilities defined and separated in accordance with applicable regulations and guidelines as well as industry best practices.

#### FIRST LINE OF DEFENCE (LOD1): RISK MANAGEMENT WITHIN THE BUSINESS LINES

The business lines (the Group Business Units and Service Units), which are the first line of defence, take risks and are responsible for their operational management directly and permanently. The BUs and SUs are primarily responsible for risk assessment, control and supervision within their respective scopes and have appropriate processes and controls in place to ensure that risks are kept within the limits of the risk appetite and that business activities are in line with external and internal requirements.

#### Support Units (SU)

**The Finance Department (DFIN)** coordinates the Finance Management Function and is responsible for the Group's financial management, oversight and production. Specifically, the DFIN feeds General Management's discussions on strategic and financial aspects and ensures that a consistent overview of performance indicators and financial information is provided.

**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 SUs, BUs and other Societe Generale 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. In addition, it manages the Group's overall security, together with the GCOO Service Unit for IT systems security and designs and implements the risk insurance policy for the entire Group and its staff. It steers public affairs and institutional relations/advocacy initiatives within the Societe Generale group.

**The Group Human Resources Division (HRCO)** is responsible for defining and implementing the Group's Human Capital policy in line with the Group's overall strategy. HRCO is responsible for the management and supervision of Societe Generale's entire Human Resources (HR) sector. As a partner of the business lines, it is a key player in the Group's transformation.

**The Group Chief Operating Officer (GCOO)** manages the Group's resources, supports the digital transformation and contributes to the development of the Group's operational efficiency.

**The Group Sustainable Development Division (DGLE/RSE)** which reports to the General Management, assists the Deputy Chief Executive Officer in charge of all ESG (Environmental, Social and Governance) (CSR - Corporate Social Responsibility) policies and their effective translation into trajectories for the business lines and functions. It supports the Group's ESG transformation to make it a major competitive advantage, both in business development and in the management of ESG (Environmental & Social & Governance) risks.

#### SECOND LINES OF DEFENCE (LOD2): THE RISK DIVISION AND THE COMPLIANCE DIVISION ARE THE BANK'S SECOND LINE OF DEFENCE

##### The Risk Division (RISQ): Purpose of Risk Management

The main mission of the Risk Management Department (RISQ) is to contribute to defining the strategy and the sustainable development and profitability of the Societe Generale Group. To this end, the Risk Management Function (i) with the contribution of the Finance department, proposes to the General Management and the Board of Directors the Group's risk appetite based on its independent analysis of all existing and potential risks; (ii) is involved in all important risk management decisions through an effective review and assessments; (iii) defines, implements, and monitors the effectiveness of an holistic, relevant and robust risk management framework, validated by the Board of Directors, to ensure the compliance with risk appetite and to provide the General Management and the Board of Directors with an independent analysis and advice on group-wide and holistic view of all the existing and potential risks faced by the Group; (iv) proposes adjustment and corrective measures, if necessary.

In particular, the Risk Management Function, as an independent second line of defence, and in line with the principle of proportionality, contributes to the establishing of a risk culture by reporting a holistic view of risks and how they are managed, and ensuring that Business Units and Services Units are aware of their risks and the risk appetite in which they must operate.

The Risk Division reports to the Group's Chief Executive Officer.

### The Compliance Division (CPLE): Role of the Compliance Function

According to EBA's guidelines (European Banking Authority) on internal governance and French regulations, non-compliance risk is defined as the risk of legal, administrative or regulatory sanctions, material financial loss or reputation a bank may suffer as a result of its failure to comply with directly applicable national or European laws or regulations on banking and financial activities or professional and ethical standards, or instructions from an executive officer taken in particular in application of the orientations of the supervisory board. Its main missions are to i) ensure that all risks of non-compliance are identified and that the Group complies with all regulatory and supervisory obligations, ii) assess the impact of regulatory and legal changes on the Group's activities and the compliance framework, iii) advise and inform the General Management and the Board of Directors on the risks of non-compliance.

The third line of defence (LoD3) is provided by the General Inspection & Audit Division (IGAD), which includes Internal Audit and General Inspection. Strictly independent from the business lines as well as permanent control, it carries out a periodic control mission.

### Risk management comitology

The Group manages risks under a system of governance through committees that report to the main bodies at the highest level of the Group: the Board of Directors and General Management.

#### NON-EXECUTIVE GOVERNANCE – BODIES REPORTING TO THE BOARD OF DIRECTORS

- **The Board of Directors** approves the overall strategy and appetite for risks of any kind and controls the implementation, including for outsourced activities. To this end, it: (i) 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; (ii) ensures the adequacy and effectiveness of the risk management systems; (iii) approves, each year, the Group Risk Appetite Statement and the Group Risk Appetite Framework. It approves the global risk limits; (iv) approves the result of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP); and (v) 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;
- **The Risk Committee (CdR)** prepares the Board of Directors' work on the Group's global strategy and appetite for risks of all kinds, both current and future, and assists it when the controls reveal difficulties in their implementation.
- The mission of **the Board of Directors' Audit and Internal Control Committee (CACI)** 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.

### EXECUTIVE GOVERNANCE – COMMITTEE CHAIRED BY GENERAL MANAGEMENT

#### The Executive Committee (ExCo)

In terms of risk management, the Bank's Executive Committee, is responsible for assisting the General Management in ensuring that the Group has an efficient risk management framework in place and for supervising and monitoring this framework. On an annual basis, the Executive Committee validates the Risk Appetite Statement (RAS) before submitting it to the Societe Generale Board of Directors for approval.

Chaired by the General Management, the following Committees are responsible for the central oversight of internal control and risk management:

- **The Group Risk Committee** (Group CORISQ) is tasked with validating the main transversal risk management processes, in particular the Group risk management frameworks, notably including the risk taxonomy, risk management and stress testing frameworks. It is also responsible for the annual validation (before review by the ExCo and final approval from the Board of Directors) of the risk appetite for credit, counterparty, market, operational, model, ESG and Country risk factors within the Group's business lines;
- **The Large Exposures Committee** (CGR), reviews the main exposures and related risks and approves the sales and marketing strategy, risk appetite and risk taking with regard to major client groups (Corporates, Insurance Companies and Asset Managers);
- **The Group Finance Committee** (COFI) is responsible for Societe Generale Group's financial strategy and its strategic financial for steering targets;
- **The Group Assets and Liabilities Management Committee** (ALCO), is responsible for managing the Group's structural risks;
- **The Group Provisions Committee** (COPRO), is tasked with presenting and validating the Group's net cost of risk (impairment and provisions for credit risk) that will be recorded for the quarter in question;
- **The Group Internal Control Coordination Committee** (GICCC) ensures the consistency and effectiveness of the Group's internal controls. It has the authority to take appropriate measures to correct any deficiencies or weaknesses detected and communicated;
- **The Responsible Commitments Committee** (CORESP), deals with any subject falling within the Group's Environmental and Social remits, or with any other subject having an impact on the Group's responsibility or reputation and not already covered by an existing General Management Committee;
- **The Group Compliance Committee** (COMCO), reviews the risks of non-compliance and the main issues, defines the Group's compliance principles and ensures the annual monitoring of the quality of the Sanctions & Embargoes risk management system; ▲
- **The Group Information Systems Committee** ("ISCO"), validates SG Group's Information System ("IS") strategy and steers its implementation;
- **The Data Quality and Aggregation Strategy Committee** defines and monitors the implementation of the Group's strategic orientations on data quality and data aggregation. It is the decision-making body for data strategy, data management and data remediation initiatives.

According to the findings of last census carried out on 31 December 2025, the full-time equivalent (FTE) workforce of:

- The Group's Risk Department for the second line of defence represents approximately 3,574 FTEs (3,314 within the Group's Risk Department itself and 260 for transversal functions);
- The Compliance Department or the second line of defence represents approximately 2,622 FTEs;
- The Information System Security Department totals approximately 728 FTEs.

## Risk reporting

The Group's risk measurement framework is based on the production of internal management reports that enable regular monitoring of the main risks (credit, counterparty, market, operational, structural...), as well as compliance with regulatory requirements. Reports intended for the governing bodies are based on the following principles:

- comprehensive coverage of all material risks;
- articulation between an overall view and an in-depth analysis by risk type;

- presentation of an overview supplemented by focuses on certain areas, forward-looking elements (notably linked to changes in the macroeconomic context) and emerging risks;
- balance between quantitative data and qualitative comments.

These reports allow the Group's overall risk profile to be monitored and analysed. In addition, specific reports are submitted to the Board of Directors or General Management for the monitoring of certain particular risks or in connection with a specific endogenous or exogenous context.

## 3.3 RISK CULTURE

### A strong risk culture

Risk culture lies at the heart of the Group's governance and strategy. It aims to reconcile sustainable performance, financial strength, and prudent, proactive risk management.

The Risk Division (RISQ) actively contributes to this culture through its interactions with the Board of Directors and General Management, its involvement in defining strategy and implementing the risk management framework. RISQ relies on its organisation and governance to strengthen this culture, in collaboration with the Culture and Conduct Division attached to General Management, as part of the Group-wide "Culture and Conduct" initiative, together with the Compliance Division and the Human Resources Division.

The Group's risk culture is also based on ethical behaviour and conduct in line with the standards set out in the Group Code of Conduct. Every employee must be able to assume responsibility, understand the Group's approach to risk management and integrate it into daily practices, knowing that they will be held accountable for their actions against the expected standards in risk-taking.

### Embedding risk culture

Communication on risk culture relies on several levers: content published on the intranet, events and conferences, awareness raising tools and ongoing actions led by the Culture & Conduct governance teams. These initiatives aim to train, unite and support team autonomy while embedding risk culture into daily practices.

The Group also deploys a mandatory training programme covering compliance, operational and human risks, through modules distributed to all staff or targeted at specific populations. It invests in skills development by providing the necessary tools to understand the different types of risks, whether financial, operational or regulatory. This continuous awareness enables employees to navigate effectively in a complex environment.

This culture is anchored in the Group Code of Conduct, which reflects shared values guiding collective action to serve clients and achieve the goal of being the reference relationship bank, chosen for the quality and commitment of its teams, while identifying and managing risks in a comprehensive and effective manner.

Finally, the remuneration policy, defined by General Management and approved by the Board of Directors, takes into account the risks generated by activities as well as compliance with risk control policies and professional standards by the employees concerned.

By cultivating a proactive and integrated approach, the Group is able to ensure the resilience of the company and maximise value creation.

### 3.3.1 RISK APPETITE DETERMINATION AND MONITORING

#### Risk identification process

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

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

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

The main elements of the Group's risk profile as of 31 December 2025 are detailed in the "Risk and Capital Adequacy" chapter of this document, respectively:

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

## Risk Appetite Statement

### Definition

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

It is structured as follows:

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

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

### Principle

The Risk Appetite Statement is based on:

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

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

- a robust CET1 ratio superior to 13% in 2026 after the implementation of Basel IV;
- revenue growth of >2% between 2025 and 2026;
- reduction in costs of ~-3% between 2025 and 2026;
- cost of risk between 25 and 30bps in 2026;
- an improved operating efficiency, with a cost-to-income ratio lower than 60% in 2026 and ROTE above 10% in 2026;

The Group's Risk Appetite Statement is based on the following principles:

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

- **credit risk:** the Group privileges clients for which it has in-depth knowledge and those with profitable business development potential in the medium term. The Group develops a diversified risk-taking portfolio by avoiding concentrations (counterparties, sectors of activity and countries) and promotes the use of risk mitigation arrangements (guarantor, collateral);
- **market risk:** the Group is committed to meeting client needs with a full range of products. The main activities impacted are within the Markets Directorate and now focus mainly on two sub-activities (Equities and Rates) where the Group manages the market risk associated with these activities. On the other hand, the Group has little or no appetite for certain complex products or financial instruments that may be subject to "unfavourable" regulatory developments in the future;
- **counterparty risk:** on market transactions, the Group privileges clients for which it has in-depth knowledge and those with profitable business development potential in the medium term. As for credit risk, the Group develops a diversified risk-taking portfolio by avoiding concentrations (counterparties, sectors of activity and countries) and promotes the use of risk mitigation arrangements (guarantor, collateral);
- **model risk:** many of the Group's choices are based on quantitative decision support tools (models). Poor model design, incorrect implementation, improper use or inadequate monitoring of the Group's models may have adverse consequences. The Group is therefore committed to managing this risk by implementing a risk monitoring system;
- **risks related to insurance and operating leasing activities:** given the importance of the life-insurance activity for the insurance business line, most of the solvency requirements derive from the risks related to asset-liability management and financial markets. Concerning Ayvens, it remains inherently vigilant about the correct appreciation of the future value of its assets (which have the advantage of being liquid and diversified in terms of brands and geography) while following the evolution of the used vehicle markets;
- **participation risk:** is the risk of reduction in the value and expected dividends of the Group own account equity investments. The Group aims to limit the number of new minority investments for its own account.
- **non-financial risk (including compliance risk):** overall, the Group has no appetite for operational risk and risk of non-compliance. It has no tolerance for incidents whose severity can seriously damage its image, threaten its results or the confidence of its clients and employees, prevent the continuity of its critical activities or challenge its strategic orientations;
- **market risks in the banking book (e.g. interest rate risks (IRRBB), credit spread risk in the banking book, foreign exchange):** the Group's ALM strategy is based on the coverage of value and income rate risk. The Group's foreign exchange risk management policy is to minimize the sensitivity of its CET1 ratio to changes in foreign exchange rates;
- **risk factors (environmental, social and governance, reputation and geopolitical):** these are potentially aggravating factors for the other categories of risks, and risk factors. They can have a negative impact on the Group's financial performance materialising through other categories of risks, such as credit risk, or operational risk. The risks linked to these factors are thus taken into account in the process of evaluating their impact on the different risk categories and on other risk factors.

The principles relating to the consideration of ESG factors are presented in the chapter 5.1 "Sustainability statement" of the 2026 Universal Registration Document, sections 1.1.3.2 "General description of the processes to identify and assess material IROs (Impacts Risks Opportunities); 1.1.4.8 "Sustainability risk management"; 2.1.5.4 "Definition of risk appetite and climate risks".

## Governance of Risk Appetit Statement

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

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

- the Board of Directors:
  - approves the Group's Risk Appetite Framework (RAF) and, at least annually, the structure of the Group Risk Appetite Statement (RAS) and the allocation of indicators under the responsibility of the Board of Directors, General Management or the Group Chief Risk Officer,
  - ensures that the Group's Risk Appetite is consistent with its strategic and financial objectives and its risk outlook resulting from the macroeconomic and financial context,
  - approves risk appetite indicators falling under its responsibility,
  - is informed of any risk appetite breach and associated corrective action plan for the indicator under its responsibility according to the escalation process,
  - monitors compliance with the Group's Risk Appetite through a dedicated dashboard and is informed of any changes to the Group RAS,
  - sets the remuneration of corporate officers, approves the principles of the Group's remuneration policy, notably for regulated staff whose activities could have a significant impact on the Group's risk profile, and ensures its alignment with risk management objectives, including compliance with the RAS,
  - promotes risk culture;
- General Management:
  - proposes to the Board of Directors the Group's Risk Appetite Framework (RAF) and Risk Appetite Statement (RAS), including the risk appetite indicators under the Board's responsibility. The proposal of an indicator involves suggesting the choice of the indicator and its quantitative framework,
  - approves the risk appetite indicators under its own responsibility,
  - monitors compliance with the Group's Risk Appetite through a dedicated dashboard presented to the Group Executive Committee and is informed of any changes to the RAS,
  - is informed of any breach of risk appetite and the existence of the associated corrective action plan for indicators under its responsibility, in accordance with the escalation process,
  - oversees the effectiveness and integrity of the risk appetite framework,
  - ensures that the risk appetite of Business Units and significant Group subsidiaries is formalised in a dedicated Risk Appetite Statement (RAS),
  - develops internal communication on risk appetite and ensures that the topic is properly covered in the Universal Registration Document.

## 3.4 RISK QUANTIFICATION AND STRESS TESTING

### Definition and objectives

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

The stress testing framework is an integral part of the Group's risk management framework as well as of the strategic and financial planning processes (including ICAAP and ILAAP).

More precisely, stress tests support different business decisions and processes, both at strategic and operational levels:

- Quantification of risks as part of the risk identification process;
- Risk appetite and limit setting;
- Capital and liquidity adequacy;
- Recovery planning;
- Risk prevention.

In line with the stress testing taxonomy set by the European Banking Authority (EBA), the Group stress testing framework distinguishes three types of stress tests differing in their methodologies and objectives:

- scenario-based stress tests: applies historical and/or hypothetical circumstances to a set of risk drivers. Historical data and analysis should be supplemented, where available and appropriate, with benchmarks from external sources and, when possible, from supervisory guidance;
- sensitivity stress tests: assessment of the impact of the variation of an isolated risk factor. These stress tests are usually applied as an instantaneous shock, without any volume effect, by contrast with a scenario-based stress test which reflects a comprehensive story/narrative;
- reverse stress tests: start with a pre-defined adverse outcome, and then identifies possible scenarios that could lead to such an adverse outcome. Reverse stress tests can be performed at the group level encompassing all activities or at a more granular level, e.g. on the market activities only.

### General principles

The general principles are the following and their operational declination are linked with their application.

**Model-based approach and proportionality:** the stress test design should be proportionate according to the complexity of the scope, the application, the environment.

Whenever possible, stress tests methodologies should rely on the application of a model-based approach with a view to improving both the transparency and the robustness of the stress test projections. This implies for instance establishing, where feasible, statistically robust relations between risk factors and stress test outcomes.

**Scope and time horizon and frequency of stress tests:** the scopes of the stress tests should be clearly defined. The stress testing framework should notably take into account material risk, different levels in the group and when it is relevant, the correlations between risk types and risk factors. Depending on their application, stress test horizon can vary from a one-day to a multi-year timeframe.

**Granularity:** stress tests are usually executed at the granularity level of the business management or portfolio level for credit.

**Standard for scenario severity:** for each type of stress test, a target severity should be defined, documented and quantified. As a general principle, the severity should be calibrated by reference to observed severe economic downturn or historical shocks.

**Stress test results documentation:** interpretation of stress test outcomes must be backed by a coherent documentation/explanation of the scenario design and main modelling assumptions. This should enable senior management to have a sufficient understanding of the material aspects of the stress test in order to be able to challenge scenario selection and underlying assumptions.

### Governance

The framework is based on three lines of defence:

- Stress owner : responsible for the design, execution, and documentation of tests.
- LOD2 (RISQ): responsible for validating methodologies, performing independent reviews, and ensuring the consistency of assumptions.
- LOD3 (Internal Audit): responsible for the periodic assessment of the framework's effectiveness.

Regarding the role of governing bodies in Group-level stress testing:

- Board of Directors: is informed of the risk taxonomy and approves it, the assumptions and results of key stress tests, and the annual review.
- General Management: approves the overall framework, validates scenarios, challenges assumptions, and integrates results into strategic decision-making.
- Economic Research Department: develops and validates macroeconomic and sectoral scenarios in coordination with the Group CRO and ExCo.

An annual assessment dealing with the coverage, governance, methodological consistency and documentation is presented to the CORISQ.

### Categories of stress tests conducted within the Group

The system of stress tests within the Group therefore includes:

- regulatory stress tests,
- group-wide stress test assessing the impact of shock on the Group as a whole, in contrast to focusing on individual business lines, sectors, portfolios or products,
- risk-specific stress test assessing the impact of a stress scenario on a particular category of risk exposure of a bank, e.g. market, credit, liquidity, interest rate risk, etc.

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).

## Assessment of the stress testing framework

An annual assessment of the Group's stress testing framework is conducted in order to gauge the effectiveness of the framework. It is presented on an annual basis to CORISQ together with proposals for improvement.

The assessment covers: (i) the adequacy of the scope and coverage of the stress testing framework (e.g. risk areas); (ii) the effectiveness

of the governance; (iii) the adequacy of scenario design and methodologies; (iv) the consistency of methods across various stress tests, including the severity used across risk types and processes; (v) the stress tests where no recent review of the methodology has occurred and where an update is required; and (vi) the adequacy of documentation.

Stress test owners in charge of the main stress test are involved in the group assessment by insuring a local assessment on their perimeter.

### Definition of "central", "stressed" and "alternative" economic scenarios

#### Central scenario

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

#### Stressed scenario

In 2025, the Group selected one stress scenario, a stagflation scenario.

The stagflation stress test was developed in 2022 to take into account the emergence of new risks. It is based on the oil shock of the Iranian revolution combined with a financial crisis. This scenario considers a negative supply shock leading to inflationary pressures. It incorporates geopolitical tensions and frictions within value chains.

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

#### Alternative scenario

##### Alternative debt stress scenario

The scenario incorporates heightened concerns over the fiscal trajectories of major developed economies, with an upward shock on long-term interest rates, tensions on sovereign spreads, a negative shock on activity and deflationary pressures.

##### Alternative climate scenario

This scenario entitled "El Niño" includes a series of extreme weather events, a negative supply shock, material damage, a negative shock on activity and stagflationary characteristics.

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## INTERNAL CONTROLS

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### **IN BRIEF**

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

## 4.1 EXERCICE FRAMEWORK

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

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

As part of their remit, the General Management and Risks Division report on the internal control of the Group are submitted for its review. 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 the rules and procedures contained in documents collectively referred to as the "Standard Guidelines" and are included in Societe Generale's Code, which:

- sets out the rules for action and conduct applicable to Group staff;
- defines the structures of the businesses and the sharing of roles and responsibilities;
- describes 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.);
- lay down the operating framework of an activity and the management principles and rules applicable to products and services rendered, and also define internal procedures.

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

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

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

In particular, the internal control framework aims to:

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

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

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

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

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

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

## Permanent controls

### FIRST-LEVEL PERMANENT CONTROLS

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

The level 1 of permanent controls consists of:

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

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

### SECOND-LEVEL PERMANENT CONTROLS

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

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

The level 2 permanent control is carried out by teams independent from the operational teams.

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.

## Periodic Control System

The internal audit function of the Societe Generale Group is provided by the Service Unit Inspection Générale et Audit Interne ("IGAD"), which encompasses both the General Inspection and the Internal Audit departments, under the authority of the Group Head of Inspection and Audit ("GHIA"). IGAD constitutes the third line of defence and remains strictly independent from of the business lines, support functions, and other internal control functions. IGAD operates as an integrated line on a global scale.

The role of IGAD, defined in accordance with the standards of the Institute of Internal Auditors (IIA), is to provide independent, objective, reliable, and timely assurance to the Audit and Internal Control Committee, Group Management, and, where appropriate, external auditors and regulators. This assurance covers the effectiveness of control, risk management, and governance systems, in order to strengthen the risk culture within the Group and protect the organization and its reputation. In accordance with international internal audit standards, IGAD is subject to independent external certification.

IGAD's scope covers Societe Generale SA as well as all Group entities, except for entities in which the Group holds a minority interest, even when Societe Generale exercises significant influence, unless this stake is likely to have a significant impact on the Group's risk management. Outsourced activities are also within IGAD's scope, in accordance with the provisions of contracts concluded between the Group or its legal entities and the relevant service providers.

IGAD carries out its work based on missions included in the audit plan, which is risk-based and follows a five-year audit cycle requiring coverage of all Group risks. The frequency of audits is adapted according to the risk level of the audited areas and specific regulatory requirements. IGAD also, due to its independent position, monitors the implementation of recommendations issued by itself and by supervisors.

While both the General Inspection and the Audit departments contribute to the Group's independent assurance system, their mandates may differ:

The General Inspection, based in Paris, conducts reviews at the Group level, covering all activities, risks, processes, and geographic areas. It focuses on :

- In-depth reviews on often cross-functional topics, with a broad or strategic scope;
- Major special missions, notably in cases of operational incidents, fraud, or mergers/acquisitions for the Group;
- More marginally, advisory missions for the Group, conducted under specific rules to prevent any future conflict of interest.

The five Audit departments are specialised in defined areas of activity or risk, aligned with the Group's organisation:

- Audit of the French Retail, Private Banking, and Insurance;
- Audit of Mobility, International Retail Banking (Europe and Africa), and Financial Services;
- Audit of Global Banking & Investor Solutions;
- Audit of Group Information Systems (risks related to Information Systems and IT, including cybersecurity risk);
- Audit of central functions (Risks, Finance, Compliance including Embargoes and Sanctions risks, General Secretariat, General Management, Sustainable Development, Human Resources and Communication, Purchasing and Real Estate functions of the GCOO Service Unit), as well as model audit.

The internal audit departments conduct regular reviews of processes, entities, and functions, using a risk-based approach and in accordance with IIA standards, focusing on the completeness and effectiveness of control, risk management, and governance.

Audit and Inspection operate under the responsibility of the GHIA and coordinate their activities (a single risk assessment and a common annual audit plan for IGAD). They use the same tools and methodologies for main processes (e.g., tracking findings, issuing reports) and adhere to the principles of independence, objectivity, and confidentiality. As a consequence, mission led by Inspection may also contribute to the audit cycle requirements.

This matrix organisation allows coverage of major cross-functional topics at the Group level, including risks requiring technical expertise (e.g., cybersecurity, IT, data protection) as well as strategic and ethical topics (e.g., diversity, compliance with remuneration policy, business ethics).

The General Inspector reports functionally to the Board of Directors and hierarchically to the Group's CEO. He regularly meets the Chair of the Audit and Internal Control Committee and the Chair of the Board of Directors. The Board's internal regulations provide that the General Inspector reports on their mission to the Board based on presentations previously made to the Audit and Internal Control Committee.

The annual IGAD audit plan and budget are validated by the Audit and Internal Control Committee, then approved by the Board of Directors after presentation to General Management. The General Inspector is a permanent guest of the Audit and Internal Control Committee, to which they regularly present a summary of IGAD's activity and the status of follow-up on remediation actions for findings issued by both Audit and General Inspection and by

supervisors. He is also a permanent guest of the Risk Committee and may be heard on any subject by these committees, at their request or on their own initiative.

Finally, as provided by the Board's internal regulations, the General Inspector may, in the event of actual or potential risk deterioration, reports directly to the Board of Directors, or through the Audit and Internal Control Committee, without referring to the Executive Managers.

To fulfil its objectives, the IGAD Service Unit has resources adapted and proportionate to the challenges, both qualitatively and quantitatively. It comprises around 820 employees based at Headquarters as well as in the Group's subsidiaries and branches, in France and abroad. The IGAD Service Unit is a hierarchically integrated department: whether located at Headquarters or within entities (branches or subsidiaries), all audit teams report to IGAD.

## Coordination of internal controls

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

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

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

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

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

## 4.2 CONTROL OF ACCOUNTING AND REGULATORY PRODUCTION AND DISCLOSURE OF FINANCIAL AND MANAGEMENT DATA

### Stakeholders involved

Numerous stakeholders are involved in the production of financial data:

- the **Board of Directors**, and more specifically its **Audit and Internal Control Committee**, is tasked with examining the draft financial statements which are to be submitted to the Board, as well as verifying the conditions under which they were prepared and ensuring not only the relevance but also the consistency of the accounting principles and methods applied. The Audit and Internal Control Committee's remit also is to monitor the independence of the Statutory Auditors, and 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.

Under the terms of its missions, it is notably responsible for:

- monitoring the financial aspects of the Group's capital transactions and its financial structure,
- managing its assets and liabilities, and consequently defining, managing and controlling the Group's financial position and structural risks,
- ensuring that the regulatory financial ratios are respected,
- defining accounting and regulatory standards, frameworks, principles and procedures for the Group, and ensuring that they are observed,
- verifying the accuracy of all financial and accounting data published by the Group;
- the **Finance Departments of subsidiaries and Business Units/ Services Units** carry out certification of the accounting data and entries booked by the Back Offices and of the management data submitted by the Front Offices. They are accountable for the financial statements and regulatory information required at the local level and submit reports (accounting data, finance control, regulatory reports, etc.) to the Group Finance Department. They can perform these activities on their own or else delegate their tasks to Shared Service Centres operating in finance and placed under Group Finance Department governance;

- the **Risk Department** consolidates the risk monitoring data from the Group's Business Units/Services Units and subsidiaries in order to control credit, market and operational risks. This information is used in Group communications to the Group's governing bodies and to third parties. Furthermore, it ensures in collaboration with the Group Finance Department, its expert role on the dimensions of credit risk, structural liquidity risks, rates, foreign exchange rates, on the issues of recovery and resolution and the responsibility of certain closing processes, notably the production of solvency ratios;
- the **Back Offices** are responsible for all support functions to Front Offices and ensure contractual settlements and deliveries. Among other responsibilities, they check that financial transactions are economically justified, book transactions and manage means of payment.

### Accounting and regulatory standards

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

The applicable standards on solvency and liquidity, promulgated by the Basel Committee, were translated into European law by a directive (CRD4) and a regulation (CRR). They were rounded out by the CRR2 Regulation and the CRD5 Directive which entered into force on 28 June 2019, then by the CRR3 Regulation and the CRD6 Directive which entered into force on 9 July 2024 for an entry into application mainly from 1 January 2025 (later in 2026 for the CRD6 portion). 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). Identified as a “financial conglomerate”, the Societe Generale Group is subject 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.

### Production of financial and accounting data

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

## Internal controls on the production of financial and accounting data

Accounting data is compiled independently of the Front Offices and the sales teams.

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

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

Given the increasing complexity of the 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 impactful and reliable.

### SCOPE OF CONTROLS

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

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

### CONTROLS PERFORMED BY THE FINANCE DEPARTMENTS

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

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

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

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

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

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

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

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

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

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

### SUPERVISION BY THE GROUP FINANCE DEPARTMENT

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

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

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

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

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

The Group Finance Department has also a dedicated team, it which is responsible for ensuring second-level permanent controls on all Finance processes for Societe Generale SA 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).

## Framework of internal and periodic controls in accounting processes

Internal Audit and General Inspection define their missions using a risk-based approach and establish a multi-year plan. The General Inspection and Audit Department (IGAD) teams may, as part of their missions, assess the quality of the control environment that ensures the reliability of accounting and management information for the audited entities. These tasks may include verifying certain accounts, assessing the quality of reconciliations between management data and accounting data, reviewing the ongoing monitoring of production and accounting data, and examining the performance of IT tools and the rigor of manual processes

The Central Departments Audit Division is responsible for auditing the Group's Finance Department. Within this division, a team led by a dedicated business line correspondent oversees and coordinates audit work on accounting and financial topics at the Group level. It provides expertise in identifying key accounting risks and conducts training and develops methodologies to promote knowledge sharing on auditing accounting risks.

Audit missions on accounting topics are carried out by this team in areas considered most significant for the reliability of the Group's accounting information, as well as by audit departments within the Group's subsidiaries.

Audits performed by IGAD contribute to the reliability of accounting information for the Group and its subsidiaries. Based on these audits, findings are communicated to stakeholders involved in the production and control chain of accounting, financial, and management information. Implementing these findings is the responsibility of the departments to which they are addressed, and IGAD monitors their follow-up.



# 5

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## CAPITAL MANAGEMENT AND ADEQUACY

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### **IN BRIEF**

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

Evolution of CET1 capital

**+€1.3bn**

*(between 2025 and 2024)*

Evolution of total regulatory capital

**+€1bn**

CET1 ratio at end 2025

**13.5%**

## 5.1 REGULATORY FRAMEWORK

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

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

- Pillar 1 sets the minimum solvency, leverage and liquidity requirements and defines the rules that banks must use to measure risks and calculate the related capital requirements, according to standard or more advanced methods;
- Pillar 2 concerns the discretionary supervision implemented by the competent supervisory authority, which allows it – through constant dialogue with the credit institutions it supervises – to assess the capital adequacy calculated in accordance with Pillar 1 and to calibrate additional capital requirements taking into account all the risks faced by these institutions;
- Pillar 3 promotes market discipline by developing a set of reporting requirements, both quantitative and qualitative, that enable market participants to better assess the capital, risk exposure, risk assessment procedures and hence the capital adequacy of a given institution.

Several amendments to European regulatory standards were adopted in June 2024 (CRR3/CRD6). The majority of the provisions entered into force in January 2025.

The changes mainly concern the following elements:

- **Output Floor** : introduction of a global floor on consolidated RWAs (i.e. credit, market and operational risks) calculated using internal models where appropriate. Consolidated RWAs cannot be lower than 50% of these RWAs calculated under the standardised approach in 2025, with a gradual increase to 72.5% by 2030;

- **Revision of RWA in internal models:**

- Removal of internal models for certain exposures (e.g., financial institutions, large corporates),
- Introduction of parameter floors (PD, LGD) to limit model variability;

- **Comprehensive revision of standardised approaches to compute RWA;**

- **Operational risk RWA:** new standardised approach for operational risk RWA based on indicators (Business Indicator Component);

- **Counterparty Risk:** adjustments to SA-CCR (Standardised Approach to Counterparty Credit Risk).

Regarding **FRTB** (Fundamental Review of the Trading Book), for the Standardised Approach (SA): reporting has been effective since Q3 2021. Full implementation of FRTB, including rules related to the boundary between the banking and trading books, was initially expected to align with the entry into force of CRR3. However, the European Commission exercised its power under Article 461a of CRR3 to postpone implementation of the FRTB component through a Delegated Act, setting the earliest date to 1st of January 2027. This delay aims to account for the lag in certain jurisdictions (primarily the US and UK) in implementing FRTB. Discussions are still ongoing to implement FRTB in Europe in a modified and softened version for a three-year transitioning period (consultation currently underway by the European Commission, which could lead to a new Delegated Act in 2026). ▲

## 5.2 CAPITAL MANAGEMENT

**Audited I** As part of its capital management, the Group ensures, under the guidance of the Finance Department and control of the Risk Department, that its solvency position is always compatible with the following objectives :

- Maintaining its financial strength while respecting risk appetite;
- Preservation of its financial flexibility to finance its internal and external development;
- Appropriate allocation of capital between its various business lines in accordance with the Group's strategic objectives;
- Maintaining the Group's resilience in the event of stress scenarios;
- Meeting the expectations of its various stakeholders: supervisors, debt and capital investors, rating agencies and shareholders;

The Group therefore determines its internal solvency target, in accordance with these objectives and compliance with regulatory thresholds.

The Group has an internal capital adequacy assessment process that measures and explains changes in the Group's capital ratios over time, taking into account future regulatory constraints where appropriate.▲

This process is based on a selection of key metrics for measuring risk and capital measurement such as CET1, Tier 1 and Total Capital ratios. These regulatory indicators are supplemented by an assessment of the coverage of internal capital demand by internal capital supply 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, TLAC, leverage or financial conglomerate ratios..

All these are measured on a forward-looking basis in relation to their target on a quarterly basis for the current year. During the preparation of the financial plan, they are also assessed on a quarterly or annual basis within a five-year timeframe according to at least a baseline and two adverse scenarios, in order to demonstrate the resilience of the bank's business model against adverse macroeconomic and financial uncertain environments. Capital adequacy is continuously monitored by the Executive Management and by the Board of Directors as part of the Group's corporate governance process and is reviewed in depth during the preparation of the financial plan. It ensures that the bank always complies with its financial target and that its capital level is above the "Maximum Distributable Amount" (MDA) level and above the Pillar 2 Guidance (P2G) level.

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

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

Each of the Group's core businesses accounts for around a third of total Risk-Weighted Assets (RWA), with a predominance of credit risk (81% of total Group RWA, including counterparty credit risk).

As of 31 December 2025, Group RWA were relatively stable at EUR 393.1 bn, compared with EUR 389.5 bn at the end of December 2024.

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

## 5.3 SCOPE OF PRUDENTIAL REPORTING

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

Whenever relevant, subsidiaries may be excluded from prudential reporting scope notably if the sum of balance-sheet and off balance-sheet commitments are lower than EUR 10 million or 1% of the total

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

balance-sheet and off balance-sheet of the legal entity owning the equity. Legal entities excluded from the prudential reporting scope are subject to periodic reviews, at least annually.

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

**TABLE 6: DIFFERENCE BETWEEN ACCOUNTING SCOPE AND PRUDENTIAL REPORTING SCOPE**

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

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

**TABLE 7: RECONCILIATION OF REGULATORY OWN FUNDS WITH THE BALANCE-SHEET IN THE GROUP'S AUDITED FINANCIAL STATEMENTS (CC2)**

Assets as of 31.12. 2025 (In EURm)	Balance-sheet as in published financial statements	Prudential restatements linked to insurance <sup>(1)</sup>	Prudential restatements linked to consolidation methods	Balance-sheet under regulatory scope of consolidation	Reference to table 14 (CC1)
Cash, due from banks	133,322	(0)	254	133,576	
Financial assets at fair value through profit or loss	576,057	(113,597)	(0)	462,459	
Hedging derivatives	8,007	(109)	-	7,899	
Financial assets at fair value through other comprehensive income	101,088	(58,985)	-	42,103	
Securities at amortised cost	50,963	(5,060)	-	45,903	
Due from banks at amortised cost	76,287	(1,143)	26	75,171	
<i>o.w. subordinated and participating loans</i>	229	-	48	276	1
client loans at amortised cost	454,504	(77)	(114)	454,313	
Revaluation differences on portfolios hedged against interest rate risk	(768)	-	-	(768)	
Insurance and reinsurance contracts assets	649	(649)	-	-	
Tax assets	4,709	(119)	0	4,590	
<i>o.w. deferred tax assets that rely on future profitability excluding those on temporary differences</i>	1,772	-	(631)	1,142	2
<i>o.w. deferred tax assets on temporary differences</i>	1,552	-	490	2,042	3
Other assets	73,313	(166)	64	73,210	
<i>o.w. defined-benefit pension fund assets</i>	83	-	-	83	4
Non-current assets held for sale	2,496	-	-	2,496	
Investments accounted for using the equity method	433	4,092	(122)	4,402	
Tangible and intangible assets	60,498	(810)	160	59,848	
<i>o.w. intangible assets</i>	3,168	-	(923)	2,244	5
Goodwill	5,083	(356)	-	4,727	
<b>TOTAL ASSETS</b>	<b>1,546,641</b>	<b>(176,981)</b>	<b>267</b>	<b>1,369,927</b>	

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

Liabilities as of 31.12.2025 (In EURm)	Balance-sheet as in published financial statements	Prudential restatements linked to insurance <sup>(1)</sup>	Prudential restatements linked to consolidation methods	Balance-sheet under regulatory scope of consolidation	Reference to table 14 (CC1)
Due to central banks	9,737	-	-	9,737	
Financial liabilities at fair value through profit or loss	398,054	(3,431)	-	394,623	
Hedging derivatives	13,919	(17)	-	13,902	
Debt securities issued	151,389	2,100	-	153,489	
Due to banks	103,786	(2,223)	217	101,780	
Customer deposits	525,810	1,748	(83)	527,474	
Revaluation differences on portfolios hedged against interest rate risk	(7,436)	-	-	(7,436)	
Tax liabilities	2,603	(275)	0	2,328	
Other Liabilities	87,188	(9,437)	133	77,884	
Non-current liabilities held for sale	3,033	-	-	3,033	
Insurance contracts related liabilities	162,463	(162,463)	-	-	
Provisions	3,952	(29)	1	3,924	
Subordinated debts	12,616	(1,451)	-	11,165	
<i>o.w. redeemable subordinated notes including revaluation differences on hedging items</i>	10,948	(1,305)	(138)	9,505	5
<b>TOTAL DEBTS</b>	<b>1,467,114</b>	<b>(175,477)</b>	<b>268</b>	<b>1,291,904</b>	
Subtotal Equity, Group share	70,144	(233)	(1)	69,910	6
<i>Issued common stocks, equity instruments and capital reserves</i>	28,999	(0)	-	28,999	
<i>Retained earnings</i>	35,862	(188)	(0)	35,674	
<i>Net income</i>	6,002	(45)	-	5,957	
<i>Unrealised or deferred capital gains and losses</i>	(719)	0	(0)	(719)	
Non-controlling interests	9,383	(1,270)	-	8,113	7
<b>TOTAL EQUITY</b>	<b>79,527</b>	<b>(1,504)</b>	<b>(1)</b>	<b>78,023</b>	
<b>TOTAL LIABILITIES</b>	<b>1,546,641</b>	<b>(176,981)</b>	<b>267</b>	<b>1,369,927</b>	

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

<b>Assets as of 31.12.2024</b> <i>(In EURm)</i>	<b>Balance-sheet as in published financial statements</b>	<b>Prudential restatements linked to insurance<sup>(1)</sup></b>	<b>Prudential restatements linked to consolidation methods</b>	<b>Balance-sheet under regulatory scope of consolidation</b>	<b>Reference to table 14 (CC1)</b>
Cash, due from banks	201,680	-	-	201,680	
Financial assets at fair value through profit or loss	526,049	(107,731)	-	418,318	
Hedging derivatives	9,233	(136)	-	9,097	
Financial assets at fair value through other comprehensive income	96,024	(54,349)	-	41,675	
Securities at amortised cost	32,655	(4,840)	-	27,814	
Due from banks at amortised cost	84,051	(1,174)	45	82,922	
<i>o.w. subordinated and participating loans</i>	230	-	-	230	1
Client loans at amortised cost	454,622	8	(48)	454,582	
Revaluation differences on portfolios hedged against interest rate risk	(292)	-	-	(292)	
Insurance and reinsurance contracts assets	615	(615)	-	-	
Tax assets	4,686	(182)	-	4,505	
<i>o.w. deferred tax assets that rely on future profitability     excluding those on temporary differences</i>	1,847	-	(621)	1,226	2
<i>o.w. deferred tax assets on temporary differences</i>	1,544	-	611	2,155	3
Other assets	70,903	(149)	79	70,834	
<i>o.w. defined-benefit pension fund assets</i>	79	-	4	83	4
Non-current assets held for sale	26,426	(8)	-	26,418	
Investments accounted for using the equity method	398	4,089	(74)	4,413	
Tangible and intangible assets	61,409	(849)	110	60,670	
<i>o.w. intangible assets</i>	3,393	-	(21)	3,371	5
Goodwill	5,086	(356)	-	4,730	
<b>TOTAL ASSETS</b>	<b>1,573,545</b>	<b>(166,291)</b>	<b>113</b>	<b>1,407,367</b>	

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

Liabilities as of 31.12.2024 (In EURm)	Balance-sheet as in published financial statements	Prudential restatements linked to insurance <sup>(1)</sup>	Prudential restatements linked to consolidation methods	Balance-sheet under regulatory scope of consolidation	Reference to table 14 (CC1)
Due to central banks	11,364	-	-	11,364	
Financial liabilities at fair value through profit or loss	396,614	(2,944)	-	393,671	
Hedging derivatives	15,750	(14)	-	15,736	
Debt securities issued	162,200	2,104	-	164,304	
Due to banks	99,744	(3,719)	118	96,143	
Customer deposits	531,675	1,704	(122)	533,258	
Revaluation differences on portfolios hedged against interest rate risk	(5,277)	-	-	(5,277)	
Tax liabilities	2,236	(241)	-	1,996	
Other Liabilities	90,786	(9,786)	116	81,116	
Non-current liabilities held for sale	17,079	14	-	17,093	
Insurance contracts related liabilities	150,691	(150,691)	-	-	
Provisions	4,085	(36)	1	4,051	
Subordinated debts	17,009	(1,438)	-	15,572	
<i>o.w. redeemable subordinated notes including revaluation differences on hedging items</i>	15,303	-	-	15,303	5
<b>TOTAL DEBTS</b>	<b>1,493,957</b>	<b>(165,045)</b>	<b>113</b>	<b>1,329,025</b>	
Subtotal Equity, Group share	70,256	(187)	-	70,068	6
<i>Issued common stocks, equity instruments and capital reserves</i>	31,154	1	-	31,155	
<i>Retained earnings</i>	33,863	(188)	-	33,675	
<i>Net income</i>	4,200	-	-	4,200	
<i>Unrealised or deferred capital gains and losses</i>	1,039	-	-	1,039	
Non-controlling interests	9,332	(1,059)	-	8,274	7
<b>TOTAL EQUITY</b>	<b>79,588</b>	<b>(1,246)</b>	<b>-</b>	<b>78,342</b>	
<b>TOTAL LIABILITIES</b>	<b>1,573,545</b>	<b>(166,291)</b>	<b>113</b>	<b>1,407,367</b>	

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

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

**TABLE 8: ENTITIES OUTSIDE THE PRUDENTIAL SCOPE**

Company	Activity	Country
Catalyst re international ltd.	Insurance	BERMUDA
Euro insurances designated activity company	Insurance	IRELAND
Komerčni pojistovna a.s	Insurance	CZECH REPUBLIC
Oradea vie	Insurance	FRANCE
Sg luci	Insurance	LUXEMBOURG
Sgl re	Insurance	LUXEMBOURG
Sogecap	Insurance	FRANCE
Sogelife	Insurance	LUXEMBOURG
Sogessur	Insurance	FRANCE

In general, all regulated Group undertakings are subject to solvency requirements set by their respective supervisory authorities. Regulated financial entities and regulated affiliates outside of Societe Generale's prudential consolidation scope shall 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. Indeed, the supervisory authority has accepted that some Group entities within the same Member State may be exempted from the application of prudential requirements on an individual basis or, where applicable, on a sub-consolidated basis. Terms and conditions of waiver of requirements granted by supervisors include a commitment to provide these subsidiaries with the Group's support to ensure their overall solvency and liquidity, as well as a commitment to ensure that they are managed prudently according to the applicable banking regulations.

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

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

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

Any transfer of equity or repayment of liabilities between the parent company and its entities is carried out in compliance with capital and liquidity requirements that are locally applicable. The obligation to comply with such requirements may impact on 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 allocation of 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 funding process of subsidiaries within the Group allows rapid repayments of loans between the parent company and its subsidiaries.

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

## 5.4 REGULATORY CAPITAL

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

### Common Equity Tier 1 capital

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

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

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

- estimated dividend payments;
- extraordinary distribution subject to Boar and ECB approval, including share buyback for cancellation or granted to employee for compensation purposes;
- 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 client loans and receivables managed under the internal ratings-based (IRB) approach, and the sum of related value adjustments and collective impairment losses;
- Pillar 1 NPL backstop;
- value adjustments resulting from the requirements of prudent valuation;
- securitisation exposures weighted at 1,250%, when these positions are excluded from the calculation of RWA;
- settlement-delivery risk;
- equity stake within the financial sector beyond the regulatory franchise.

### Additional Tier 1 capital

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

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

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

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

### Tier 2 capital

Tier 2 capital includes:

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

Deductions of Tier 2 capital essentially apply to the following:

- Tier 2 treasury shares;
- holding of Tier 2 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/](http://www.societegenerale.com/en/), heading "Investor, Universal Registration Document and Pillar 3").

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

Issuance Date	Currency	Issue amount (in currency m)	First call date	Yield before the call date and frequency	Yield after the call date and frequency	Book value (EURm) at 31.12.2025	Book value (EURm) at 31.12.2024
29.09.2015	USD	1 250 M	29.09.2025	8.000% per year	Mid Swap USD 5 years +5.873%	-	1,203
06.04.2018	USD	1250M	06.04.2028	6.750% per year	Mid Swap USD 5 years +3.929%	1,081	1,203
18.11.2020	USD	1 500 M	18.11.2030	5.375% per year	U.S. Treasury Rate 5 years +4.514%	1,285	1,444
26.05.2021	USD	1 000 M	26.05.2026	4.750% per year	U.S. Treasury Rate 5 years +3.931%	855	963
15.07.2022	SGD	200 M	15.07.2027	8.25% per year	Swap Offer Rate SGD 5 years +5.6%	133	141
22.11.2022	USD	1 500 M	22.11.2027	9.375% per year	U.S. Treasury Rate 5 years +5.385%	1,290	1,444
18.01.2023	EUR	1000 M	18.01.2029	7.875% per year	Mid Swap Rate 5 years +5.228%	1,036	1,000
14.11.2023	USD	1250M	14.11.2028	10.000% per year	U.S. Treasury Rate 5 years +5.448%	1,078	1,203
25.03.2024	USD	1000 M	25.03.2034	8.500% per year	U.S. Treasury Rate 5 years +4.153%	871	963
21.11.2024	USD	1000 M	21.11.2029	8.125 % per year	U.S. Treasury Rate 5 years +3.790%	859	963
17.09.2025	EUR	1000 M	17.05.2032	6.125% per year	Mid Swap USD 5 years +3.779%	1,018	-
<b>TOTAL</b>						<b>9,505</b>	<b>10,526</b>

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

(In EURm)	31.12.2024	Issues	Redemptions	Prudential supervision valuation haircut	Others	31.12.2025
Debt instruments eligible for Tier 1	10,526	1,000	(1,203)	-	(818)	9,505
Debt instruments eligible for Tier 2 <sup>(1)</sup>	11,461	2,000	(1,294)	(447)	(1,591)	10,129
<b>TOTAL ELIGIBLE DEBT INSTRUMENTS</b>	<b>21,987</b>	<b>3,000</b>	<b>(2,497)</b>	<b>(447)</b>	<b>(2,409)</b>	<b>19,634</b>

(1) The amount of debt eligible under Tier 2 includes the impacts related to the micro-hedges attached to these securities

## 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 minimum Pillar 2 requirement (P2R) is set by the supervisor following the Supervisory Review and Evaluation Process (SREP). It has been standing at 2.38% until 31 December 2025 including the additional requirement regarding Pillar 2 prudential expectations on the provisioning of non-performing loans granted before 26 April 2019.

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

- the mean of the countercyclical buffer rates of each country, weighted by the relevant credit risk exposures in these countries standing at 0.84%;
- the systemic risk buffer essentially driven by our Italian and Norwegian eligible exposures and standing at 0.04%;
- the conservation buffer in force since 1 January 2016 with a maximum level standing at 2.50%;
- the Group's G-SIB buffer imposed by the Financial Stability Board (FSB), which is equal to 1%.

As of 31 December 2025, taking into account the combined regulatory buffers, the phased-in CET1 ratio level that would trigger the Maximum Distributable Amount (MDA) mechanism stands at 10.27%.

**TABLE 11: BREAKDOWN OF SOCIETE GENERALE'S MINIMUM PRUDENTIAL CAPITAL IN CET1**

	<b>31.12.2025</b>	<b>01.01.2025<sup>(2)</sup></b>
Minimum requirement for Pillar 1	4.50%	4.50%
Minimum requirement for Pillar 2 (P2R) <sup>(1)</sup>	1.40%	1.42%
Minimum requirement for countercyclical buffer	0.84%	0.82%
Minimum requirement for systemic buffer	0.04%	-
Minimum requirement for conservation buffer	2.50%	2.50%
Minimum requirement for global systemic buffer	1.00%	1.00%
<b>Minimum requirement for CET1 ratio</b>	<b>10.27%</b>	<b>10.24%</b>

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

(2) Estimated

TABLE 12: REGULATORY CAPITAL AND SOLVENCY RATIOS<sup>(1)</sup>

(In EURm)	31.12.2025	31.12.2024 <sup>(R)</sup>
<b>Shareholders' equity (IFRS), Group share</b>	<b>70,144</b>	<b>70,256</b>
Deeply subordinated notes	(9,366)	(10,526)
Perpetual subordinated notes	-	-
<b>Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes</b>	<b>60,777</b>	<b>59,729</b>
Non-controlling interests	9,383	9,332
Intangible assets	(2,160)	(2,413)
Goodwill	(4,833)	(4,897)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(2,313)	(1,853)
Deductions and regulatory adjustments	(7,743)	(8,124)
<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>53,110</b>	<b>51,774</b>
Deeply subordinated notes and preferred shares	9,505	10,526
Other additional Tier 1 capital	476	421
Additional Tier 1 deductions	(138)	(139)
<b>Total Tier 1 capital</b>	<b>62,953</b>	<b>62,583</b>
Tier 2 instruments	10,129	11,461
Other Tier 2 capital	316	224
Tier 2 deductions	(413)	(514)
<b>Total regulatory capital</b>	<b>72,985</b>	<b>73,753</b>
<b>TOTAL RISK-WEIGHTED ASSETS</b>	<b>393,129</b>	<b>389,503</b>
Credit and counterparty credit risk-weighted assets	319,296	327,224
Market risk-weighted assets	11,920	12,195
Operational risk-weighted assets	61,913	50,085
<b>Solvency ratios</b>		
Common Equity Tier 1 ratio	13.51%	13.29%
Tier 1 ratio	16.01%	16.07%
Total capital ratio	18.57%	18.94%

(1) Ratios set in accordance with CRR3/CRD6 rules, including Danish compromise for insurance. Including limited adjustments after the presentation of the financial information for the fourth quarter and full year 2025 published on 6 February 2026.

(R) restatement

The phased-in solvency ratio as of 31 December 2025 stood at 13.5% in Common Equity Tier 1 (13.3% as of December 2024) and 16.0% in Tier 1 (16.1% as of December 2024) for a total ratio of 18.6% (18.9% as of December 2024).

Group shareholders' equity as of December 2025 amounts to EUR 70.1 billion (compared with EUR 70.3 billion as of December 2024).

After taking into account non-controlling interests and regulatory adjustments, CET1 regulatory capital was EUR 53.1 billion as of December 2025, vs. EUR 51.8 billion as of December 2024. The Additional Tier One deductions mainly regard authorisations to buy back own Additional Tier 1 capital instruments as well as subordinated bank and insurance loans issued by the Group.

**TABLE 13: CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS**

<i>(In EURm)</i>	<b>31.12.2025</b>	<b>31.12.2024 <sup>(R)</sup></b>
Unrecognised minority interests	(4,024)	(3,904)
Deferred tax assets	(1,142)	(1,226)
Prudent Valuation Adjustment	(825)	(830)
Adjustments related to changes in the value of own liabilities	524	108
Other	(2,277)	(2,273)
<b>TOTAL CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS</b>	<b>(7,743)</b>	<b>(8,124)</b>

*(R) Restatement*

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

- any positive difference between expected losses on client loans and receivables managed under the internal ratings-based (IRB) approach, and the sum of related value adjustments and impairment losses;
- pillar 1 NPL backstop;
- expected losses on equity portfolio exposures;
- 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;
- deduction of irrevocable payment commitments paid to the Single Resolution Fund (SRF, Eurozone) and deposit guarantee schemes (FGDR France and National guarantee schemes);
- deduction of Société Générale shares held by the Group directly, indirectly, and synthetically.

## 5.5 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

The Basel III regulation 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. Moreover, market risks RWA also rely on internal models approach while operational risks RWA now derive from a standard method common to the whole industry. Finally, a global output floor applying to consolidated RWA was introduced on 1<sup>st</sup> January 2025.

### Change in risk-weighted assets and capital requirements

TABLE 14: OVERVIEW OF RISK-WEIGHTED ASSETS

(In EURm)		Risk-weighted assets			Total own funds requirements
		31.12.2025	30.09.2025	31.12.2024	31.12.2025
<b>1</b>	<b>Credit risk (excluding counterparty credit risk)</b>	<b>288,977</b>	<b>282,082</b>	<b>297,927</b>	<b>23,118</b>
2	<i>o.w. standardised approach</i>	120,003	118,435	97,959	9,600
3	<i>o.w. Foundation IRB (FIRB) approach</i>	50,882	49,177	4,254	4,071
4	<i>o.w. slotting approach</i>	726	831	707	58
EU 4a	<i>o.w. equities under the simple risk-weighted approach</i>			2,178	
EU 4b	<i>o.w. other equities under IRB approach</i>			16,260	
5	<i>o.w. Advanced IRB (AIRB) approach</i>	104,814	102,208	176,570	8,385
<b>6</b>	<b>Counterparty credit risk – CCR</b>	<b>19,173</b>	<b>19,515</b>	<b>21,883</b>	<b>1,534</b>
7	<i>o.w. standardised approach</i>	5,948	6,327	6,375	476
8	<i>o.w. internal model method (IMM)</i>	10,193	10,247	10,546	815
EU 8a	<i>o.w. exposures to a CCP</i>	1,733	1,966	1,470	139
EU 8b	<i>o.w. credit valuation adjustment – CVA</i>			2,723	
9	<i>o.w. other CCR</i>	1,299	976	768	104
<b>10</b>	<b>Credit valuation adjustments risk – CVA risk</b>	<b>3,817</b>	<b>5,757</b>		<b>305</b>
EU 10a	<i>o.w. the standardised approach (SA)</i>	-	-		-
EU 10b	<i>o.w. the basic approach (F-BA and R-BA)</i>	3,817	5,757		305
EU 10c	<i>o.w. the simplified approach</i>	-	-		-
<b>15</b>	<b>Settlement risk</b>	<b>8</b>	<b>2</b>	<b>8</b>	<b>1</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>7,320</b>	<b>7,253</b>	<b>7,406</b>	<b>586</b>
17	<i>o.w. SEC-IRBA approach</i>	1,894	2,024	2,130	152
18	<i>o.w. SEC-ERBA incl IAA</i>	3,859	3,877	4,063	309
19	<i>o.w. SEC-SA approach</i>	1,567	1,352	1,213	125
EU 19a	<i>o.w. 1,250%/deductions</i>	-	-	-	-
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>11,913</b>	<b>10,909</b>	<b>12,195</b>	<b>953</b>
21	<i>o.w. the Alternative standardised approach (A-SA)</i>				
EU 21a	<i>o.w. the Simplified standardised approach (S-SA)</i>	2,244	2,369	2,825	180
	<i>o.w. the Internal Models Approach (IMA)</i>	9,078	7,960	9,370	726
EU 22	<i>o.w. the Alternative Internal Models Approach (A-IMA)</i>				
EU 22a	<i>Large exposures</i>	-	-	-	
<b>23</b>	<b>Reclassifications between trading and non-trading books</b>	<b>-</b>	<b>-</b>		
<b>24</b>	<b>Operational risk</b>	<b>61,913</b>	<b>62,940</b>	<b>50,085</b>	<b>4,953</b>
EU 24a	<i>o.w. basic indicator approach</i>			-	
EU 24b	<i>o.w. standardised approach</i>			4,730	
EU 24c	<i>o.w. advanced measurement approach</i>			45,355	
EU 24a	<i>Exposures to crypto-assets</i>	7	4		1
25	Amounts (included in the “credit risk” section above) below the thresholds for deduction (subject to 250% risk weight)	6,443	6,146	6,794	515
26	Output floor applied (%)	50%	50%		
27	Floor adjustment (before application of transitional cap)	-	-		
28	Floor adjustment (after application of transitional cap)	-	-		
<b>29</b>	<b>TOTAL</b>	<b>393,129</b>	<b>388,462</b>	<b>389,503</b>	<b>31,450</b>

**TABLE 15: EXPOSURES TO CRYPTO-ASSETS (CAE1)**

(In Eur m)		Exposure value	Risk weighted exposures amounts (RWEA)	Own funds requirements
Type of exposures		a	b	c
1	Tokenised traditional assets	-	-	-
2	Asset referenced tokens	-	-	-
3	Exposures to other crypto assets	107	7	1
4	Total	107	7	1
<b>Memorandum item</b>				
5	Exposures to other crypto assets expressed as a percentage of the institutions's T1 capital	-		

**TABLE 16: RISK-WEIGHTED ASSETS (RWA) PER CORE BUSINESS AND RISK CATEGORY**

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 31.12.2025	Total 31.12.2024
French Retail Banking, Private banking, Insurance	111.1	-	18.8	129.9	120.3
Mobility, International Retail Banking and Financial Services	105.8	0.1	18.5	124.3	120.9
Global Banking and Investor Solutions	90.2	10.8	24.1	125.1	127.3
Corporate Centre	12.2	1.1	0.6	13.8	21.1
<b>Group</b>	<b>319.3</b>	<b>11.9</b>	<b>61.9</b>	<b>393.1</b>	<b>389.5</b>

As of 31 December 2025, RWA (EUR 393.1 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 81% of RWA (of which 33% for Mobility, International Retail banking and Financial Services);
- market risk accounted for 3% of RWA (of which 91% for Global Banking and Investor Solutions);
- operational risk accounted for 16% of RWA (of which 39% for Global Banking and Investor Solutions).

**TABLE 17: COMPARISON OF MODELLED AND STANDARDISED RISK WEIGHTED EXPOSURE AMOUNTS AT RISK LEVEL (CMS1)**

(In EURm)		31.12.2025				EU d
		a	b	c	d	
		RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach <sup>(1)</sup>	RWEAs that is the base of the output floor
1	Credit risk (excluding counterparty credit risk)	168,974	120,003	288,977	380,676	351,009
2	Counterparty credit risk	13,455	5,718	19,173	76,555	58,923
3	Credit valuation adjustment		3,817	3,817	3,817	3,817
4	Securitisation exposures in the banking book	5,753	1,567	7,320	10,658	8,136
5	Market risk	9,669	2,244	11,913	28,410	28,410
6	Operational risk		61,913	61,913	61,913	61,913
7	Other risk weighted exposure amounts		15	15	8	8
<b>8</b>	<b>TOTAL</b>	<b>197,851</b>	<b>195,278</b>	<b>393,129</b>	<b>562,037</b>	<b>512,217</b>

(1) Data shown in column "d" is calculated with rules and regulation applicable in 2033, including the transitional provisions of Article 495 of the CRR Regulation, and based on a static balance sheet assumption, without taking into account dynamic balance-sheet management or any mitigation actions. Regarding, market risk positions applying the standards of the Fundamental Review of the Trading Book ("FRTB") as calculated in column "d" does not correspond to the Group's estimates of the impact on the CET1 ratio, which is confirmed at c. -40bps.

**TABLE 18: COMPARAISON DES MONTANTS PONDÉRÉS MODÉLISÉS ET EN APPROCHE STANDARD AU NIVEAU DES CATÉGORIES D'ACTIFS (CMS2)**

		31.12.2025				
		a	b	c	d	EU d
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if recomputed using the standardised approach	Total RWA	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
<i>(In EURm)</i>						
1	Central governments and central banks	7,809	7,828	8,433	8,423	8,423
EU 1a	Regional governments or local authorities	390	359	496	464	464
EU 1b	Public sector entities	312	987	347	1,021	1,021
EU 1c	Categorised as Multilateral Development Banks in SA	264	170	286	192	192
EU 1d	Categorised as International organisations in SA	-	-	-	-	-
2	Institutions	3,344	2,929	3,839	3,437	3,437
3	Equity	-	-	14,707	14,707	14,707
5	Corporates	100,193	136,191	127,470	180,053	163,449
5,1	Of which: F-IRB is applied	43,868	59,195	43,868	59,195	59,195
5,2	Of which: A-IRB is applied	56,325	76,996	56,325	76,467	76,467
EU 5a	Of which: Corporates - General	81,906	100,106	107,993	139,159	125,722
EU 5b	Of which: Corporates - Specialised lending	17,723	34,969	18,913	39,326	36,159
EU 5c	Of which: Corporates - Purchased receivables	564	1,117	564	1,568	1,568
6	Retail	22,592	26,502	42,581	47,073	47,073
6.1	Of which: Retail - Qualifying revolving	1,116	2,178	3,529	4,548	4,548
EU 6.1a	Of which: Retail - Purchased receivables	4	5	4	6	6
EU 6.1b	Of which: Retail - Other	21,472	24,319	39,047	42,520	42,520
6.2	Of which: Retail - Secured by residential real estate	17,412	25,842	20,041	27,921	27,921
EU 7a	Retail - Categorised as secured by mortgages on immovable properties and ADC exposures in SA	22,763	48,087	30,024	68,416	55,353
EU 7b	Collective investment undertakings (CIU)	-	-	954	954	954
EU 7c	Categorised as exposures in default in SA	10,138	5,602	12,634	7,976	7,976
EU 7d	Categorised as subordinated debt exposures in SA	215	231	215	231	231
EU 7e	Categorised as covered bonds in SA	-	98	-	98	98
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	1,486	256	1,743	1,743
8	Others	953	-	46,737	45,888	45,888
<b>9</b>	<b>TOTAL</b>	<b>168,974</b>	<b>230,471</b>	<b>288,977</b>	<b>380,676</b>	<b>351,009</b>

TABLE 19: MAIN SUBSIDIARIES' CONTRIBUTIONS TO THE GROUP'S RWA

(In EURm)	Ayvens		Boursorama		Komerční Banka	
	IRB	Standard	IRB	Standard	IRB	Standard
<b>Credit and counterparty credit risks</b>	-	48,095	608	2,363	15,284	2,517
Sovereign	-	6	-	-	51	-
Financial institutions	-	387	1	-	535	412
Corporate	-	13,122	-	1	11,109	1,100
Retail	-	4,553	476	2,081	3,570	18
Equity investments	-	693	131	1	19	227
Other non-credit obligation assets	-	29,333	-	280	-	761
Securitisation	-	-	-	-	-	-
<b>Market risk</b>	-	-	-	-	-	27
<b>Operational risk</b>	-	7,965	-	1,111	-	3,306
<b>TOTAL 2025</b>	-	56,060	-	4,081	-	21,135
<b>TOTAL 2024</b>	-	52,080	-	2,576	-	18,006

## 5.6 TLAC AND MREL RATIOS

The Total Loss Absorbing Capacity (TLAC) requirement which applies to Societe Generale is set at 18% of RWA since 1 January 2022, to which the conservation buffer of 2.5%, the G-SIB buffer of 1%, the systemic and the countercyclical buffer must be added. As of 31 December 2025, the TLAC requirement therefore stood at 22.38% of Group RWA.

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

As of 31 December 2025, Societe Generale reached a phased-in TLAC ratio of 29.7% excluding senior preferred debts.

The TLAC ratio expressed as a percentage of leverage exposure is 8.3%.

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

Contrary to the TLAC ratio, the MREL requirement is tailored to each institution and regularly revised by the resolution authority. This requirement amounts to 27.48% in 2025. Throughout the year, Societe Generale complied with its requirements while phased-in MREL ratio as a percentage of RWA stands at 32.5% at the end of 2025.

Moreover, the MREL requirement as a percentage of leverage exposure amounted to 6.13% while the ratio stands at 9.1% at the end of 2025.

## 5.7 LEVERAGE RATIO

The Group calculates its leverage ratio according to the CRR rules.

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

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

As of 31 December 2025, the leverage ratio of Societe Generale stood at 4.48% taking into account a Tier 1 capital amount of EUR 62.9 bn compared with a leverage exposure of EUR 1,406 bn (versus 4.34% as of December 2024, with EUR 62.6 bn and EUR 1,442 bn, respectively).

**TABLE 20: SUMMARY OF THE LEVERAGE RATIO AND THE TRANSITION FROM PRUDENTIAL BALANCE-SHEET TO LEVERAGE EXPOSURE<sup>(1)</sup>**

(In EURm)	31.12.2025	31.12.2024
<b>Tier 1 capital<sup>(2)</sup></b>	<b>62,953</b>	<b>62,573</b>
<b>Total assets in prudential balance-sheet<sup>(3)</sup></b>	<b>1,369,927</b>	<b>1,407,367</b>
Adjustments for derivative financial instruments	2,826	1,540
Adjustments for securities financing transactions <sup>(4)</sup>	18,366	13,982
Off-balance-sheet exposure (loan and guarantee commitments)	122,019	127,198
Technical and prudential adjustments	(107,146)	(107,962)
<b>Leverage ratio exposure</b>	<b>1,405,992</b>	<b>1,442,125</b>
<b>Leverage ratio</b>	<b>4.48%</b>	<b>4.34%</b>

(1) Ratios set in accordance with CRR3/CRD6 rules, including Danish compromise for insurance

(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.

## 5.8 LARGE EXPOSURES RATIO

The CRR incorporates the provisions regulating large exposures. As such, Societe Generale must not have any exposure towards a single beneficiary which exceeds 25% of the Group Tier 1 capital. In addition, a cross specific limit set at 15% applies on systemic institutions.

## 5.9 FINANCIAL CONGLOMERATE RATIO

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

As of 31 December 2025, Societe Generale Group’s financial conglomerate equity covered the solvency requirements for both banking and insurance activities.

As of 30 June 2025, the financial conglomerate ratio was 128.6%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 77.8 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 60.5 billion.

As of 31 December 2024, the financial conglomerate ratio was 132.7%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 79.6 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 59.9 billion.

**TABLE 21: FINANCIAL CONGLOMERATES INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY RATIO (INS2)**

(In EURm)	31.12.2025
Supplementary own fund requirements of the financial conglomerate (amount)	17,280
Capital adequacy ratio of the financial conglomerate (%)	129%

## 5.10 ADDITIONAL QUANTITATIVE INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY

**TABLE 22: NON-DEDUCTED EQUITIES IN INSURANCE UNDERTAKINGS (INSI)**

(in EURm)	31.12.2025	
	Exposure value	RWA amount
Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	4,109	10,273

### OWN FUNDS DETAILS

**TABLE 23: COMPOSITION OF REGULATORY OWN FUNDS (CC1)**

(in EURm)	31.12.2025		31.12.2024		
	Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Amounts <sup>®</sup>	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	
<b>COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES</b>					
1	Capital instruments and the related share premium accounts	17,958	6	19,557	6
	<i>of which fully paid up capital instruments</i>	959		1,000	
	<i>of which share premium</i>	16,999		18,556	
2	Retained earnings	33,353	6	31,312	6
3	Accumulated other comprehensive income (and other reserves)	3,983	6	4,568	6
EU-3a	Funds for general banking risk	-		-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-		-	
5	Minority interests (amount allowed in consolidated CET1)	5,360	7	5,418	7
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	3,689	6	2,348	6
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>64,343</b>		<b>63,213</b>	
<b>COMMON EQUITY TIER 1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS</b>					
7	Additional value adjustments (negative amount)	(825)		(830)	
8	Intangible assets (net of related tax liability) (negative amount)	(6,994)	4	(7,310)	4
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(1,142)	2	(1,226)	2
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	149		368	
12	Negative amounts resulting from the calculation of expected loss amounts	(97)		(682)	
13	Any increase in equity that results from securitised assets (negative amount)	-		-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	526		111	
15	Defined-benefit pension fund assets (negative amount)	(91)	3	(150)	3

		31.12.2025		31.12.2024	
		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Amounts <sup>®</sup>	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
<i>(In EURm)</i>					
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(1,326)		(122)	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	(28)		(57)	
EU-20b	<i>of which qualifying holdings outside the financial sector (negative amount)</i>	-		-	
EU-20c	<i>of which securitisation positions (negative amount)</i>	(26)		(42)	
EU-20d	<i>of which free deliveries (negative amount)</i>	(2)		(15)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-		-	
22	Amount exceeding the 17,65% threshold (negative amount)	-		-	
23	<i>of which direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities</i>	-		-	
25	<i>of which deferred tax assets arising from temporary differences</i>	-		-	
EU-25a	Losses for the current financial year (negative amount)	-		-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-		-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-		-	
27a	Other regulatory adjustments	(1,404)		(1,540)	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(11,232)</b>		<b>(11,438)</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>53,110</b>		<b>51,764</b>	
<b>ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS</b>					
30	Capital instruments and the related share premium accounts	9,505		9,323	
31	<i>of which classified as equity under applicable accounting standards</i>	9,505	6	10,526	6
32	<i>of which classified as liabilities under applicable accounting standards</i>	-		-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-		-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-		-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-		1,203	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	476	7	422	7
35	<i>of which instruments issued by subsidiaries subject to phase out</i>	-		-	
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>9,981</b>		<b>10,948</b>	

		31.12.2025		31.12.2024	
		Source based on reference numbers of the balance sheet under the regulatory scope of consolidation		Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	
(In EURm)		Amounts	Amounts <sup>*</sup>	Amounts <sup>*</sup>	Amounts
<b>ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS</b>					
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(126)		(126)	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(11)	1	(13)	1
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-		-	
42a	Other regulatory adjustments to AT1 capital	-		-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	(138)		(139)	
44	<b>Additional Tier 1 (AT1) capital</b>	<b>9,843</b>		<b>10,809</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>62,953</b>		<b>62,573</b>	
<b>TIER 2 (T2) CAPITAL: INSTRUMENTS</b>					
46	Capital instruments and the related share premium accounts	10,129	5	11,036	5
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-		-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-		-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	5	425	5
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	316	7	225	7
49	<i>of which instruments issued by subsidiaries subject to phase out</i>	-		-	
50	Credit risk adjustments	-		-	
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>10,445</b>		<b>11,685</b>	
<b>TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS</b>					
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(130)		(133)	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-		-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-		-	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(283)	1	(382)	1
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-		-	
56b	Other regulatory adjustments to T2 capital	-		-	
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>(413)</b>		<b>(514)</b>	
58	<b>Tier 2 (T2) capital</b>	<b>10,031</b>		<b>11,171</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>72,985</b>		<b>73,744</b>	
60	<b>Total RWA</b>	<b>393,129</b>		<b>389,503</b>	
<b>CAPITAL RATIOS AND REQUIREMENTS INCLUDING BUFFERS</b>					
61	<b>Common Equity Tier 1 (as a percentage of RWA)</b>	<b>13.51%</b>		<b>13.29%</b>	
62	<b>Tier 1 (as a percentage of RWA)</b>	<b>16.01%</b>		<b>16.06%</b>	
63	<b>Total capital (as a percentage of total RWA)</b>	<b>18.57%</b>		<b>18.93%</b>	

		31.12.2025	31.12.2024
		Source based on reference numbers of the balance sheet under the regulatory scope of consolidation	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
		Amounts	Amounts <sup>®</sup>
<i>(In EURm)</i>			
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of RWA)	10.27%	10.26%
65	<i>of which capital conservation buffer requirement</i>	2.50%	2.50%
66	<i>of which countercyclical buffer requirement</i>	0.84%	0.82%
67	<i>of which systemic risk buffer requirement</i>	0.04%	0.02%
EU-67a	<i>of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	1.00%	1.00%
EU-67b	<i>of which additional own funds requirements to address the risks other than the risk of excessive leverage</i>	1.40%	1.44%
68	<b>Common Equity Tier 1 available to meet buffer (as a percentage of RWA)</b>	<b>7.61%</b>	<b>7.35%</b>
<b>AMOUNTS BELOW THE THRESHOLDS FOR DEDUCTION (BEFORE RISK WEIGHTING)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	4,144	3,227
73	Direct and indirect holdings by the institution of the CET1 (3), instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	535	564
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	2,042	2,153
<b>APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2</b>			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,522	1,269
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,033	1,246
<b>CAPITAL INSTRUMENTS SUBJECT TO PHASE-OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JANUARY 2014 AND 1 JANUARY 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

<sup>®</sup> restatement

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

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

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

**II. Common Equity Tier 1: Regulatory adjustments**

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

**III. Additional Tier 1 (AT1) capital: Instruments**

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

**IV. Additional Tier 1 (AT1) capital: Regulatory adjustments**

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

**V. Tier 2 (T2) capital: Instruments and provisions**

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

## TLAC RATIO DETAILS

TABLE 24: TLAC – COMPOSITION (TLAC1)

		31.12.2025		31.12.2024	
		MREL	TLAC	Amounts eligible for the purposes of MREL, but not TLAC	TLAC
<i>(In EURm)</i>					
<b>OWN FUNDS AND ELIGIBLE LIABILITIES AND ADJUSTMENTS</b>					
1	Common Equity Tier 1 capital (CET1)	53,110	53,110		51,764
2	Additional Tier 1 capital (AT1)	9,843	9,843		10,809
6	Tier 2 capital (T2)	10,031	10,031		11,171
11	Total of eligible Own funds	72,985	72,985		73,744
<b>OWN FUNDS AND ELIGIBLE LIABILITIES: NON-REGULATORY CAPITAL ELEMENTS</b>					
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	43,738	43,738		40,846
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-		-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-		-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	285	285		1,168
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	11,004	-	11,004	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	102	-	102	-
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	11,106	-	11,106	-
17	Eligible liabilities items before adjustments	55,128	44,023	10,986	42,014
EU-17a	<i>of which subordinated</i>	44,023	44,023		42,014
<b>OWN FUNDS AND ELIGIBLE LIABILITIES: ADJUSTMENTS TO NON-REGULATORY CAPITAL ELEMENTS</b>					
18	Own funds and eligible liabilities items before adjustments	128,113	117,007	10,986	115,758
19	(Deduction of exposures between MPE resolution groups)	-	-	-	-
20	(Deduction of investments in other eligible liabilities instruments)	(285)	(165)	-	-
22	Own funds and eligible liabilities after adjustments	127,828	116,842	10,986	115,758
EU-22a	Of which own funds and subordinated	116,842	-	-	
<b>RWA AND LEVERAGE EXPOSURE MEASURE OF THE RESOLUTION GROUP</b>					
23	Total RWA	393,129	393,129		389,503
24	Total exposure measure	1,405,992	1,405,992		1,442,125
<b>RATIO OF OWN FUNDS AND ELIGIBLE LIABILITIES</b>					
25	Own funds and eligible liabilities (as a percentage of total RWA)	32.52%	29.72%	2.79%	29.72%
Eu-25a	Of which own funds and subordinated	29.72%			
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	9.09%	8.31%	0.78%	8.03%
EU26-a	Of which own funds and subordinated	8.31%			
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	7.61%	7.61%		7.35%
28	Institution-specific combined buffer requirement		4.37%		4.32%
29	<i>of which capital conservation buffer requirement</i>		2.50%		2.50%
30	<i>of which countercyclical buffer requirement</i>		0.84%		0.82%
31	<i>of which systemic risk buffer requirement</i>		0.04%		0.00%
EU-31a	<i>of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>		1.00%		1.00%
<b>MEMORANDUM ITEMS</b>					
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR		963,120		963,253

**TABLE 25: TLAC – CREDITOR RANKING OF THE RESOLUTION ENTITY<sup>(1)</sup> (TLAC3)**

		31.12.2025				
		Insolvency ranking				
		1	2	3	5	6
		(most junior)				
(In EURm)		Equity	Deeply subordinated notes	Subordinated notes	Senior non preferred unsecured	Senior preferred unsecured
1	Description of insolvency ranking <sup>(2)</sup>					
2	Liabilities and own funds	53,110	9,505	11,519	45,957	604,062
3	o.w. excluded liabilities	-	-	-	-	486,768
4	Liabilities and own funds less excluded liabilities	53,110	9,505	11,519	45,957	117,294
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	53,110	9,505	10,391	43,573	10,986
6	o.w. residual maturity ≥ 1 year < 2 years	-	-	375	7,408	4,217
7	o.w. residual maturity ≥ 2 year < 5 years	-	-	-	22,495	3,749
8	o.w. residual maturity ≥ 5 years < 10 years	-	-	6,320	13,334	2,332
9	o.w. residual maturity ≥ 10 years, but excluding perpetual securities	-	-	3,559	336	688
10	o.w. perpetual securities	53,110	9,505	-	-	-

(1) Scope of the resolution entity Societe Generale SA.

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

		31.12.2025				
		Insolvency ranking				
		7	8	9	10	
		(most senior)				
(In EURm)		Deposits of natural persons and SME	Covered deposits	Claims with a special or general unsecured preferential right	Claims arising after the safeguard procedures	Sum of 1 to 10
1	Description of insolvency ranking <sup>(2)</sup>					
2	Liabilities and own funds	33,852	125,599	2,093	248,872	1,134,570
3	o.w. excluded liabilities	33,852	125,599	2,093	248,872	897,185
4	Liabilities and own funds less excluded liabilities	-	-	-	-	237,385
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	-	-	-	-	127,566
6	o.w. residual maturity ≥ 1 year < 2 years	-	-	-	-	12,000
7	o.w. residual maturity ≥ 2 year < 5 years	-	-	-	-	26,244
8	o.w. residual maturity ≥ 5 years < 10 years	-	-	-	-	21,987
9	o.w. residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	4,583
10	o.w. perpetual securities	-	-	-	-	62,615

(1) Scope of the resolution entity Societe Generale SA.

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

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

(1) Scope of the resolution entity Societe Generale SA.

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

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

(1) Scope of the resolution entity Societe Generale SA.

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

## LEVERAGE RATIO DETAILS

**TABLE 26: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (LRI-LRSUM)**

<i>(In EURm)</i>		<b>31.12.2025</b>	<b>31.12.2024</b>
1	Total assets as per published financial statements	1,546,641	1,573,545
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(176,714)	(166,178)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	(2,673)	(2,599)
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(1,541)	(2,003)
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	2,826	1,540
9	Adjustments for securities financing transactions "SFTs"	18,366	13,982
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	122,183	129,418
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(164)	(217)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	(31,729)	(30,073)
12	Other adjustments	(71,203)	(75,290)
<b>13</b>	<b>Total exposure measure</b>	<b>1,405,992</b>	<b>1,442,125</b>

TABLE 27: LEVERAGE RATIO – COMMON DISCLOSURE (LR2-LRCOM)

(In EURm)		31.12.2025	31.12.2024
<b>ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)</b>			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,017,787	1,063,372
2	(Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework)	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(26,574)	(25,603)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(10,591)	(11,791)
<b>7</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)</b>	<b>980,622</b>	<b>1,025,978</b>
<b>DERIVATIVE EXPOSURES</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	92,924	127,878
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	133,619	118,082
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(122,748)	(140,868)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	39,223	47,602
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(36,706)	(45,574)
<b>13</b>	<b>Total derivative exposures</b>	<b>106,312</b>	<b>107,120</b>
<b>SECURITIES FINANCING TRANSACTION EXPOSURES</b>			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	346,177	307,952
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(123,338)	(96,450)
16	Counterparty credit risk exposure for SFT assets	18,345	13,982
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b(4) and 222 of Regulation (EU) No 575/2013	-	-
17	Agent transaction exposures	22	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
<b>18</b>	<b>Total securities financing transaction exposures</b>	<b>241,206</b>	<b>225,485</b>
<b>OTHER OFF-BALANCE SHEET EXPOSURES</b>			
19	Off-balance sheet exposures at gross notional amount	322,669	288,980
20	(Adjustments for conversion to credit equivalent amounts)	(200,780)	(161,564)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	(164)	(217)
<b>22</b>	<b>Other off-balance sheet exposures</b>	<b>121,725</b>	<b>127,198</b>
<b>EXCLUDED EXPOSURES</b>			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR) (on and off balance sheet)	(31,729)	(30,073)

(In EURm)		31.12.2025	31.12.2024
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(12,144)	(13,583)
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans) (Other exempted exposures)	-	-
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
EU-22m	(Total exempted exposures)	(43,873)	(43,656)
<b>CAPITAL AND TOTAL EXPOSURES</b>			
23	Tier 1 capital	62,953	62,573
24	Total leverage ratio exposures	1,405,992	1,442,125
<b>LEVERAGE RATIO</b>			
25	Leverage ratio (%)	4.48%	4.34%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.48%	4.34%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank exposures) (%)	4.48%	4.34%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.11%	0.10%
EU-26b	of which to be made up of CET1 capital (%)	-	-
27	Leverage ratio buffer requirement (%)	0.50%	0.50%
EU-27a	Overall leverage ratio requirement (%)	3.61%	3.60%
<b>CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
<b>DISCLOSURE OF MEAN VALUES</b>			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	247,407	232,588
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	222,839	211,503
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,430,560	1,463,210
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,430,560	1,463,210
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.40%	4.28%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.40%	4.28%

**TABLE 28: LEVERAGE RATIO – SPLIT-UP OF ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (LR3-LRSPL)**

<i>(In EURm)</i>		<b>31.12.2025</b>	<b>31.12.2024</b>
<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>947,175</b>	<b>992,140</b>
EU-2	Trading book exposures	146,066	115,140
EU-3	Banking book exposures, of which:	801,109	876,999
EU-4	<i>Covered bonds</i>	-	136
EU-5	<i>Exposures treated as sovereigns</i>	254,263	311,970
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	16,515	15,204
EU-7	<i>Institutions</i>	19,076	21,480
EU-8	<i>Secured by mortgages of immovable properties</i>	176,694	153,111
EU-9	<i>Retail exposures</i>	56,953	69,249
EU-10	<i>Corporates</i>	181,870	212,383
EU-11	<i>Exposures in default</i>	12,637	13,114
EU-12	<i>Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)</i>	83,101	80,353

## COUNTERCYCLICAL BUFFER DETAILS

The countercyclical capital buffer (or CCyB) rate is defined by country. The countercyclical capital buffer requirement is calculated by averaging the countercyclical rates of each country, weighted by the exposures relevant to credit risk in those countries. The countercyclical capital buffer rate came into effect on 1 January 2016, with a transitional period that ended in 2019. In France, the authority in charge of defining the countercyclical rate applicable to

exposures in France and of recognising rates applicable in other countries is the High Council for Financial Stability (HCSF). Each quarter, the HCSF publishes the CCyB rate for France and the rates recognised for third countries. The rate applicable to the Group is recalculated whenever a country is subject to a rate change. As a result, there is no annual rate for this cushion, but a rate applicable on a given date.

**TABLE 29: GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER (CCYBI)**

31.12.2025													
(In EURm)	General credit exposures		Relevant credit exposures – Market risk		Securitisations exposures – Exposure value for non-trading book	Total exposure value	Own fund requirements						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	RWA	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
<b>Europe</b>	<b>129,413</b>	<b>381,232</b>	<b>228</b>	<b>621</b>	<b>36,907</b>	<b>548,400</b>	<b>19,850</b>	<b>26</b>	<b>319</b>	<b>20,196</b>	<b>252,447</b>	<b>84.55%</b>	
Bulgaria	63	4	-	-	-	67	4	-	-	4	50	0.02%	2.00%
Czech Republic	3,942	36,518	-	21	-	40,480	1,292	0	-	1,293	16,161	5.41%	1.25%
Denmark	1,430	850	-	17	-	2,297	110	2	-	111	1,393	0.47%	2.50%
France	46,074	245,088	4	44	22,161	313,370	11,476	1	194	11,670	145,878	48.86%	1.00%
Norway	1,367	715	-	2	-	2,084	93	0	-	93	1,160	0.39%	2.50%
Slovakia	1,512	327	-	0	-	1,838	114	0	-	114	1,423	0.48%	1.50%
Sweden	1,213	1,461	-	21	-	2,695	110	0	-	110	1,380	0.46%	2.00%
Ireland	770	5,069	-	1	1,797	7,637	138	0	24	162	2,031	0.68%	1.50%
Iceland	0	0	-	-	-	0	0	-	-	0	0	0.00%	2.50%
Lithuania	55	36	-	-	-	91	3	-	-	3	42	0.01%	1.00%
Luxembourg	1,742	15,950	-	13	3,296	21,001	407	-	35	442	5,529	1.85%	0.50%
Great Britain	6,767	15,120	-	167	1,740	23,793	799	1	21	821	10,258	3.44%	2.00%
Germany	12,574	11,195	-	98	4,171	28,038	1,018	5	17	1,041	13,007	4.36%	0.75%
Cyprus	0	405	-	-	-	405	2	-	-	2	28	0.01%	1.00%
Croatia	193	30	-	-	-	223	11	-	-	11	142	0.05%	1.50%
Netherlands	6,659	6,768	-	80	297	13,804	570	5	4	579	7,237	2.42%	2.00%
Romania	12,345	121	205	-	520	13,191	634	3	5	641	8,018	2.69%	1.00%
Slovenia	72	9	-	-	-	81	5	-	-	5	57	0.02%	1.00%
Belgium	4,907	3,559	-	55	205	8,726	351	2	2	354	4,427	1.48%	1.00%
Latvia	48	161	-	-	-	209	6	0	-	6	81	0.03%	1.00%
Estonia	34	49	-	-	-	84	3	0	-	3	40	0.01%	1.50%
Hungary	601	574	-	-	-	1,175	49	0	-	49	617	0.21%	1.00%
Armenia	0	0	-	-	-	0	0	-	-	0	0	0.00%	1.50%
Spain	5,164	5,954	14	0	230	11,361	537	3	2	541	6,767	2.27%	0.50%
Greece	1,459	235	-	2	-	1,695	99	-	-	99	1,233	0.41%	0.25%
Poland	1,113	1,572	-	1	-	2,686	123	0	-	123	1,542	0.52%	1.00%
<b>North America</b>	<b>2,923</b>	<b>61,592</b>	<b>488</b>	<b>172</b>	<b>17,231</b>	<b>82,406</b>	<b>1,631</b>	<b>27</b>	<b>219</b>	<b>1,877</b>	<b>23,463</b>	<b>7.86%</b>	
<b>Asia-Pacific</b>	<b>1,595</b>	<b>20,567</b>	<b>103</b>	<b>84</b>	<b>3,512</b>	<b>25,861</b>	<b>628</b>	<b>17</b>	<b>47</b>	<b>692</b>	<b>8,651</b>	<b>2.90%</b>	
Australia	24	5,144	103	3	1,422	6,697	111	3	20	133	1,667	0.56%	1.00%
South Korea	348	1,645	-	3	1,615	3,610	68	-	20	89	1,108	0.37%	1.00%
Hong Kong	195	1,166	-	10	-	1,371	44	0	-	44	547	0.18%	0.50%
Rest of the World	12,224	11,766	80	34	-	24,103	1,118	2	-	1,120	14,003	4.69%	
Chili	73	1,822	-	1	-	1,897	58	-	-	58	723	0.24%	0.50%
<b>TOTAL</b>	<b>146,155</b>	<b>475,157</b>	<b>899</b>	<b>911</b>	<b>57,649</b>	<b>680,771</b>	<b>23,227</b>	<b>73</b>	<b>586</b>	<b>23,885</b>	<b>298,564</b>	<b>100.00%</b>	<b>0.84%</b>

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

(1) Tool change.

**TABLE 30: AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER (CCYB2)**

(In EURm)	31.12.2025	31.12.2024
Total RWA	393,129	389,503
Institution-specific countercyclical capital buffer (rate)	0.84%	0.82%
Institution-specific countercyclical capital buffer requirement (amount)	3,294	3,197

## LINK BETWEEN PRUDENTIAL BALANCE SHEET AND TYPES OF RISK

**TABLE 31: DIFFERENCES BETWEEN STATUTORY AND PRUDENTIAL CONSOLIDATED BALANCE SHEETS AND ALLOCATION TO REGULATORY RISK CATEGORIES (L1)**

Assets as of 31.12.2025 (In EURm)	Consolidated balance sheet (statutory scope)	Consolidated balance sheet within the prudential scope	Subject to credit risk	Subject to counterparty credit risk	Subject to the securitisation framework	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Cash, due from banks	133,322	133,576	133,576	-	-	-	-
Financial assets at fair value through profit or loss	576,057	462,459	92,137	284,889	509	369,813	-
Hedging derivatives	8,007	7,899	0	7,899	-	4,403	-
Financial assets at fair value through other comprehensive income	101,088	42,103	41,151	-	-	951	-
Securities at amortised cost	50,963	45,903	45,264	-	77	561	-
Due from banks at amortised cost	76,287	75,171	57,484	17,687	-	6,332	-
of which subordinated and participating loans	229	276	276	-	-	-	-
Customer loans at amortised cost	454,504	454,313	425,510	7	20,712	8,091	-
Revaluation differences on portfolios hedged against interest rate risk	(768)	(768)	0	-	-	(279)	-
Insurance and reinsurance contracts assets	649	-	-	-	-	-	-
Tax assets	4,709	4,590	3,448	-	-	-	1,142
of which deferred tax assets that rely on future profitability excluding those on temporary differences	1,772	1,142	0	-	-	-	1,142
of which deferred tax assets on temporary differences	1,552	2,042	2,042	-	-	-	-
Other assets	73,313	73,210	21,605	-	-	51,522	83
of which defined-benefit pension fund assets	83	83	0	-	-	-	83
Non-current assets held for sale	2,496	2,496	2,496	-	-	-	-
Investments accounted for using the equity method	433	4,402	4,402	-	-	-	-
Tangible and intangible assets	60,498	59,848	56,860	-	-	744	2,244
of which intangible assets exclusive of leasing rights	3,168	2,244	-	-	-	-	2,244
Goodwill	5,083	4,727	-	-	-	-	4,847
<b>TOTAL ASSETS</b>	<b>1,546,641</b>	<b>1,369,927</b>	<b>883,933</b>	<b>310,481</b>	<b>21,299</b>	<b>442,139</b>	<b>8,316</b>

Liabilities as of 31.12.2025 (In EURm)	Consolidated balance sheet (statutory scope)	Consolidated balance sheet within the prudential scope	Subject to credit risk	Subject to counterparty credit risk	Subject to the securitisation framework	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Due to central banks	9,737	9,737	-	-	-	-	9,737
Financial liabilities at fair value through profit or loss	398,054	394,623	-	255,435	-	336,496	58,127
Hedging derivatives	13,919	13,902	-	13,902	-	5,855	(0)
Debt securities issued	151,389	153,489	-	-	-	33,111	120,379
Due to banks	103,786	101,780	-	11,154	-	6,123	90,626
Customer deposits	525,810	527,474	-	5,964	-	928	521,510
Revaluation differences on portfolios hedged against interest rate risk	(7,436)	(7,436)	-	-	-	(3,685)	(7,436)
Tax liabilities	2,603	2,328	-	-	-	-	2,328
Other Liabilities	87,188	77,884	-	-	-	17,503	60,380
Non-current liabilities held for sale	3,033	3,033	-	-	-	-	3,033
Insurance contracts related liabilities	162,463	0	-	-	-	-	0
Provisions	3,952	3,924	-	-	-	2,354	1,569
Subordinated debts	12,616	11,165	-	-	-	-	11,165
<i>of which redeemable subordinated notes including revaluation differences on hedging items</i>	10,948	9,505	-	-	-	-	9,505
<b>TOTAL DEBTS</b>	<b>1,467,114</b>	<b>1,291,904</b>	<b>-</b>	<b>286,455</b>	<b>-</b>	<b>398,686</b>	<b>871,420</b>
Sub-Total Equity, Group share	70,144	69,910	-	-	-	-	69,910
<i>Issued common stocks, equity instruments and capital reserves</i>	28,999	28,999	-	-	-	-	28,999
<i>Retained earnings</i>	35,862	35,674	-	-	-	-	35,674
<i>Net income</i>	6,002	5,957	-	-	-	-	5,957
<i>Unrealised or deferred capital gains and losses</i>	(719)	(719)	-	-	-	-	(719)
Non-controlling interests	9,383	8,113	-	-	-	-	8,113
<b>TOTAL EQUITY</b>	<b>79,527</b>	<b>78,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,023</b>
<b>TOTAL LIABILITIES</b>	<b>1,546,641</b>	<b>1,369,927</b>	<b>-</b>	<b>286,455</b>	<b>-</b>	<b>398,686</b>	<b>949,442</b>

Assets as of 31.12.2024 (In EURm)	Consolidated balance sheet (statutory scope)	Consolidated balance sheet within the prudential scope	Subject to credit risk	Subject to counterparty credit risk	Subject to the securitisation framework	Subject to market risk	Not subject to capital requirements or subject to deduction <sup>®</sup>
Cash, due from banks	201,680	201,680	201,680	-	-	-	-
Financial assets at fair value through profit or loss	526,049	418,318	14,112	254,360	586	403,620	-
Hedging derivatives	9,233	9,097	0	9,097	-	4,407	-
Financial assets at fair value through other comprehensive income	96,024	41,675	38,231	-	-	3,444	-
Securities at amortised cost	32,655	27,814	27,180	-	73	561	-
Due from banks at amortised cost	84,051	82,922	64,146	18,544	-	6,488	232
<i>of which subordinated and participating loans</i>	230	230	230	-	-	-	-
Customer loans at amortised cost	454,622	454,582	423,755	11,515	19,313	8,169	-
Revaluation differences on portfolios hedged against interest rate risk	(292)	(292)	181	-	-	(279)	(473)
Insurance and reinsurance contracts assets	615	-	-	-	-	-	-
Tax assets	4,686	4,505	3,279	-	-	-	1,226
<i>of which deferred tax assets that rely on future profitability excluding those on temporary differences</i>	1,847	1,226	1	-	-	-	1,226
<i>of which deferred tax assets on temporary differences</i>	1,544	2,155	2,155	-	-	-	-
Other assets	70,903	70,834	7,684	-	-	41,820	83
<i>of which defined-benefit pension fund assets</i>	79	83	-	-	-	-	83
Non-current assets held for sale	26,426	26,418	26,418	-	-	-	-
Investments accounted for using the equity method	398	4,413	4,413	-	-	-	-
Tangible and intangible assets	61,409	60,670	57,426	-	-	742	2,502
<i>of which intangible assets exclusive of leasing rights</i>	3,393	3,371	869	-	-	-	2,502
Goodwill	5,086	4,730	-	-	-	-	4,908
<b>TOTAL ASSETS</b>	<b>1,573,545</b>	<b>1,407,367</b>	<b>868,505</b>	<b>293,515</b>	<b>19,972</b>	<b>468,973</b>	<b>8,478</b>

<sup>®</sup>restatement

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

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

**TABLE 32: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING AMOUNTS IN FINANCIAL STATEMENTS (LI2)**

	31.12.2025				
	Consolidated balance sheet within the prudential scope	Subject to credit risk	Subject to counterparty credit risk	Subject to the securitisation framework	Subject to market risk
<i>(In EURm)</i>					
Asset carrying value amount under the scope of regulatory consolidation	1,361,612	883,933	310,481	21,299	442,139
Liabilities carrying value amount under the scope of regulatory consolidation	(286,455)	-	(286,455)	-	(398,686)
<b>TOTAL NET AMOUNT UNDER REGULATORY SCOPE OF CONSOLIDATION</b>	<b>1,075,156</b>	<b>883,933</b>	<b>24,026</b>	<b>21,299</b>	<b>43,453</b>
<b>OFF-BALANCE SHEET AMOUNTS</b>	<b>307,621</b>	<b>276,834</b>	<b>-</b>	<b>30,787</b>	
<i>Differences in valuations</i>	(825)	-	-	-	
<i>Differences due to different netting rules</i>	99,482	-	99,482	-	
<i>Differences due to considerations for provisions</i>	6,689	6,689	-	-	
<i>Differences due to the use of Credit Risk Mitigation (CRM) techniques</i>	(14,510)	(14,510)	-	-	
<i>Differences due to Credit Conversion Factors (CCF)</i>	(178,005)	(178,005)	-	-	
<i>Differences due to securitisation with risk transfer</i>	-	-	-	-	
<i>Other differences</i>	(251,108)	(108,833)	-	2,799	
<b>EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES (EAD)</b>	<b>1,044,501</b>	<b>866,108</b>	<b>123,509</b>	<b>54,885</b>	

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

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

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

The main factors included in this table are:

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

TABLE 33: PRUDENT VALUATION ADJUSTMENTS (PVA) (PVI)

31.12.2025											
<i>(In EURm)</i>											
Category level AVA	Risk category						Category level AVA – Valuation uncertainty		Total category level post-diversification		
	Equity	Interest Rates	Foreign exchange	Credit	Commodities		Unearned credit spreads AVA	Investment and funding costs AVA		of which Total core approach in the trading book	of which Total core approach in the banking book
Market price uncertainty	118	144	9	8	-	-	20	7	153	138	15
Close-out cost	109	176	9	20	-	-	7	4	162	152	10
Concentrated positions	40	43	26	3	-	-			112	110	2
Early termination	-	-	-	-	-	-			-	-	-
Model risk	101	34	2	1	-	-	55	2	98	61	37
Operational risk	11	16	1	2	-	-			30	29	2
Future administrative costs	270	-	-	-	-	-			270	270	0
<b>TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)</b>									<b>825</b>	<b>760</b>	<b>66</b>

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



# 6

## CREDIT RISK

### IN BRIEF

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

Credit risk RWA at end 2025

**€296.3<sub>bn</sub>**

*(Credit risk RWA at end 2024: €305.3bn)*

Percentage of EAD calculated as IRB  
*(% of total credit risk):*

**81%**

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

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

- Debtor risks;
- Underwriting risks. ▲

## 6.1 GENERAL PRINCIPLES AND GOVERNANCE

### 6.1.1 GENERAL PRINCIPLES

**Audited I** Business Units and entities translate the principles laid out in this section as necessary into credit policies, which must comply with all the following rules:

- The credit policy that defines lending criteria and, usually, limits on risk-taking by sector, type of loan, country/geographic area or by customer/customer segment. These rules are defined in particular by the CORISQ and Credit Risk Committees (CRCs) and drawn up in consultation with the Business Units concerned;
- The credit policy is in line with the Group's risk management strategy in accordance with its risk appetite validated by the Board of Directors;
- Credit policies are based on the principle that any commitment involving credit risks depends on:
  - in-depth knowledge of the customer and its business,
  - an understanding of the purpose and nature of the transaction structure as well as sources of income that will generate fund repayment,
  - the adequacy of the transaction structure, in order to minimise the risk of loss in the event of counterparty default,
  - the analysis and the validation of the files, involving respectively and independently the responsibility of the Primary Customer Responsibility Unit- *Secteur de Suivi Client* (PCRU-SSC) and the dedicated risk units within the risk management function. In order to ensure a consistent approach in the Group's risk-taking, this PCRU-SSC and/or risk unit reviews all applications for authorisation relating to a given customer or category of customers (except in the case of credit delegations granted by the PCRU-SSC and RISQ to certain Societe Generale entities), the monitoring being conducted on a consolidated customer basis for all these authorisations. The PCRU-SSC and risk unit must operate independently of each other,
  - the allocation of a rating or a score, which is a key criterion of the granting policy on the non-retail perimeter. These ratings are validated by the dedicated risk unit. Particular attention is paid to the regular review of these ratings. On retail perimeter, see infra "Specificities of retail portfolios",
  - on the non-retail perimeter, a delegation of authority regime, mainly based on the internal rating of counterparties, provides decision-making authority on the risk units on one hand and the PCRU-SSC on the other,
  - the credit approval process within the Retail market is structured by market segment (individual and professionals) and product category (mainly residential real estate, consumer credit, loans to professionals, etc.) in strict compliance with the decision-making limits, in accordance with the Credit Policy,
  - proactive management and monitoring of counterparties whose situation has deteriorated to contain the risk of loss given a default of a counterparty.

#### RISK APPETITE STATEMENT

Credit risk is framed through a set of limits that reflect the Group's risk appetite.

The appetite for credit risk is tracked through credit principles, policies and limits alongside pricing policies, at the group, business unit and business line level:

- The projected level of the net cost of risk in the Bank's budget and in the strategic and financial plans over a minimum three-year horizon, based on the central and stressed scenarios. In this regard, special attention is paid to concentration risk and the Societe Generale Group regularly assesses portfolio risk in stress scenarios;
- An acceptable level of coverage of credit loss risk per interest margin product, through pricing policies that are differentiated in relation to the degree of risk. ▲

## 6.1.2 GOVERNANCE

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

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

The Risk Department helps define risk policies in light of the Group's risk appetite, business line 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 business lines' needs. As second line of defence, the Risk Departments in charge of credit risk (for Retail Banking, Corporate and Investment Banking and Market activities) independently review and compare any credit application that exceeds the authority delegated to business lines and local Risk Department teams, if applicable. The Risk Department also assesses the quality of first-level credit reviews and takes any remedial action necessary.

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

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

**Audited I** As part of the quarterly reporting to the Board of Directors and the Risk Committee of the Board of Directors, an overview of the main credit risk metrics supplemented by details on thresholds and limits where applicable is presented. The following metrics are in particular the subject of a presentation with a quarterly history: net cost of risk, NPL rate (non-performing loans), coverage rate, average credit quality of portfolios, corporate outstanding placed under surveillance (watchlist), supervision of corporate exposures by sector of activity, Grands Risques Réglementaires (major regulatory risk exposures), etc.

A monthly report to the Risk Committee of the Board of Directors also provides additional information that involves an overview of the exposure down to a Business Unit level or more granular level of financing activities. A summary of the CORISQ by theme is also presented, providing recurring details on retail and non-retail perimeters and activities, and on sectoral limits and country risks.

As part of the monthly CORISQ report to the General Management, a summary of the main credit files is presented. Thematic presentations also provide recurring clarifications on certain perimeters and activities. ▲: personal real estate loans, consumer credit, non-retail credit risk, sector limits, country risks, major regulatory risks (*Grands Risques Réglementaires*), etc.

## 6.1.3 FEATURES OF INDIVIDUAL AND PROFESSIONAL PORTFOLIOS (RETAIL)

**Audited I** Individual and professional portfolios (retail portfolios) have specific features in terms of risk management. This management is based in particular on a statistical approach and on the use of tools and methods in the industrialisation of processes.

### A) STATISTICAL APPROACH

The retail portfolio is made up of a sum of exposures of low unit amounts, validated in a partially automated manner, which cumulatively constitute significant outstandings at Group level and therefore a high level of risk.

Given the high number and standardisation of retail clients' commitments, there is a need for aggregated monitoring at all levels of the Risk function in charge of credit risk. This mass monitoring of retail customer exposure is based on the use of a statistical risk approach and monitoring by homogeneous risk class or according to other relevant axes (economic sectors for the Professionals for instance).

Under these circumstances, the risk monitoring system for the retail portfolio cannot be totally similar to that dedicated to corporates, both in terms of procedures and tools.

For instance, any change in marketing policy (shortening probationary period on loyalty, delegation of lending decisions to brokers, increase in margin rates, etc.) can have a rapid and massive impact and must therefore be monitored in a system that allows all actors (i) to identify as soon as possible where any deterioration in exposures is coming from and (ii) to take remedial action.

Although IFRS 9 standard authorises a collective approach and the Group has a statistical approach on retail customers for the evaluation of the expected loss, the increase in credit risk for the purposes of the staging is identified on an individual basis for this clientele. The available parameters (operation of accounts and late payments) generally allow for the assessment of the significant increase in credit risk at the level of individual exposure.

### B) IMPORTANCE OF TOOLS AND METHODS IN THE INDUSTRIALISATION OF PROCESSES

The Risk management function must also support Business Units and subsidiary managers in managing their risks with a view to assessing:

- The effectiveness of credit policies;
- The quality of the portfolio and its development over the entire life of exposures (from granting to recovery).

The Risk Department structures its supervision around the following four processes:

- Granting: this decision-making process is mainly automated depending on the nature and complexity of the transactions, and hence the associated risk;
- Monitoring: different entities use different systems for granting and managing retail risks systems (scoring, expert systems, rules, etc.) and an appropriate monitoring system must be in place for each to assess the appropriateness of the granting rules applied;

- **Recovery:** recovery is an essential step in the life cycle of Retail portfolio credits and makes a decisive contribution to controlling the cost of risk and limiting the level of non-performing loans. Recovery can be outsourced or carried out in-house. In case of outsourced debt collection, it must comply with the Group's regulations governing outsourcing;
- **Provisioning:** impairment and provisions against the retail portfolio are mostly evaluated in a statistical way. They are calculated according to the methodologies and governance methods defined and validated by the Risk Department. ▲

## 6.1.4 MONITORING OF INDIVIDUAL CONCENTRATION RISKS

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

Internal processes are implemented to identify and manage the risks of individual concentrations, notably at credit origination. For example, concentration thresholds, based upon the internal rating of

counterparties, are validated by a dedicated Credit Risk Committee. Exposures to clients which are considered the most material are reviewed by the Large Exposure Committee ("CGR"), chaired by the General Management or by the Head of the Risk department, depending on the rating category (Investment Grade or not).

As part of the identification of its risks, the Group also carries out loss simulations by type of customer on significant individual exposures.

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

## 6.1.5 MONITORING COUNTRY RISKS

Country risk management relies on country-specific limits, defined in a granular manner by business activity (BU) and risk metric (nature of risk). Based on the internal country rating and governance indices, the highest-rated countries, referred to as SUIG (Sovereign Upper Investment Grade), are not subject to limits. However, monitoring of country exposure trends is performed for all countries, whether or not they are subject to limits.

The country limits are validated annually by the General Management. They may be revised downward at any time by the Risk Department in response to a deterioration or anticipated deterioration in a country's situation, or marginally adjusted upward in the context of deal flow processing.

The country alert procedure can be triggered by the Risk Department at any time in the event of a deterioration in the country risk or anticipation thereof. In such cases, any proposed transaction

generating exposure to that country must be systematically submitted for prior approval by the Risk Department, and all risk delegation is suspended.

More broadly, country and geopolitical risks are factored into all risk identification and quantification exercises where relevant (notably during the Risk Identification exercise, ESG Materiality Assessment, reverse stress testing, etc.), and are considered in budgeting processes.

Depending on the severity of identified geopolitical scenarios, ad hoc stress tests or simulations may be designed for specific regions or countries for enhanced monitoring (as is currently the case for Greater China—China, Hong Kong, Taiwan, and Macau).

Furthermore, the geopolitical risk component is central to the GERC (Group Emerging Risk Committee) and Q2C (Quarterly Country Committee) governance bodies.

## 6.1.6 SECTOR MONITORING

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

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

- the Individual and Professional clients in metropolitan France;
- the oil and gas sectors;

- the commercial Real Estate sector (i.e. companies acting as investors or developers in real estate);
- leveraged finance;
- the automotive sector and value chain;
- Commodity traders;
- financial sponsors;
- securitisation.

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

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

## 6.1.7 CREDIT STRESS TESTS

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

## 6.1.8 ESG RISK FACTORS IMPACTING CREDIT RISKS

For the Group, ESG risk factors constitute a potential aggravating factor of credit risk. Their integration is based on the governance and existing framework and follows a classical approach: identification, quantification, definition of the risk appetite, monitoring, reporting, control and mitigation of the risk.

*The elements relating to ESG risk factors are presented in Chapter 5 of the 2026 Universal Registration Document, in the Sustainability Statement relating to the application of the European CSRD (Corporate Sustainable Reporting Directive).*

In particular, the elements relating to credit risks are presented in the chapter 5.1 "Sustainability statement" of the 2026 Universal Registration Document, in sections 1.1.3 "Impacts, risks and opportunities (IROs)"; 2.1.5 "Climate Risk Management"; and 4.1.2 "Management of Material risks related to business conduct".

## 6.2 METHODOLOGY AND METRICS

### 6.2.1 GENERAL FRAMEWORK OF THE INTERNAL APPROACH

**Audited I** Since 2007, Societe Generale has been authorised by supervisory authorities to apply, for the majority of its exposures, the internal method (IRBA – Internal Rating Based Advanced approach) to calculate the capital requirements for credit risk. The IRB Foundation approach also applies to certain equipment financing portfolios, notably within the subsidiaries Franfinance Location, Sogelease, and Star Lease, or when required by regulation: since the beginning of 2025, the CRR3 regulation mandates the IRB Foundation approach for exposures to very large corporates as well as to financial institutions.

Exposures that remain subject to the Standardised approach mainly concern retail and SME portfolios internationally. For exposures treated under the Standardised approach outside retail customers, the Group primarily relies on ratings from Standard & Poor's, Moody's and Fitch as well as those from Banque de France. When a third party has multiple external ratings, the rule applied is to retain the second-best rating.▲

Societe Generale has carried out an in-depth review of its IRB framework and defined a global strategy at Group level. This strategy is based on objective criteria to determine the most appropriate approach (IRB or Standardised approach) for a given scope, thereby ensuring consolidated consistency of the framework. It takes into account the availability of data to develop models compliant with regulation. Requests for approach changes resulting from this strategy (switch to Standardized or IRB Foundation), have been submitted to the ECB for authorisation, and are under review, with implementation expected during 2026.

Furthermore, in line with the texts published by the EBA under the *IRB Repair* program and following review missions conducted by the ECB (TRIM – Targeted Review of Internal Models), the Group continues its remediation on internal models, in particular by:

- Simplification of the models' architecture;
- Improvement of data quality and its traceability throughout the entire chain;
- Proper implementation of roles and responsibilities for the design, validation and performance;
- Streamlining and optimisation of certain IT application, particularly the models referential;
- Establishment of a strengthened normative base, and a closer relationship with the supervisor.

Any evolutions to rating systems and models are submitted to the ECB for validation.

**Audited I** To calculate its capital requirements under the IRB (Internal Rating Based) approach, Societe Generale estimates the Risk-Weighted Assets (RWA) and the Expected Loss (EL) taking into account the nature of the transaction, the creditworthiness of the counterparty (through internal rating) and the risk mitigation measure in place.

More specifically, the calculation is based on Basel parameters, estimated using the internal risk measurement framework:

- Exposure at Default (EAD) value: corresponds to the Group's exposure in the event of a counterparty default. EAD includes on-balance sheet exposures (loans, receivables, accrued income, etc.), as well as a proportion of off-balance sheet exposures calculated using internal or regulatory Credit Conversion Factors (CCF);
- Probability of Default (PD): the likelihood that a Group counterparty will default within one-year horizon;
- Loss Given Default (LGD): the ratio between the loss incurred on an exposure in the event of a counterparty default and the amount of the exposure at the time of the default.

The estimation of these parameters relies on a statistical assessment system, which may be supplemented by expert or business judgment where necessary. Under the Foundation IRB approach, only the PD parameter is estimated by the Bank, while the LGD and CCF parameters are set by the supervisor.

In addition, a set of procedures defines the rules related to rating (scope, frequency of review, approval procedure, etc.) and model life cycle.

The Group also takes into account:

- The impact of guarantees by substituting, where applicable, the PD, LGD and the guarantor's risk-weighting formula for those of the borrower. The exposure is then considered as direct exposure to the guarantor when its risk weighting is more favorable than that of the borrower (the risk weight is calculated using the less sophisticated approach between that of the guarantor and that of the borrower);
- Collateral provided (physical or financial), which is incorporated through the LGD level.

Moreover, the Group has obtained supervisory approval to use the IAA (Internal Assessment Approach) for calculating regulatory capital requirements for ABCP (Asset-Backed Commercial Paper) securitisation conduits.

In addition to calculating capital requirements under the IRB approach, credit risk measurement models contribute to the Group's business management. They also serve as tools for structuring, pricing and approving transactions, and play a role in defining approval limits granted to Business Lines and the Risk function. ▲

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

**TABLE 34: CREDIT RATING AGENCIES USED IN STANDARDISED APPROACH**

	MOODY'S	FITCH	S&P
<b>Sovereigns</b>	✓	✓	✓
<b>Institutions</b>	✓	✓	✓
<b>Corporates</b>	✓	✓	✓

TABLE 35: SCOPE OF THE USE OF IRB AND SA APPROACHES (CR6-A)

		31.12.2025				
		Total 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 IRB approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
(In EURm)		a	b	c	d	e
1	Central governments or central banks	240,495	256,228	6.14%	93.86%	0.00%
2	Regional governments or local authorities	13,118	13,640	3.82%	96.17%	0.01%
3	Public sector entities	4,348	4,519	3.76%	96.22%	0.02%
4	Institutions		18,701	11.06%	88.93%	0.01%
5	Corporates	260,324	296,800	12.10%	87.37%	0.53%
5.1	Of which Corporates - General		214,811	14.70%	84.56%	0.73%
5.2	Of which Corporates - Specialised lending		77,879	4.08%	95.91%	0.01%
5.2.1	Of which Corporates - Specialised lending, excluding slotting approach		76,937	4.13%	95.86%	0.01%
5.2.2	Of which Corporates - Specialised lending under slotting approach		941	0.00%	100.00%	0.00%
5.3	Of which Corporates - Purchased Receivables		4,110	27.88%	72.12%	0.00%
6	Retail	170,176	210,693	16.17%	80.36%	3.47%
6.1	of which Retail - Qualifying revolving		7,788	13.56%	46.87%	39.57%
6.2	of which Retail - Secured by residential immovable property		134,285	4.66%	95.01%	0.33%
6.3	Of which Retail - Purchased Receivables	14	14	3.75%	96.25%	0.00%
6.4	of which Retail - Other retail exposures	38,529	68,606	81.26%	108.18%	10.56%
7	Equity	-	6,567	100.00%	0.00%	0.00%
EU 7a	Collective investment undertakings (CIU)	-	685	100.00%	0.00%	0.00%
8	Other non-credit obligation assets	-	56,394	100.00%	0.00%	0.00%
9	<b>TOTAL</b>	<b>705,092</b>	<b>864,226</b>	<b>17.60%</b>	<b>81.37%</b>	<b>1.03%</b>

TABLE 36: SCOPE OF APPLICATION OF IRB AND STANDARD APPROACHES ADOPTED BY THE GROUP

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

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

## 6.2.2 CREDIT RISK MEASUREMENT FOR WHOLESALE CLIENTS

For Corporate (including specialised financing), Financial Institutions and Sovereigns, the Group has implemented the following system.

### A) RATING SYSTEM AND ASSOCIATED PROBABILITY OF DEFAULTS

The framework assigns each counterparty to a rating system, grouping together counterparties that are treated consistently in terms of credit granting, rating tools or recovery processes).

When a counterparty falls within the IRB scope, it is rated using the corresponding internal model, possibly adjusted by the Business line, and then submitted for validation to the Risk function. The rating models are defined based on the nature of the counterparty

(companies, financial institutions, public entities, etc.), its geographical area, and the size of the company (generally measured by its annual turnover). These models rely primarily on statistical regressions applied to historical explanatory factors of customers' default risk.

The PD level is then determined based on a scale that assigns a PD to each rating. The Group is currently deploying a multi-scale approach differentiated by rating system : beyond the historical scale used until now (see indicative correspondence with the scales of the main external credit rating agencies and the average default probabilities associated with the historical scale), a dedicated scale for the French SME portfolio has been implemented since 2024, and a specific scale for the Large Corporate portfolio was introduced in 2025.

**TABLE 37: SOCIETE GENERALE'S HISTORICAL INTERNAL RATING SCALE AND INDICATIVE CORRESPONDING RATING SCALES OF EXTERNAL AGENCIES**

Investment grade/ Non-investment grade	Probability of default range	Counterparty internal rating	Indicative equivalent Standard & Poor's	Indicative equivalent Fitch	Indicative equivalent Moody's	1 year internal probability of default (average)	
Investment grade	0.00 to < 0.09	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%	
	0.09 to < 0.18	3	A	A	A2	0.036%	
		3-	A-	A-	A3	0.061%	
		0.18 to < 0.36	4+	BBB+	BBB+	Baa1	0.13%
		0.36 to < 0.74	4	BBB	BBB	Baa2	0.26%
		0.74 to < 1.50	4-	BBB-	BBB-	Baa3	0.50%
Non-investment grade	1.50 to < 3	5+	BB+	BB+	Ba1	1.10%	
	3 to < 4	5	BB	BB	Ba2	2.13%	
	4 to < 6	5-	BB-	BB-	Ba3	3.26%	
	6 to < 9	6+	B+	B+	B1	4.61%	
	9 to < 13	6	B	B	B2	7.76%	
	13 to < 17	6-	B-	B-	B3	11.42%	
	17 to < 24	7+	CCC+	CCC+	Caa1	14.33%	
24 to < 100	7	CCC	CCC	Caa2	20.44%		
		7-	C/CC/CCC-	CCC-	Caa3	27.25%	

\* Some rating systems (LC & SME) have dedicated scales, with PD levels that differ from those of the masterscale.

### B) LGD MODELS

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

Loss Given Default (LGD) models are applied by regulatory sub-portfolios, based on the type of asset, the size and geographical location of the transaction or counterparty, as well as the presence and nature of collateral. These criteria make it possible to define homogeneous risk classes, particularly in terms of recovery, procedures and legal environment.

The estimates are based on statistical approaches when the number of observed defaults is sufficient. In this case, they rely on historical data recovery covering a long period.

When the number of defaults is insufficient, the estimate is revised or determined based on an expert judgment.

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

### C) CREDIT CONVERSION FACTOR (CCF) MODELS

Since CRR3 came into effect, the use of the internal approach for off-balance sheet exposures is now permitted only for revolving credit lines, subject to compliance with regulatory criteria and validation by the supervisor. Other products, such as term loans with a drawing period, are no longer eligible for this approach.

TABLE 38: MAIN FEATURES OF MODELS AND METHODS – WHOLESALE CLIENTS

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

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

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

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

## 6.2.3 CREDIT RISK MEASUREMENTS OF RETAIL CLIENTS

### A) RATING SYSTEM AND ASSOCIATED PROBABILITY OF DEFAULT

The rating models incorporate elements of counterparties' account behaviour. They are segmented by customer type, distinguishing in particular retail customers, professionals, very small businesses and real estate investment companies.

Within each segment, counterparties are automatically classified using statistical models into homogeneous risk classes (pools), based on the average of default rates observed over a long period for each product. These estimates are adjusted with a margin of conservatism to reflect a complete default cycle, in line with a Through-The-Cycle (TTC) approach.

### B) LGD MODELS

Loss Given Default (LGD) estimation models for retail customers are applied specifically by portfolio and by product, depending on the existence or not of collateral.

The level of expected losses is estimated based on long-term historical recovery from internal data related to exposures that have defaulted.

### C) CCF MODELS

For its off-balance sheet exposures, the Group applies its estimates for revolving credit and overdrafts on current accounts of retail and professional customers, when allowed by regulation.

**TABLE 39: MAIN FEATURES OF MODELS AND METHODS USED – RETAIL CLIENTS**

Parameter modeled	Portfolio/Category of Basel assets	Number of models	Methodology Number of years default/loss
<b>Retail clients</b>			
<b>Probability of Default (PD)</b>	Residential real estate	4 models according to entity, type of guarantee (security, mortgage), type of counterparty: individuals or professionals/VSB, real estate investment company (SCI).	Statistical model (regression), behavioural score. Defaults observed over a period of more than five years.
	Other loans to individual customers	12 models according to entity and to the nature and object of the loan: personal loan, consumer loan, car loan, etc.	Statistical model (regression), behavioural score. Defaults observed over a period of more than five years.
	Renewable exposures	2 models according to entity and nature of the loan: overdraft on current account, revolving credit or consumer loan.	Statistical model (regression), behavioural score. Defaults observed over a period of more than five years.
	Professionals and very small businesses (VSB)	6 models according to entity, nature of the loan (medium- and long-term investment credits, short-term credit, car loans), and type of counterparty (individual or real estate investment company (SCI)).	Statistical model (regression or segmentation), behavioural score. Defaults observed over a period of more than five years.
<b>Loss Given Default (LGD)</b>	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	15 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	10 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.
<b>Credit Conversion Factor (CCF)</b>	Renewable exposures	7 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.

## 6.2.4 MONITORING OF MODEL PERFORMANCE

The performance monitoring of the internal models is carried out through review exercises (ROE – Review Of Estimates) conducted by LOD1 (OGM – OnGoing Monitoring) or by LOD2 (AR – Annual Review).

During these reviews, the estimated PD, LGD and CCF are compared with observed realizations by portfolio in order to assess the performance and prudence of the risk parameters used under the IRB approach. Corrective measures may be implemented if necessary.

The results of the OGM exercises, along with the associated actions plans are presented to the Rating System Committee for discussion and approval by the main LOD1 stakeholders for the given Rating System. They are also shared with the LOD2 validation function, which independently carries out AR, whose results and conclusions are presented to the Experts Committee. Any resulting model change is notified to the competent supervisor according to the Model Change Policy.

## Quantitative information on internal rating models

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

		31.12.2025					
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	Exposures weighted average PD (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted during the year				
Central governments and central banks	0.00 to < 0.15	355	-	-	0.02%	0.02%	-
	0.00 to < 0.10	353	-	-	0.02%	0.02%	-
	0.10 to < 0.15	2	-	-	0.13%	0.13%	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	24	-	-	0.26%	0.26%	-
	0.50 to < 0.75	8	-	-	0.50%	0.50%	-
	0.75 to < 2.50	14	-	-	1.20%	1.61%	-
	0.75 to < 1.75	8	-	-	1.10%	1.10%	-
	1.75 to < 2.50	6	-	-	2.12%	2.12%	-
	2.50 to < 10.00	35	-	-	3.67%	4.57%	-
	2.50 to < 5.00	27	-	-	3.28%	3.77%	-
	5.00 to < 10.00	8	-	-	7.76%	7.76%	-
	10.00 to < 100.00	20	-	-	12.62%	15.04%	-
	10.00 to < 20.00	13	-	-	12.61%	11.66%	-
	20.00 to < 30.00	6	-	-	20.44%	22.71%	-
	30.00 to < 100.00	1	-	-	-	50.00%	-
100.00 (default)	5	-	-	100.00%	100.00%	-	
Institutions	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.50 to < 5.00	-	-	-	-	-	-
	5.00 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10.00 to < 20.00	-	-	-	-	-	-
	20.00 to < 30.00	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
100.00 (default)	-	-	-	-	-	-	

		31.12.2025					
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	Exposures weighted average PD (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted during the year				
Corporate – SME	0.00 to < 0.15	1,621	-	-	0.11%	0.10%	0.04%
	0.00 to < 0.10	644	-	-	0.06%	0.06%	-
	0.10 to < 0.15	977	-	-	0.13%	0.13%	0.06%
	0.15 to < 0.25	215	1	0.46%	0.17%	0.16%	0.31%
	0.25 to < 0.50	9,180	34	0.37%	0.31%	0.31%	0.28%
	0.50 to < 0.75	4,601	11	0.24%	0.63%	0.53%	0.26%
	0.75 to < 2.50	12,180	106	0.87%	1.56%	1.45%	0.67%
	0.75 to < 1.75	6,687	45	0.67%	1.09%	1.02%	0.60%
	1.75 to < 2.50	5,493	61	1.11%	1.92%	1.94%	0.55%
	2.50 to < 10.00	13,273	281	2.12%	4.90%	5.10%	2.37%
	2.50 to < 5.00	9,102	122	1.34%	3.97%	3.93%	2.04%
	5.00 to < 10.00	4,171	159	3.81%	7.70%	7.62%	2.77%
	10.00 to < 100.00	7,623	659	8.64%	18.18%	18.87%	10.09%
	10.00 to < 20.00	4,732	286	6.04%	12.50%	12.45%	7.64%
20.00 to < 30.00	1,474	188	12.75%	24.47%	23.93%	12.79%	
30.00 to < 100.00	1,417	185	13.06%	36.00%	35.85%	13.36%	
100.00 (default)	3,202	-	-	99.87%	100.00%	-	
Corporate – Specialised lending	0.00 to < 0.15	174	-	-	0.09%	0.09%	0.13%
	0.00 to < 0.10	72	-	-	0.05%	0.05%	0.22%
	0.10 to < 0.15	102	-	-	0.13%	0.13%	-
	0.15 to < 0.25	1	-	-	0.24%	0.16%	-
	0.25 to < 0.50	220	-	-	0.27%	0.27%	0.14%
	0.50 to < 0.75	507	-	-	0.53%	0.52%	0.21%
	0.75 to < 2.50	1,017	2	0.20%	1.52%	1.56%	0.95%
	0.75 to < 1.75	548	-	-	1.17%	1.12%	0.99%
	1.75 to < 2.50	469	2	0.43%	2.18%	2.15%	1.00%
	2.50 to < 10.00	653	3	0.46%	4.00%	4.29%	1.23%
	2.50 to < 5.00	543	3	0.55%	3.59%	3.65%	1.12%
	5.00 to < 10.00	110	-	-	6.76%	7.47%	1.93%
	10.00 to < 100.00	151	10	6.62%	18.26%	16.33%	6.41%
	10.00 to < 20.00	108	5	4.63%	14.05%	12.34%	3.75%
20.00 to < 30.00	38	5	13.16%	25.75%	24.43%	12.18%	
30.00 to < 100.00	5	-	-	33.73%	38.18%	-	
100.00 (default)	133	-	-	100.00%	100.00%	-	
Corporate – Other	0.00 to < 0.15	6,109	1	0.02%	0.08%	0.09%	0.06%
	0.00 to < 0.10	2,859	-	-	0.05%	0.05%	0.04%
	0.10 to < 0.15	3,250	1	0.03%	0.13%	0.13%	0.08%
	0.15 to < 0.25	456	1	0.0022	0.20%	0.16%	0.17%
	0.25 to < 0.50	17,059	43	0.25%	0.30%	0.29%	0.19%
	0.50 to < 0.75	9,857	17	0.17%	0.59%	0.53%	0.17%
	0.75 to < 2.50	21,414	139	0.65%	1.53%	1.49%	0.49%
	0.75 to < 1.75	11,911	54	0.45%	1.14%	1.08%	0.39%
	1.75 to < 2.50	9,503	85	0.89%	2.00%	2.00%	0.63%
	2.50 to < 10.00	33,833	414	1.22%	4.55%	4.50%	1.30%
	2.50 to < 5.00	26,687	202	0.76%	3.74%	3.64%	0.92%
	5.00 to < 10.00	7,146	212	2.97%	7.46%	7.52%	2.71%
	10.00 to < 100.00	13,698	890	6.50%	17.95%	19.61%	7.05%
	10.00 to < 20.00	7,451	387	5.19%	12.53%	12.58%	5.64%
20.00 to < 30.00	4,325	265	6.13%	23.65%	25.25%	8.14%	
30.00 to < 100.00	1,922	238	12.38%	34.75%	36.23%	14.93%	
100.00 (default)	7,524	-	-	99.92%	100.00%	-	

		31.12.2025					
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	Exposures weighted average PD (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted during the year				
Retail – Secured by real estate SME	0.00 to < 0.15	13,328	29	0.22%	0.07%	0.07%	0.17%
	0.00 to < 0.10	6,970	12	0.17%	0.06%	5.00%	0.14%
	0.10 to < 0.15	6,358	17	0.27%	0.10%	0.10%	0.15%
	0.15 to < 0.25	8,222	25	0.30%	0.19%	0.19%	0.25%
	0.25 to < 0.50	3,468	23	0.66%	0.39%	0.39%	0.36%
	0.50 to < 0.75	16	-	-	0.64%	0.64%	0.21%
	0.75 to < 2.50	29,622	314	1.06%	1.27%	1.19%	0.81%
	0.75 to < 1.75	27,764	263	0.95%	1.17%	1.11%	0.71%
	1.75 to < 2.50	1,858	51	2.74%	2.05%	2.34%	1.85%
	2.50 to < 10.00	6,216	239	3.84%	5.22%	4.11%	2.34%
	2.50 to < 5.00	5,594	169	3.02%	3.84%	3.60%	1.86%
	5.00 to < 10.00	622	70	11.25%	9.27%	8.72%	5.35%
	10.00 to < 100.00	1,942	271	13.95%	23.20%	19.66%	9.31%
	10.00 to < 20.00	1,656	220	13.28%	18.66%	18.39%	8.86%
20.00 to < 30.00	286	51	17.83%	26.91%	27.12%	11.82%	
30.00 to < 100.00	-	-	-	37.70%	-	-	
100.00 (default)	1,789	-	-	100.00%	100.00%	-	
Retail – Secured by real estate non-SME	0.00 to < 0.15	238,839	138	0.06%	0.08%	0.07%	0.05%
	0.00 to < 0.10	129,268	59	0.05%	0.07%	0.05%	0.04%
	0.10 to < 0.15	109,571	79	0.07%	0.10%	0.10%	0.04%
	0.15 to < 0.25	172,517	240	0.14%	0.19%	0.18%	0.18%
	0.25 to < 0.50	119,347	310	0.26%	0.39%	0.39%	0.35%
	0.50 to < 0.75	18,770	48	0.26%	0.59%	0.57%	0.34%
	0.75 to < 2.50	161,959	1,172	0.72%	1.19%	1.16%	0.62%
	0.75 to < 1.75	133,187	768	0.58%	0.94%	0.93%	0.54%
	1.75 to < 2.50	28,772	404	1.40%	2.20%	2.24%	0.89%
	2.50 to < 10.00	28,435	962	3.38%	5.29%	5.12%	2.36%
	2.50 to < 5.00	21,183	537	2.53%	4.14%	4.02%	1.86%
	5.00 to < 10.00	7,252	425	5.86%	8.54%	8.34%	3.60%
	10.00 to < 100.00	3,922	576	14.69%	25.93%	26.57%	10.28%
	10.00 to < 20.00	953	65	6.82%	12.99%	13.27%	5.98%
20.00 to < 30.00	2,567	392	15.27%	26.57%	26.30%	11.24%	
30.00 to < 100.00	402	119	29.60%	58.24%	59.03%	25.93%	
100.00 (default)	10,824	-	-	100.00%	100.00%	-	
Retail – Qualifying revolving	0.00 to < 0.15	1,886,596	1,411	0.07%	0.10%	0.07%	0.10%
	0.00 to < 0.10	1,094,303	614	0.06%	0.08%	0.05%	0.07%
	0.10 to < 0.15	792,293	797	0.10%	0.11%	0.11%	0.15%
	0.15 to < 0.25	1,043,538	2,285	0.22%	0.19%	0.19%	0.17%
	0.25 to < 0.50	460,234	1,921	0.42%	0.37%	0.38%	0.34%
	0.50 to < 0.75	34,880	165	0.47%	0.65%	0.68%	0.83%
	0.75 to < 2.50	1,614,994	21,887	1.35%	1.41%	1.34%	0.92%
	0.75 to < 1.75	1,172,551	12,121	1.03%	0.99%	0.97%	0.72%
	1.75 to < 2.50	442,443	9,766	2.21%	2.34%	2.34%	1.57%
	2.50 to < 10.00	523,412	34,041	6.50%	5.91%	6.08%	4.01%
	2.50 to < 5.00	308,077	15,332	4.98%	4.29%	4.35%	2.96%
	5.00 to < 10.00	215,335	18,709	8.69%	8.18%	8.57%	5.44%
	10.00 to < 100.00	182,037	30,190	16.58%	24.29%	26.34%	11.34%
	10.00 to < 20.00	20,527	1,593	7.76%	12.71%	12.49%	6.44%
20.00 to < 30.00	151,784	26,396	17.39%	27.09%	27.11%	14.20%	
30.00 to < 100.00	9,726	2,201	22.63%	42.05%	44.77%	16.02%	
100.00 (default)	194,779	-	-	100.00%	100.00%	-	

		31.12.2025					
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	Exposures weighted average PD (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted during the year				
Retail – Other SME	0.00 to < 0.15	1,817	4	0.22%	0.09%	0.07%	0.22%
	0.00 to < 0.10	1,111	2	0.18%	0.08%	0.05%	0.23%
	0.10 to < 0.15	706	2	0.28%	0.10%	0.10%	0.26%
	0.15 to < 0.25	3,367	11	0.33%	0.16%	0.17%	0.26%
	0.25 to < 0.50	145,913	824	0.56%	0.38%	0.38%	0.44%
	0.50 to < 0.75	76,847	838	1.09%	0.64%	0.61%	0.93%
	0.75 to < 2.50	237,397	3,741	1.58%	1.57%	1.46%	1.11%
	0.75 to < 1.75	155,299	1,929	1.24%	1.22%	1.10%	1.02%
	1.75 to < 2.50	82,098	1,812	2.21%	1.98%	2.08%	1.43%
	2.50 to < 10.00	112,164	5,814	5.18%	5.12%	5.33%	3.38%
	2.50 to < 5.00	50,230	1,708	3.40%	4.02%	3.86%	2.74%
	5.00 to < 10.00	61,934	4,106	6.63%	7.23%	6.50%	4.26%
	10.00 to < 100.00	52,760	8,010	15.18%	22.11%	19.49%	10.97%
	10.00 to < 20.00	34,291	3,916	11.42%	14.30%	13.06%	8.60%
	20.00 to < 30.00	12,566	2,297	18.28%	24.92%	24.57%	14.46%
30.00 to < 100.00	5,903	1,797	30.44%	39.99%	40.82%	25.08%	
	100.00 (default)	45,418	-	-	100.00%	100.00%	-
Retail – Other non-SME	0.00 to < 0.15	72,127	100	0.14%	0.09%	0.08%	0.11%
	0.00 to < 0.10	23,189	34	0.15%	0.08%	0.05%	0.11%
	0.10 to < 0.15	48,938	66	0.13%	0.10%	0.10%	0.10%
	0.15 to < 0.25	145,068	389	0.27%	0.19%	0.18%	0.15%
	0.25 to < 0.50	276,747	844	0.30%	0.38%	0.35%	0.28%
	0.50 to < 0.75	216,980	866	0.40%	0.67%	0.60%	0.39%
	0.75 to < 2.50	660,668	7,772	1.18%	1.33%	1.33%	0.80%
	0.75 to < 1.75	536,550	4,794	0.89%	1.15%	1.13%	0.67%
	1.75 to < 2.50	124,118	2,978	2.40%	2.22%	2.17%	1.39%
	2.50 to < 10.00	334,302	13,762	4.12%	4.69%	4.70%	2.65%
	2.50 to < 5.00	223,171	6,630	2.97%	3.55%	3.51%	1.87%
	5.00 to < 10.00	111,131	7,132	6.42%	7.00%	7.08%	4.19%
	10.00 to < 100.00	106,576	14,577	13.68%	24.09%	24.53%	11.59%
	10.00 to < 20.00	33,649	3,173	9.43%	12.43%	12.49%	7.07%
	20.00 to < 30.00	58,104	7,378	12.70%	26.68%	26.90%	10.89%
30.00 to < 100.00	14,823	4,026	27.16%	42.92%	42.68%	20.20%	
	100.00 (default)	157,478	-	-	99.99%	100.00%	-

TABLE 41: INTERNAL APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) (CR9 – FIRB)

		31.12.2025					
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2025 Exposures weighted average PD (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted during the year				
Central governments and central banks	0.00 to < 0.15	404	-	-	0.02%	0.02%	-
	0.00 to < 0.10	404	-	-	0.02%	0.02%	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.50 to < 5.00	-	-	-	-	-	-
	5.00 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10.00 to < 20.00	-	-	-	-	-	-
	20.00 to < 30.00	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
100.00 (default)	-	-	-	-	-	-	
Institutions	0.00 to < 0.15	324	-	-	0.05%	0.04%	0.07%
	0.00 to < 0.10	287	-	-	0.05%	0.04%	0.08%
	0.10 to < 0.15	37	-	-	0.13%	0.13%	-
	0.15 to < 0.25	0	-	-	0.00%	-	-
	0.25 to < 0.50	41	-	-	0.26%	0.26%	0.81%
	0.50 to < 0.75	46	-	-	0.50%	0.50%	-
	0.75 to < 2.50	64	-	-	1.80%	1.49%	1.43%
	0.75 to < 1.75	40	-	-	1.10%	1.10%	1.46%
	1.75 to < 2.50	24	-	-	2.12%	2.12%	1.38%
	2.50 to < 10.00	155	-	-	4.03%	3.61%	0.20%
	2.50 to < 5.00	145	-	-	3.38%	3.36%	0.11%
	5.00 to < 10.00	10	-	-	7.76%	7.76%	0.71%
	10.00 to < 100.00	57	-	-	16.60%	19.34%	0.34%
	10.00 to < 20.00	32	-	-	12.43%	12.52%	0.53%
20.00 to < 30.00	19	-	-	26.07%	25.61%	-	
30.00 to < 100.00	6	-	-	-	50.00%	-	
100.00 (default)	12	-	-	100.00%	100.00%	-	

		31.12.2025					
Exposure class	PD scale	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2025 Exposures weighted average PD (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted during the year				
Corporate – SME	0.00 to < 0.15	23	-	-	0.13%	0.11%	-
	0.00 to < 0.10	5	-	-	-	0.05%	-
	0.10 to < 0.15	18	-	-	0.13%	0.13%	-
	0.15 to < 0.25	74	-	-	0.16%	0.16%	-
	0.25 to < 0.50	1,774	1	0.06%	0.28%	0.28%	0.19%
	0.50 to < 0.75	1,281	3	0.23%	0.54%	0.54%	0.07%
	0.75 to < 2.50	2,368	20	0.84%	1.39%	1.44%	0.50%
	0.75 to < 1.75	1,133	8	0.71%	0.99%	1.02%	0.35%
	1.75 to < 2.50	1,235	12	0.97%	1.84%	1.83%	0.66%
	2.50 to < 10.00	4,087	82	2.01%	4.81%	4.95%	1.72%
	2.50 to < 5.00	2,956	37	1.25%	3.97%	3.95%	1.28%
	5.00 to < 10.00	1,131	45	3.98%	7.66%	7.61%	3.14%
	10.00 to < 100.00	2,466	200	8.11%	18.46%	20.72%	7.59%
	10.00 to < 20.00	1,292	82	6.35%	12.44%	12.53%	6.37%
20.00 to < 30.00	455	61	13.41%	23.74%	23.95%	10.91%	
30.00 to < 100.00	719	57	7.93%	35.95%	36.01%	9.83%	
100.00 (default)	769	-	-	100.00%	100.00%	-	
Corporate – Other	0.00 to < 0.15	530	-	-	0.07%	0.09%	0.06%
	0.00 to < 0.10	264	-	-	0.05%	0.05%	0.06%
	0.10 to < 0.15	266	-	-	0.13%	0.13%	0.09%
	0.15 to < 0.25	146	-	-	0.24%	0.16%	-
	0.25 to < 0.50	2,162	1	0.05%	0.30%	0.28%	0.25%
	0.50 to < 0.75	1,908	6	0.31%	0.52%	0.55%	0.10%
	0.75 to < 2.50	3,523	23	0.65%	1.52%	1.48%	0.61%
	0.75 to < 1.75	1,840	9	0.49%	1.17%	1.10%	0.45%
	1.75 to < 2.50	1,683	14	0.83%	2.11%	1.91%	0.82%
	2.50 to < 10.00	7,714	141	1.83%	4.48%	4.57%	1.89%
	2.50 to < 5.00	6,077	84	1.38%	3.70%	3.73%	1.55%
	5.00 to < 10.00	1,637	57	3.48%	7.49%	7.52%	3.25%
	10.00 to < 100.00	3,159	234	7.41%	17.27%	19.91%	8.17%
	10.00 to < 20.00	1,757	96	5.46%	12.66%	12.62%	6.63%
20.00 to < 30.00	646	73	11.30%	23.41%	24.18%	11.01%	
30.00 to < 100.00	756	65	8.60%	32.56%	35.89%	13.29%	
100.00 (default)	1,447	-	-	100.00%	100.00%	-	

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

		31.12.2025					
Exposure class	PD range	External rating equivalent (S&P)	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
				of which number of obligors which defaulted during the year			
Central governments and central banks	0.000 to < 0.011	AAA	27	-	-	0.01%	-
	0.011 to < 0.017	AA+	10	-	-	0.01%	-
	0.017 to < 0.023	AA	251	-	-	0.02%	-
	0.023 to < 0.029	AA-	36	-	-	0.03%	-
	0.029 to < 0.034	A+	34	-	-	0.03%	-
	0.034 to < 0.047	A	10	-	-	0.04%	-
	0.047 to < 0.089	A-	5	-	-	0.06%	-
	0.089 to < 0.183	BBB+	2	-	-	0.13%	-
	0.183 to < 0.359	BBB	24	-	-	0.26%	-
	0.359 to < 0.743	BBB-	8	-	-	0.50%	-
	0.743 to < 1.529	BB+	8	-	-	1.10%	-
	1.529 to < 2.632	BB	6	-	-	2.12%	-
	2.632 to < 3.877	BB-	21	-	-	3.26%	-
	3.877 to < 5.983	B+	6	-	-	4.61%	-
	5.983 to < 9.414	B	8	-	-	7.76%	-
	9.414 to < 12.792	B-	11	-	-	11.42%	-
	12.792 to < 17.113	CCC+	2	-	-	14.33%	-
17.113 to < 23.6	CCC	4	-	-	20.44%	-	
23.60 to < 100.00	C / CC / CCC-	3	-	-	34.83%	-	
100.00 (default)	D / SD	5	-	-	100.00%	-	
Institutions	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	-	-	-	-	-
	0.034 to < 0.047	A	-	-	-	-	-
	0.047 to < 0.089	A-	-	-	-	-	-
	0.089 to < 0.183	BBB+	-	-	-	-	-
	0.183 to < 0.359	BBB	-	-	-	-	-
	0.359 to < 0.743	BBB-	-	-	-	-	-
	0.743 to < 1.529	BB+	-	-	-	-	-
	1.529 to < 2.632	BB	-	-	-	-	-
	2.632 to < 3.877	BB-	-	-	-	-	-
	3.877 to < 5.983	B+	-	-	-	-	-
	5.983 to < 9.414	B	-	-	-	-	-
	9.414 to < 12.792	B-	-	-	-	-	-
	12.792 to < 17.113	CCC+	-	-	-	-	-
17.113 to < 23.6	CCC	-	-	-	-	-	
23.60 to < 100.00	C / CC / CCC-	-	-	-	-	-	
100.00 (default)	D / SD	-	-	-	-	-	

		31.12.2025					
Exposure class	PD range	External rating equivalent (S&P)	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
				of which number of obligors which defaulted during the year			
Corporate – SME	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	10	-	-	0.03%	-
	0.034 to < 0.047	A	7	-	-	0.04%	-
	0.047 to < 0.089	A-	624	-	-	0.06%	-
	0.089 to < 0.183	BBB+	1,183	1	0.08%	0.13%	7.00%
	0.183 to < 0.359	BBB	6,408	5	0.08%	0.27%	10.00%
	0.359 to < 0.743	BBB-	4,436	10	0.22%	0.53%	16.00%
	0.743 to < 1.529	BB+	4,526	21	0.46%	1.06%	30.00%
	1.529 to < 2.632	BB	5,087	43	0.84%	1.98%	48.00%
	2.632 to < 3.877	BB-	4,050	27	0.67%	3.23%	78.00%
	3.877 to < 5.983	B+	4,806	93	1.93%	4.78%	156.00%
	5.983 to < 9.414	B	3,787	144	3.80%	7.79%	268.00%
	9.414 to < 12.792	B-	2,756	120	4.35%	10.69%	465.00%
	12.792 to < 17.113	CCC+	1,854	157	8.47%	14.79%	729.00%
	17.113 to < 23.6	CCC	885	109	12.32%	21.06%	1083.00%
	23.60 to < 100.00	C / CC / CCC-	2,064	263	12.74%	32.91%	1122.00%
	100.00 (default)	D / SD	3,129	-	-	100.00%	-
Corporate – Specialised lending	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	31	-	-	0.03%	0.50%
	0.034 to < 0.047	A	10	-	-	0.04%	-
	0.047 to < 0.089	A-	31	-	-	0.06%	-
	0.089 to < 0.183	BBB+	103	-	-	0.13%	-
	0.183 to < 0.359	BBB	220	-	-	0.27%	0.14%
	0.359 to < 0.743	BBB-	507	-	-	0.52%	0.21%
	0.743 to < 1.529	BB+	548	-	-	1.12%	0.99%
	1.529 to < 2.632	BB	469	2	0.43%	2.15%	1.00%
	2.632 to < 3.877	BB-	399	1	0.25%	3.28%	0.81%
	3.877 to < 5.983	B+	158	2	1.27%	4.66%	1.89%
	5.983 to < 9.414	B	94	-	-	7.83%	1.90%
	9.414 to < 12.792	B-	78	2	2.56%	11.46%	2.36%
	12.792 to < 17.113	CCC+	28	3	10.71%	14.49%	5.96%
	17.113 to < 23.6	CCC	20	3	15.00%	20.39%	11.15%
	23.60 to < 100.00	C / CC / CCC-	25	2	8.00%	29.75%	13.73%
	100.00 (default)	D / SD	133	-	-	100.00%	-

		31.12.2025					
Exposure class	PD range	External rating equivalent (S&P)	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
				of which number of obligors which defaulted during the year			
Corporate – Other	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	830	-	-	0.03%	0.02%
	0.034 to < 0.047	A	405	-	-	0.04%	0.13%
	0.047 to < 0.089	A-	1,621	-	-	0.06%	0.02%
	0.089 to < 0.183	BBB+	3,693	2	0.05%	0.13%	0.07%
	0.183 to < 0.359	BBB	14,287	14	0.10%	0.27%	0.11%
	0.359 to < 0.743	BBB-	9,692	16	0.16%	0.53%	0.16%
	0.743 to < 1.529	BB+	9,750	30	0.31%	1.11%	0.33%
	1.529 to < 2.632	BB	9,725	68	0.70%	2.06%	0.61%
	2.632 to < 3.877	BB-	17,386	68	0.39%	3.23%	0.69%
	3.877 to < 5.983	B+	8,858	145	1.64%	4.68%	1.52%
	5.983 to < 9.414	B	6,383	184	2.88%	7.75%	2.68%
	9.414 to < 12.792	B-	4,266	158	3.70%	10.83%	4.41%
	12.792 to < 17.113	CCC+	2,917	216	7.40%	14.65%	6.88%
	17.113 to < 23.6	CCC	1,485	139	9.36%	20.55%	10.26%
23.60 to < 100.00	C / CC / CCC-	4,972	367	7.38%	30.73%	9.18%	
100.00 (default)	D / SD	7,451	-	-	100.00%	-	

**TABLE 43: INTERNAL APPROACH – BACKTESTING OF PD PER EXPOSURE CLASS (ONLY FOR PD ESTIMATES ACCORDING TO POINT (F) OF ARTICLE 180(1) CRR) (CR9.1) – FIRB**

		31.12.2025					
Exposure class	PD range	External rating equivalent (S&P)	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
				of which number of obligors which defaulted during the year			
Central governments and central banks	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	390	-	-	0.02%	-
	0.023 to < 0.029	AA-	13	-	-	0.03%	-
	0.029 to < 0.034	A+	-	-	-	-	-
	0.034 to < 0.047	A	1	-	-	0.04%	-
	0.047 to < 0.089	A-	-	-	-	-	-
	0.089 to < 0.183	BBB+	-	-	-	-	-
	0.183 to < 0.359	BBB	-	-	-	-	-
	0.359 to < 0.743	BBB-	-	-	-	-	-
	0.743 to < 1.529	BB+	-	-	-	-	-
	1.529 to < 2.632	BB	-	-	-	-	-
	2.632 to < 3.877	BB-	-	-	-	-	-
	3.877 to < 5.983	B+	-	-	-	-	-
	5.983 to < 9.414	B	-	-	-	-	-
	9.414 to < 12.792	B-	-	-	-	-	-
	12.792 to < 17.113	CCC+	-	-	-	-	-
	17.113 to < 23.6	CCC	-	-	-	-	-
	23.60 to < 100.00	C / CC / CCC-	-	-	-	-	-
	100.00 (default)	D / SD	-	-	-	-	-
Institutions	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	163	-	-	0.03%	-
	0.034 to < 0.047	A	74	-	-	0.04%	0.28%
	0.047 to < 0.089	A-	58	-	-	0.06%	-
	0.089 to < 0.183	BBB+	37	-	-	0.13%	-
	0.183 to < 0.359	BBB	41	-	-	0.26%	0.81%
	0.359 to < 0.743	BBB-	46	-	-	0.50%	-
	0.743 to < 1.529	BB+	40	-	-	1.10%	1.46%
	1.529 to < 2.632	BB	24	-	-	2.12%	1.38%
	2.632 to < 3.877	BB-	133	-	-	3.26%	0.13%
	3.877 to < 5.983	B+	12	-	-	4.61%	-
	5.983 to < 9.414	B	10	-	-	7.76%	0.71%
	9.414 to < 12.792	B-	20	-	-	11.42%	1.00%
	12.792 to < 17.113	CCC+	13	-	-	14.33%	-
	17.113 to < 23.6	CCC	5	-	-	20.44%	-
	23.60 to < 100.00	C / CC / CCC-	21	-	-	32.71%	-
	100.00 (default)	D / SD	12	-	-	100.00%	-

		31.12.2025					
Exposure class	PD range	External rating equivalent (S&P)	Number of obligors at the end of the year		Observed average default rate (%)	31.12.2024 Average PD (%)	Average historical annual default rate (%)
				of which number of obligors which defaulted during the year			
Corporate – SME	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	-	-	-	-	-
	0.034 to < 0.047	A	2	-	-	0.04%	-
	0.047 to < 0.089	A-	3	-	-	0.06%	-
	0.089 to < 0.183	BBB+	92	-	-	0.15%	-
	0.183 to < 0.359	BBB	1,774	1	0.06%	0.28%	0.19%
	0.359 to < 0.743	BBB-	1,281	3	0.23%	0.54%	0.07%
	0.743 to < 1.529	BB+	1,133	8	0.71%	1.02%	0.35%
	1.529 to < 2.632	BB	1,365	12	0.88%	1.89%	0.63%
	2.632 to < 3.877	BB-	1,422	8	0.56%	3.22%	1.01%
	3.877 to < 5.983	B+	1,488	32	2.15%	4.80%	1.88%
	5.983 to < 9.414	B	1,047	42	4.01%	7.76%	3.21%
	9.414 to < 12.792	B-	710	35	4.93%	10.65%	4.92%
	12.792 to < 17.113	CCC+	531	45	8.47%	14.77%	7.96%
	17.113 to < 23.6	CCC	295	38	12.88%	21.06%	10.75%
	23.60 to < 100.00	C / CC / CCC-	930	82	8.82%	33.64%	9.08%
100.00 (default)	D / SD	769	-	-	100.00%	-	
Corporate – Other	0.000 to < 0.011	AAA	-	-	-	-	-
	0.011 to < 0.017	AA+	-	-	-	-	-
	0.017 to < 0.023	AA	-	-	-	-	-
	0.023 to < 0.029	AA-	-	-	-	-	-
	0.029 to < 0.034	A+	62	-	-	0.03%	-
	0.034 to < 0.047	A	85	-	-	0.04%	-
	0.047 to < 0.089	A-	117	-	-	0.06%	0.11%
	0.089 to < 0.183	BBB+	412	-	-	0.14%	0.06%
	0.183 to < 0.359	BBB	2,162	1	0.05%	0.28%	0.25%
	0.359 to < 0.743	BBB-	1,908	6	0.31%	0.55%	0.10%
	0.743 to < 1.529	BB+	1,840	9	0.49%	1.10%	0.45%
	1.529 to < 2.632	BB	1,908	15	0.79%	1.97%	0.85%
	2.632 to < 3.877	BB-	3,762	47	1.25%	3.21%	1.55%
	3.877 to < 5.983	B+	2,251	41	1.82%	4.69%	1.88%
	5.983 to < 9.414	B	1,476	52	3.52%	7.72%	3.31%
	9.414 to < 12.792	B-	932	40	4.29%	10.71%	5.35%
	12.792 to < 17.113	CCC+	746	53	7.10%	14.65%	7.95%
	17.113 to < 23.6	CCC	384	42	10.94%	20.79%	11.11%
	23.60 to < 100.00	C / CC / CCC-	1,097	99	9.02%	32.87%	10.68%
100.00 (default)	D / SD	1,447	-	-	100.00%	-	

## 6.2.5 CREDIT RISK MODELLING GOVERNANCE

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

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

The Model Risk Department, reporting directly to the Risk Department, acts as a second line of defence for all credit risk models. Independent model review teams rely, for the conduct of their missions, on principles of control of the theoretical robustness (assessment of the quality of the design and development) of the models, the conformity of the implementation and the use, the continuous follow-up of model relevance over time. The independent review process concludes with (i) a report summarising the scope of the review, the tests performed, the results of the review, the conclusions or recommendations and with (ii) Approval Committees (*Comité Experts*). The model control system gives rise to recurring reports to the Risk Department within the framework of various bodies and processes (Group Model Risk Management

Committee, Risk Appetite Statement/Risk Appetite Framework, monitoring of recommendations, etc.) and annually to the General Management (CORISQ). The Model Risk Department reviews, amongst others, new models, backtesting results and any change to the credit own funds estimation models. In accordance with the Delegated Regulation (EU) No. 529/2014 of 20 May 2014 relating to the follow-up of internal models used for own funds computation, any model change to the Group's credit risk measurement system is then subjected to two main types of notification to the competent supervisor, depending on the significant nature of the change laid down by this regulation itself:

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

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

## 6.2.6 CLIMATE RISK – MEASURING SENSITIVITY TO TRANSITION AND PHYSICAL RISK

**Audited I** The impact of climate-related transition and physical risks on Societe Generale Corporate clients' credit risk have been identified as one of the main ESG risks for the Group.

To assess these two types of impacts, the Group has progressively integrated, into its credit risk analyses of corporate clients (excluding financial institutions), two Corporate Climate Vulnerability Indicators (CCVI): one dedicated to transition risk and the other to physical risk.

Each of these indicators is based on two complementary components:

- An Industry Climate Vulnerability Indicator (ICVI) specific to the type of risk (transition or physical), which reflects the climate vulnerability of companies that are the least advanced in terms of climate strategy within each sector of activity;
- Responses to a climate questionnaire for transition and physical risks, enabling the assessment of each company's own climate strategy. ▲

(See also in the chapter 5.1 "Sustainability statement" of the 2026 Universal Registration Document, the section 2.1.5 "Climate Risk Management".)

## 6.3 CREDIT RISK HEDGING

### Guarantees and collateral

**Audited I** The Group uses credit risk mitigation techniques for both market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

There are two main categories:

- Personal guarantees are commitments made by a third party to replace the primary debtor in the event of the latter's default. These guarantees encompass the protection commitments and mechanisms provided by banks and similar credit institutions, specialised institutions such as mortgage guarantors, monoline or multiline insurers, export credit agencies, states in the context of the health crisis linked to Covid-19 and consequences of Ukraine conflict, etc. By extension, credit insurance and credit derivatives (purchase of protection) also belong to this category.
- Collateral may consist of physical assets in the form of personal or real property, commodities or precious metals, as well as financial instruments such as cash, high-quality investments and securities, and also insurance policies.

Appropriate haircuts are applied to the value of collateral, reflecting its quality and liquidity.

In order to reduce its risk-taking, the Group is pursuing active management of its securities, in particular by diversifying them: physical collateral, personal guarantees and other collateral (including credit derivatives).

For information, the mortgage loans of retail customers in France benefit overwhelmingly from a guarantee provided by the financing company Crédit Logement, ensuring the payment of the mortgage to the bank in the event of default by the borrower (under conditions of compliance with the terms of collateral call defined by Crédit Logement).

During the credit approval process, an assessment is performed on the value of guarantees and collateral, their legal enforceability and the guarantor's ability to meet its obligations. This process also ensures that the collateral or guarantee successfully meets the criteria set forth in the Capital Requirements Directive (CRD) and in the Capital Requirements Regulation (CRR).

The guarantors are subject to an internal rating updated at least annually. Regarding collateral, regular revaluations are made based on an estimated disposal value composed of the market value of the asset and, in some cases, a discount. The market value corresponds to the value at which the good should be exchanged on the date of the valuation under conditions of normal competition. It is preferably obtained based on comparable assets, failing this by any other method deemed relevant (example: value in use). This value might be subject to haircuts depending on the quality of the collateral and the liquidity conditions.

Regarding collateral used for credit risk mitigation and eligible for the RWA calculation, it should be noted that 95% of guarantors are investment grade. These guarantees are mainly provided by Crédit Logement, export credit agencies, the French State (within the "Prêts Garantis par l'Etat" framework of the loans guaranteed by the French State) and insurance companies.

In accordance with the requirements of European Regulation No. 575/2013 (CRR), the Group applies minimum collateralisation frequencies for all collateral held in the context of commitments granted (financial collateral, commercial real estate, residential real estate, other security interests, leasing guarantees).

More frequent valuations must be carried out in the event of a significant change in the market concerned, the default or litigation of the counterparty or at the request of the risk management function.

In addition, the effectiveness of credit risk hedging policies is monitored as part of the assessment of losses in case of default (Loss Given Default – LGD).

It is the responsibility of the risk management function to validate the operational procedures put in place by the business lines for the periodic valuation of collateral (guarantees and collateral), whether automatic valuations or on an expert opinion and whether during the credit decision for a new financing or during the annual renewal of the credit file.

The amount of guarantees and collateral is capped at the amount of outstanding loans less impairment, *i.e.* EUR 368.4 billion as at 31 December 2025 (compared with EUR 365.1 billion as at 31 December 2024), of which EUR 144.4 billion for retail customers and EUR 224 billion for other types of counterparties (compared with EUR 144.8 billion and EUR 220.3 billion as at 31 December 2024, respectively).

The outstanding loans covered by these guarantees and collateral correspond mainly to loans and receivables at amortised cost, which amounted to EUR 279.8 billion as at 31 December 2025, and to off-balance sheet commitments, which amounted to EUR 77.8 billion (compared with EUR 277.6 billion and EUR 78.4 billion as at 31 December 2024 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 2.5 billion as at 31 December 2025 (EUR 3.7 billion as at 31 December 2024), including EUR 1.3 billion on retail customers and EUR 1.2 billion on other types of counterparties (versus EUR 1.7 billion and EUR 2 billion as at 31 December 2024 respectively).

The amount of guarantees and collateral received for non-performing outstanding loans as at 31 December 2025 amounted to EUR 5.4 billion (compared with EUR 5.6 billion as at 31 December 2024), of which EUR 1.4 billion on retail customers and EUR 3.9 billion on other types of counterparties (compared with EUR 1.4 billion and EUR 4.2 billion respectively as at 31 December 2024). These amounts are capped at the amount of outstanding.

## Use of credit derivatives to manage Corporate concentration risk

The Group may use credit derivatives, in the management of its Corporate credit portfolio, primarily to reduce individual, sector and geographic concentrations and to implement a proactive risk and capital management approach.

Housed within the Corporate and Investment Banking arm, the capital management team of CLS (Capital and Liquidity Solutions) team works in close conjunction with the Risk Department and the business lines to reduce excessive portfolio concentrations, react quickly to any deterioration in the creditworthiness of a particular counterparty and recommend actions to improve the capital allocation. CLS is part of the Credit Portfolio Management department responsible for managing and optimising the asset portfolio of the Corporate and Investment Banking division, for monitoring performance and managing the scarce resources in the credit and loan portfolio.

Total outstanding purchases of protection through Corporate credit derivatives slightly decreased to EUR 1.5 billion in nominal terms and a corresponding fair value of EUR -8.3 million at the end of December 2025 (compared to EUR 1.8 billion in nominal terms at the end of December 2024). New operations have mainly been performed to reduce concentration risk (EUR 1.4 billion in nominal) and to a lower extent improve capital allocation (EUR 0.1 billion in nominal).

Over 2025, the credit default swaps (CDS) spreads of European investment grade issues (iTraxx index) experienced a significant change around an annual average of 90 bps (compared to 56 bps in 2024). The overall sensitivity of the portfolio (Price Value of a Basis Point) slightly increased.

The protection purchases are mostly made against European clearing houses, and all against counterparties with "Investment Grade" ratings (rating at least equal to BBB-).

Moreover, the amounts recognised as assets (EUR 0.8 billion as at 31 December 2025 versus EUR 0.7 billion as at 31 December 2024) and liabilities (EUR 0.5 billion as at 31 December 2025 versus EUR 0.9 billion as at 31 December 2024) correspond to the fair value of credit derivatives mainly held under a trading activity. ▲

As part of LCR stress tests, Article 30(2) of Delegated Act 2015/61 provides for a specific additional flow associated with a three-notch downgrade of the bank's rating. To this end, the impact in terms of additional cash collateral in case of a three-notch downgrade of the Group's rating is estimated at EUR 1,4 billion as of 31 December 2025 (pm: 1,4 billion as of 31 December 2024).

## Credit insurance

**Audited I** 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. ▲

## 6.4 IMPAIRMENT

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

## 6.5 QUANTITATIVE DATA

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

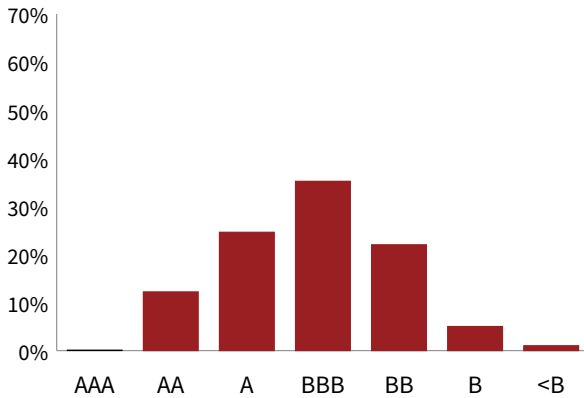
The grouping used is based on the main economic activity of counterparties. The EAD is broken down according to the final counter-parties' features, after taking into account the substitution effect (unless otherwise indicated).

**TABLE 44: EXPOSURE CLASSES**

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

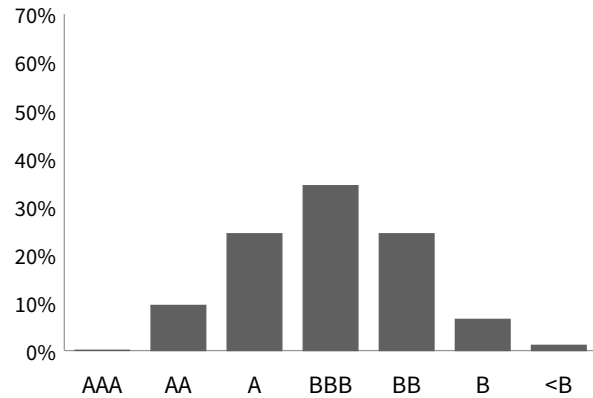
## Corporate and banking clients' exposure

**BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31 DECEMBER 2025 (AS % OF EAD)**



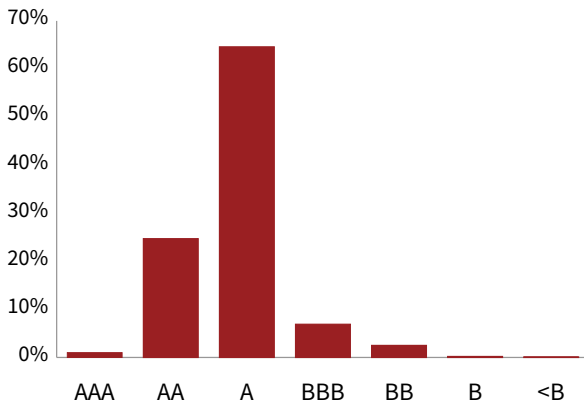
The scope includes performing loans recorded under the IRB method (excluding prudential classification criteria, by weight, of specialised financing) for the entire Corporate client portfolio, all divisions combined, and represents EAD of EUR 283 billion (out of total EAD for the Basel Corporate client portfolio of EUR 317 billion, standard method included). The breakdown by rating of the Group's Corporate exposure demonstrates the sound quality of the portfolio.

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



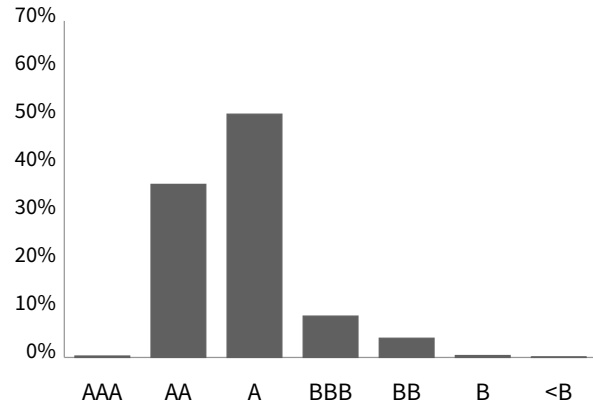
It is based on an internal counterparty rating system, presented above as its Standard & Poor's equivalent. At 31 December 2025, the majority of the portfolio (72,1% of Corporate clients) had an investment grade rating, i.e. counterparties with an S&P-equivalent internal rating higher than BBB-. Transactions with non-investment grade counterparties were very often backed by guarantees and collateral in order to mitigate the risk incurred.

**BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 31 DECEMBER 2025 (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 90 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.

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



At 31 December 2025, exposure on banking clients was concentrated in investment grade counterparties (97,3% of exposure).

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

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

<i>(In EURm)</i>	RWA - IRB	RWA - Standard	RWA - Total	Capital requirements - IRB	Capital requirements - Standard	Capital requirements - total
<b>RWA as at end of previous reporting period (31.12.2024)</b>	<b>220,505</b>	<b>103,987</b>	<b>324,493</b>	<b>17,640</b>	<b>8,319</b>	<b>25,959</b>
Asset size	5,612	4,716	10,239	449	370	819
Asset quality	2,110	0	2,198	169	7	176
Model updates	3,399	-	3,399	272	-	272
Methodology and policy	(31,165)	24,399	(6,766)	(2,493)	1,952	(541)
Acquisitions and disposals	(4,501)	(7,265)	(11,766)	(360)	(581)	(941)
Foreign exchange movements	(5,462)	(866)	(6,328)	(437)	(69)	(506)
Other	-	-	-	-	-	-
<b>RWA as at end of reporting period (31.12.2025)</b>	<b>190,499</b>	<b>124,972</b>	<b>315,470</b>	<b>15,240</b>	<b>9,998</b>	<b>25,238</b>

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

The main effects explaining the EUR -9 billion decrease in RWA (excluding CVA) over the year 2025 are the following:

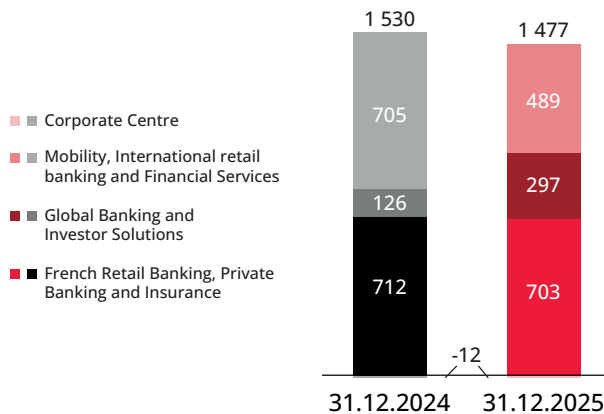
- an acquisitions and disposals effect of EUR -11.8 billion mainly related to the disposal of SGEF;
- an asset quality of EUR +2.2 billion;
- a volume effect of EUR +10.2 billion related to the business;
- a methodological effect of EUR -6.7 billion mainly linked to the methodological shift from CRR2 to CRR3 and the transition of certain entities such as Ayvens from IRB to Standardised;
- a model effect of EUR +3.4 billion mainly linked to related to the implementation of new models linked to IRB standards;
- a foreign exchange effect of EUR -6.3 billion 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 2025 amounts to €1,477 million, down 3.5% compared with 2024. This declining cost of risk breaks down between a cost of risk on defaulted exposures (stage 3) decreasing to 28 bps versus 30 bps in 2024, driven by a lower cost of risk on the corporate activities of RPBI and MIBS, and reversals on performing exposures (stage 1/stage 2) of -2 bps versus -4 bps in 2024.

The cost of risk (expressed in basis points on the average outstanding at the beginning of the period for the four quarters preceding the closing date, including simple leases) thus stands at 26 basis points for 2025, stable compared with 2024.

- In **French Retail Banking**, the cost of risk remains stable at 30 basis points in 2025 compared with 2024. The improvement in the net cost of risk for the Non-Retail sector offsets the moderate increase in the cost of risk for the Retail segment.
- At 33 basis points in 2025 (vs. 42 basis points in 2024), the cost of risk for the **Mobility, International Retail Banking and Financial Services** division benefits from provision reversals on performing exposures (-7 basis points in 2025 versus 0 in 2024) and from a slight improvement in the net cost of risk on non-performing exposures (40 basis points versus 42 basis points in 2024).
- The cost of risk for **Global Banking and Investor Solutions** stands at +18 basis points (vs. +8 basis points in 2024). The increase is split between performing exposures (cost of risk of 1 basis point versus -5 in 2024) and non-performing exposures (17 basis points versus 13 in 2024).

## NON-PERFORMING LOANS (NPL)

### Non-performing loans (NPL) analysis

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

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

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

The non-performing loans ratio at the end of December 2025 was 2.8%.

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

### Restructured debt/Forborne debt

**Audited I** For the Societe Generale group, "restructured/forborne" debt refers either to loans with amounts, terms or financial conditions contractually modified or which have been partially or totally refinanced due to the borrower's financial difficulties (whether these financial difficulties have already occurred or will definitely occur unless the debt is restructured). Societe Generale group aligns its definition of restructured loans with the EBA one.

Restructured debt does not include commercial renegotiations involving customers for whom the Bank has agreed to renegotiate the debt in order to maintain or develop a business relationship, in accordance with credit approval rules and without any financial difficulties.

Any situation leading to a debt restructuring and involving a loss of value greater than 1% of the original debt or in which the customer's ability to repay the debt according to the new schedule appears compromised must result in the classification of the customer concerned in default, and the classification of outstandings as impaired, in accordance with the EBA directives on the application of the definition of default according to Article 178 of European Regulation No. 575/2013. In this case, customers are kept in default as long as the Bank is uncertain about their ability to honour their future commitments and at least for one year from the date of the restructuring. In other cases, an analysis of the customer's economic and financial situation makes it possible to estimate his ability to repay according to the new schedule. If this ability is proved, the client can be remained non-defaulted status. Otherwise, the customer is also transferred to default.

The total balance sheet amount of restructured debt as on 31 December 2025 mainly corresponds to loans and receivables at amortised cost for an amount of EUR 8.4 billion. ▲

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

31.12.2025															
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions												Collateral and financial guarantees received		
	Gross carrying amount/nominal amount														
	Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated write-off	On performing exposures	On non performing exposures
	Total	of which stage 1 <sup>(1)</sup>	of which stage 2 <sup>(2)</sup>	Total	of which stage 2 <sup>(2)</sup>	of which stage 3 <sup>(3)</sup>	Total	of which stage 1 <sup>(1)</sup>	of which stage 2 <sup>(2)</sup>	Total	of which stage 2 <sup>(2)</sup>	of which stage 3 <sup>(3)</sup>			
<i>(In EURm)</i>															
<b>Cash balances at central banks and other demand deposits</b>	<b>175,714</b>	<b>174,178</b>	<b>1,536</b>	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	493,404	437,451	44,113	14,261	-	14,228	(2,480)	(757)	(1,722)	(6,333)	-	(6,327)	(224)	274,032	5,278
Central banks	12,333	12,333	0	-	-	-	(0)	(0)	-	-	-	-	-	0	-
General governments	28,934	21,362	1,542	51	-	51	(13)	(5)	(8)	(37)	-	(37)	-	8,745	9
Credit institutions	15,943	15,816	84	6	-	6	(5)	(3)	(2)	(4)	-	(4)	-	1,722	1
Other financial corporations	38,653	37,905	142	11	-	11	(13)	(12)	(2)	(2)	-	(2)	-	9,824	8
Non-financial corporations	219,037	189,293	24,640	9,108	-	9,089	(1,759)	(468)	(1,291)	(4,097)	-	(4,092)	(224)	115,011	3,845
of which SMEs	49,577	41,076	7,764	5,287	-	5,281	(699)	(201)	(498)	(2,607)	-	(2,605)	-	32,942	2,086
Households	178,504	160,743	17,705	5,086	-	5,072	(689)	(270)	(420)	(2,193)	-	(2,192)	-	138,729	1,416
Debt securities	88,366	87,053	669	-	-	-	(7)	(5)	(2)	-	-	-	-	10,835	-
Central banks	4,584	4,576	8	-	-	-	(0)	-	(0)	-	-	-	-	0	-
General governments	67,811	66,773	659	-	-	-	(4)	(4)	(0)	-	-	-	-	923	-
Credit institutions	5,042	5,042	0	-	-	-	(0)	(0)	0	-	-	-	-	1,544	-
Other financial corporations	2,358	2,282	1	-	-	-	(2)	(0)	(1)	-	-	-	-	651	-
Non-financial corporations	8,571	8,381	0	-	-	-	(1)	(1)	0	-	-	-	-	7,717	-
<b>Off-balance-sheet exposures</b>	<b>416,285</b>	<b>403,015</b>	<b>13,270</b>	<b>813</b>	-	<b>813</b>	<b>(445)</b>	<b>(168)</b>	<b>(276)</b>	<b>(229)</b>	-	<b>(229)</b>	-	<b>57,996</b>	<b>147</b>
Central banks	330	330	0	-	-	-	-	-	-	-	-	-	-	89	-
General governments	9,715	9,352	362	1	-	1	(5)	(1)	(4)	-	-	-	-	3,395	-
Credit institutions	93,622	93,294	328	52	-	52	(1)	(1)	(0)	(0)	-	(0)	-	1,211	-
Other financial corporations	78,610	78,433	177	4	-	4	(13)	(7)	(6)	(0)	-	(0)	-	13,444	0
Non-financial corporations	221,027	208,932	12,095	726	-	726	(381)	(141)	(241)	(225)	-	(225)	-	35,656	139
Households	12,981	12,673	308	31	-	31	(44)	(19)	(26)	(4)	-	(4)	-	4,202	8
<b>TOTAL</b>	<b>1,173,768</b>	<b>1,101,696</b>	<b>59,588</b>	<b>15,074</b>	-	<b>15,041</b>	<b>(2,931)</b>	<b>(931)</b>	<b>(2,000)</b>	<b>(6,562)</b>	-	<b>(6,556)</b>	<b>(224)</b>	<b>342,863</b>	<b>5,425</b>

(1) Assets without significant increase in credit risk since initial recognition.

(2) Assets with significant increase in credit risk since initial recognition, but not impaired..

(3) Impaired assets.

31.12.2024

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

(1) Assets without significant increase in credit risk since initial recognition.

(2) Assets with significant increase in credit risk since initial recognition, but not impaired.

(3) Impaired assets.

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

	<b>31.12.2025</b>
<i>(In EURm)</i>	
<b>Initial stock of non-performing loans and advances</b>	<b>14 392</b>
Inflows to non-performing portfolios	2,609
Outflows from non-performing portfolios	(2,740)
<i>Outflows due to write-offs</i>	(1,373)
<i>Outflow due to other situations</i>	(1,367)
<b>Final stock of non-performing loans and advances</b>	<b>14,261</b>

**TABLE 48: CREDIT QUALITY OF FORBORNE EXPOSURES (CQ1)**

	<b>31.12.2025</b>							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Collateral received and financial guarantees received on forborne exposures		
	Non-performing forborne				On performing forborne exposures	On non-performing forborne exposures	Total	of which collateral and financial guarantees received on non-performing exposures with forbearance measures
<i>(In EURm)</i>	Performing forborne	Total	of which defaulted	of which impaired				
<b>Cash balances at central banks and other demand deposits</b>	-	-	-	-	-	-	-	-
<b>Loans and advances</b>	4,691	3,666	3,666	3,652	(213)	(1,337)	4,496	1,630
Central banks	-	-	-	-	-	-	-	-
General governments	42	9	9	9	(0)	(3)	40	4
Credit institutions	-	-	-	-	-	-	0	0
Other financial corporations	3	2	2	2	(0)	(0)	4	2
Non-financial corporations	4,090	2,495	2,495	2,486	(200)	(871)	3,676	1,267
Households	556	1,160	1,160	1,155	(13)	(462)	776	356
<b>Debt Securities</b>	-	-	-	-	-	-	-	-
<b>Loan commitments given</b>	1,426	108	108	108	(44)	(23)	748	21
<b>TOTAL</b>	<b>6,117</b>	<b>3,773</b>	<b>3,773</b>	<b>3,760</b>	<b>(256)</b>	<b>(1,360)</b>	<b>5,244</b>	<b>1,651</b>

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

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

31.12.2025												
	Performing exposures					Non-performing exposures						
	Total performing	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total non performing	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	of which defaulted
<i>(In EURm)</i>												
<b>Cash balances at central banks and other demand deposits</b>	<b>175,714</b>	<b>175,714</b>	-	-	-	-	-	-	-	-	-	-
<b>Loans and advances</b>	<b>493,404</b>	<b>490,494</b>	<b>2,909</b>	<b>14,261</b>	<b>9,804</b>	<b>597</b>	<b>832</b>	<b>1,175</b>	<b>1,165</b>	<b>304</b>	<b>385</b>	<b>14,261</b>
Central banks	12,333	12,333	0	-	-	-	-	-	-	-	-	-
General governments	28,934	28,462	471	51	17	0	1	1	2	6	23	51
Credit institutions	15,943	15,933	11	6	5	-	0	0	1	-	0	6
Other financial corporations	38,653	38,571	82	11	3	1	5	0	0	1	0	11
Non-financial corporations	219,037	217,660	1,377	9,108	6,708	271	423	705	634	133	234	9,108
of which SMEs	49,577	49,248	329	5,287	3,472	188	321	435	534	122	214	5,287
Households	178,504	177,535	969	5,086	3,071	325	402	469	527	164	127	5,086
<b>Debt securities</b>	<b>88,366</b>	<b>88,366</b>	-	-	-	-	-	-	-	-	-	-
Central banks	4,584	4,584	-	-	-	-	-	-	-	-	-	-
General governments	67,811	67,811	-	-	-	-	-	-	-	-	-	-
Credit institutions	5,042	5,042	-	-	-	-	-	-	-	-	-	-
Other financial corporations	2,358	2,358	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	8,571	8,571	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet exposures</b>	<b>416,285</b>			<b>813</b>								<b>813</b>
Central banks	330			-								-
General governments	9,715			1								1
Credit institutions	93,622			52								52
Other financial corporations	78,610			4								4
Non-financial corporations	221,027			726								726
Households	12,981			31								31
<b>TOTAL</b>	<b>1,173,768</b>	<b>754,574</b>	<b>2,909</b>	<b>15,074</b>	<b>9,804</b>	<b>597</b>	<b>832</b>	<b>1,175</b>	<b>1,165</b>	<b>304</b>	<b>385</b>	<b>15,074</b>

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

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

(In EURm)	31.12.2025					Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Gross carrying/nominal amount				Accumulated impairment		
	Total nominal	Total non performing	of which defaulted	of which subject to impairment			
<b>On-balance sheet exposures</b>	<b>771,744</b>	<b>14,261</b>	<b>14,261</b>	<b>759,266</b>	<b>(8,820)</b>		-
Europe	578,303	12,133	12,133	566,805	(7,157)		-
France	354,243	9,343	9,343	343,365	(5,251)		-
Czech Republic	58,810	583	583	58,810	(438)		-
Germany	17,547	744	744	17,547	(247)		-
Luxembourg	32,662	47	47	32,656	(52)		-
United Kingdom	22,341	62	62	22,162	(58)		-
Italy	17,308	535	535	16,968	(436)		-
Switzerland	17,026	8	8	17,026	(9)		-
Russian Federation	208	55	55	208	(30)		-
Romania	15,444	352	352	15,444	(390)		-
Spain	5,580	44	44	5,576	(52)		-
Other European countries: EU and EFTA	29,119	254	254	29,029	(165)		-
Other European countries	8,015	107	107	8,015	(30)		-
North America	109,060	628	628	108,843	(405)		-
United States	106,089	626	626	105,871	(403)		-
Other North American countries	2,972	2	2	2,972	(2)		-
Asia-Pacific	51,327	90	90	51,106	(64)		-
Japan	31,950	0	0	31,930	(2)		-
China	3,301	0	0	3,301	(1)		-
Other Asia-Pacific countries	16,076	90	90	15,874	(62)		-
Africa and Middle East	27,366	1,215	1,215	27,186	(1,113)		-
Morocco	359	1	1	359	(1)		-
Other Africa and Middle East countries	27,007	1,215	1,215	26,826	(1,112)		-
Latin America and Caribbean	5,688	195	195	5,327	(81)		-
<b>Off-balance sheet exposures</b>	<b>417,097</b>	<b>813</b>	<b>813</b>			<b>(673)</b>	
Europe	285,460	669	669			(511)	
France	172,616	496	496			(315)	
Czech Republic	9,627	33	33			(24)	
Germany	23,113	14	14			(30)	
Luxembourg	12,580	11	11			(10)	
United Kingdom	17,463	0	0			(23)	
Italy	8,296	39	39			(11)	
Switzerland	7,477	0	0			(1)	
Russian Federation	205	51	51			(1)	
Romania	3,480	22	22			(56)	
Spain	5,836	0	0			(7)	
Other European countries: EU and EFTA	22,924	1	1			(31)	
Other European countries	1,843	1	1			(1)	
North America	88,694	58	58			(96)	
United States	84,682	58	58			(95)	
Other North American countries	4,012	0	0			(0)	
Asia-Pacific	29,966	4	4			(8)	
Japan	13,749	0	0			(1)	
China	3,460	0	0			(2)	
Other Asia-Pacific countries	12,756	4	4			(5)	
Africa and Middle East	9,004	82	82			(58)	
Morocco	603	0	0			(0)	
Other Africa and Middle East countries	8,401	82	82			(58)	
Latin America and the Caribbean	3,973	0	0			(1)	
<b>TOTAL</b>	<b>1,188,842</b>	<b>15,074</b>	<b>15,074</b>	<b>759,266</b>	<b>(8,820)</b>	<b>(673)</b>	-

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(In EURm)	Gross carrying/nominal amount					Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Total nominal	of which non-performing		of which subject to impairment	Total non performing			
		Total non performing	of which defaulted					
<b>On-balance sheet exposures</b>	<b>581,869</b>	<b>14,405</b>	<b>14,405</b>	<b>566,920</b>	<b>(8,841)</b>		-	
Europe	446,021	11,781	11,781	432,469	(6,948)		-	
France	275,600	9,189	9,189	264,033	(4,944)		-	
Czech Republic	48,530	625	625	48,530	(503)		-	
Germany	16,481	421	421	16,481	(202)		-	
Luxembourg	17,466	53	53	17,422	(54)		-	
United Kingdom	13,738	43	43	13,623	(51)		-	
Italy	14,739	567	567	14,348	(463)		-	
Switzerland	5,878	6	6	5,686	(10)		-	
Russian Federation	309	150	150	309	(74)		-	
Romania	13,298	279	279	13,298	(383)		-	
Spain	4,890	45	45	4,007	(53)		-	
Other European countries: EU and EFTA	27,759	312	312	27,403	(185)		-	
Other European countries	7,333	92	92	7,330	(27)		-	
North America	76,320	614	614	75,594	(373)		-	
United States	71,747	603	603	71,020	(366)		-	
Other North American countries	4,573	11	11	4,573	(6)		-	
Asia-Pacific	25,380	244	244	24,990	(74)		-	
Japan	1,886	0	0	1,886	(2)		-	
China	6,458	12	12	6,458	(13)		-	
Other Asia-Pacific countries	17,036	232	232	16,646	(59)		-	
Africa and Middle East	27,895	1,480	1,480	27,836	(1,338)		-	
Morocco	314	1	1	314	(1)		-	
Other Africa and Middle East countries	27,581	1,479	1,479	27,522	(1,336)		-	
Latin America and Caribbean	6,252	286	286	6,032	(108)		-	
<b>Off-balance sheet exposures</b>	<b>429,270</b>	<b>959</b>	<b>959</b>			<b>(743)</b>		
Europe	291,002	806	806			(577)		
France	177,451	641	641			(391)		
Czech Republic	8,140	22	22			(22)		
Germany	19,714	11	11			(22)		
Luxembourg	13,301	2	2			(10)		
United Kingdom	21,012	2	2			(21)		
Italy	7,903	32	32			(14)		
Switzerland	7,937	0	0			(1)		
Russian Federation	214	58	58			(1)		
Romania	2,605	26	26			(56)		
Spain	5,991	1	1			(13)		
Other European countries: EU and EFTA	24,554	10	10			(25)		
Other European countries	2,180	0	0			(2)		
North America	91,764	40	40			(91)		
United States	87,719	40	40			(89)		
Other North American countries	4,045	0	0			(2)		
Asia-Pacific	33,645	24	24			(7)		
Japan	18,380	0	0			(1)		
China	3,291	0	0			(1)		
Other Asia-Pacific countries	11,974	24	24			(6)		
Africa and Middle East	9,846	88	88			(67)		
Morocco	73	0	0			0		
Other Africa and Middle East countries	9,773	88	88			(66)		
Latin America and the Caribbean	3,013	0	0			0		
<b>TOTAL</b>	<b>1,011,139</b>	<b>15,364</b>	<b>15,364</b>	<b>566,920</b>	<b>(8,841)</b>	<b>(743)</b>	<b>-</b>	

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

	31.12.2025					
	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Total nominal	of which non-performing		of which loans and advances subject to impairment		
		of which defaulted				
<i>(In EURm)</i>						
Agriculture, forestry and fishing	2,446	193	193	2,423	(116)	-
Mining and quarrying	5,525	41	41	5,011	(40)	-
Manufacturing	31,174	1,505	1,505	30,913	(977)	-
Electricity, gas, steam and air conditioning supply	19,449	214	214	19,431	(172)	-
Water supply	2,071	34	34	2,005	(30)	-
Construction	7,028	675	675	6,965	(507)	-
Wholesale and retail trade	31,239	1,789	1,789	30,980	(1,123)	-
Transport and storage	20,775	507	507	20,656	(312)	-
Accommodation and food service activities	4,951	556	556	4,808	(313)	-
Information and communication	15,285	582	582	14,164	(267)	-
Financial and insurance activities	15,372	209	209	15,146	(155)	-
Real estate activities	31,951	1,224	1,224	31,481	(637)	-
Professional, scientific and technical activities	6,340	460	460	6,286	(262)	-
Administrative and support service activities	7,803	310	310	7,757	(175)	-
Public administration and defence, compulsory social security	208	1	1	189	(1)	-
Education	950	92	92	929	(53)	-
Human health services and social work activities	3,470	154	154	3,438	(143)	-
Arts, entertainment and recreation	1,498	76	76	1,469	(51)	-
Other services	20,610	487	487	18,994	(523)	-
<b>TOTAL</b>	<b>228,145</b>	<b>9,108</b>	<b>9,108</b>	<b>223,044</b>	<b>(5,856)</b>	<b>-</b>

31.12.2024

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

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

	<b>31.12.2025</b>	
	<b>Collateral obtained by taking possession accumulated</b>	
<i>(In EURm)</i>	<b>Value at initial recognition</b>	<b>Accumulated negative changes</b>
Property, plant and equipment (PP&E)	0	(0)
Other than PP&E	49	(25)
<i>Residential immovable property</i>	0	0
<i>Commercial Immovable property</i>	0	0
<i>Movable property (auto, shipping, etc.)</i>	0	0
<i>Equity and debt instruments</i>	0	0
<i>Other</i>	49	(25)
<b>TOTAL</b>	<b>49</b>	<b>(25)</b>

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

**TABLE 53: MATURITY OF EXPOSURES (CRI-A)**

31.12.2025						
Net exposure value						
(In EURm)	On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
Loans and advances	10,521	113,733	142,604	240,807	0	507,665
Debt securities	0	23,923	30,079	34,364	-	88,366
<b>TOTAL</b>	<b>10,521</b>	<b>137,656</b>	<b>172,683</b>	<b>275,171</b>	<b>0</b>	<b>596,031</b>

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

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

31.12.2025					
(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	395,256	279,310	113,351	165,958	-
Total debt securities	77,524	10,835	10,706	129	-
<b>Total exposures</b>	<b>472,780</b>	<b>290,145</b>	<b>124,058</b>	<b>166,087</b>	<b>-</b>
<i>of which non-performing exposures</i>	2,650	5,278	2,330	2,948	-
<i>of which defaulted</i>	2,650	5,278	2,330	2,948	-

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

## 6.6 ADDITIONAL QUANTITATIVE INFORMATION ON CREDIT RISK

### Definition of regulatory metrics

The main metrics used in the following tables are:

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

### Breakdown of credit risk – Overview

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

31.12.2025									
(In EURm)	IRB approach			Standardised approach			Total		
Exposure classes	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA
Sovereign	243,400	253,587	7,896	15,825	16,577	645	259,225	270,164	8,541
Institutions	47,696	35,406	3,871	3,958	2,088	635	51,653	37,494	4,506
Corporates	398,230	245,878	109,198	54,227	30,227	27,277	452,457	276,105	136,475
Retail	174,508	170,184	35,457	43,555	31,677	19,989	218,064	201,861	55,446
Others	58,204	45,392	20,618	97,657	90,016	70,707	155,861	135,408	91,325
<b>TOTAL</b>	<b>922,038</b>	<b>750,446</b>	<b>177,040</b>	<b>215,222</b>	<b>170,586</b>	<b>119,253</b>	<b>1,137,260</b>	<b>921,032</b>	<b>296,293</b>

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

## Breakdown of credit risk – details

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

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

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

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

(In EURm)		31.12.2025					
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWA	RWA density (%)
1	Central governments or central banks	15,625	102	16,060	106	624	4%
2	Non-central government public sector entities	643	117	930	43	140	14%
EU 2a	Regional government or local authorities	481	104	763	38	106	13%
EU 2b	Public sector entities	161	12	167	5	35	20%
3	Multilateral development banks	97	-	383	29	22	5%
EU 3a	International organisations	-	-	-	-	-	-
4	Institutions	2,382	810	886	229	495	44%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	40,260	13,686	27,168	3,059	27,277	90%
6,1	Specialised lending	1,174	393	1,096	157	1,190	95%
7	Subordinated debt exposures and equity	5,348	-	5,348	-	12,391	232%
EU 7a	Subordinated debt exposures	-	-	-	-	-	-
EU 7b	Equity	5,348	-	5,348	-	12,391	232%
8	Retail	28,843	14,279	28,381	3,296	19,989	63%
9	Secured by mortgages on immovable property and ADC exposures	13,297	1,269	13,310	377	7,261	53%
9,1	Secured by mortgages on residential immovable property - non IPRE	6,818	203	6,818	75	2,320	34%
9,2	Secured by mortgages on residential immovable property - IPRE	309	22	309	9	154	48%
9,3	Secured by mortgages on commercial immovable property - non IPRE	3,013	798	3,030	199	2,181	68%
9,4	Secured by mortgages on commercial immovable property - IPRE	3,078	113	3,078	39	2,474	79%
9,5	Acquisition, Development and Construction (ADC)	79	133	74	55	131	101%
10	Exposures in default	2,256	140	1,989	59	2,496	122%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	651	408	753	411	256	22%
EU 10b	Collective investment undertakings	685	-	685	-	954	139%
EU 10c	Other items	55,253	2,328	55,253	1,080	45,783	81%
<b>TOTAL</b>		<b>165,339</b>	<b>33,139</b>	<b>151,146</b>	<b>8,688</b>	<b>117,686</b>	<b>74%</b>

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

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

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

Exposure classes		31.12.2025														
		Risk Weight														
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
1	Central governments or central banks	15,543	-	-	-	24	-	-	-	-	0	-	-	-	-	-
2	Non-central government public sector entities	337	-	-	-	619	-	-	-	-	0	-	-	-	-	-
Eu 2a	Regional governments or local authorities	337	-	-	-	448	-	-	-	-	-	-	-	-	-	-
EU 2b	Public sector entities	-	-	-	-	171	-	-	-	-	0	-	-	-	-	-
3	Multilateral development banks	362	-	-	-	5	5	-	-	-	39	-	-	-	-	-
EU 3a	International organisations	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	37	152	-	-	172	220	-	130	-	107	-	-	91	-	-
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	17	-	-	-	1,565	-	-	-	5	1,040	-	-	1,200	-	-
6.1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	1	-	-	34	-	-
7	Subordinated debt exposures and equity	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7b	Equity	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	16	0	7	0	32	3	1,482	9	2,196	3	7	-	27,299	-	-
9	Secured by mortgages on immovable property	41	-	-	227	4,755	250	-	137	47	52	2,467	137	1,088	-	73
9.1	Secured by mortgages on residential immovable property - non IPRE	14	-	-	227	4,454	149	-	134	43	10	14	1	753	-	0
9.1.1	No loan splitting applied	2	-	-	0	4	1	-	0	1	3	12	-	188	-	-
9.1.2	Loan splitting applied (secured)	-	-	-	-	4,448	-	-	-	-	-	-	-	-	-	-
9.1.3	Loan splitting applied (unsecured)	12	-	-	227	1	149	-	134	41	7	2	1	565	-	0
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	135	6	-	0	4	-	0	-	8	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	27	-	-	0	135	11	-	3	-	36	1,267	1	284	-	-
9.3.1	No loan splitting applied	10	-	-	0	1	0	-	-	-	0	-	-	35	-	-
9.3.2	Loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	1,265	-	-	-	-
9.3.3	Loan splitting applied (unsecured)	16	-	-	-	134	11	-	3	-	35	2	1	248	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	84	-	-	-	7	1,163	134	42	-	73
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	31	-	-	-	-	-	24	-	1	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	1,089	-	-	-	-	70	-	-	4	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10c	Other items	1,721	-	-	0	999	-	-	-	-	8,662	4	-	5	-	-
<b>11</b>	<b>TOTAL</b>	<b>18,078</b>	<b>153</b>	<b>7</b>	<b>227</b>	<b>9,260</b>	<b>478</b>	<b>1,482</b>	<b>277</b>	<b>2,247</b>	<b>9,975</b>	<b>2,478</b>	<b>137</b>	<b>29,687</b>	<b>-</b>	<b>73</b>

		31.12.2025												
(In EURm)		Risk Weight										Total	of which	
Exposure classes		100%	105%	110%	130%	150%	250%	370%	400%	1250%	Other		unrated	
		p	q	r	s	t	u	v	w	x	y	z	aa	
1	Central governments or central banks	556	-	-	-	42	-	-	-	-	1	16,165	13,325	
2	Non-central government public sector entities	16	-	-	-	-	-	-	-	-	1	973	961	
Eu 2a	Regional governments or local authorities	15	-	-	-	-	-	-	-	-	1	801	790	
EU 2b	Public sector entities	1	-	-	-	-	-	-	-	-	-	172	172	
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	412	363	
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	0	0	
4	Institutions	164	-	-	-	41	-	-	-	-	0	1,115	642	
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	
6	Corporates	25,212	-	-	246	935	-	-	-	-	6	30,227	22,717	
6.1	Of which: Specialised Lending	580	-	-	246	393	-	-	-	-	0	1,253	681	
7	Subordinated debt exposures and equity	589	-	-	-	-	4,711	-	0	-	43	5,348	5,348	
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	
EU 7b	Equity	589	-	-	-	-	4,711	-	0	-	43	5,348	5,348	
8	Retail exposures	340	-	-	-	2	-	-	-	-	280	31,677	31,677	
9	Secured by mortgages on immovable property	2,097	-	1,164	0	143	-	-	-	-	1,008	13,687	12,832	
9.1	Secured by mortgages on residential immovable property - non IPRE	236	-	0	0	1	-	-	-	-	857	6,893	6,857	
9.1.1	No loan splitting applied	96	-	0	-	1	-	-	-	-	182	491	488	
9.1.2	Loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	4,448	4,421	
9.1.3	Loan splitting applied (unsecured)	140	-	0	0	0	-	-	-	-	675	1,954	1,949	
9.2	Secured by mortgages on residential immovable property - IPRE	47	-	0	-	37	-	-	-	-	82	318	276	
9.3	Secured by mortgages on commercial immovable property - non IPRE	1,399	-	0	0	0	-	-	-	-	66	3,229	2,880	
9.3.1	No loan splitting applied	444	-	-	-	-	-	-	-	-	6	498	464	
9.3.2	Loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	1,265	1,137	
9.3.3	Loan splitting applied (unsecured)	955	-	0	0	0	-	-	-	-	60	1,466	1,278	
9.4	Secured by mortgages on commercial immovable property - IPRE	414	-	1,164	-	32	-	-	-	-	3	3,116	2,690	
9.5	Acquisition, Development and Construction (ADC)	1	-	-	-	72	-	-	-	-	0	130	129	
10	Exposures in default	1,107	-	-	-	847	-	-	-	-	94	2,048	2,048	
EU 10a	Claims on institutions and corporates with a short-term credit assessment	1	-	-	-	-	-	-	-	-	-	1,164	0	
EU 10b	Collective investment undertakings (CIU)	9	-	-	-	-	1	-	-	16	659	685	685	
EU 10c	Other items	32,018	-	-	-	8	2,042	-	-	-	10,874	56,333	51,742	
<b>11</b>	<b>TOTAL</b>	<b>62,111</b>	<b>-</b>	<b>1,164</b>	<b>246</b>	<b>2,017</b>	<b>6,754</b>	<b>-</b>	<b>0</b>	<b>16</b>	<b>12,966</b>	<b>159,834</b>	<b>142,340</b>	

31.12.2024																	
(In EURm)																	
Exposure classes	Risk Weight														Other Risk Weight	Total	of which unrated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%			
Central governments or central banks	18,764	-	-	3	121	-	61	-	-	856	266	-	-	-	6	20,076	5,454
Regional governments or local authorities	147	-	-	-	864	-	22	-	-	46	-	-	-	-	0	1,078	689
Public sector entities	-	-	-	-	117	-	0	-	-	141	2	-	-	-	0	260	234
Multilateral Development Banks	976	-	-	-	0	-	4	-	-	19	-	-	-	-	-	1,000	125
International Organisations	47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	0
Institutions	147	190	-	-	3,747	-	563	-	-	400	-	-	-	-	-	5,048	1,193
Corporates	-	-	-	-	1,644	-	954	-	-	26,737	1,354	-	-	-	-	30,688	21,814
Retail	-	-	-	-	-	1,371	-	-	32,554	-	-	-	-	-	-	33,925	32,068
Secured by mortgages on immovable property	-	-	-	-	-	6,488	1,581	-	1,147	238	1	-	-	-	-	9,455	8,632
Exposures in default	-	-	-	-	-	-	-	-	-	1,252	810	-	-	-	-	2,061	1,884
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	77	-	-	-	-	77	18
Covered bonds	-	-	-	136	-	-	-	-	-	-	-	-	-	-	-	136	18.17
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	1	-	-	1	9	61	72	72
Equity exposures	613	-	-	-	-	-	-	-	-	643	-	71	-	-	-	1,326	1,326
Other exposures	1,672	-	0	1	640	-	6,041	-	8	26,210	2	2,153	-	-	7,831	44,557	40,246
<b>TOTAL</b>	<b>22,366</b>	<b>190</b>	<b>0</b>	<b>139</b>	<b>7,134</b>	<b>7,858</b>	<b>9,226</b>	<b>-</b>	<b>33,709</b>	<b>56,543</b>	<b>2,511</b>	<b>2,224</b>	<b>1</b>	<b>9</b>	<b>7,899</b>	<b>149,807</b>	<b>113,774</b>

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

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

31.12.2025													
(In EURm)	PD scale	Original on-balance sheet exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF (%)	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
Central governments and central banks	0.00 to < 0.15	228,379	4,054	39%	237,344	0.02%	357	0.97%	2	1,660	0.70%	1	(3)
	0.00 to < 0.10	225,326	4,053	39%	234,290	0.02%	354	0.79%	2	1,170	0.50%	1	(3)
	0.10 to < 0.15	3,054	1	40%	3,055	0.13%	3	14.61%	3	490	16.05%	1	0
	0.15 to < 0.25	-	-	0%	-	0.00%	-	0.00%	0	-	0.00%	-	0
	0.25 to < 0.50	3,989	144	40%	4,870	0.26%	29	21.61%	3	1,387	28.47%	3	(0)
	0.50 to < 0.75	1,525	167	41%	1,593	0.50%	10	23.36%	2	630	39.58%	2	(0)
	0.75 to < 2.50	2,638	89	40%	2,676	1.20%	7	24.52%	3	1,349	50.38%	8	(0)
	0.75 to < 1.75	2,378	70	40%	2,409	1.10%	4	24.56%	3	1,198	49.72%	7	(0)
	1.75 to < 2.50	260	20	40%	267	2.12%	3	24.15%	1	151	56.40%	1	(0)
	2.50 to < 10.00	1,067	188	39%	1,141	3.67%	52	23.61%	3	903	79.11%	11	(2)
	2.50 to < 5.00	972	176	39%	1,041	3.28%	45	21.50%	3	713	68.41%	7	(0)
	5.00 to < 10.00	95	11	40%	100	7.76%	7	45.71%	3	190	191.06%	4	(2)
	10.00 to < 100.00	982	116	30%	1,017	12.62%	20	23.19%	2	1,135	111.63%	30	(5)
	10.00 to < 20.00	981	116	30%	1,016	12.61%	16	23.17%	2	1,133	111.51%	29	(5)
	20.00 to < 30.00	1	0	40%	1	20.44%	4	45.00%	2	2	250.97%	0	(0)
	30.00 to < 100.00	-	-	0%	-	0.00%	-	0.00%	0	-	0.00%	-	0
100.00 (default)	27	0	40%	26	100.00%	19	71.29%	1	8	28.69%	27	(27)	
<b>Subtotal</b>		<b>238,608</b>	<b>4,759</b>	<b>38.96%</b>	<b>248,668</b>	<b>0.12%</b>	<b>494</b>	<b>1.97%</b>	<b>2</b>	<b>7,072</b>	<b>2.84%</b>	<b>81</b>	<b>(38)</b>
Regional governments or local authorities	0.00 to < 0.15	11,555	2,715	45%	13,177	0.04%	2,087	32.48%	4	216	1.64%	0	(1)
	0.00 to < 0.10	11,177	2,493	45%	12,667	0.04%	1,738	33.04%	4	120	0.95%	0	(1)
	0.10 to < 0.15	378	222	50%	510	0.13%	349	18.57%	4	96	18.82%	0	(0)
	0.15 to < 0.25	-	-	0%	-	0.00%	-	0.00%	0	-	0.00%	-	0
	0.25 to < 0.50	177	91	43%	232	0.26%	413	16.76%	4	57	24.69%	0	(0)
	0.50 to < 0.75	40	28	44%	52	0.50%	53	19.16%	4	19	36.05%	0	(0)
	0.75 to < 2.50	17	7	40%	20	1.45%	25	19.98%	5	11	58.40%	0	(0)
	0.75 to < 1.75	13	1	41%	13	1.10%	6	20.00%	5	7	55.56%	0	(0)
	1.75 to < 2.50	4	7	40%	7	2.12%	19	19.94%	5	4	63.84%	0	(0)
	2.50 to < 10.00	42	2	41%	36	3.30%	61	19.43%	3	25	67.65%	0	(0)
	2.50 to < 5.00	42	2	40%	36	3.26%	59	19.43%	3	24	67.48%	0	(0)
	5.00 to < 10.00	0	0	86%	0	7.76%	2	19.59%	4	0	86.10%	0	(0)
	10.00 to < 100.00	1	-	0%	1	33.14%	6	31.33%	4	1	139.00%	0	(0)
	10.00 to < 20.00	0	-	0%	0	14.33%	2	6.13%	0	0	27.82%	0	(0)
	20.00 to < 30.00	0	-	0%	0	20.66%	3	0.00%	2	-	0.00%	-	(0)
	30.00 to < 100.00	1	-	0%	1	36.21%	1	38.50%	5	1	170.79%	0	0
100.00 (default)	3	1	40%	4	89.93%	44	26.78%	2	12	333.67%	0	(0)	
<b>Subtotal</b>		<b>11,835</b>	<b>2,844</b>	<b>45.09%</b>	<b>13,522</b>	<b>0.08%</b>	<b>2,689</b>	<b>32.10%</b>	<b>4</b>	<b>342</b>	<b>2.53%</b>	<b>1</b>	<b>(2)</b>
Public sector entities	0.00 to < 0.15	3,469	1,655	41%	4,144	0.03%	358	14.69%	3	280	6.77%	0	(1)
	0.00 to < 0.10	3,396	1,635	41%	4,066	0.03%	302	14.80%	3	273	6.73%	0	(1)
	0.10 to < 0.15	73	19	30%	79	0.13%	56	8.85%	4	7	8.83%	0	(0)
	0.15 to < 0.25	-	-	0%	-	0.00%	-	0.00%	0	-	0.00%	-	0
	0.25 to < 0.50	112	23	57%	162	0.26%	158	17.98%	3	17	10.73%	0	(0)
	0.50 to < 0.75	40	14	46%	47	0.50%	15	10.65%	4	9	20.21%	0	(0)
	0.75 to < 2.50	11	5	64%	14	1.47%	51	13.45%	3	5	33.86%	0	(0)
	0.75 to < 1.75	7	2	84%	9	1.10%	27	9.67%	3	2	21.66%	0	(0)
	1.75 to < 2.50	4	3	46%	5	2.12%	24	20.03%	3	3	55.10%	0	(0)
	2.50 to < 10.00	13	2	63%	14	3.28%	54	19.91%	3	9	64.59%	0	(0)
	2.50 to < 5.00	13	2	63%	14	3.26%	51	19.97%	3	9	64.77%	0	(0)
	5.00 to < 10.00	0	-	0%	0	7.76%	3	5.75%	2	0	25.65%	0	(0)
	10.00 to < 100.00	1	-	0%	1	20.78%	2	6.41%	2	1	37.77%	0	(0)
	10.00 to < 20.00	-	-	0%	-	0.00%	-	0.00%	0	-	0.00%	-	0
	20.00 to < 30.00	1	-	0%	1	20.78%	2	6.41%	2	1	37.77%	0	(0)
	30.00 to < 100.00	-	-	0%	-	0.00%	-	0.00%	0	-	0.00%	-	0
100.00 (default)	0	-	0%	0	0.60%	20	20.96%	0	0	106.77%	0	(0)	
<b>Subtotal</b>		<b>3,647</b>	<b>1,699</b>	<b>41.21%</b>	<b>4,382</b>	<b>0.06%</b>	<b>658</b>	<b>14.78%</b>	<b>3</b>	<b>322</b>	<b>7.34%</b>	<b>1</b>	<b>(1)</b>

31.12.2025													
(In EURm)	PD scale	Original on-balance sheet exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF (%)	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
Corporate – Specialised lending	0.00 to < 0.15	17,909	8,071	40%	6,403	0.09%	715	18.02%	3	646	10.09%	1	(2)
	0.00 to < 0.10	14,975	6,026	41%	2,840	0.05%	593	20.92%	2	236	8.31%	0	(1)
	0.10 to < 0.15	2,934	2,045	38%	3,563	0.13%	122	15.70%	3	410	11.51%	1	(1)
	0.15 to < 0.25	199	1	40%	200	0.24%	3	15.90%	4	33	16.42%	0	(0)
	0.25 to < 0.50	6,424	4,710	40%	7,366	0.27%	273	16.71%	3	1,377	18.69%	4	(2)
	0.50 to < 0.75	11,643	5,720	47%	14,246	0.53%	504	16.31%	4	5,681	39.88%	15	(9)
	0.75 to < 2.50	16,892	7,021	42%	19,656	1.52%	1,008	14.51%	3	7,747	39.41%	55	(55)
	0.75 to < 1.75	11,028	4,376	43%	12,783	1.17%	564	14.28%	3	4,654	36.41%	26	(17)
	1.75 to < 2.50	5,864	2,645	39%	6,873	2.18%	444	14.95%	3	3,093	45.00%	29	(39)
	2.50 to < 10.00	6,539	2,759	42%	7,674	4.00%	761	17.78%	3	4,425	57.66%	62	(89)
	2.50 to < 5.00	5,657	2,489	43%	6,685	3.59%	627	18.11%	3	3,719	55.63%	48	(66)
	5.00 to < 10.00	882	270	41%	989	6.76%	134	15.54%	3	706	71.36%	14	(23)
	10.00 to < 100.00	1,387	534	44%	1,619	18.26%	139	25.49%	4	1,921	118.64%	79	(220)
	10.00 to < 20.00	901	393	37%	1,045	14.05%	93	24.71%	4	1,190	113.85%	38	(117)
	20.00 to < 30.00	477	135	63%	562	25.75%	40	26.97%	3	716	127.58%	40	(103)
	30.00 to < 100.00	9	6	50%	12	33.73%	6	24.72%	1	14	118.10%	1	(0)
	100.00 (default)	1,261	80	45%	1,297	100.00%	130	38.21%	3	868	66.96%	489	(492)
<b>Subtotal</b>	<b>62,253</b>	<b>28,897</b>	<b>42.08%</b>	<b>58,461</b>	<b>3.93%</b>	<b>3,533</b>	<b>16.87%</b>	<b>3</b>	<b>22,697</b>	<b>38.82%</b>	<b>705</b>	<b>(870)</b>	
Corporates - Purchased receivables	0.00 to < 0.15	70	-	0%	73	0.08%	167	21.44%	0	33	45.88%	1	(28)
	0.00 to < 0.10	30	-	0%	42	0.05%	88	22.60%	0	22	53.70%	1	(0)
	0.10 to < 0.15	40	-	0%	31	0.13%	79	19.88%	0	11	35.40%	0	(28)
	0.15 to < 0.25	2	-	0%	3	0.21%	55	25.03%	0	2	50.81%	0	(0)
	0.25 to < 0.50	50	-	0%	29	0.36%	2,496	22.60%	0	12	40.65%	0	(0)
	0.50 to < 0.75	73	-	0%	55	0.51%	1,642	22.99%	0	20	36.89%	0	(0)
	0.75 to < 2.50	194	-	0%	155	1.59%	2,391	22.23%	0	63	40.53%	1	(0)
	0.75 to < 1.75	92	-	0%	76	1.10%	1,397	21.41%	0	27	35.29%	0	(0)
	1.75 to < 2.50	102	-	0%	79	2.05%	994	23.01%	0	36	45.53%	0	(0)
	2.50 to < 10.00	884	-	0%	374	4.72%	9,106	22.03%	0	217	57.88%	4	(1)
	2.50 to < 5.00	773	-	0%	282	3.72%	8,504	22.62%	0	157	55.87%	3	(1)
	5.00 to < 10.00	111	-	0%	93	7.78%	602	20.23%	0	59	64.02%	1	(0)
	10.00 to < 100.00	140	-	0%	108	15.13%	2,054	20.90%	0	81	74.95%	3	(0)
	10.00 to < 20.00	99	-	0%	90	12.58%	641	19.90%	0	64	71.41%	2	(0)
	20.00 to < 30.00	31	-	0%	15	25.58%	869	25.23%	0	14	91.55%	1	(0)
	30.00 to < 100.00	10	-	0%	3	36.09%	544	28.17%	0	3	94.82%	0	(0)
	100.00 (default)	52	-	0%	47	81.22%	1,515	16.22%	0	72	154.77%	42	(42)
<b>Subtotal</b>	<b>1,464</b>	<b>-</b>	<b>0.00%</b>	<b>846</b>	<b>8.87%</b>	<b>19,426</b>	<b>21.64%</b>	<b>0</b>	<b>501</b>	<b>59.21%</b>	<b>52</b>	<b>(72)</b>	
Corporate - Other	0.00 to < 0.15	19,636	18,076	50%	21,007	0.08%	26,980	21.35%	2	13,413	63.85%	253	(5)
	0.00 to < 0.10	13,063	12,754	55%	13,323	0.05%	25,299	19.38%	2	1,006	7.55%	1	(2)
	0.10 to < 0.15	6,573	5,322	40%	7,684	0.13%	1,681	24.76%	2	12,408	161.49%	252	(3)
	0.15 to < 0.25	334	82	53%	377	0.20%	465	31.29%	3	115	30.64%	0	(0)
	0.25 to < 0.50	8,240	7,321	41%	10,897	0.30%	13,672	30.24%	2	3,503	32.15%	11	(10)
	0.50 to < 0.75	7,705	6,177	35%	10,085	0.59%	9,852	26.40%	2	3,967	39.34%	15	(15)
	0.75 to < 2.50	13,643	5,340	39%	15,635	1.53%	15,870	29.92%	3	10,005	63.99%	70	(190)
	0.75 to < 1.75	7,217	3,267	40%	8,482	1.14%	8,758	32.40%	3	5,454	64.31%	31	(23)
	1.75 to < 2.50	6,426	2,073	39%	7,153	2.00%	7,112	26.98%	3	4,550	63.62%	39	(167)
	2.50 to < 10.00	11,125	4,744	40%	12,937	4.55%	28,981	32.90%	3	12,074	93.33%	191	(220)
	2.50 to < 5.00	8,628	4,027	39%	10,122	3.74%	23,303	33.00%	3	9,054	89.44%	123	(127)
	5.00 to < 10.00	2,497	717	44%	2,815	7.46%	5,678	32.54%	3	3,020	107.30%	68	(92)
	10.00 to < 100.00	2,855	581	40%	3,069	17.95%	11,200	33.13%	3	4,086	133.14%	184	(285)
	10.00 to < 20.00	1,821	398	40%	1,981	12.53%	5,755	33.17%	3	2,416	121.93%	83	(155)
	20.00 to < 30.00	649	123	39%	678	23.65%	2,825	32.12%	3	1,042	153.71%	52	(90)
	30.00 to < 100.00	385	59	40%	409	34.75%	2,620	34.61%	3	628	153.36%	49	(41)
	100.00 (default)	2,440	431	39%	2,608	99.92%	6,964	59.11%	2	3,813	146.18%	1,402	(1,402)
<b>Subtotal</b>	<b>65,978</b>	<b>42,752</b>	<b>43.83%</b>	<b>76,615</b>	<b>5.34%</b>	<b>113,984</b>	<b>28.78%</b>	<b>2</b>	<b>50,977</b>	<b>66.54%</b>	<b>2,127</b>	<b>(2,128)</b>	

31.12.2025													
(In EURm)	PD scale	Original on-balance sheet exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF (%)	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
Retail – Secured by real estate	0.00 to < 0.15	50,455	958	40%	50,773	0.08%	14,098	15.61%	0	2,026	3.99%	9	(7)
	0.00 to < 0.10	33,247	781	40%	33,494	0.07%	13,976	15.43%	0	1,391	4.15%	6	(7)
	0.10 to < 0.15	17,208	177	40%	17,279	0.10%	122	15.96%	0	634	3.67%	3	(0)
	0.15 to < 0.25	25,637	440	40%	25,813	0.19%	218	16.69%	0	1,609	6.23%	8	(2)
	0.25 to < 0.50	14,503	357	40%	14,590	0.39%	83	16.70%	0	1,585	10.86%	10	(3)
	0.50 to < 0.75	2,632	295	41%	2,745	0.60%	853	21.11%	0	506	18.44%	3	(2)
	0.75 to < 2.50	27,673	544	40%	27,874	1.21%	15,458	17.60%	0	6,621	23.75%	60	(17)
	0.75 to < 1.75	22,295	455	40%	22,467	0.97%	14,806	17.61%	0	4,688	20.86%	39	(9)
	1.75 to < 2.50	5,378	89	40%	5,407	2.19%	652	17.56%	0	1,934	35.76%	21	(8)
	2.50 to < 10.00	4,247	69	40%	4,269	5.20%	2,761	17.78%	0	2,365	55.39%	39	(19)
	2.50 to < 5.00	3,194	52	40%	3,211	4.08%	2,471	17.67%	0	1,618	50.39%	23	(11)
	5.00 to < 10.00	1,053	17	40%	1,058	8.61%	290	18.13%	0	746	70.54%	17	(8)
	10.00 to < 100.00	657	5	40%	657	24.73%	1,028	18.02%	0	604	91.81%	30	(17)
	10.00 to < 20.00	216	1	40%	216	16.63%	817	16.80%	0	191	88.76%	6	(5)
	20.00 to < 30.00	409	4	40%	410	26.66%	194	18.38%	0	386	94.20%	20	(8)
	30.00 to < 100.00	32	0	40%	32	54.45%	17	21.63%	0	26	81.78%	3	(3)
	100.00 (default)	900	1	40%	866	100.00%	921	41.09%	0	2,097	242.16%	245	(245)
<b>Subtotal</b>	<b>126,704</b>	<b>2,669</b>	<b>40.12%</b>	<b>127,588</b>	<b>1.37%</b>	<b>35,420</b>	<b>16.76%</b>	<b>0</b>	<b>17,412</b>	<b>13.65%</b>	<b>404</b>	<b>(312)</b>	
Retail – Qualifying revolving	0.00 to < 0.15	95	2,554	45%	1,235	0.10%	8	55.40%	0	44	3.57%	1	(1)
	0.00 to < 0.10	1	979	41%	407	0.08%	4	56.88%	0	13	3.17%	0	(0)
	0.10 to < 0.15	94	1,575	47%	829	0.11%	4	54.68%	0	31	3.76%	0	(1)
	0.15 to < 0.25	79	877	46%	486	0.19%	5	54.28%	0	30	6.15%	1	(1)
	0.25 to < 0.50	88	427	51%	312	0.37%	2	54.33%	0	32	10.26%	1	(1)
	0.50 to < 0.75	13	44	55%	38	0.65%	2	54.96%	0	67	176.20%	0	(0)
	0.75 to < 2.50	476	840	55%	942	1.41%	8	52.94%	0	257	27.32%	7	(11)
	0.75 to < 1.75	295	645	54%	647	0.99%	4	53.13%	0	139	21.44%	3	(6)
	1.75 to < 2.50	181	195	57%	295	2.34%	4	52.52%	0	119	40.19%	4	(4)
	2.50 to < 10.00	447	216	53%	566	5.91%	2	51.88%	0	408	72.07%	17	(19)
	2.50 to < 5.00	245	150	54%	330	4.29%	1	52.14%	0	198	59.95%	7	(8)
	5.00 to < 10.00	202	65	50%	236	8.18%	1	51.51%	0	210	89.00%	10	(11)
	10.00 to < 100.00	173	39	63%	199	24.29%	3	51.42%	0	278	139.87%	25	(15)
	10.00 to < 20.00	70	5	35%	72	12.71%	1	50.55%	0	78	108.42%	5	(4)
	20.00 to < 30.00	72	34	67%	96	27.09%	1	52.50%	0	155	162.75%	14	(6)
	30.00 to < 100.00	32	0	37%	32	42.05%	1	50.16%	0	45	142.16%	7	(5)
	100.00 (default)	270	12	3%	267	100.00%	208	71.14%	0	496	185.70%	163	(163)
<b>Subtotal</b>	<b>1,642</b>	<b>5,010</b>	<b>47.65%</b>	<b>4,045</b>	<b>9.05%</b>	<b>238</b>	<b>54.96%</b>	<b>0</b>	<b>1,612</b>	<b>39.86%</b>	<b>214</b>	<b>(211)</b>	
Retail – Purchased receivables	0.00 to < 0.15	0	-	0%	2	0.07%	7	30.69%	0	1	51.03%	0	(0)
	0.00 to < 0.10	0	-	0%	2	0.05%	3	30.04%	0	1	50.44%	0	(0)
	0.10 to < 0.15	0	-	0%	1	0.13%	4	32.58%	0	0	52.76%	0	(0)
	0.15 to < 0.25	-	-	0%	0	0.24%	-	30.00%	0	0	54.29%	0	(0)
	0.25 to < 0.50	1	-	0%	2	0.27%	157	50.19%	0	1	47.08%	0	(0)
	0.50 to < 0.75	1	-	0%	2	0.51%	113	45.11%	0	1	46.09%	0	(0)
	0.75 to < 2.50	1	-	0%	2	1.47%	177	45.29%	0	1	60.54%	0	(0)
	0.75 to < 1.75	1	-	0%	1	1.10%	110	46.92%	0	1	59.79%	0	(0)
	1.75 to < 2.50	0	-	0%	1	2.11%	67	42.48%	0	0	61.83%	0	(0)
	2.50 to < 10.00	1	-	0%	3	4.08%	100	33.38%	0	2	55.36%	0	(0)
	2.50 to < 5.00	1	-	0%	3	3.48%	85	34.04%	0	2	57.01%	0	(0)
	5.00 to < 10.00	0	-	0%	0	7.54%	15	29.55%	0	0	45.82%	0	(0)
	10.00 to < 100.00	2	-	0%	3	19.94%	126	32.58%	0	2	74.78%	0	(0)
	10.00 to < 20.00	1	-	0%	1	12.91%	17	20.83%	0	1	39.78%	0	(0)
	20.00 to < 30.00	1	-	0%	1	26.88%	109	46.87%	0	1	119.23%	0	(0)
	30.00 to < 100.00	-	-	0%	0	36.21%	-	30.00%	0	0	46.53%	0	(0)
	100.00 (default)	6	-	0%	7	84.92%	373	27.95%	0	10	154.00%	2	(2)
<b>Subtotal</b>	<b>14</b>	<b>-</b>	<b>0.00%</b>	<b>21</b>	<b>30.37%</b>	<b>1,053</b>	<b>34.98%</b>	<b>0</b>	<b>18</b>	<b>87.64%</b>	<b>3</b>	<b>(2)</b>	

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(In EURm)	PD scale	Original on-balance sheet exposure	Off-balance sheet exposures pre CCF	Exposure weighted average CCF (%)	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
Retail – Other SME non-SME	0.00 to < 0.15	1,727	41	64%	1,755	0.09%	100	30.22%	0	125	7.10%	1	(4)
	0.00 to < 0.10	824	33	70%	848	0.08%	81	30.37%	0	54	6.43%	0	(1)
	0.10 to < 0.15	904	8	42%	907	0.10%	19	30.08%	0	70	7.73%	0	(3)
	0.15 to < 0.25	2,023	73	68%	2,071	0.18%	23	31.40%	0	254	12.28%	1	(8)
	0.25 to < 0.50	2,553	646	58%	3,321	0.38%	27,986	45.77%	0	956	28.77%	6	(8)
	0.50 to < 0.75	6,603	1,069	60%	7,843	0.66%	35,854	29.23%	0	1,911	24.36%	15	(9)
	0.75 to < 2.50	12,818	455	51%	13,142	1.38%	44,224	36.06%	0	5,177	39.39%	66	(64)
	0.75 to < 1.75	9,923	339	56%	10,133	1.17%	29,429	35.06%	0	3,668	36.20%	42	(38)
	1.75 to < 2.50	2,895	115	36%	3,009	2.07%	14,795	39.42%	0	1,509	50.16%	24	(25)
	2.50 to < 10.00	5,581	156	42%	5,720	4.92%	24,679	41.12%	0	3,455	60.39%	114	(100)
	2.50 to < 5.00	3,736	85	48%	3,777	3.72%	8,832	39.34%	0	2,102	55.67%	54	(51)
	5.00 to < 10.00	1,845	71	34%	1,944	7.25%	15,847	44.59%	0	1,352	69.57%	59	(48)
	10.00 to < 100.00	1,767	173	42%	1,941	23.34%	20,686	40.83%	0	1,736	89.40%	178	(154)
	10.00 to < 20.00	761	55	43%	854	13.64%	12,163	46.56%	0	736	86.20%	53	(60)
	20.00 to < 30.00	686	109	41%	754	26.44%	5,782	34.45%	0	659	87.36%	68	(46)
	30.00 to < 100.00	321	8	47%	333	41.16%	2,741	40.61%	0	341	102.24%	56	(48)
	100.00 (default)	2,774	12	29%	2,737	99.99%	21,198	52.10%	0	2,802	102.38%	1,535	(1,535)
	<b>Subtotal</b>	<b>35,846</b>	<b>2,624</b>	<b>55.84%</b>	<b>38,530</b>	<b>9.66%</b>	<b>174,750</b>	<b>37.12%</b>	<b>0</b>	<b>16,414</b>	<b>42.60%</b>	<b>1,914</b>	<b>(1,881)</b>
<b>TOTAL</b>		<b>547,989</b>	<b>91,254</b>	<b>43.46%</b>	<b>572,678</b>	<b>2.20%</b>	<b>352,245</b>	<b>13.96%</b>	<b>14.736</b>	<b>117,367</b>	<b>20.49%</b>	<b>5,501</b>	<b>(5,516)</b>

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

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

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

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

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

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(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
F-IRB Central governments and central banks	0.00 to <0.15	34	0	40%	4,541	0.02%	427	44.25%	3	591	13.02%	0	(6)
	0.00 to <0.10	34	0	40%	4,541	0.02%	427	44.25%	3	591	13.02%	0	(6)
	0.10 to <0.15	-	-	0%	0	0.13%	-	40.00%	-	0	48.77%	0	(0)
	0.15 to <0.25	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.25 to <0.50	-	-	0%	343	0.26%	-	45.00%	4	231	67.29%	0	(1)
	0.50 to <0.75	-	-	0%	34	0.50%	-	0.00%	2	-	0.00%	0	(0)
	0.75 to <2.50	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.75 to <1.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	1.75 to <2.5	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	2.50 to <10.00	0	-	0%	1	4.42%	5	44.82%	2	1	148.79%	0	(0)
	2.5 to <5	0	-	0%	1	4.42%	5	44.82%	2	1	148.79%	0	(0)
	5 to <10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	10.00 to <100.00	-	-	0%	0	11.42%	-	45.00%	1	0	198.58%	0	(0)
	10 to <20	-	-	0%	0	11.42%	-	45.00%	1	0	198.58%	0	(0)
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0	
100.00 (Default)	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0	
<b>Subtotal</b>	<b>34</b>	<b>0</b>	<b>40%</b>	<b>4,919</b>	<b>0.04%</b>	<b>432</b>	<b>44.00%</b>	<b>3</b>	<b>824</b>	<b>16.75%</b>	<b>1</b>	<b>(6)</b>	
F-IRB Regional governments or local authorities	0.00 to <0.15	0	-	0%	284	0.06%	3	38.73%	4	59	20.60%	0	(0)
	0.00 to <0.10	0	-	0%	210	0.04%	3	44.97%	3	39	18.49%	0	(0)
	0.10 to <0.15	-	-	0%	74	0.13%	-	20.93%	5	20	26.63%	0	0
	0.15 to <0.25	0	-	0%	0	0.24%	1	40.00%	4	0	58.01%	0	0
	0.25 to <0.50	-	-	0%	0	0.26%	-	40.00%	-	0	115.62%	0	(0)
	0.50 to <0.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.75 to <2.50	-	-	0%	0	2.12%	-	40.00%	-	0	48.81%	0	(0)
	0.75 to <1.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	1.75 to <2.5	-	-	0%	0	2.12%	-	40.00%	-	0	48.81%	0	(0)
	2.50 to <10.00	-	-	0%	9	3.26%	-	40.00%	-	3	32.58%	0	(0)
	2.5 to <5	-	-	0%	9	3.26%	-	40.00%	-	3	32.58%	0	(0)
	5 to <10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	10.00 to <100.00	-	-	0%	0	26.21%	-	40.00%	-	0	52.21%	0	0
	10 to <20	-	-	0%	0	14.33%	-	40.00%	-	0	91.30%	0	0
	20 to <30	-	-	0%	0	27.25%	-	40.00%	-	0	48.80%	0	0
30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0	
100.00 (Default)	-	-	0%	0	100.00%	-	40.00%	-	0	48.71%	0	0	
<b>Subtotal</b>	<b>1</b>	<b>-</b>	<b>0%</b>	<b>293</b>	<b>0.15%</b>	<b>4</b>	<b>38.77%</b>	<b>4</b>	<b>62</b>	<b>21.02%</b>	<b>0</b>	<b>(0)</b>	
F-IRB Public sector entities	0.00 to <0.15	1	-	0%	3	0.04%	1	42.41%	2	0	15.78%	0	(0)
	0.00 to <0.10	1	-	0%	3	0.04%	1	42.41%	2	0	15.75%	0	(0)
	0.10 to <0.15	-	-	0%	0	0.13%	-	40.00%	-	0	48.77%	0	0
	0.15 to <0.25	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.25 to <0.50	-	-	0%	0	0.26%	-	40.00%	-	0	112.73%	0	(0)
	0.50 to <0.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.75 to <2.50	-	-	0%	0	2.12%	-	40.00%	-	0	69.81%	0	(0)
	0.75 to <1.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	1.75 to <2.5	-	-	0%	0	2.12%	-	40.00%	-	0	69.81%	0	(0)
	2.50 to <10.00	-	-	0%	1	3.26%	-	40.00%	-	0	31.73%	0	(0)
	2.5 to <5	-	-	0%	1	3.26%	-	40.00%	-	0	31.73%	0	(0)
	5 to <10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	10.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	10 to <20	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0	
100.00 (Default)	-	-	0%	0	100.00%	-	40.00%	-	0	48.77%	0	0	
<b>Subtotal</b>	<b>1</b>	<b>-</b>	<b>0%</b>	<b>4</b>	<b>0.92%</b>	<b>1</b>	<b>41.72%</b>	<b>1</b>	<b>1</b>	<b>21.35%</b>	<b>0</b>	<b>(0)</b>	

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(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
F-IRB Institutions	0.00 to <0.15	15,615	8,454	17%	15,009	0.05%	215	42.21%	1	1,990	13.26%	3	(3)
	0.00 to <0.10	12,950	8,204	17%	14,561	0.05%	193	42.25%	1	1,887	12.96%	3	(3)
	0.10 to <0.15	2,665	250	18%	448	0.13%	22	40.85%	1	104	23.10%	0	(0)
	0.15 to <0.25	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.25 to <0.50	415	662	32%	629	0.26%	22	43.62%	1	239	38.00%	1	(0)
	0.50 to <0.75	680	612	37%	920	0.50%	32	42.80%	1	285	31.02%	2	(6)
	0.75 to <2.50	105	258	17%	150	1.80%	47	36.07%	1	113	75.01%	1	(2)
	0.75 to <1.75	28	152	12%	48	1.10%	25	42.10%	-	34	70.92%	0	(0)
	1.75 to <2.5	78	106	23%	102	2.12%	22	33.26%	1	79	76.91%	1	(1)
	2.50 to <10.00	242	404	26%	340	4.03%	124	43.77%	1	413	121.47%	6	(1)
	2.5 to <5	208	327	27%	289	3.38%	109	44.39%	1	328	113.54%	4	(1)
	5 to <10	35	78	20%	51	7.76%	15	40.24%	1	84	166.79%	2	(0)
	10.00 to <100.00	43	82	29%	58	16.60%	56	35.89%	1	106	181.66%	4	(0)
	10 to <20	15	75	30%	40	12.43%	36	31.87%	1	59	145.61%	2	(0)
	20 to <30	27	7	26%	18	26.07%	20	45.00%	1	47	263.47%	2	(0)
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
100.00 (Default)	40	57	100%	97	100.00%	10	45.00%	3	0	0.00%	44	(4)	
<b>Subtotal</b>	<b>17,140</b>	<b>10,529</b>	<b>20%</b>	<b>17,204</b>	<b>0.80%</b>	<b>506</b>	<b>42.26%</b>	<b>1</b>	<b>3,145</b>	<b>18.28%</b>	<b>60</b>	<b>(16)</b>	
F-IRB Corporate - Specialised Lending	0.00 to <0.15	18	-	0%	7,237	0.05%	1	43.70%	3	1,603	22.15%	2	(10)
	0.00 to <0.10	18	-	0%	7,109	0.05%	1	43.88%	3	1,573	22.12%	2	(10)
	0.10 to <0.15	-	-	0%	128	0.13%	-	33.61%	2	30	23.55%	0	(0)
	0.15 to <0.25	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	0.25 to <0.50	-	-	0%	105	0.31%	-	42.64%	2	59	55.75%	0	(0)
	0.50 to <0.75	-	-	0%	63	0.63%	-	24.26%	4	30	47.92%	0	(0)
	0.75 to <2.50	-	-	0%	160	1.65%	1	40.00%	1	134	83.67%	1	(0)
	0.75 to <1.75	-	-	0%	134	1.56%	-	40.00%	1	112	83.83%	1	(0)
	1.75 to <2.5	-	-	0%	26	2.12%	1	40.00%	1	22	82.84%	0	(0)
	2.50 to <10.00	-	-	0%	27	3.42%	-	40.00%	4	38	138.10%	0	(1)
	2.5 to <5	-	-	0%	24	3.06%	-	40.00%	4	34	138.92%	0	(0)
	5 to <10	-	-	0%	3	6.21%	-	40.00%	5	4	131.69%	0	(1)
	10.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	10 to <20	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0
100.00 (Default)	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	0	0	
<b>Subtotal (exposure class)</b>	<b>18</b>	<b>-</b>	<b>0%</b>	<b>7,593</b>	<b>0.10%</b>	<b>2</b>	<b>43.43%</b>	<b>3</b>	<b>1,864</b>	<b>24.54%</b>	<b>3</b>	<b>(12)</b>	
F-IRB Corporate - Purchased receivable	0.00 to <0.15	391	-	0%	404	0.07%	4,220	39.71%	-	154	38.19%	2	(3)
	0.00 to <0.10	277	-	0%	282	0.05%	3,990	39.64%	-	94	33.26%	1	(0)
	0.10 to <0.15	114	-	0%	122	0.13%	230	39.86%	-	61	49.56%	1	(3)
	0.15 to <0.25	38	-	0%	36	0.24%	26	38.76%	-	5	13.50%	0	(0)
	0.25 to <0.50	186	-	0%	207	0.32%	406	35.21%	-	84	40.74%	1	(0)
	0.50 to <0.75	173	-	0%	192	0.50%	425	35.19%	-	95	49.30%	1	(1)
	0.75 to <2.50	385	-	0%	423	1.34%	762	31.43%	-	195	46.19%	2	(0)
	0.75 to <1.75	317	-	0%	332	1.13%	410	30.29%	-	150	45.04%	1	(0)
	1.75 to <2.5	68	-	0%	91	2.11%	352	35.63%	-	46	50.40%	0	(0)
	2.50 to <10.00	274	-	0%	783	3.72%	1,657	38.69%	-	501	63.98%	7	(2)
	2.5 to <5	228	-	0%	719	3.37%	1,424	39.00%	-	460	64.03%	6	(2)
	5 to <10	46	-	0%	64	7.63%	233	35.26%	-	41	63.48%	1	(0)
	10.00 to <100.00	45	-	0%	76	18.08%	539	37.73%	-	50	65.71%	1	(0)
	10 to <20	40	-	0%	49	12.62%	309	36.63%	-	36	74.26%	1	(0)
	20 to <30	5	-	0%	20	25.27%	220	39.57%	-	10	51.45%	0	(0)
	30.00 to <100.00	1	-	0%	7	35.34%	10	40.09%	-	3	47.20%	0	(0)
100.00 (Default)	6	-	0%	11	35.08%	575	31.03%	-	3	22.05%	2	(1)	
<b>Subtotal (exposure class)</b>	<b>1,500</b>	<b>-</b>	<b>0%</b>	<b>2,133</b>	<b>2.56%</b>	<b>8,610</b>	<b>36.72%</b>	<b>-</b>	<b>1,088</b>	<b>50.97%</b>	<b>15</b>	<b>(7)</b>	

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(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CCF and post CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (year)	RWA after supporting factors	RWA density	Expected Loss	Value adjustments and Provisions
F-IRB	0.00 to <0.15	23,054	89,079	34%	53,604	0.07%	11,485	41.15%	2	10,241	19.10%	15	(38)
Corporate - Other	0.00 to <0.10	17,505	64,397	35%	40,431	0.05%	10,303	41.53%	2	6,679	16.52%	8	(32)
	0.10 to <0.15	5,549	24,682	31%	13,173	0.13%	1,182	39.99%	2	3,562	27.04%	7	(6)
	0.15 to <0.25	1,179	5,794	35%	3,187	0.24%	240	38.51%	2	1,285	40.31%	3	(1)
	0.25 to <0.50	6,387	13,002	32%	10,134	0.30%	3,351	37.94%	2	4,408	43.49%	11	(8)
	0.50 to <0.75	5,288	13,380	30%	9,157	0.52%	2,895	38.51%	2	5,291	57.79%	18	(15)
	0.75 to <2.50	9,420	11,324	34%	12,898	1.52%	5,376	35.98%	2	10,601	82.19%	70	(54)
	0.75 to <1.75	5,796	7,858	34%	8,111	1.17%	2,984	37.60%	2	6,582	81.15%	36	(31)
	1.75 to <2.5	3,624	3,466	34%	4,787	2.11%	2,392	33.24%	2	4,019	83.95%	34	(23)
	2.50 to <10.00	6,285	7,082	31%	8,440	4.48%	11,392	37.27%	3	9,751	115.53%	145	(136)
	2.5 to <5	4,938	6,277	30%	6,712	3.70%	9,250	37.52%	3	7,475	111.36%	99	(88)
	5 to <10	1,347	806	39%	1,728	7.49%	2,142	36.29%	3	2,276	131.72%	46	(48)
	10.00 to <100.00	1,100	685	31%	1,228	17.27%	4,163	38.11%	3	2,305	187.70%	87	(155)
	10 to <20	668	574	29%	833	12.66%	2,137	37.78%	3	1,387	166.60%	39	(78)
	20 to <30	282	97	42%	241	23.41%	917	39.23%	3	621	257.75%	28	(54)
	30.00 to <100.00	151	14	27%	155	32.56%	1,109	38.18%	3	297	192.24%	19	(22)
	100.00 (Default)	599	71	55%	639	99.98%	1,606	37.17%	2	17	2.67%	378	(295)
	<b>Subtotal (exposure class)</b>	<b>53,313</b>	<b>140,418</b>	<b>33%</b>	<b>99,288</b>	<b>1.56%</b>	<b>40,508</b>	<b>39.43%</b>	<b>2</b>	<b>43,899</b>	<b>44.21%</b>	<b>726</b>	<b>(702)</b>
<b>TOTAL (ALL EXPOSURES CLASSES)</b>		<b>72,006</b>	<b>150,947</b>	<b>32%</b>	<b>131,435</b>	<b>1.33%</b>	<b>50,063</b>	<b>40.16%</b>	<b>2</b>	<b>50,882</b>	<b>38.71%</b>	<b>806</b>	<b>(744)</b>

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

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

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

		<b>31.12.2025</b>	
		<b>Pre-credit derivatives risk weighted exposure amount</b>	<b>Actual risk weighted exposure amount</b>
		<b>a</b>	<b>b</b>
<i>(In EURm)</i>			
1	Central governments and central banks - F-IRB	824	824
EU 1a	Regional governments and local authorities -F-IRB	62	62
EU 1b	Public sector entities - F-IRB	1	1
2	Central governments and central banks - A-IRB	7,072	7,072
EU 2a	Regional governments and local authorities A-IRB	342	342
EU 2b	Public sector entities A-IRB	322	322
3	Institutions – F-IRB	3,175	3,145
5	Corporates – F-IRB	47,009	46,850
EU 5a	Corporates - General	44,058	43,899
EU 5b	Corporates - Specialised lending	1,864	1,864
EU 5c	Corporates - Purchased receivables	1,088	1,088
6	Corporate – A-IRB	62,348	62,348
EU 6a	Corporates - General	39,603	39,603
EU 6b	Corporates - Specialised lending	22,244	22,244
EU 6c	Corporates - Purchased Receivables	501	501
EU 8a	Retail - A-IRB	35,457	35,457
9	Retail – Qualifying revolving (QRRE)	1,612	1,612
10	Retail – Secured by residential immovable property	17,412	17,412
EU10a	Retail – Purchased receivables	18	18
EU10b	Retail- Other retail exposures	16,414	16,414
17	Exposures under F-IRB	51,071	50,882
18	Exposures under A-IRB	105,540	105,540
<b>19</b>	<b>TOTAL EXPOSURES</b>	<b>156,610</b>	<b>156,422</b>

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

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

		31.12.2025					
		Credit risk Mitigation techniques					
		Funded credit Protection (FCP)					
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	
(In EURm)	Total exposures						
A-IRB	a	b	c	d	e	f	
1	Central governments and central banks	238,919	0.05%	0.34%	0.01%	-	0.33%
2	Regional governments and local authorities	13,073	0.16%	0.02%	0.02%	-	0.00%
3	Public sector entities	4,279	0.02%	4.61%	4.61%	-	0.00%
4	Corporates	147,174	2.06%	32.46%	20.38%	7.79%	4.29%
4.1	Corporates – General	78,636	2.01%	28.76%	15.35%	13.16%	0.25%
4.2	Corporates – Specialised lending	67,688	2.14%	37.17%	26.48%	1.65%	9.04%
4.3	Corporates - Purchased Receivables	849	-	-	-	-	-
5	Retail	170,175	0.00%	76.18%	76.18%	-	-
5.1	Retail – Qualifying revolving	4,045	0.00%	0.22%	0.22%	-	-
5.2	Retail – secured by residential immovable property	127,588	0.00%	98.80%	98.80%	-	-
5.3	Retail - Purchased Receivables	13	-	-	-	-	-
5.4	Retail - Other retail exposures	38,529	0.00%	9.28%	9.28%	-	-
<b>6</b>	<b>TOTAL</b>	<b>573,620</b>	<b>0.55%</b>	<b>31.11%</b>	<b>27.87%</b>	<b>2.00%</b>	<b>1.24%</b>

		31.12.2025					Credit risk Mitigation methods in the calculation of RWEAs		
		Credit risk Mitigation techniques							
		Funded credit Protection (FCP)			Unfunded credit Protection (UFCP)				
		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWA with substitution effects (both reduction and substitution effects)	
(In EURm)		g	h	i	j	k	l	m	
A-IRB								n	
1	Central governments and central banks	-	-	-	-	3.80%	-	6,285	7,072
2	Regional governments and local authorities	-	-	-	-	1.52%	-	348	342
3	Public sector entities	-	-	-	-	5.99%	-	310	322
4	Corporates	0.02%	-	0.02%	-	21.21%	-	63,144	62,348
4.1	Corporates – General	0.03%	-	0.03%	-	11.24%	-	39,987	39,603
4.2	Corporates – Specialised lending	-	-	-	-	31.98%	-	22,656	22,244
4.3	Corporates - Purchased Receivables	-	-	-	-	85.84%	-	501	501
5	Retail	-	-	-	-	0.30%	-	35,453	35,457
5.1	Retail – Qualifying revolving	-	-	-	-	0.00%	-	1,612	1,612
5.2	Retail – secured by residential immovable property	-	-	-	-	0.41%	-	17,412	17,412
5.3	Retail - Purchased Receivables	-	-	-	-	13.16%	-	15	18
5.4	Retail - Other retail exposures	-	-	-	-	0.00%	-	16,414	16,414
<b>6</b>	<b>TOTAL</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>7.19%</b>	<b>-</b>	<b>105,540</b>	<b>105,540</b>

		30.06.2025 <sup>®</sup>					
		Credit risk Mitigation techniques					
		Funded credit Protection (FCP)					
(In EURm)	Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	
A-IRB	a	b	c	d	e	f	
1	Central governments and central banks	253,917	0.03%	0.40%	0.01%	0.38%	-
2	Regional governments and local authorities	12,543	0.27%	0.03%	0.03%	0.01%	-
3	Public sector entities	3,883	0.03%	4.78%	4.78%	-	-
4	Corporates	143,111	1.96%	33.74%	19.80%	5.41%	8.53%
4.1	Corporates – General	76,862	2.12%	30.72%	15.12%	0.90%	14.70%
4.2	Corporates – Specialised lending	65,182	1.80%	37.85%	25.65%	10.80%	1.39%
4.3	Corporates - Purchased Receivables	1,067	-	-	-	-	-
5	Retail	168,626	-	74.95%	74.95%	-	-
5.1	Retail – Qualifying revolving	4,122	-	0.16%	0.16%	-	-
5.2	Retail – secured by residential immovable property	122,874	-	98.61%	98.61%	-	-
5.3	Retail - Purchased Receivables	15	-	-	-	-	-
5.4	Retail - Other retail exposures	41,615	-	12.53%	12.53%	-	-
<b>6</b>	<b>TOTAL</b>	<b>582,080</b>	<b>0.50%</b>	<b>30.21%</b>	<b>26.62%</b>	<b>1.50%</b>	<b>2.10%</b>

<sup>®</sup> restatement

		30.06.2025 <sup>®</sup>						Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)				Unfunded credit Protection (UFCP)		RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and substitution effects)
(In EURm)		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
A-IRB		g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	3.34%	-	5,952	6,749
2	Regional governments and local authorities	-	-	-	-	1.65%	-	323	312
3	Public sector entities	-	-	-	-	11.61%	-	277	285
4	Corporates	0.02%	-	0.02%	-	21.76%	-	61,918	61,118
4.1	Corporates – General	0.03%	-	0.03%	-	12.08%	0.01%	39,219	38,810
4.2	Corporates – Specialised lending	-	-	-	-	32.53%	-	22,058	21,668
4.3	Corporates - Purchased Receivables	-	-	-	-	60.31%	-	641	641
5	Retail	-	-	-	-	-	-	35,464	35,469
5.1	Retail – Qualifying revolving	-	-	-	-	-	-	1,579	1,579
5.2	Retail – secured by residential immovable property	-	-	-	-	-	-	16,547	16,547
5.3	Retail - Purchased Receivables	-	-	-	-	7.11%	-	11	17
5.4	Retail - Other retail exposures	-	-	-	-	-	-	17,327	17,327
<b>6</b>	<b>TOTAL</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>6.92%</b>	<b>0.00%</b>	<b>103,934</b>	<b>103,934</b>

<sup>®</sup> restatement

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

		31.12.2025					
		Credit risk mitigation techniques					
		Funded Credit Protection (FCP)					
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	
(in EURm)	Total exposures						
F-IRB	a	b	c	d	e	f	
1	Central governments and central banks	1,576	4.49%	0.03%	-	0.03%	-
2	Regional governments and local authorities	44	89.87%	-	-	-	-
3	Public sector entities	69	0.00%	0.51%	-	0.51%	-
4	Institutions	16,617	0.34%	2.01%	0.10%	1.92%	-
5	Corporates	113,129	1.86%	5.40%	2.93%	2.48%	0.00%
5.1	Corporates - General	103,384	2.02%	5.26%	2.90%	2.36%	0.00%
5.2	Corporates - Special Lending	7,627	0.11%	4.20%	4.06%	0.14%	-
5.3	Corporates - Purchased Receivables	2,117	-	16.56%	-	16.56%	-
<b>TOTAL</b>	<b>131,435</b>	<b>1.72%</b>	<b>4.90%</b>	<b>2.53%</b>	<b>2.37%</b>	<b>0.00%</b>	

		31.12.2025						Credit risk Mitigation methods in the calculation of RWEAs	
		Credit risk mitigation techniques							
		Funded Credit Protection (FCP)				Unfunded Credit Protection (UFCP)			
		Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and substitution effects)
(in EURm)		g	h	i	j	k	l	m	n
F-IRB									
1	Central governments and central banks	-	-	-	-	-	-	388	824
2	Regional governments and local authorities	-	-	-	-	0.00%	-	7	62
3	Public sector entities	-	-	-	-	-	-	8	1
4	Institutions	-	-	-	-	10.06%	-	2,982	3,145
5	Corporates	-	-	-	-	21.55%	-	47,497	46,850
5.1	Corporates - General	-	-	-	-	23.57%	-	44,547	43,899
5.2	Corporates - Special Lending	-	-	-	-	-	-	1,876	1,864
5.3	Corporates - Purchased Receivables	-	-	-	-	0.20%	-	1,074	1,088
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.82%</b>	<b>-</b>	<b>50,882</b>	<b>50,882</b>

30.06.2025 <sup>(R)</sup>							
Credit risk mitigation techniques							
Funded Credit Protection (FCP)							
(in EURm)	Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	
F-IRB	a	b	c	d	e	f	
1	Central governments and central banks	1,466	12.54%	0.54%	-	0.27%	0.27%
2	Regional governments and local authorities	45	118.80%	-	-	-	-
3	Public sector entities	62	-	-	-	-	-
4	Institutions	16,380	0.61%	0.68%	0.01%	0.29%	0.37%
5	Corporates	109,869	1.33%	7.18%	3.25%	1.90%	2.03%
5.1	Corporates - General	100,504	1.42%	6.73%	2.60%	1.96%	2.17%
5.2	Corporates - Special Lending	7,348	0.50%	15.21%	13.04%	1.56%	0.60%
5.3	Corporates - Purchased Receivables	2,018	-	-	-	-	-
<b>TOTAL</b>	<b>127,822</b>	<b>1.41%</b>	<b>6.26%</b>	<b>2.80%</b>	<b>1.67%</b>	<b>1.79%</b>	

\* restatement

30.06.2025 <sup>(R)</sup>								
Credit risk mitigation techniques							Credit risk Mitigation methods in the calculation of RWEAs	
Funded Credit Protection (FCP)							Unfunded Credit Protection (UFCP)	
(in EURm)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and substitution effects)
F-IRB	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	342	864
2	Regional governments and local authorities	-	-	-	-	-	6	70
3	Public sector entities	-	-	-	-	-	9	1
4	Institutions	-	-	-	-	9.32%	3,218	3,498
5	Corporates	-	-	-	-	22.21%	45,820	44,963
5.1	Corporates - General	-	-	-	-	24.28%	43,010	42,165
5.2	Corporates - Special Lending	-	-	-	-	-	1,858	1,844
5.3	Corporates - Purchased Receivables	-	-	-	-	-	952	954
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.29%</b>	<b>-</b>	<b>49,395</b>	<b>49,395</b>

\* restatement

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

<i>(In EURm)</i>	<b>Risk-weighted assets</b>
<b>RWA as of the end of the previous reporting period (31.09.2025)</b>	<b>172,016</b>
Asset size (+/-)	3,402
Asset quality (+/-)	(147)
Model updates (+/-)	1,706
Methodology and policy (+/-)	-
Acquisitions and disposals (+/-)	44
Foreign exchange movements (+/-)	18
Other (+/-)	-
<b>RWA as of the end of the reporting period (31.12.2025)</b>	<b>177,040</b>

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

<b>31.12.2025</b>							
<b>Specialised lending: income-producing real estate and high volatility commercial real estate (Slotting approach)</b>							
<i>(In EURm)</i>							
<b>Regulatory categories</b>	<b>Remaining maturity</b>	<b>On-balance sheet exposure</b>	<b>Off-balance sheet exposure</b>	<b>Risk weight</b>	<b>Exposure value</b>	<b>RWA</b>	<b>Expected loss amount</b>
Category 1	Less than 2.5 years	111	974	50%	578	318	-
	Equal to or more than 2.5 years	-	14	70%	7	5	0
Category 2	Less than 2.5 years	101	231	70%	208	154	1
	Equal to or more than 2.5 years	6	8	90%	10	10	0
Category 3	Less than 2.5 years	55	59	115%	83	100	2
	Equal to or more than 2.5 years	0	-	115%	0	0	0
Category 4	Less than 2.5 years	31	41	250%	50	138	4
	Equal to or more than 2.5 years	0	0	250%	0	1	0
Category 5	Less than 2.5 years	5	0	-	5	-	2
	<b>Equal to or more than 2.5 years</b>	-	-	-	-	-	-
<b>TOTAL</b>	<b>Less than 2.5 years</b>	<b>303</b>	<b>1,306</b>		<b>924</b>	<b>709</b>	<b>9</b>
	<b>Equal to or more than 2.5 years</b>	<b>6</b>	<b>22</b>		<b>17</b>	<b>16</b>	<b>0</b>

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

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

<b>31.12.2025</b>							
<b>Equity exposures under the simple risk-weighted approach</b>							
<i>(In EURm)</i>	<b>On-balance sheet exposure</b>	<b>Off-balance sheet exposure</b>	<b>Risk weight</b>	<b>Exposure value</b>	<b>RWA</b>	<b>Expected loss amount</b>	
Equity exposures to Central banks	4	-	0%	4	-	-	
Equity exposures incurred under legislative programmes	589	-	100%	589	589	-	
Exchange-traded equity exposures	1,219	-	190%	1,219	2,317	10	
Other equity exposures	4,711	-	250%	4,711	11,778	-	
<b>TOTAL</b>	<b>6,523</b>	<b>-</b>	<b>-</b>	<b>6,523</b>	<b>14,684</b>	<b>10</b>	

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



# 7

## COUNTERPARTY CREDIT RISK

### IN BRIEF

Counterparty credit risk is the risk of losses stemming from market operations, should a counterparty fail to meet its payment obligations. The future market value of the exposure and the counterparty's credit quality are uncertain and may vary over time as underlying market parameters change. Counterparty credit risk covers the replacement risk resulting from the default of a counterparty, the CVA (Credit Valuation Adjustment) risk related to the adjustment to the value of the Group portfolio, and the risk over central counterparties (CCP) following the clearing of market transactions. It is also affected by the wrong-way risk.

Counterparty credit risk RWA at end 2025

**€19.2bn**

*(Counterparty credit risk RWA at end 2024: €21.9bn)*

**Audited I** The Counterparty Credit Risk (CCR) is the risk that a counterparty to which Societe Generale Group has market transactions (derivative and/or repo) related exposures<sup>(1)</sup> defaults or that the credit quality deteriorates.

CCR is therefore a multidimensional risk, crossing credit and market risks, in the sense that the future value of the exposure to a counterparty and its credit quality are uncertain and variable over time (credit component), both being affected by changes in market parameters (market component).

CCR can be broken down into:

- Counterparty default risk: this is the replacement risk to which Societe Generale Group is exposed if a counterparty fails to meet its payment obligations. In this case, Societe Generale must replace the transaction following the default of the counterparty. Potentially, this must be done in stressed market conditions, with reduced liquidity and sometimes even facing Wrong-Way Risk (WWR);
- Concentration risk, which can take various forms and lead to a sudden increase in our exposures to an individual counterparty with significant exposures, within a specific geographic area/region, or in a given sector, etc.

Risk on clearing activities with Central Counterparties (CCP clearing risk) relates to the potential default of another clearing member of the central clearing house, which could result in losses for the Group on its contribution to the default fund.

Settlement-delivery risk<sup>(2)</sup> is the risk of non-payment of amounts due by a counterparty or the risk of non-delivery of currencies, securities, commodities or other products by a counterparty in the context of the settlement of a market transaction whose payment type is FOP (Free of Payment, which implies that payment and delivery are two distinct flows that should be considered independently of each other). It also includes execution risk, which corresponds to the replacement risk on purchase/sale transactions of securities with a maturity of less than or equal to five business days with a delivery versus payment (DVP) settlement, which refers to a simultaneous<sup>(3)</sup> exchange between payments and deliveries. ▲

## 7.1 GENERAL PRINCIPLES AND GOVERNANCE

### 7.1.1 GENERAL PRINCIPLES

**Audited I** The primary responsibility for counterparty risk management lies with those responsible for the business activities (the Primary Client Responsibility Unit, dedicated teams within Global Banking & Advisory and Global Markets Business Units).

However, the supervisory system is based on an independent department within the Risk Department.

In this context, the main missions of this department are:

- The definition and proposal of the Group's market risk appetite;
- The proposal to the Group Risk Committee (CORISQ) of counterparty limits for each of the Group's activities;
- The assessment of all the requests for limits made by the various activities, within the framework of the global authorisations granted by the Board of Directors and the General Management and their level of use;
- The permanent verification of the existence of an effective counterparty risk monitoring framework by appropriate limits;

- The coordination of the review by the Risk department of the strategic initiatives of the Market Risk department;
- The definition of the indicators used to monitor counterparty risk;
- The calculation and certification of risk indicators resulting from the Group's market activities, based on formal and secure procedures, as well as the reporting and analysis of these indicators;
- The daily monitoring of compliance with the limits notified to each activity;
- The risks assessment of new products or new market activities.

In order to carry out these various missions, the Risk department in charge of monitoring market operations defines the architecture principles and functionalities of the information system for the production of counterparty risk indicators on market operations and ensures that these principles and functionalities are properly adapted to business needs. ▲

(1) Market transactions means any transaction entered into by the Group on an organised or over-the-counter financial market involving a financial instrument in cash or derived from one or more underlying instruments (equities, funds, interest and exchange rates, credit spreads, commodities).

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

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

## 7.1.2 COUNTERPARTY RISK APPETITE AND LIMIT FRAMEWORK

**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 counterparty risk resulting from these market activities is strictly managed through a set of limits adapted to each type of risk and enabling an assessment to be made at the level of each counterparty, or at an aggregate portfolio level.▲

## 7.1.3 REPLACEMENT RISK

**Audited I** The Group frames the replacement risk by limits:

- 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 the Group;
- Calibrated according to the credit quality and the nature of the counterparty, the nature/maturity of the financial instruments contemplated (FX transactions, repos transactions, security lending transactions, derivatives, etc.), and the economic understanding, the contractual legal framework agreed and any other risk mitigants.

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

- A multifactor stress test on all counterparties, which allows to holistically quantify the potential loss on market activities following market movements which could trigger a wave of defaults on these counterparties;
- A set of single-factor stress tests to monitor the general wrong-way risk.▲ (see section 7.2.2 on Wrong Way Risk).

## 7.1.4 RISK ON CENTRAL COUNTERPARTIES

**Audited I** Clearing of transactions is a common practice for Societe Generale as part of its market activities (listed and OTC derivatives, repo transactions, securities purchases), on its own behalf and on behalf of its clients.

As a member of the clearing houses with which it operates, the Group contributes to their risk management framework through deposits into the defaults funds, in addition to margin calls.

The counterparty credit risk stemming from the clearing of derivatives and repos with central counterparties (CCP) is subject to a specific framework on:

- Initial margins;
- The Group's contributions to the CCP default funds (guarantee deposits);
- A stress test limit defined to frame the potential loss from a CCP member defaulting.▲

See table "Exposures on central counterparties" of section 7.4 "Quantitative Information" for more information.

## 7.1.5 SETTLEMENT-DELIVERY RISK

**Audited I** Settlement-delivery risk is framed by limits defined by credit analysts and validated by the Second Line of Defence (LoD2), according to the Group's risk appetite.

Limits are set at the legal entity level for all types of Counterparties and ceiling limits are set at the sub-group level for financial institutions and sovereign entities.

For each counterparty, limits are set and reviewed annually, considering the counterparty's anticipated business needs, the risk appetite for such counterparty, its financial strength, and the possible atypical duration of its credit lines (short term).▲

## 7.1.6 LIMIT SETTING AND MONITORING

**Audited I** The Market Risk Department is responsible for the assessment and validation of the limit requests submitted by the different business lines.

These limits ensure that the Group complies with the counterparty risk appetite approved by the Board of Directors.

The choice and calibration of these limits ensure the operational transposition of the Group's counterparty risk appetite through its organisation:

- These limits are allocated at various levels of the Group's structure and/or at the counterparties' level;

- Their calibration is determined using a detailed analysis of the risks related to the supervised portfolio. This analysis may include various elements such as market conditions, specifically liquidity, position maneuverability, credit quality of the counterparty, risk/rewards analysis, ESG criteria, etc.
- Regular reviews make it possible to manage risks according to the prevailing market conditions and the counterparties' credit quality;
- Specific limits, or even bans, may be put in place to manage risks for which the Group has limited or no risk appetite.▲

## 7.1.7 GOVERNANCE

**Audited I** 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<sup>(1)</sup>. The limits may be set individually, at the counterparty level, or globally through framing a set of counterparties (for example: supervision of stress test exposures).

These limits are subject to annual or *ad hoc* reviews depending on the needs and changing in market conditions.

A dedicated team within the Risk Department is in charge of production, reporting and controls on risk metrics, namely:

- Ensuring the completeness and reliability of the risk calculation by taking into account all the transactions booked by the transaction processing department;
- Producing daily certification and risk indicator analysis reports;
- Controlling compliance with defined limits, at the frequency of metrics calculation, most often on a daily basis: breaches of limits are reported to Front Office and dedicated LoD2 for remediation actions.

In addition, a specific monitoring and approval process is implemented for the most sensitive counterparties or the most complex categories of financial instruments.

While not a substitute for CORISQ or for the Risk Committee of the Board of Directors (see the section on Risk management governance), the *Counterparty Credit Risk Committee* (CCRC) closely monitors counterparty credit risk through:

- A global overview on exposure and counterparty credit risk metrics such as the global stress tests, the *Potential Future Exposure* (PFE), etc., as well as focuses on specific activities such as collateralised financing, or agency business;
- Focuses are specific analyses (focus) on a type of risk/client/country/management (or when new potential risks are identified).

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, and also departments that, within the risk management function, are in charge of monitoring counterparty credit risks on market transactions and credit risk. The CCRC also provides an opinion on the changes to the risk frameworks within its authority. The CCRC also identifies key CCR topics that need to be escalated to the management. ▲

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

## 7.2 METHODOLOGY AND METRICS

### 7.2.1 REPLACEMENT RISK

**Audited I** The measure of replacement risk is based on an internal model that determines the Group's exposure profiles. As the value of the exposure to a counterparty is uncertain and variable over time, we estimate the potential future replacement costs over the lifetime of the transactions. ▲

#### PRINCIPLES OF THE MODEL

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

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

The portfolios of derivatives and loan-borrowing 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 European Central Bank, following the Targeted Review of Internal Models (TRIM), has renewed the approval for using the internal model described above to determine the Effective Expected Positive Exposure (EEPE) indicator.

For products not covered by the internal model as well as for entities in the Societe Generale group that have not been authorised by the supervisor to use the internal model, the Group uses the market-price valuation method for derivatives <sup>(1)</sup> and the general financial security-based method for securities financing transactions (SFT).

The effects of compensation agreements and collateralisation are taken into account either by their simulation in the internal model when such credit risk mitigant or guarantees meet regulatory criteria, or by applying the rules as defined in the market-price valuation method or the financial security-based method, by subtracting the value of the collateral.

These exposures are then weighted by rates resulting from the credit quality of the counterparty to compute the Risk Weighted Assets (RWA). These rates can be determined by the standard approach or the advanced approach (IRBA).

As a general rule, when EAD is modelled in EEPE and weighted according to IRB approach, there is no adjustment of the LGD according to the collateral received as it is already taken into account in the EEPE calculation. ▲

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

#### OTHER INTERNAL / ECONOMIC INDICATOR

**Audited I** As part of the economic monitoring of positions, Societe Generale mainly relies on a maximum exposure indicator determined from the Monte Carlo simulation, called internally Counterparty Value-at-Risk (CVaR) or PFE (Potential Future Exposure). This is the maximum amount of loss that could occur after eliminating 1% of the most adverse occurrences. This indicator is calculated at different future dates, which are then aggregated into segments, each of them being framed by limits.

In order to monitor the CCR in an aggregated way at the level of its customer portfolio, the Group relies mainly on two stress tests:

- Global Adverse Stressed Loss (GASEL), a CCR measure designed to holistically monitor the risks induced by market activities. This stress test assumes sudden market movements (identical to those applied on MARK trading desks) triggering a general increase in the probability of default among all counterparties. The market scenarios used by GASEL are the same as those used to manage market risks.
- The stress test on collateralised financing activities that measures the aggregate stressed loss across all counterparties for an activity with significant adverse correlation risks (wrong-way risk), as collateral generally has lower liquidity under stressed market conditions. ▲

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

## 7.2.2 UNFAVOURABLE CORRELATION RISK (WRONG-WAY RISK)

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

There are two different cases:

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

Specific wrong-way risk, in the case of a legal link between the counterparty and the underlying of a transaction concluded with the counterparty, is subject to dedicated regulatory capital requirements, calculated on the perimeter of transactions carrying such risk. Furthermore, for counterparties subject to such a specific

risk, the Potential Future Exposure (PFE) is also increased, so that the transactions allowed by the limits in place will be more constrained than in the absence of specific risk.

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

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

## 7.2.3 RISK RELATED TO CLEARING ACTIVITIES

As a Clearing Member, the Group is primarily exposed to the risk of default by another CCP member. This default may result in losses related to the default fund deposited by the Group at the CCP. Risk measurement is carried out:

- At the level of each CCP, through the amount of default fund and the amount of margins (initial - IM - and variation - VM) deposited in respect of the Group's own activities or those of its customers.

- At the level of the consolidated portfolio of exposures to CCPs, through a dedicated stress test<sup>(1)</sup> (CCP Clearing Member Stress Test) measuring the potential loss resulting from the default of another member of a clearing house.

## 7.2.4 SETTLEMENT-DELIVERY RISK

**Audited I** The Group measures its exposure to this risk of non-payment or non-delivery of funds or securities using a dedicated metric (RDL). It is measured as the amount of flows (of funds, securities or commodities) to be received after netting the settlement flows to be paid and received and taking into account the risk mitigation mechanisms. Unsettled transactions are included in this calculation.

The features of the transactions with the counterparty, as well as the legal and operational environment in which they are processed, are used to calculate the settlement-delivery risk profile for each Counterparty.

The limits are set at the level of the legal entity for all types of counterparties and ceilings are set up at sub-group level for financial institutions and sovereign entities.

For each counterparty, the amount of limits are set and reviewed annually taking into account forecast commercial needs, the risk appetite for the counterparty, its financial soundness, the possibly atypical term of its credit lines (short term). ▲

(1) This stress test takes into account the worst of two scenarios: (i) a "member with large positions" defaulting at one CCP segment and (iii) a "member with average positions" defaulting on all CCP segments.

## 7.3 MITIGATION OF COUNTERPARTY CREDIT RISK

**Audited I** The Group uses various techniques to reduce this risk:

- The signing, in the most extensive way possible, of close-out netting agreements for over-the-counter (OTC) transactions and Securities Financing Transactions (SFT);
- The collateralisation of market operations, either through clearing houses for eligible products (listed products and certain of the more standardised OTC products), or through a bilateral margin call exchange mechanism which covers both current exposure (variation margins) but also future exposure (initial margins).

### 7.3.1 CLOSE-OUT NETTING AGREEMENTS

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

These provisions allow on the one hand the immediate termination (close out) of all transactions governed by these agreements when one of the parties' defaults, and on the other hand the settlement of a net amount corresponding to the total value of the portfolio, after netting of mutual debts and claims at current market value. This balance may be the subject of a guarantee or collateralisation. It results in a single net claim owed by or to the counterparty.

In order to reduce the legal risk associated with documentation and to comply with key international standards, the Group documents these agreements under the main international standards as published by National or International professional associations such as International Swaps and Derivatives Association (ISDA), International Capital Market Association (ICMA), International Securities Lending Association (ISLA), French Banking Federation (FBF), etc.

These contracts establish a set of contractual terms generally recognised as standard and give way to the modification or addition of more specific provisions between the parties in the final contract. This standardisation reduces implementation times and secures operations. The clauses negotiated by clients outside the bank's standards are approved by the decision-making bodies in charge of the master agreements standards – Normative Committee and/or Arbitration Committee – made up of representatives of the Risk Division, the Business Units, the Legal Division and other decision-making departments of the bank. In accordance with regulatory requirements, the clauses authorising global close-out netting and collateralisation are analysed by the bank's legal departments to ensure that they are enforceable under the legal provisions applicable to clients.

### 7.3.2 COLLATERALISATION

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

- Initial margin (IM) or Independent Amount (IA<sup>(1)</sup>): an initial amount of collateral aiming at covering Potential Future Exposure (PFE), i.e. the unfavourable change in the Mark-to-Market of positions in the time period between the last collection of variation margins and the liquidation of positions following the counterparty default;
- Variation margin (VM): collateral collected to cover current exposure arising from Mark-to-Market changes, used as an approximation of the actual loss resulting from the default of one of the counterparties.

#### Variation Margin

All aspects of the margining regime are defined in collateral arrangements, such as credit support annexes (CSA<sup>(2)</sup>).

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.

(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.

## Initial Margin

The initial margin, historically very rare except with hedge funds, was generalised by EMIR (European Market Infrastructure Regulation) and DFA (Dodd-Frank Act) regulations which introduced the mandatory use of master agreements and related CSA, prior to or when entering into an uncleared OTC derivative transaction. It is now mandatory for the Group to exchange IM and VM for non-cleared OTC derivative transactions with a large number of its counterparties (its financial counterparties and some non-financial counterparties above certain thresholds defined by the regulation, with compliance dates depending on the volume of transactions).

The Commission Delegated Regulation (EMIR RTS) allows counterparties subject to mandatory bilateral collateral exchange requirements to waive these rules in certain circumstances. The Group has incorporated a waiver application process for intra-group entities into its risk management policies. The eligibility criteria for this waiver are framed and monitored as required by the Delegated Regulation.

### 7.3.3 CLEARING HOUSES

The Group thus compensates its own operations (principal activity), but also client clearing activities (agency-type activity). Such clearing activities are related to listed and OTC derivatives, as well as securities transactions (cash and repos). Compensated derivatives are subject to systematic margin calls to mitigate counterparty credit risk variation margins and initial margins, in order to cover current exposure and future exposure.

### 7.3.4 MITIGATING SETTLEMENT-DELIVERY RISK

Main settlement-delivery risk mitigation means are the following:

- The enforceability of the netting agreement;
- The implementation of DvP (Delivery versus Payment) transactions, for cash-for-security transactions;
- The implementation of PvP (Payment versus Payment) transactions, for foreign exchange transactions, using market infrastructures such as CLS;

- The use of clearing houses for OTC transactions eligible for clearing;
- Failed trade monitoring;
- The assignment of a restrictive Action Code.

Depending on the circumstances (such as the bankruptcy of a counterparty), it is possible to block outgoing payments *via* the unilateral payment cancellation process. ▲

### 7.3.5 OTHER MEASURES

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

## 7.4 QUANTITATIVE INFORMATION

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

Counterparty credit risk is broken down as follows:

<b>31.12.2025</b>									
<i>(In EURm)</i>	<b>IRB</b>			<b>Standard</b>			<b>Total</b>		
<b>Exposure classes</b>	<b>Exposure</b>	<b>EAD</b>	<b>RWA</b>	<b>Exposure</b>	<b>EAD</b>	<b>RWA</b>	<b>Exposure</b>	<b>EAD</b>	<b>RWA</b>
Sovereign	23,117	22,929	278	-	-	-	23,117	22,929	278
Institutions	23,846	24,166	3,755	24,987	24,987	596	48,833	49,153	4,351
Corporates	43,445	43,313	9,419	3,340	3,340	3,318	46,785	46,653	12,736
Retail	17	17	3	40	40	23	57	57	25
Other	44	44	4	4,745	4,725	1,782	4,788	4,768	1,787
<b>TOTAL</b>	<b>90,469</b>	<b>90,469</b>	<b>13,459</b>	<b>33,111</b>	<b>33,090</b>	<b>5,719</b>	<b>123,580</b>	<b>123,560</b>	<b>19,178</b>

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

The tables above feature amounts excluding the CVA (Credit Valuation Adjustment) which represents EUR 3.8 billion of risk-weighted assets (RWA) at 31 December 2025 (vs. EUR 2.7 billion at 31 December 2024).

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

(In EURm)	31.12.2025							
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value	Exposure value	Exposure value	RWA
Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
SA-CCR (for derivatives)	1,183	12,485		1.4	45,468	19,134	19,134	5,948
IMM (for derivatives and SFTs)			37,065	1.6	346,337	59,304	57,398	10,193
<i>of which securities financing transactions netting sets</i>			18,618		276,802	29,180	27,312	2,419
<i>of which derivatives and long settlement transactions netting sets</i>			18,362		69,445	29,988	29,950	7,773
<i>of which from contractual cross-product netting sets</i>			85		90	136	136	0
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					86,977	21,172	21,172	1,250
VaR for SFTs					-	-	-	-
<b>TOTAL</b>					<b>478,782</b>	<b>99,611</b>	<b>97,704</b>	<b>17,390</b>

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

**TABLE 68: EXPOSURES TO CENTRAL COUNTERPARTIES (CCR8)**

<i>(In EURm)</i>	31.12.2025		31.12.2024	
	EAD	RWA	EAD	RWA
<b>Exposures to QCCPs (total)</b>		<b>1,540</b>		<b>1,300</b>
Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which:	5,135	103	7,063	141
(i) OTC derivatives	782	16	2,466	49
(ii) Exchange-traded derivatives	3,067	61	3,640	73
(iii) SFTs	1,221	24	909	18
(iv) Netting sets where cross-product netting has been approved	65	1	48	1
Segregated initial margin	14,110		14,938	
Non-segregated initial margin	1,718	34	2,396	57
Pre-funded default fund contributions	3,982	1,403	3,559	1,101
Unfunded default fund contributions	7,211	-	-	-
<b>Exposures to non-QCCPs</b>		<b>192</b>		<b>170</b>
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), of which:	24	24	35	30
(i) OTC derivatives	2	2	1	1
(ii) Exchange-traded derivatives	21	21	34	29
(iii) SFTs	1	1	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	481		960	
Non-segregated initial margin	0	0	-	-
Pre-funded default fund contributions	2	25	1	17
Unfunded default fund contributions	11	143	10	123



**TABLE 70: INTERNAL APPROACH – COUNTERPARTY CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD SCALE (CCR4)**

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

		31.12.2025						
IRBA	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWA	RWA density
Central governments and central banks	0,00 à < 0,15	22,588	0.02%	82	3.49%	1	129	0.57%
	0,15 à < 0,25	-	0.00%	-	0.00%	-	-	0.00%
	0,25 à < 0,50	215	0.26%	7	2.89%	1	4	1.80%
	0,50 à < 0,75	10	0.50%	5	42.92%	4	9	92.41%
	0,75 à < 2,50	16	2.12%	1	45.00%	0	15	92.16%
	2,50 à < 10,00	100	3.70%	3	43.48%	1	121	121.45%
	10,00 à < 100,00	0	14.33%	1	22.00%	1	0	105.68%
	100,00 (défaut)	-	-	-	-	-	-	-
	<b>Sous-total</b>	<b>22,929</b>	<b>0.04%</b>	<b>99</b>	<b>3.70%</b>	<b>1</b>	<b>278</b>	<b>1.21%</b>
Corporate	0,00 à < 0,15	20,959	0.08%	5,222	61.90%	1	1,692	8.07%
	0,15 à < 0,25	2	0.01%	3	5.85%	0	2	81.61%
	0,25 à < 0,50	1,123	0.61%	408	83.08%	4	279	24.83%
	0,50 à < 0,75	695	1.40%	444	105.18%	4	346	49.87%
	0,75 à < 2,50	990	3.21%	702	70.21%	3	723	73.04%
	2,50 à < 10,00	987	8.56%	950	77.56%	2	1,041	105.46%
	10,00 à < 100,00	64	21.04%	104	60.15%	3	108	168.34%
	100,00 (défaut)	153	107.12%	21	16.92%	5	36	23.46%
	<b>Sous-total</b>	<b>24,972</b>	<b>1.31%</b>	<b>7,854</b>	<b>64.72%</b>	<b>2</b>	<b>4,226</b>	<b>16.92%</b>
Regional or local governments	0,00 à < 0,15	36	0.04%	13	14.21%	3	3	8.15%
	0,15 à < 0,25	-	-	-	-	-	-	0.00%
	0,25 à < 0,50	0	0.26%	-	20.00%	3	0	25.60%
	0,50 à < 0,75	-	-	-	-	-	0	0.00%
	0,75 à < 2,50	-	-	-	-	-	-	0.00%
	2,50 à < 10,00	1	4.61%	2	34.89%	1	1	123.26%
	10,00 à < 100,00	0	14.61%	2	35.00%	1	0	189.40%
	100,00 (défaut)	-	-	-	-	-	-	0.00%
	<b>Sous-total</b>	<b>38</b>	<b>0.18%</b>	<b>17</b>	<b>14.80%</b>	<b>3</b>	<b>4</b>	<b>11.60%</b>
Public sector entities	0,00 à < 0,15	1,131	0.03%	36	35.01%	0	72	6.36%
	0,15 à < 0,25	-	-	-	-	-	-	0.00%
	0,25 à < 0,50	1	0.26%	1	35.00%	0	1	73.48%
	0,50 à < 0,75	-	0.00%	-	-	-	-	0.00%
	0,75 à < 2,50	0	1.10%	1	45.00%	0	0	96.09%
	2,50 à < 10,00	-	0.00%	-	-	-	-	0.00%
	10,00 à < 100,00	0	14.33%	1	35.00%	0	0	189.29%
	100,00 (défaut)	-	0.00%	-	-	-	-	0.00%
	<b>Sous-total</b>	<b>1,131</b>	<b>0.03%</b>	<b>39</b>	<b>35.01%</b>	<b>0</b>	<b>72</b>	<b>6.40%</b>
Retail	0,00 à < 0,15	-	-	-	-	-	-	0.00%
	0,15 à < 0,25	-	-	-	-	-	-	0.00%
	0,25 à < 0,50	-	-	-	-	-	-	0.00%
	0,50 à < 0,75	5	0.70%	-	8.80%	-	0	8.07%
	0,75 à < 2,50	-	-	-	-	-	-	0.00%
	2,50 à < 10,00	12	3.26%	1	23.56%	-	2	19.07%
	10,00 à < 100,00	-	-	-	-	-	-	0.00%
	100,00 (défaut)	-	-	-	-	-	-	0.00%
	<b>Sous-total</b>	<b>17</b>	<b>2.49%</b>	<b>1</b>	<b>19.14%</b>	<b>-</b>	<b>3</b>	<b>15.78%</b>
<b>TOTAL IRBA</b>	<b>47,956</b>	<b>0.61%</b>	<b>7,971</b>	<b>19.70%</b>	<b>1</b>	<b>4,511</b>	<b>9.34%</b>	

31.12.2025

IRBF (En EURm)	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWA	RWA density
Institutions	0,00 à < 0,15	19,570	0.05%	490	45.00%	1	2,770	14.16%
	0,15 à < 0,25	-	-	-	-	-	-	-
	0,25 à < 0,50	561	0.26%	68	45.00%	-	178	31.72%
	0,50 à < 0,75	219	0.50%	70	45.00%	-	130	59.17%
	0,75 à < 2,50	301	1.40%	83	45.00%	-	278	92.15%
	2,50 à < 10,00	857	3.30%	76	7.95%	-	203	23.73%
	10,00 à < 100,00	0	11.42%	2	45.00%	-	1	234.70%
	100,00 (défaut)	-	-	1	-	-	-	-
	<b>Sous-total</b>	<b>21,509</b>	<b>0.21%</b>	<b>790</b>	<b>43.52%</b>	<b>1</b>	<b>3,560</b>	<b>16.55%</b>
Corporate	0,00 à < 0,15	13,820	0.07%	858	42.53%	1	2,129	15%
	0,15 à < 0,25	276	0.24%	22	40.00%	2	120	43%
	0,25 à < 0,50	1,422	0.27%	237	41.53%	2	572	40%
	0,50 à < 0,75	1,082	0.52%	219	41.64%	1	531	49%
	0,75 à < 2,50	877	1.62%	290	40.59%	2	778	89%
	2,50 à < 10,00	821	3.95%	256	41.48%	1	1,001	122%
	10,00 à < 100,00	32	17.02%	30	40.74%	1	62	194%
	100,00 (défaut)	11	100.00%	4	40.00%	1	-	-
	<b>Sous-total</b>	<b>18,341</b>	<b>0.45%</b>	<b>1,916</b>	<b>42.22%</b>	<b>1</b>	<b>5,193</b>	<b>28%</b>
Public sector entities	0,00 à < 0,15	1,489	0.03%	-	45.00%	0	118	8%
	0,15 à < 0,25	-	-	-	-	-	-	-
	0,25 à < 0,50	-	-	-	-	-	-	-
	0,50 à < 0,75	-	-	-	-	-	-	-
	0,75 à < 2,50	-	-	-	-	-	-	-
	2,50 à < 10,00	-	-	-	-	-	-	-
	10,00 à < 100,00	-	-	-	-	-	-	-
	100,00 (défaut)	-	-	-	-	-	-	-
	<b>Sous-total</b>	<b>1,489</b>	<b>0.03%</b>	<b>0</b>	<b>45.00%</b>	<b>0</b>	<b>118</b>	<b>8%</b>
<b>TOTAL IRBF</b>	<b>41,338</b>	<b>0.33%</b>	<b>2,706</b>	<b>43.00%</b>	<b>96.62%</b>	<b>8,753</b>	<b>21.46%</b>	

31.12.2024

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

**TABLE 71: STANDARDISED APPROACH – COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (CCR3)**

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

(In EURm)	31.12.2025											Total exposure value
	Risk weight											
Exposure Classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	169	-	-	-	-	-	-	169
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	14,592	9,484	-	-	165	64	-	17	180	3	-	24,506
Corporates	36	-	-	-	-	1	-	70	3,233	-	-	3,340
Retail	4	-	-	-	-	-	-	36	-	-	-	40
Institutions and corporates with a short-term credit assessment	15	-	-	-	228	51	-	4	54	-	-	352
Other items	-	-	-	-	-	-	-	-	28	-	-	28
<b>TOTAL</b>	<b>14,647</b>	<b>9,484</b>	<b>-</b>	<b>-</b>	<b>562</b>	<b>116</b>	<b>-</b>	<b>127</b>	<b>3,495</b>	<b>3</b>	<b>-</b>	<b>28,435</b>

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

**TABLE 72: CREDIT DERIVATIVES EXPOSURES (CCR6)**

<i>(In EURm)</i>	<b>31.12.2025</b>	
	<b>Credit derivative hedges</b>	
	<b>Protection bought</b>	<b>Protection sold</b>
<b>Notionals</b>		
Single-name credit default swaps	19,487	21,206
Index credit default swaps	15,721	7,908
Total return swaps	13,448	0
Credit options	755	380
Other credit derivatives	644	555
<b>TOTAL NOTIONALS</b>	<b>50,055</b>	<b>30,049</b>
<b>Fair values</b>		
<i>Positive fair value (asset)</i>	326	664
<i>Negative fair value (liability)</i>	(943)	(107)

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

**TABLE 73: RWA FLOW STATEMENT OF COUNTERPARTY CREDIT RISK EXPOSURES UNDER THE IMM (CCR7)**

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

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

<i>(In EURm)</i>	<b>RWA</b>
<b>RWA as of end of previous reporting period (30.09.2025)</b>	<b>(10,358)</b>
Asset size	10
Credit quality of counterparties	(79)
Model updates (IMM only)	-
Methodology and policy (IMM only)	-
Acquisitions and disposals	-
Foreign exchange movements	(1)
Other	-
<b>RWA as of end of reporting period (31.12.2025)</b>	<b>10,287</b>

# 8

## SECURITISATION

### IN BRIEF

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

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

Regulatory capital requirements for securitisations in the Banking Book at end 2025

**€587<sub>m</sub>**

*(Amount at end 2024: €592bn)*

Regulatory capital requirements for securitisations in the trading book at end 2025

**€0<sub>m</sub>**

*(Amount at end 2024: €0m)*

## 8.1 SECURITISATIONS AND REGULATORY FRAMEWORK

This section presents information on Société Générale's securitisation activities, acquired or carried out for proprietary purposes or for its customers. It describes the risks associated with these activities and the management of those risks. Finally, it contains quantitative information to describe these activities during 2024 as well as the capital requirements for the Group's regulatory banking book and trading book within the scope defined by prudential regulations.

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

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

Securitisation transactions are stated as laid down in the regulations in force:

- Regulation (EU) No 2017/2401 amending Regulation (EU) No 575/2013 relating to the capital requirements applicable to credit institutions and to credit and investment firms;
  - Regulation (EU) No 2017/2402 creating a general framework for securitisation as well as a specific framework for simple, transparent, and standardised securitisations (STS).
- Regulation 2017/2401 presents the hierarchy of methods for weighting securitisation positions (see section 8.6). The floor weighting rate is 15% (10% for STS securitisations).
- Regulation 2017/2402 defines the criteria to be met when identifying "simple, transparent and standardised" (STS) securitisations to which specific and lower capital charges are applicable. The regulation also specifies the authorisation procedure for third-party organisations that will be involved in ensuring compliance with requirements relating to STS securitisations. The risk retention requirement for the transferor is set at a minimum level of 5%.
- The securitisation framework has been amended by 2 new regulations published on April 6<sup>th</sup>, 2021:
- Regulation (EU) 2021/557 amending regulation (EU) 2017/2402 and creating a specific STS framework for synthetic on-balance sheet securitisations;
  - Regulation (EU) 2021/558 amending regulation (EU) No 575/2013, a specific prudential framework for non-performing exposures (NPE) securitisations.
- The technical authorities, the ESMA and the EBA have issued guidelines or Regulatory Technical Standards (RTS) with the aim of clarifying certain aspects of the level 1 European regulations.

## 8.2 ACCOUNTING METHODS

The securitisation transactions that Societe Generale invests in (*i.e.* the Group invests directly in certain securitisation positions, is a liquidity provider or a counterparty of derivative exposures) are recognised in accordance with Group accounting principles, as set out in the notes to the consolidated financial statements included in the 2025 Universal Registration Document.

In the financial statements, securitisation positions are classified under accounting categories depending on their contractual cash flow features and on the way the entity manages those financial instruments.

When analysing the contractual cash flow of financial assets issued by a securitisation vehicle, the entity must analyse the contractual terms, as well as the credit risk of each tranche and the exposure to credit risk in the underlying pool of financial instruments. To that end, the entity must apply a “look-through approach” to identify the underlying instruments that generate the cash flows.

Contractual flows that solely represent payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement (SPPI flows: Solely Payments of Principal and Interest).

In the financial statements, the basic securitisation positions (SPPI) are classified under two categories, depending on the business model used to manage them:

- when they are managed under a “Collect and Sell” business model, the positions are classified as “Financial assets at fair value through other comprehensive income”. Accrued or earned income on these positions is recorded in the profit or loss account based on the effective interest rate, under Interest and similar income. At the reporting date, these instruments are measured at fair value, and changes in fair value, excluding income, are recorded under Unrealised or deferred gains and losses. Furthermore, as these financial assets are subject to impairment for credit risk, changes in expected credit losses are recorded in profit or losses under Cost of risk with a corresponding entry to Unrealised or deferred gains and losses;
- when they are managed under a “Hold to Collect” business model, the positions are measured at amortised cost. Subsequent to initial recognition, these positions are measured at amortised cost using the effective interest method, and their accrued or earned income is recorded in the income statement under Interest and similar income. Furthermore, as these financial assets are subject to impairment for credit risk, changes in expected credit losses are recorded in the profit or loss account under Cost of risk with a corresponding impairment of amortised cost under balance sheet assets.

Non basic securitisation positions (non-SPPI) are assessed at fair value through profit or loss, regardless of the business model whereby they are held.

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

Interest income and expense are recorded in the income statement under Interest and similar income and Interest and similar expense.

Securitisation positions classified among financial assets at amortised cost or among financial assets at fair value through other comprehensive income, are systematically subject to impairment or a loss allowance for expected credit losses. These impairments and loss allowances are booked upon initial recognition of the assets, without waiting for objective evidence of impairment.

To determine the amount of impairment to be recorded at each reporting date, these assets are classified into one of three categories based on the increase in credit risk observed since initial recognition. Stage 1 exposures are impaired for the amount of credit losses that the Group expects to incur within 12 months; Stages 2 and 3 exposures are impaired for the amount of credit losses that the Group expects to incur during the life of the exposures.

For securitisation positions measured at fair value through profit or loss, their fair value includes already the expected credit loss, as assessed by the market participant, on the residual lifetime of the instrument.

Reclassification of securitisation positions is only required in the exceptional event that the Group changes the business model used to manage these assets.

Synthetic securitisations in the form of Credit Default Swaps comply with accounting recognition rules specific to trading derivatives.

The securitisation transactions are derecognised when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows and substantially all the risks and rewards linked to the ownership of the asset. Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of its ownership and has effectively not retained control of the financial asset, the Group derecognises it and, where necessary, recognises a separate asset or liability to cover any rights and obligations created or retained because of transferring the asset. If the Group has retained control of the asset, it continues to recognise it in the balance sheet to the extent of its continuing involvement in that asset.

Securitisation of securitised assets recognised in the Group balance sheet are stated in the same way for accounting purposes as described above.

When a financial asset is entirely derecognised, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the carrying value of the asset and the payment received for it, adjusted where necessary for any unrealised profit or loss previously recognised directly under in equity.

## 8.3 STRUCTURED ENTITIES' SPECIFIC CASE

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

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

- the activities and objects of the entity;
- the structuring of the entity (especially, the power to manage the relevant activities of the entity);
- the risks to which the entity is exposed by way of its design and the Group's exposure to some or all of these risks;
- the potential benefits provided by the entity to the Group.

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

Within the scope of consolidation of structured entities controlled by the Group, the shares of those entities that are not held by the Group are recognised under "Debt" in the balance sheet.

When customer loans are securitised and partially sold to external investors, the entities carrying the loans are consolidated if the Group retains control and remains exposed to the majority of the risks and benefits associated with these loans.

Any financial support outside of any binding contractual arrangement provided to unconsolidated entities, over securitised assets, would be recognised as a liability on balance sheet if it met the relevant IFRS criteria, or gave rise to a provision under IAS 37, and must be disclosed.

## 8.4 MANAGEMENT OF SECURITISATION RISKS

The management of risks associated with securitisation operations follows the rules established by the Group depending on whether these assets are recorded in the banking book (credit and counterparty credit risks) or in the trading book (market risk and counterparty credit risk).

The risks related to securitisation are monitored by the Client Relations and Financing and Advisory Solutions department (Global Banking & Advisory - GLBA) and, in respect of own account transactions, by the Group Treasury Department of the Financial Department in LoD1 and supervised in the credit risk management system by the "Corporate and Investment Banking" division (CIB) of the Risks department in LoD2.

### Role of Global Banking and Advisory (GLBA)

Only the Distribution & Credit Solutions division of GLBA is mandated to deal with transactions generating securitisation risk.

These operations consist in:

- structuring and/or primary distribution of ABS (Asset-Backed Securities), which can take the form of RMBS (Residential Mortgage-Backed Securities), CMBS (Commercial Mortgage-Backed Securities) and CLOs (Collateralised Loan Obligations), structured or co-arranged by Societe Generale, for the benefit of issuers (companies and specialised financial companies) also called "public securitisation". These transactions do not generate any securitisation risk for the Group if no exposure is retained by Societe Generale;
- financing of customer needs, *via* commercial paper backed by assets issued by Societe Generale conduits or, marginally, on the balance sheet, also called "private securitisation". These activities generate credit risk for Societe Generale and are overseen by the "Corporate and Investment Banking" (CIB) division of the Risk Department;

- structuring of securitisation own account transactions (i.e., the underlying portfolio consisting of receivables booked on the Group's balance sheet). This activity does not generate additional credit risk for the Group; the role of the Corporate and Investment Banking (CIB) division of the Risk Department [RISQ/CIB] is to ensure that the structure is robust;

- securitised products are also used as underlying on the secondary market in collateralised financing and trading transactions. These transactions generate both credit risk and market risk for the Group and are overseen by the "Corporate and Investment Banking" (CIB) and the Risks on Market Activities divisions of the Risk Department.

### Role of the Risk Department

The Risk Department, within the framework of various CORISQs chaired by General Management and in compliance with the risk appetite of Societe Generale group, formalises, jointly with the "Global Banking and Advisory" department, the Group's risk appetite with regard to securitisation activities.

These frameworks are established by type of product (primary securitisation, sale of securitisation products in secondary, collateralised financing, etc.) and aim to define the acceptable level of risk with regard to the Group's strategic objectives *via* limits and guidelines for granting credit.

The role and responsibilities of the Risk Department are divided according to the main risk (credit or market).

The Risk Department contributes to the definition of risk policies, taking into account the objectives of the business lines and the corresponding risk issues.

The Risk Department defines or validates the methods and procedures for analysing, measuring, approving and monitoring risks and, ultimately, ensures that they are in line with the needs of the businesses.

The Risk Department validates the operations transactions and certain limits, the others being presented in CORISQ proposed by Business Managers.

The Business Unit does not have signing power of authority for securitisation risk (with the exception of collateralized financing and trading transactions for which power of authority are granted under certain restrictive conditions). Only certain authorised persons within RISQ can approve a transaction generating securitisation risk.

## Credit risk

Securitisation exposures subject to credit risk are approved through the Group's standard credit approval process. New transactions are presented by the business lines (LoD1) to the Risk Department, after approval by the business line manager. The Risk Department gives its opinion on these new transactions, which are approved according to the delegations in force. All exposures are subject to an annual review by the business line and the Risk Department.

The rating of the transaction and the borrower as well as the LGD are therefore subject to an initial approval and an annual review for each transaction. In particular, the data used within the framework of the IAA (Internal Assessment Approach) securitisation model and the result of the calculations of this model are subject to specific approval. Regular monitoring is carried out independently of the business line and portfolio reviews are produced quarterly specifically on the bank's securitisation exposures. This monitoring makes it possible to identify any changes in the behaviour of securitised assets.

Portfolio-level limits are granted by the Risk Committee for securitisation exposures. Stress tests are also carried out on these portfolios.

The analysis of the credit risk of securitisation transactions covers the standard elements of credit risk: the performance of the underlying assets as well as that of the seller/servicer. Risk factors are mitigated by structural elements of each transaction including default triggers, e.g. on excess spread, delinquencies, as well as segregated accounts and back-up servicer. Some other types of risk are also assessed during the review of a transaction, including the legal, operational, reputational and fraud risks. The monitoring of the credit risk on these transactions, of the performance of the underlying assets and of the covenants, is reviewed at portfolio level by the "Corporate and Investment Banking" division of the Risks department each quarter during the Quarterly Portfolio Review prepared by the "Global Business Service Unit" with a focus on major events and sent to the "Corporate and Investment Banking" division of the Risk Department with a dedicated meeting every quarter. A follow-up at the level of each transaction is carried out in detail each year during the Annual Review during which with the rating of the transaction is re-approved.

## Market risk

Securitisation exposures subject to market risk are monitored and controlled through Societe Generale's market risk standard market approval process, with additional controls specific to securitisation.

The analysis of the market risk of securitisation transactions covers the standard elements of market risk: credit, spread, liquidity risk, interest rate risk (hedged with standard liquid interest rate instruments (US Treasuries, Eurodollar futures, interest rate swaps)).

Securitisation exposures are subject to strict supervision through the setting of limits on specific assets in the securitisation field (CMBS, CLO, RMBS, ABS), according to several types of indicators:

- Value at Risk (VaR) and Stressed Value at Risk (SVaR): synthetic indicators, allowing day-to-day monitoring of market risk;
- stress test measurements, based on ten-year risk type indicators. These metrics make it possible to limit the Group's exposure to systemic risks and cases of exceptional market shocks impacting securitisation activities;
- "sensitivity" and "nominal" indicators, which allow the size of positions to be controlled;
- other specific indicators: nominal limits on the sizes of ABS market-making inventories, cash at risk and stress test limits on financing activities collateralised by ABS, which makes it possible in particular to monitor the behaviour of the underlying assets under stress and supervise the Group's exposure in the event of market turbulences.

The Risk Department on Market Operations is tasked with examining limit requests made by the front office. These limits make it possible to ensure that the Group respects the appetite for the market validated by the Board of Directors, on a proposal from General Management.

The daily monitoring of compliance with the limits by the front office is carried out by the Risk Department on market transactions. This continuous monitoring of the risk profile is the subject of frequent exchanges between the risk and business teams, which may result in various positions hedging actions by the front office aimed at reducing the level of risk of complying with the framework defined. In the event of an overrun, the front office must detail the reasons for the management concerned, and take the necessary measures to return to the defined framework, or otherwise request a temporary or permanent increase in the limit if customer demand, market conditions or risk assessment justify it.

## Structural risks

The management of structural interest rate and change risks in securitisation activities does not differ from that of other Group assets.

The management of the structural interest rate risk is described in Chapter 11 of this document.

The liquidity risk linked to securitisation activities is monitored both at the level of the responsible business lines but also, centrally, at the level of the Finance Department, with in particular the measurement of the impact of these activities on liquidity ratios, stress tests and the Group's liquidity gaps. The organisation and management of liquidity risk are covered in Chapter 12 of this document.

## Operational risk

The monitoring of operational risk on securitisation activities is covered in the Group's operational risk management systems. Thus, the operational risks on these activities are mainly managed within the limits of the appetite for operational risk, identified and evaluated by the Risk Control Self-Assessment exercise. Any incidents that occur are collected and analysed in keeping with the Group standards. The management of operational risk is described in Chapter 10 of this document.

## 8.5 SOCIETE GENERALE'S SECURITISATION ACTIVITIES

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Securitisation activities allow the Group to raise liquidity or manage risk exposures, for own account purposes or on behalf of customers. Within the framework of these activities, the Group can act as an originator, a sponsor/arranger or an investor:

- as an originator, the Group directly or indirectly participates in the initial agreement on assets which subsequently serve as underlying in securitisation transactions, primarily for refinancing purposes;
- as a sponsor, the Group establishes and manages a securitisation programme used to refinance customers' assets, mainly *via* the Antalis and Barton conduits and *via* certain other special purpose vehicles;
- as an investor, the Group invests directly in certain securitisation positions, is a liquidity provider or a counterparty of derivative exposures.

This information must be considered within the context of the specific structure of each transaction and vehicle, which cannot be described in this report.

Recourse to securitisation is part of the portfolio management program. Securitisation is an efficient tool for optimizing capital management and for managing credit risk exposure while maintaining a strong commercial dynamic. Several transactions with

significant risk transfer (SRT) have been executed since mid-2019, mostly in a synthetic format and on different portfolios, to manage underlying credit risks and the associated capital requirement. The SRT policy is documented in terms of internal governance, control framework as well as ongoing monitoring and reporting.

Taken separately, the level of payments past due or in default does not provide sufficient information on the types of exposures securitised by the Group, mainly because the default criteria may vary from one transaction to another. Furthermore, these data reflect the situation of the underlying assets.

In securitisation transactions, past due exposures are generally managed *via* structural mechanisms that protect the most senior positions.

Impaired exposures belong mainly to CDOs of US subprime residential mortgages, dating back to 2014.

As part of its securitisation activities, the Group does not provide any implicit support in accordance with Article 250 of revised CRR (regulation (UE) 2017/2401).

It should be noted that since the protection purchased is financed, there is no counterparty credit risk on the vendor of the insurance. The Group has no plans to purchase unfunded protection at this stage.

**TABLE 74: QUALITY OF SECURITISATION POSITIONS RETAINED OR ACQUIRED**

In the trading book, securitisation positions are exclusively high ranking and mezzanine tranches. As of 31 December 2025, 79.4% of these positions are high ranking positions.

In the banking book senior tranches are more than 96,6% of securitisation exposures retained or purchased as of 31 December 2025.

		31.12.2025					
		Exposure At Default (EAD)					
		Highest-ranking tranche		Mezzanine tranche		Initial Loss tranche	
		STS	Non STS	STS	Non STS	STS	Non STS
<i>(In EURm)</i>							
<b>Banking book</b>							
Securitisation		26,209	28,651	1,642	287	8	17
	Originator	16,382	1,318	1,642	276	8	17
	Investor	791	10,453	-	-	-	-
	Sponsor	9,036	16,880	-	12	-	-
Re-Securitisation		-	-	-	-	-	-
<b>Trading book</b>							
Securitisation		-	1,243	-	322	-	-
	Investor	-	1,243	-	322	-	-
Re-Securitisation		-	-	-	-	-	-
	Investor						

		31.12.2024					
		Exposure At Default (EAD)					
		Highest-ranking tranche		Mezzanine tranche		Initial Loss tranche	
		STS	Non STS	STS	Non STS	STS	Non STS
<i>(In EURm)</i>							
<b>Banking book</b>							
Securitisation		22,880	29,201	1,351	313	23	16
	Originator	14,137	2125	1,351	313	23	16
	Investor	13	-	-	-	-	-
	Sponsor	8,729	27,075	-	-	-	-
Re-Securitisation		-	-	-	-	-	-
<b>Trading book</b>							
Securitisation		0	1,565	0	373	0	0
	Investor	-	1,565	-	373	-	-
Re-Securitisation		0	0	0	0	0	0
	Investor	-	-	-	-	-	-

## Societe Generale as originator

As part of its refinancing activities, the Group undertakes securitisations of some of its portfolios of receivables originated with individuals or corporate clients. The securities created in these transactions can be either sold to external investors, thereby providing funding to the Group, or retained by the Group to be used as collateral in repurchase transactions, in particular with the European Central Bank.

In 2025, the following securitisation transactions were carried out for liquidity purposes only:

- Three securitisation operations of EUR 5.2 billions of real estate loans in France, fully subscribed by Societe Generale or its subsidiaries and pledged as collateral at Eurosystem to enhance the group's contingent liquidity profile;
- EUR 0.73 billion securitisation of auto loans in France, placed for EUR 0.65 billion;
- EUR 0.74 billion securitisation of auto loans in France, placed for EUR 0.65 billion;
- two securitisation operations totalling EUR 0.5 billion, and EUR 0.68 billion of auto leases in the Netherlands (including residual value risk) deriving from long-term contracts placed for EUR 0.5 billion, and EUR 0.4 billion respectively;
- EUR 0.78 billion securitisation of auto leases in United Kingdom (including residual value risk) deriving from long-term contracts placed for EUR 0.6 billion.
- EUR 0.5 billion securitisation of auto leases in Belgium (including residual value risk) deriving from long-term contracts placed for EUR 0.4 billion.

For both liquidity and RWA relief purposes:

- two securitisation operations of EUR 0.7 billion and EUR 0.8 billion of auto loans in Germany, placed on the market. This securitisation served both to refinance the Group and to reduce RWA consumption.

Securitisised loans cannot be used as collateral or as a firm under another operation.

The total outstanding of the receivables securitised for financing the Group amounted to EUR 38.3 billion as of 31 December 2025, including EUR 24.9 billion of French home loans, EUR 8.3 billion of auto loans and leases, EUR 3.4 billion of French consumer loans and EUR 1.8 billion of trade receivables in France.

Besides, the Group also detains several synthetic securitisation programmes in which the risk transfer is made by using credit derivatives or financial guarantees and where the portfolio is kept in the balance sheet of the Group.

Moreover, the Group also has several synthetic securitisation programmes in which the risk transfer is made by using credit derivatives or financial guarantees and where the portfolio remains in the Group's balance sheet.

The securitised stock of these transactions stood at EUR 13.4 billion as of 31 December 2025, mainly comprising of loans to corporates.

## Societe Generale as sponsor

The Societe Generale group carries out transactions on behalf of its customers or investors. As of 31 December 2025, there were two consolidated multi-seller vehicles in operation (Barton and Antalis), structured by the Group on behalf of third parties. This ABCP (Asset-Backed Commercial Paper) activity funds the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets such as trade receivables or consumer loans. Total assets held by these vehicles and financed through the issuance of commercial paper amounted to EUR 19.7 billion on 31 December 2025 (EUR 20.2 billion on 31 December 2024).

As part of the implementation of the new IFRS 10 standards on 1 January 2014, Societe Generale has consolidated these two vehicles, Barton and Antalis, from this date onwards.

ABCP activity remained solid in 2025, with newly securitised outstanding amounts predominantly comprising trade receivables and leasing.

## Societe Generale as investor

Societe Generale also acts as a market-maker for securitised assets, resulting in securitisation positions in the Group's trading book. Since 31 December 2011, CRD3 has required the same prudential treatment regardless of prudential classification. The following tables show the securitisation exposures retained or purchased by the Group, by type of underlying assets, by role and by type of securitisation separately for the banking book and for the trading book. These tables only feature the exposures which have an impact on the Group's regulatory capital.

**TABLE 75: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK (SEC1)**

(In EURm)	31.12.2025														
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor						
	Traditional		Synthetic		Traditional		Synthetic		Traditional		Synthetic				
	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS			
	of which SRT	of which SRT	of which SRT	Sub-Total	STS	Non-STS	Synthetic	Sub-Total	STS	Non-STS	Synthetic	Sub-Total			
<b>TOTAL EXPOSURES</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>17,715</b>	<b>17,715</b>	<b>17,725</b>	<b>9,036</b>	<b>16,880</b>	<b>-</b>	<b>25,916</b>	<b>791</b>	<b>10,453</b>	<b>-</b>	<b>11,244</b>
<b>Retail (total)</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>2,254</b>	<b>10,878</b>	<b>-</b>	<b>13,132</b>	<b>736</b>	<b>282</b>	<b>-</b>	<b>1,018</b>
Residential mortgage	-	-	-	-	-	-	-	-	148	-	148	-	-	-	-
Credit card	-	-	-	-	-	-	-	-	1,905	-	1,905	179	172	-	351
Other retail exposures	5	5	-	-	-	-	5	2,254	8,824	-	11,079	556	110	-	667
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Wholesale (total)</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>17,715</b>	<b>17,715</b>	<b>17,719</b>	<b>6,782</b>	<b>6,002</b>	<b>-</b>	<b>12,784</b>	<b>56</b>	<b>10,170</b>	<b>-</b>	<b>10,226</b>
Loans to corporates	-	-	-	-	17,450	17,450	17,450	308	659	-	966	-	10,064	-	10,064
Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease and receivables	-	-	-	-	265	265	265	6,229	3,669	-	9,897	-	106	-	106
Other wholesale	-	-	4	4	-	-	4	246	1,674	-	1,920	56	-	-	56
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As of end of December 2025, securitisation exposures in the banking book amounted to EUR 54.88 billion. The main underlying assets are corporate loans, consumer loans and trade receivables. During 2025, banking book exposures increased by 2.77 billion, representing +5.3% year-on-year rise compared with 2024.

In 2025, 47.8% of banking book securitization exposures were classified as STS. Since 2022, several synthetic programs have been qualified as STS.

(In EURm)	31.12.2024 <sup>®</sup>														
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor						
	Traditional		Synthetic		Traditional		Synthetic		Traditional		Synthetic				
	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS			
	of which SRT	of which SRT	of which SRT	Sub-Total	STS	Non-STS	Synthetic	Sub-Total	STS	Non-STS	Synthetic	Sub-Total			
<b>TOTAL EXPOSURES</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>16,102</b>	<b>16,102</b>	<b>16,109</b>	<b>8,142</b>	<b>19,099</b>	<b>-</b>	<b>27,241</b>	<b>601</b>	<b>7,976</b>	<b>-</b>	<b>8,578</b>
<b>Retail (total)</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>1,708</b>	<b>12,619</b>	<b>-</b>	<b>14,327</b>	<b>594</b>	<b>26</b>	<b>-</b>	<b>620</b>
Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card	-	-	-	-	-	-	-	-	2,695	-	2,695	181	12	-	193
Other retail exposures	4	4	-	-	-	-	4	1,708	9,924	-	11,632	413	14	-	427
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Wholesale (total)</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>16,102</b>	<b>16,102</b>	<b>16,104</b>	<b>6,433</b>	<b>6,480</b>	<b>-</b>	<b>12,914</b>	<b>7</b>	<b>7,950</b>	<b>-</b>	<b>7,957</b>
Loans to corporates	-	-	-	-	15,647	15,647	15,647	179	449	-	629	-	7,806	-	7,806
Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease and receivables	-	-	-	-	454	454	454	6,254	4,563	-	10,817	7	120	-	127
Other wholesale	-	-	3	3	-	-	3	-	1,468	-	1,468	-	24	-	24
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>®</sup> re-submission.

TABLE 76: SECURITISATION EXPOSURES IN THE TRADING BOOK (SEC2)

(In EURm)	31.12.2025											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic	Sub-Total	Traditional		Synthetic	Sub-Total	Traditional		Synthetic	Sub-Total
	STS	Non-STS			STS	Non-STS			STS	Non-STS		
<b>TOTAL EXPOSURES</b>	-	-	-	-	-	-	-	-	-	1,334	230	1,564
<b>RETAIL (TOTAL)</b>	-	-	-	-	-	-	-	-	-	764	10	775
Residential mortgage	-	-	-	-	-	-	-	-	-	261	10	272
Credit card	-	-	-	-	-	-	-	-	-	9	-	9
Other retail exposures	-	-	-	-	-	-	-	-	-	494	-	494
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Wholesale (total)</b>	-	-	-	-	-	-	-	-	-	570	219	789
Loans to corporates	-	-	-	-	-	-	-	-	-	336	-	336
Commercial mortgage	-	-	-	-	-	-	-	-	-	189	219	408
Lease and receivables	-	-	-	-	-	-	-	-	-	46	-	46
Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

In trading book, securitisation positions are exclusively investor positions for an amount of EUR 1.56 billion as of 31 December 2025. Exposures related mainly to financing corporates notably through commercial mortgage loans and loans to individuals in the form of consumer loans.

For the trading portfolio, 100% of the transactions were non-STS as of 31 December 2025.

(In EURm)	31.12.2024											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic	Sub-Total	Traditional		Synthetic	Sub-Total	Traditional		Synthetic	Sub-Total
	STS	Non-STS			STS	Non-STS			STS	Non-STS		
<b>TOTAL EXPOSURES</b>	-	-	-	-	-	-	-	-	-	1,302	621	1,922
<b>RETAIL (TOTAL)</b>	-	-	-	-	-	-	-	-	-	456	13	468
Residential mortgage	-	-	-	-	-	-	-	-	-	92	13	105
Credit card	-	-	-	-	-	-	-	-	-	7	-	7
Other retail exposures	-	-	-	-	-	-	-	-	-	356	-	356
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Wholesale (total)</b>	-	-	-	-	-	-	-	-	-	846	608	1,454
Loans to corporates	-	-	-	-	-	-	-	-	-	626	0	626
Commercial mortgage	-	-	-	-	-	-	-	-	-	185	608	793
Lease and receivables	-	-	-	-	-	-	-	-	-	35	-	35
Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

**TABLE 77: EXPOSURES SECURITISED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS (SEC5)**

	31.12.2025		
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
(In EURm)		of which exposures in default	
<b>TOTAL EXPOSURES</b>	<b>85,657</b>	<b>501</b>	<b>3</b>
<b>Retail (total)</b>	<b>42,054</b>	<b>82</b>	<b>3</b>
Residential mortgage	28,188	51	-
Credit card	1,710	-	-
Other retail exposures	12,155	31	3
Re-securitisation	-	-	-
<b>Wholesale (total)</b>	<b>43,604</b>	<b>419</b>	<b>-</b>
Loans to corporates	25,545	369	-
Commercial mortgage	2,362	15	-
Lease and receivables	13,927	35	-
Other wholesale	1,770	-	-
Re-securitisation	-	-	-

	31.12.2024 <sup>®</sup>		
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
(In EURm)		of which exposures in default	
<b>TOTAL EXPOSURES</b>	<b>73,438</b>	<b>289</b>	<b>10</b>
<b>Retail (total)</b>	<b>38,688</b>	<b>50</b>	<b>10</b>
Residential mortgage	24,908	23	-
Credit card	2,286	-	-
Other retail exposures	11,493	27	10
Re-securitisation	-	-	-
<b>Wholesale (total)</b>	<b>34,751</b>	<b>239</b>	<b>-</b>
Loans to corporates	17,592	178	-
Commercial mortgage	-	-	-
Lease and receivables	15,815	61	-
Other wholesale	1,343	-	-
Re-securitisation	-	-	-

<sup>®</sup> Resubmission.

## 8.6 PRUDENTIAL TREATMENT OF SECURITISATION POSITIONS

### Approach for calculating risk-weighted exposures

Whenever traditional or synthetic securitisations, for which sponsorship, origination, structuring or management of Societe Generale is involved, achieve a substantial and documented risk transfer compliant with the regulatory framework, the underlying assets are excluded from the bank's calculation of risk-weighted exposures for traditional credit risk.

For the securitisation positions that Societe Generale decides to hold either on- or off-balance sheet, capital requirements are determined based on the bank's exposure, irrespective of its underlying strategy or role.

Institutions use one of the methods described in the hierarchy below to calculate the weighted exposure amounts:

- SEC-IRBA (approach based on internal ratings), when certain conditions are met;
- when the SEC-IRBA cannot be used, the institution uses the SEC-SA (standardised approach);
- when the SEC-SA cannot be used, the institution uses the SEC-ERBA (approach based on external ratings) for positions with an external credit rating or those for which it is possible to infer such a note.

The unrated liquidity lines granted to ABCP programmes can be determined using the Internal Assessment Approach (IAA). Regarding the liquidity lines that the bank grants to the securitisation conduits it sponsors, Societe Generale obtained approval in 2009 to use the internal assessment approach. As such, Societe Generale has developed a rating model (IAA approach), which estimates the expected loss (Expected Loss - EL) for each Group's exposure to securitization conduits, which automatically leads to a capital weighting by application of a correspondence table defined by the regulations. The IAA model mainly applies to underlying assets such as trade receivables, auto loans and auto lease. An annual review of the model makes it possible to verify that the performance and conservatism of the model. Also, in-depth analyses are carried out

on inputs (transaction details such as default, dilution, or reserve rates), model parameters (transition matrices, PD, LGD) and an EL backtest. The backtest of the outputs themselves being not feasible due to the limited number of transactions, the backtest of the IAA model consists in the backtest of the inputs (including for example default rate and default rate standard deviation) and the parameters as well as a model behaviour analysis. Methodological benchmarks are also regularly carried out in order to validate our internal approach in comparison with the best practices of the market. The relevance of the IAA approach is regularly monitored and reviewed by the Risk Department responsible for Model Risk Management at Group level, as second line of defense. The independent review process ends with (i) review and approval Committees and (ii) an independent review report detailing the scope of the review, the tests performed and their outcomes, the recommendations, and the conclusion of the review.

In the other cases, the securitisation positions receive a risk weight of 1,250%.

### External credit assessment institutions used by Societe Generale

Assets securitised by Societe Generale are usually rated by one or more ECAIs (External Credit Assessment Institutions), the list of which is established by the French prudential supervisory authority ACPR (*Autorité de Contrôle Prudentiel et de Résolution*). The agencies used are DBRS Morningstar, FitchRatings, Moody's Investors Service, Standard & Poor's and Scope ratings. All rating agencies have been registered with and supervised by the European Securities and Market Authority (ESMA). The capital requirements for securitisation positions valued using the standardised approach are calculated based on the lowest external rating of the securitisation exposure.

An equivalence (see table 77) between external ratings and Societe Generale's internal rating scale is provided, presenting Societe Generale's internal rating scale and the corresponding scales of the main ECAIs, as well as the corresponding average estimated probabilities of default.

**TABLE 78: CREDIT RATING AGENCIES USED IN SECURITISATIONS BY TYPE OF UNDERLYING ASSETS**

Underlying assets	MOODY'S	FITCH	S&P	DBRS	Scope
Residential mortgages	✓	✓	✓		
Commercial mortgages	✓	✓	✓		
Credit card receivables					
Leasing	✓				
Loans to corporates and SMEs	✓	✓	✓		
Consumer loans	✓			✓	✓
Trade receivables					
Other assets	✓	✓	✓		
Covered bonds					
Other liabilities					

## Regulatory capital requirements

The following tables present, by type of securitisation position, the approaches for calculating the weighted exposure amounts that Societe Generale applies to its securitisation activities.

The following tables show the bank's securitisation exposures and corresponding regulatory capital requirements for the Group's Banking Book as of 31 December 2025.

**TABLE 79: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – INSTITUTION ACTING AS ORIGINATOR OR AS SPONSOR (SEC3)**

31.12.2025						
(In EURm)	Exposure values (by RW bands/deductions)					
	≤ 20%RW	> 20% to 50%RW	> 50% to 100%RW	> 100% to < 1,250%RW	1250% RW/deductions	
<b>TOTAL EXPOSURES</b>	<b>42,627</b>	<b>988</b>	<b>-</b>	<b>26</b>	<b>25</b>	
<b>Traditional transactions</b>	<b>25,914</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>10</b>	
Securitisation	25,914	12	-	-	10	
Retail underlying	13,126	12	-	-	5	
of which STS	2,260	-	-	-	5	
Wholesale	12,788	-	-	-	4	
of which STS	6,782	-	-	-	-	
Re-securitisation	-	-	-	-	-	
<b>Synthetic transactions</b>	<b>16,713</b>	<b>977</b>	<b>-</b>	<b>26</b>	<b>15</b>	
Securitisation	16,713	977	-	26	15	
Retail underlying	-	-	-	-	-	
Wholesale	16,713	977	-	26	15	
Re-securitisation	-	-	-	-	-	

31.12.2025												
(In EURm)	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	SEC-ERBA (including IAA)		SEC -SA	1,250% / deductions	SEC-ERBA (including IAA)		SEC- SA	1,250% / deductions	SEC-ERBA (including IAA)		SEC- SA	1,250% / deductions
	SEC-IRBA				SEC- IRBA				SEC- IRBA			
<b>TOTAL EXPOSURES</b>	<b>17,208</b>	<b>25,916</b>	<b>507</b>	<b>25</b>	<b>1,894</b>	<b>3,670</b>	<b>57</b>	<b>-</b>	<b>152</b>	<b>294</b>	<b>5</b>	<b>-</b>
<b>Traditional transactions</b>	<b>-</b>	<b>25,916</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>3,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294</b>	<b>-</b>	<b>-</b>
Securitisation	-	25,916	-	10	-	3,670	-	-	-	294	-	-
Retail underlying	-	13,132	-	5	-	2,025	-	-	-	162	-	-
of which STS	-	2,254	-	5	-	229	-	-	-	18	-	-
Wholesale	-	12,784	-	4	-	1,645	-	-	-	132	-	-
of which STS	-	6,782	-	-	-	678	-	-	-	54	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Synthetic transactions</b>	<b>17,208</b>	<b>-</b>	<b>507</b>	<b>15</b>	<b>1,894</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>152</b>	<b>-</b>	<b>5</b>	<b>-</b>
Securitisation	17,208	-	507	15	1,894	-	57	-	152	-	5	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	17,208	-	507	15	1,894	-	57	-	152	-	5	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

STS positions in the banking book amount to EUR 26.2 billion. The majority of these STS transactions are under the SEC-IRBA approach, amounting to EUR 15.9 billion as originator and under the IAA approach, amounting to EUR 9.1 billion as sponsor.

31.12.2024 <sup>®</sup>					
Exposure values (by RW bands/deductions)					
(In EURm)	≤ 20%RW	> 20% to 50%RW	> 50% to 100%RW	> 100% to < 1,250%RW	1250% RW/deductions
<b>TOTAL EXPOSURES</b>	<b>41,671</b>	<b>1,596</b>	-	<b>82</b>	<b>39</b>
<b>Traditional transactions</b>	<b>27,227</b>	<b>20</b>	-	-	<b>7</b>
Securitisation	27,227	20	-	-	7
Retail underlying	14,331	-	-	-	4
of which STS	1,712	-	-	-	4
Wholesale	12,896	20	-	-	3
of which STS	6,433	-	-	-	-
Re-securitisation	-	-	-	-	-
<b>Synthetic transactions</b>	<b>14,444</b>	<b>1,576</b>	-	<b>82</b>	<b>32</b>
Securitisation	14,444	1,576	-	82	32
Retail underlying	-	-	-	-	-
Wholesale	14,444	1,576	-	82	32
Re-securitisation	-	-	-	-	-

<sup>®</sup> Re-submission.

31.12.2024 <sup>®</sup>												
(In EURm)	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% / deductions
<b>TOTAL EXPOSURES</b>	<b>15,641</b>	<b>27,241</b>	<b>461</b>	<b>39</b>	<b>1,975</b>	<b>3,917</b>	<b>56</b>	-	<b>158</b>	<b>313</b>	<b>4</b>	-
<b>Traditional transactions</b>	-	<b>27,241</b>	-	<b>7</b>	-	<b>3,917</b>	-	-	-	<b>313</b>	-	-
Securitisation	-	27,241	-	7	-	3,917	-	-	-	313	-	-
Retail underlying	-	14,327	-	4	-	2,242	-	-	-	179	-	-
of which STS	-	1,708	-	4	-	182	-	-	-	15	-	-
Wholesale	-	12,914	-	3	-	1,675	-	-	-	134	-	-
of which STS	-	6,433	-	-	-	643	-	-	-	51	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Synthetic transactions</b>	<b>15,641</b>	-	<b>461</b>	<b>32</b>	<b>1,975</b>	-	<b>56</b>	-	<b>158</b>	-	<b>4</b>	-
Securitisation	15,641	-	461	32	1,975	-	56	-	158	-	4	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	15,641	-	461	32	1,975	-	56	-	158	-	4	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

<sup>®</sup> Re-submission.

**TABLE 80: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – INSTITUTION ACTING AS INVESTOR (SEC4)**

31.12.2025					
Exposure values (by RW bands/deductions)					
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1250% RW/deductions
<b>TOTAL EXPOSURES</b>	11,027	188	29	-	-
<b>Traditional securitisation</b>	11,027	188	29	-	-
Securitisation	11,027	188	29	-	-
Retail underlying	907	81	29	-	-
of which STS	736	-	-	-	-
Wholesale	10,119	106	-	-	-
of which STS	56	-	-	-	-
Re-securitisation	-	-	-	-	-
<b>Synthetic securitisation</b>	-	-	-	-	-
Securitisation	-	-	-	-	-
Retail underlying	-	-	-	-	-
Wholesale	-	-	-	-	-
Re-securitisation	-	-	-	-	-

31.12.2025												
Exposure values (by regulatory approach)      RWA (by regulatory approach)      Capital charge after cap												
(In EURm)	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC R BA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SECI RBA	SEC-ERBA (including IAA)	SEC -SA	1250% RW/ deductions
<b>TOTAL EXPOSURES</b>	-	1,133	10,110	-	-	189	1,511	-	-	15	121	-
<b>Traditional securitisation</b>	-	1,133	10,110	-	-	189	1,511	-	-	15	121	-
Securitisation	-	1,133	10,110	-	-	189	1,511	-	-	15	121	-
Retail underlying	-	125	893	-	-	38	118	-	-	3	9	-
of which STS	-	44	692	-	-	4	69	-	-	0	6	-
Wholesale	-	1,009	9,217	-	-	151	1,392	-	-	12	111	-
of which STS	-	-	56	-	-	-	6	-	-	-	0	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Synthetic securitisation</b>	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

31.12.2024 <sup>®</sup>						
Exposure values (by RW bands/deductions)						
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1250% RW/deductions	
<b>Total exposures</b>	<b>8,417</b>	<b>137</b>	<b>22</b>	<b>2</b>		<b>-</b>
<b>Traditional securitisation</b>	<b>8,417</b>	<b>137</b>	<b>22</b>	<b>2</b>		<b>-</b>
Securitisation	8,417	137	22	2		-
Retail underlying	606	14	-	-		-
of which STS	594	-	-	-		-
Wholesale	7,811	123	22	2		-
of which STS	7	-	-	-		-
Re-securitisation	-	-	-	-		-
<b>Synthetic securitisation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Securitisation	-	-	-	-		-
Retail underlying	-	-	-	-		-
Wholesale	-	-	-	-		-
Re-securitisation	-	-	-	-		-

<sup>®</sup>restatement

31.12.2024 <sup>®</sup>												
(In EURm)	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions
<b>Total exposures</b>	-	<b>875</b>	<b>7,702</b>	-	-	<b>146</b>	<b>1,157</b>	-	-	<b>12</b>	<b>93</b>	-
<b>Traditional securitisation</b>	-	<b>875</b>	<b>7,702</b>	-	-	<b>146</b>	<b>1,157</b>	-	-	<b>12</b>	<b>93</b>	-
Securitisation	-	875	7,702	-	-	146	1,157	-	-	12	93	-
Retail underlying	-	17	603	-	-	5	62	-	-	0	5	-
of which STS	-	6	588	-	-	1	59	-	-	0	5	-
Wholesale	-	858	7,099	-	-	141	1,095	-	-	11	88	-
of which STS	-	7	-	-	-	1	-	-	-	0	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Synthetic securitisation</b>	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

<sup>®</sup>re submission

## 8.7 PERIMETER OF SECURITISATION VEHICLES

List of SSPEs which acquire exposures originated by institutions<sup>(1)</sup>:

Business Line	Originator	SPPE	Description of types of institutions' exposures <sup>(2)</sup>
Retail Banking and International Financial Services	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH (BDK)	RED & BLACK AUTO GERMANY 9 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH (BDK)	RED & BLACK AUTO GERMANY 10 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH (BDK)	RED & BLACK AUTO GERMANY 11 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH (BDK)	RED & BLACK AUTO GERMANY 12 UG	Auto loans
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH (BDK)	RED & BLACK AUTO GERMANY 13 UG	Auto loans
	FIDITALIA SPA	RED & BLACK AUTO ITALY SRL	Auto loans
	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	FCT RED & BLACK AUTO LOANS FRANCE 2024	Auto loans
Retail Banking and International Financial Services	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	FCT RED & BLACK AUTO LOANS FRANCE 2025	Auto loans
	SOCIÉTÉ GÉNÉRALE	RED & BLACK HOME LOANS FRANCE 2	Residential loans
	SOCIÉTÉ GÉNÉRALE	RED & BLACK HOME LOANS FRANCE 3	Residential loans
	SOGEFINANCEMENT	RED & BLACK CONSUMER FRANCE 2013	Consumer loans
Mobility services and leasing	BOURSORAMA	BOURSORAMA MASTER HOME LOANS FRANCE	Residential loans
	LEASEPLAN DEUTSCHLAND GMBH	BUMPER DE 2023	Auto leases
	AXUS NEDERLAND N.V.	BUMPER NL 2023-1 B.V.	Auto leases
	AXUS NEDERLAND N.V.	BUMPER NL 2024-1 B.V.	Auto leases
	AXUS NEDERLAND N.V.	BUMPER NL 2025-1 B.V.	Auto leases
	TEMSYS	RED & BLACK AUTO LEASE FRANCE 2	Auto leases

(1) Public securitisations.

(2) Societe Generale or an affiliate of the Group may provide cash reserves to the SSPE in certain circumstances and hold the junior tranches

List of SSPEs sponsored by the institutions:

Business Line	Country	SPPE
Global Banking & Investor Solutions	France	ANTALIS SA
	Luxembourg <sup>10</sup>	BARTON CAPITAL SA
	United States of America	MOUNTCLIFF FUNDING LLC

List of SSPEs and other legal entities for which institutions provide securitisation-related services, such as advisory, asset servicing or management services.

Business Line	Country	Management company
Global Banking & Investor Solutions	France	DELTA ALTERNATIVE MANAGEMENT (Groupe BURRUS)
		EUROTITRISATION
		FRANCE TITRISATION
		GTI ASSET MANAGEMENT
		IQ EQ MANAGEMENT
	PARIS TITRISATION	
	Luxembourg	VAULT
CARS ALLIANCE		

Regarding SGSS, other asset managers provide different categories of funds other than securitisation.

List of legal entities affiliated with institutions and that invest in securitisations originated by institutions or in securitisation positions issued by SSPEs sponsored by institutions:

Country	Legal entities
Germany	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH (BDK)
	LEASEPLAN DEUTSCHLAND GMBH
Belgium	AXUS SA/NV
	BOURSORAMA
	SOCIETE GENERALE
France	FRANFINANCE
	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENT
	SOCIETE GENERALE FACTORING
	TEMSYS
	ALD AUTOMATIVE LIMITED
United Kingdom	ALD AUTOMATIVE LIMITED
Italy	FIDITALIA SPA
Netherlands	AXUS NEDERLAND B.V

List of SPPEs with the scope of regulatory consolidation

Pays	Entité affiliée
Germany	RED & BLACK AUTO GERMANY 9 UG
	RED & BLACK AUTO GERMANY 10 UG
	RED & BLACK AUTO GERMANY 11 UG
	RED & BLACK AUTO GERMANY 12 UG
	RED & BLACK AUTO GERMANY 13 UG
France	ANTALIS SA
	BOURSORAMA MASTER HOME LOANS FRANCE
	FCT LA ROCHE
	RED & BLACK AUTO LEASE France 2
	FCT RED & BLACK AUTO LOANS FRANCE 2024
	FCT RED & BLACK AUTO LOANS FRANCE 2025
	RED & BLACK CONSUMER FRANCE 2013
	RED & BLACK HOME LOANS FRANCE 2
	RED & BLACK HOME LOANS FRANCE 3
	BUMPER UK 2021-1 FINANCE PLC
Italy	RED & BLACK AUTO ITALY SRL
	BARTON CAPITAL SA
Luxembourg	BUMPER DE S.A.
	ZEUS FINANCE LEASING SA
	AXUS FINANCE NL B.V.
Netherlands	BUMPER NL 2023-1 B.V.
	BUMPER NL 2024-1 B.V.
	BUMPER NL 2025-1 B.V.

# 9

## MARKET RISK

### IN BRIEF

Market risk is the risk of loss of value on financial instruments arising from changes in market parameters, the volatility of these parameters and the correlations between them. These parameters include, but are not limited to, exchange rates, interest rates, the price of securities (equities or bonds), commodities, derivatives and other assets.

Market risk RWA at end 2025

**€11.9<sub>bn</sub>**

*(Amount at end 2024: €12.2bn)*

Annual average Var

(1 day, 99%) - 2025

**€15<sub>bn</sub>**

*(Annual average VaR 2024: €19bn)*

Share of RWA calculated via the internal model

**81%**

**Audited I** Market risk is the risk of loss of value on financial instruments<sup>(1)</sup> arising from changes in market parameters, the volatility of these parameters, and the correlations between these. These parameters include, but are not limited to, exchange rates, interest rates, the price of securities (equities or bonds), commodities, derivatives and other assets. ▲

## 9.1 GENERAL PRINCIPLES AND SYSTEM OF GOVERNANCE

### Main missions

**Audited I** While the primary responsibility for risk management lies with those responsible for the activities of the trading rooms (front office), the supervisory system is based on an independent department within the Risk Department.

In this context, the main missions of this department are:

- The definition and proposal of the Group's market risk appetite;
- The proposal to the Group Risk Committee (CORISQ) of market limits for each of the Group's activities;
- The assessment of all the requests for limits made by the various activities, within the framework of the global authorisations granted by the Board of Directors and the General Management and their level of use;
- The permanent verification of the existence of an effective market risk monitoring framework for the activity by appropriate limits;
- The coordination of the review by the Risk department of the strategic initiatives of the Market Risk department;
- The definition of the indicators used to monitor market risk;
- The daily calculation and certification of risk indicators and the P&L resulting from the Group's market activities, based on formal and secure procedures, as well as the reporting and analysis of these indicators;
- The daily monitoring of compliance with the limits notified to each activity;
- The risks assessment of new products or new market activities.

In order to carry out these various missions, the Risk department in charge of monitoring market operations defines the architecture principles and functionalities of the information system for the production of risk indicators and P&L on market operations and ensures that these principles and functionalities are properly adapted to business line needs. ▲

This department also 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.

### Market risk appetite and limit framework

**Audited I** The business development strategy of the Group for market activities is primarily focused on meeting clients' needs through a comprehensive range of products and solutions. The risk resulting from these market activities is strictly managed through a set of limits for several indicators:

- Value at Risk (VaR) and Stressed Value at Risk (SVaR): these global indicators are used for market risk calculations for RWA and for the day-to-day monitoring of the market risks incurred by the Group within the scope of its trading activities;
- Stress test measurements, based on decennial shock-type indicators, which make it possible to restrict the Group's exposure to systemic risk and exceptional market shocks. These measurements can be global, multi-risk factor (based on historical or hypothetical scenarios), by activity or risk factor in order to take into account extreme risks on a specific market, or event-driven, to temporarily monitor a particular situation;
- Sensitivity and nominal indicators used to manage the size of positions:
  - sensitivities are used to monitor the risk incurred locally on a given type of position (e.g. sensitivity of an option to changes in the underlying asset),
  - while nominal indicators are used for significant positions in terms of risk;
- Additional indicators such as concentration risk or holding period, maximum maturity, etc. ▲

The Market Risk Department is responsible for the assessment and validation of the limit requests submitted by the different business lines. These limits ensure that the Group complies with the market risk appetite approved by the Board of Directors.

(1) Including Credit Valuation Adjustment (CVA), which measures the valuation adjustment for derivatives and repos to take account for the counterparty's credit quality. ▲

## Limit setting and monitoring

**Audited I** The choice and calibration of these limits ensure the operational transposition of the Group's appetite for market risk through its organisation:

- These limits are allocated at various levels of the Group's structure and/or by risk factor;
- Their calibration is determined using a detailed analysis of the risks of the managed portfolio. This analysis may include various elements such as market conditions, including liquidity, the maneuverability of positions, the income generated in relation to the risks taken, ESG criteria, etc.;
- Their regular review makes it possible to manage risks according to the evolution of market conditions;
- Specific limits or even prohibitions may be put in place to regulate risks for which the Group has limited or no appetite. ▲

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.

## Governance

**Audited I** Market risks oversight is provided by various Committees at different levels of the Group:

- The Risk Committee of the Board of Directors is regularly<sup>(1)</sup> 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<sup>(2)</sup> (CORISQ), chaired by the Chief Executive Officer of the Group (DGLE), is regularly informed of Group-level market risks. Moreover, upon a proposal from the Risk Department, it validates the main choices with regard to market risk measurement, as well as the key developments on the architecture and implementation of the market risk framework at Group level. The global market risk limits with the Group CEO delegation level or the Board of Directors are reviewed in CORISQ at least once a year.
- The market risks of the Group are reviewed during the Market Risk Committee<sup>(3)</sup> (MRC) led by the Market Risk Department, chaired by the Risk Department and attended by the Head of the Global Banking and Investor Solutions Division and the Head of the Global Markets Division. This Committee provides information on risk levels for the main risk indicators as well as for some specific activities pointed out depending on market or business driven events. It also provides an opinion on the market risk framework changes falling under the remit of the Risk Department. In this context, a systematic review of all the limits with a Head of the Risk Division level is organised at least once a year.
- During these Committees, several metrics for monitoring market risks are reported:
  - Stress test measurements: Global Stress Test on market activities and Market Stress Test,
  - Regulatory metrics: Value-at-Risk (VAR) and Stressed Value-at-Risk (SVAR);
- In addition to these Committees, detailed and summary market risk reports, produced on a daily, weekly, monthly or quarterly basis, either related to various Group levels or geographic areas, are sent to the relevant business line and risk function managers.

In terms of governance, within the Market Risk Department, the main functional and transversal subjects are dealt with during Committees organised according to the nature of activity in question. ▲

(1) 7 Risk Reporting covered market activities in 2025.

(2) 4 CORISQ meetings dedicated to market activities took place in 2025.

(3) The Market Risk Committee met 11 times in 2025.

## 9.2 METHODOLOGY AND METRICS

### REGULATORY INDICATORS

#### 99% VALUE-AT-RISK (VaR)

##### Methodology

**Audited I** The internal VaR model was introduced at the end of 1996 and has been approved by the supervisor within the scope of the regulatory capital requirements. This approval was renewed in 2020 at the Target Review of Internal Models (TRIM).

The Value at Risk (VaR) assesses the potential losses on positions over a defined time horizon and for a given confidence interval (99% for Societe Generale). The method used is the “historical simulation” method, which implicitly takes into account the correlation between the various markets, as well as general and specific risk. It is based on the following principles:

- Storage in a database of the risk factors that are representative of 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 modelling scenarios (relative shocks, absolute shocks and hybrid shocks), the choice between these methods for a given risk factor is determined by its nature and its historical trend;
- The application of these 260 scenarios to the market parameters of the day;
- Revaluation of daily positions, on the basis of the 260 sets of adjusted market parameters: in most cases, this calculation involves a full re-pricing. Nonetheless, for certain risk factors, a sensitivity-based approach may be used.

Main risk factors	Description
Interest rates	Risk resulting from changes in interest rates and their volatility on the value of a financial instrument sensitive to interest rates, such as bonds, interest rate swaps, etc.
Share prices	Risk resulting from variations in prices and volatility of shares and equity indices, in the level of dividends, etc.
Exchange rates	Risk resulting from the variation of exchange rates between currencies and of their volatility.
Commodity prices	Risk resulting from changes in prices and volatility of commodities and commodity indices.
Credit Spreads	Risk resulting from an improvement or a deterioration in the credit quality of an issuer on the value of a financial instrument sensitive to this risk factor such as bonds, credit derivatives (credit default swaps for example).

Within the framework described above, the one-day 99% VaR, calculated according to the 260 scenarios, corresponds to the weighted average<sup>(1)</sup> of the second and third largest losses computed, without applying any weighting to the other scenarios.

The day-to-day follow-up of market risk is performed *via* the one-day VaR, which is calculated on a daily basis at various granularity levels. Regulatory capital requirements, however, oblige us to take into account a ten-day horizon, thus we also calculate a ten-day VaR, which is obtained by multiplying the one-day VaR aggregated at Group level by the square root of 10. This methodology complies with regulatory requirements and has been reviewed and validated by the supervisor.

The VaR assessment is based on a model and a certain number of conventional assumptions, the main limits of which are as follows:

- By definition, the use of a 99% confidence interval does not take into account losses arising beyond this point; VaR is therefore an indicator of the risk of loss under normal market conditions and does not take into account exceptionally significant fluctuations;
- VaR is computed using closing prices, meaning that intra-day fluctuations are not taken into account;

- The use of a historical model is based on the assumption that past events are representative of future events and may not capture all potential events.

The Market Risk Department monitors the limitations of the VaR model by measuring the impacts of integrating a risk factor absent from the model (RNIME<sup>(2)</sup> process). Depending on the materiality of these missing factors, they may be capitalised. Other complementary measures also allow to control the limitations of the model.

The same model is used for the VaR computation for almost all of Global Banking and Investor Solution’s activities (including those related to the most complex products) and the main market activities of Retail Banking and Private Banking.

The few activities not covered by the VaR method, either for technical reasons or because the stakes are too low, are monitored using stress tests, and capital charges are calculated using the standard method or through alternative in-house methods. For example, the currency risk of positions in the banking book is not calculated with an internal model because this risk is not subject to a daily revaluation and therefore cannot be taken into account in a VaR calculation.

(1) 39% of the second-highest risk and 61% of the third-highest risk.

(2) Risk Not In Model Engine.

### 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.

In compliance with regulations, the backtesting compares the VaR to the (i) actual and (ii) hypothetical change in the portfolio's value:

- In the first case (backtesting against "actual P&L"), the daily P&L<sup>(1)</sup> 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<sup>(2)</sup> includes only the change in book value related to changes in market parameters and excludes all other factors.

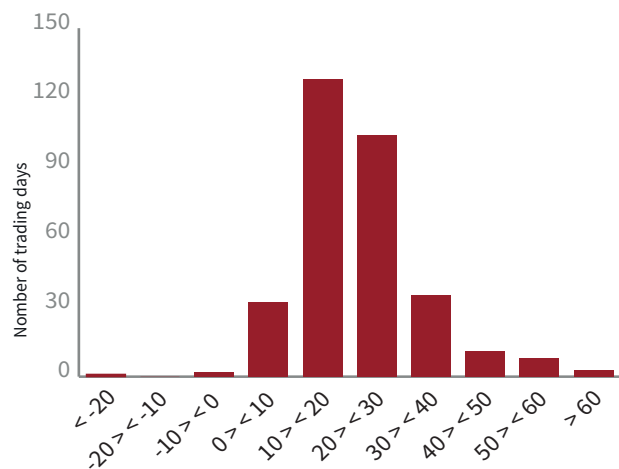
### Independent review

The results of the backtesting are audited by the Risk Department in charge of the validation of internal models, which, as a second line of defence, also assesses the theoretical robustness (from a design and development standpoint), the correctness of the implementation and the adequacy of the model use.

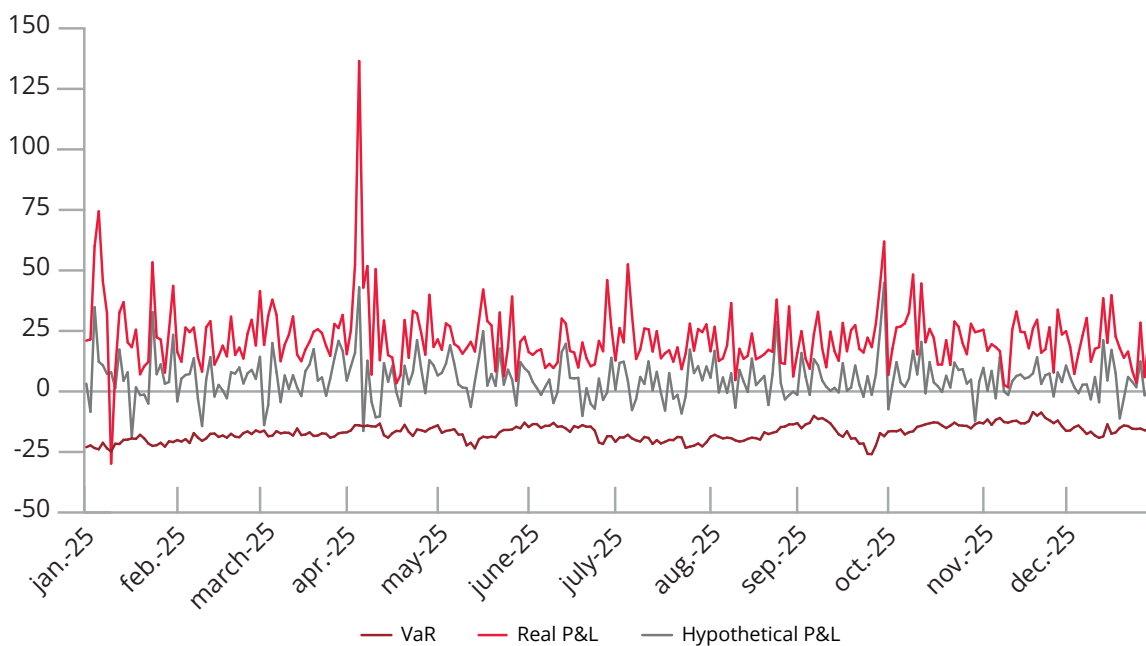
The independent review process ends with: (i) review and approval committees and (ii) an audit report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review. The model control mechanism gives rise to reporting to the appropriate authorities. ▲

In 2025, one VaR backtesting breach against the hypothetical result was observed in the first quarter.

### BREAKDOWN OF THE DAILY P&L<sup>(3)</sup> OF MARKET ACTIVITIES (2025, IN EURM)



### TRADING VAR (ONE-DAY, 99%), DAILY ACTUAL P&L<sup>(4)</sup> AND DAILY HYPOTHETICAL P&L<sup>(5)</sup> OF THE TRADING PORTFOLIO (2025, IN EURM)



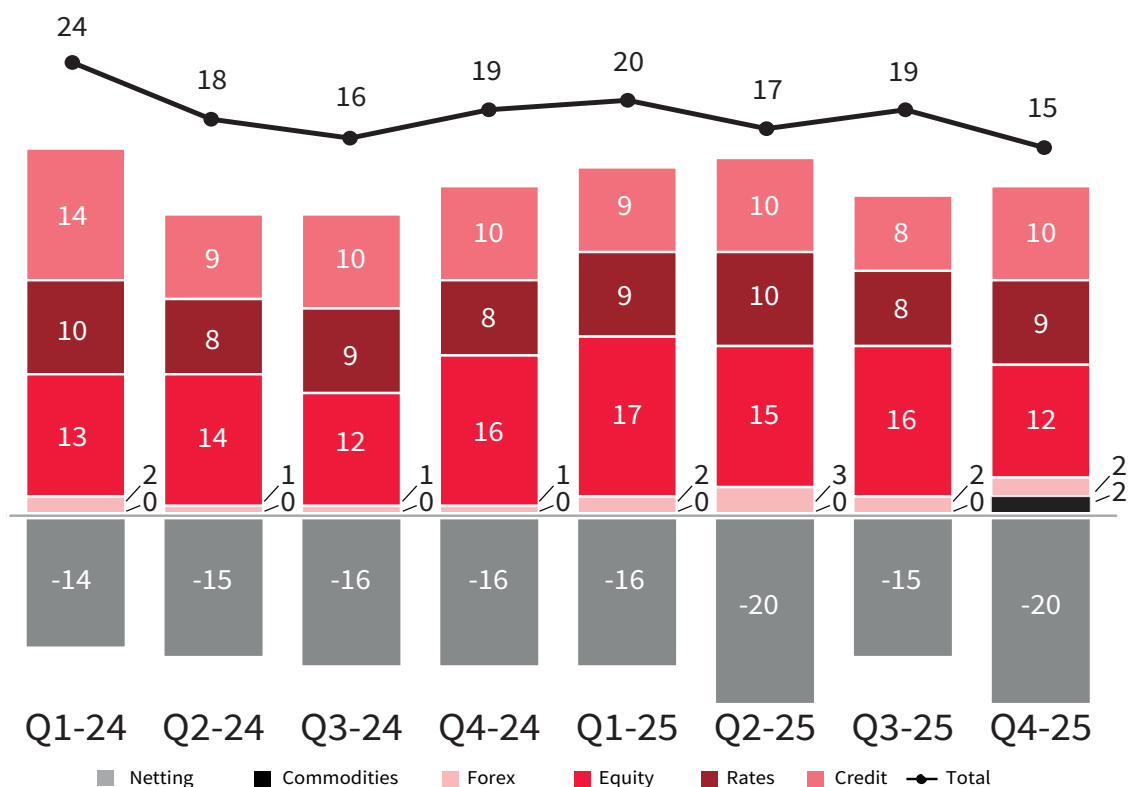
(1) "Actual P&L" by agreement hereinafter.  
 (2) "Hypothetical P&L" by agreement hereinafter.  
 (3) Actual P&L.  
 (4) Daily result used for backtesting the VaR against the effective value of the portfolio as defined in the paragraph "Value-at-Risk 99% (VaR)".  
 (5) Daily result used for backtesting the VaR against the hypothetical value of the portfolio as defined in the paragraph "Value-at-Risk 99% (VaR)".

## VaR Changes

TABLE 81: REGULATORY TEN-DAY 99% VaR AND ONE-DAY 99% VaR

(In EURm)	31.12.2025		31.12.2024	
	VaR (10 days, 99%) <sup>(1)</sup>	VaR (1 day, 99%) <sup>(1)</sup>	VaR (10 days, 99%) <sup>(1)</sup>	VaR (1 day, 99%) <sup>(1)</sup>
Period start	61	19	69	22
Maximum value	64	20	99	31
Average value	47	15	60	19
Minimum value	29	9	34	11
Period end	50	16	65	20

(1) Over the scope for which capital requirements are assessed by the internal model.

**AUDITED | BREAKDOWN BY RISK FACTOR OF TRADING VaR (ONE-DAY, 99%) – CHANGES IN QUARTERLY AVERAGE OVER THE 2024-2025 PERIOD (IN EURM)**


(in EUR m)	31.03.2024	30.06.2024	31.09.2024	31.12.2024	31.03.2025	30.06.2025	31.09.2025	31.12.2025
Netting	-14	-15	-17	-16	-16	-20	-15	-20
Commodities	0	0	0	0	0	0	0	2
Change	2	1	1	1	2	3	2	2
Forex	13	14	12	16	17	15	16	12
Rates	10	8	9	8	9	10	8	9
Credit	14	9	10	10	9	10	8	10
<b>TOTAL</b>	<b>24</b>	<b>18</b>	<b>16</b>	<b>19</b>	<b>20</b>	<b>17</b>	<b>19</b>	<b>15</b>

**Audited |** The VaR remained stable in 2025 (EUR 18 million compared with an average of EUR 19 million in 2024). The level of the VaR was primarily driven by equity activities, with interest rate and credit activities representing the next most significant drivers. ▲

## STRESSED VAR (SVAR)

**Audited I** The Internal Stressed VaR model (SVaR) was introduced at the end of 2011 and has been approved by the Regulator within the scope of the regulatory capital requirements on the same scope as the VaR. As with the VaR model, this approval was renewed in 2020 at the Target Review of Internal Models (TRIM).

The calculation method used for the 99% one-day SVaR is the same as the one for the VaR. It consists in carrying out an historical simulation with one-day shocks and a 99% confidence interval. Contrary to VaR, which uses 260 scenarios for one-day fluctuations over a rolling one-year period, SVaR uses a fixed one-year historical window corresponding to a period of significant financial tension.

Following a validation of the ECB obtained at the end of 2021, a new method for determining the fixed historical stress window is used. It consists in calculating an approximate SVaR for various risk factors selected as representative of the Societe Generale portfolio (related to equity, fixed income, foreign exchange, credit and commodity risks): these historical shocks are weighted according to the portfolio's sensitivity to each of these risk factors and aggregated to determine the period of highest stress for the entire portfolio<sup>(1)</sup>. The historical window used is reviewed annually. In 2024 this window was "September 2008-September 2009".

The ten-day SVaR used for the computation of the regulatory capital is obtained, as for VaR, by multiplying the one-day SVaR by the square root of ten.

As for the VaR, the Market Risk Department controls the limitations of the SVaR model by measuring the impact of integrating a risk factor absent from the model (RNIME process). Depending on the materiality of these missing factors, they may be capitalised. Other complementary measures also control the limitations of the model. The continuous backtesting performed on VaR model cannot be replicated to the SVaR model as, by definition, it is not sensitive to the current market conditions. However, as the VaR and the SVaR models rely on the same approach, they have the same advantages and limits.

The relevance of the SVaR is regularly monitored and reviewed by the Model Risk Department that is second line of defence regarding the validation of internal models. The independent review process ends with (i) an Audit Report detailing the scope of the review, the tests performed and their outcomes, the recommendations and the conclusion of the review and (ii) review and approval committees. The model control mechanism gives rise to recurrent reporting to the appropriate authorities.

The SVaR decreased on average in 2025 (EUR 38 million versus EUR 42 million in 2024). Slightly down over the year, the SVaR evolved with variability comparable to that of 2024. Its level and variability are explained by the Indexation and Financing activities, as well as by the Interest Rate perimeters. ▲

**TABLE 82: REGULATORY TEN-DAY 99% SVAR AND ONE-DAY 99% SVAR**

(In EURm)	31.12.2025		31.12.2024	
	Stressed VaR (10 days, 99%) <sup>(1)</sup>	Stressed VaR (1 day, 99%) <sup>(1)</sup>	Stressed VaR (10 days, 99%) <sup>(1)</sup>	Stressed VaR (1 day, 99%) <sup>(1)</sup>
Period start	110	35	127	40
Maximum value	183	58	174	55
Average value	129	41	129	41
Minimum value	95	30	82	26
Period end	157	50	147	47

(1) Over the scope for which capital requirements are assessed by the internal model.

(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.

## 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<sup>(1)</sup> model was renewed in 2020 at the Target Review of Internal Models (TRIM).

The IRC and CRM 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<sup>(2)</sup>. These models determine the loss that would be incurred following especially adverse scenarios in terms of rating changes or issuer defaults for the year that follows the calculation date, without ageing the positions. IRC and CRM are calculated with a confidence interval of 99.9%: they represent the highest risk of loss obtained after eliminating 0.1% of the most unfavourable scenarios simulated.

The internal IRC model simulates rating transitions (including default) for each issuer in the portfolio, over a one-year horizon<sup>(3)</sup>. Issuers are classified into five categories: US-based companies, European companies, companies from other regions, financial institutions and sovereigns. The behaviours of the issuers in each category are correlated with one other through a systemic factor specific to each category. In addition, a correlation between these five systemic factors is integrated to the model. These correlations, along with the rating transition probabilities, are calibrated from historical data observed over the course of a full economic cycle. In case of change in an issuer's rating, the decline or improvement in its financial health is modelled by a shock in its credit spread: negative if the rating improves and positive in the opposite case. The price variation associated with each IRC scenario is determined after revaluation of positions *via* a sensitivity approach, using the delta, the gamma as well as the level of loss in the event of default (Jump to Default), calculated with the market recovery rate for each position.

The CRM model simulates issuer's rating transitions in the same way as the internal IRC model. In addition, the dissemination of the following risk factors is taken into account by the model:

- credit spreads;
- basis correlations;
- recovery rate excluding default (uncertainty about the value of this rate if the issuer has not defaulted);
- recovery rate in the event of default (uncertainty about the value of this rate in case of issuer default);
- First-to-Default valuation correlation (correlation of the times of default used for the valuation of the First-to-Default basket).

These dissemination models are calibrated from historical data, over a maximum period of ten years. The price variation associated with each CRM scenario is determined thanks to a full repricing of the positions. In addition, the capital charge computed with the CRM model cannot be less than a minimum of 8% of the capital charge determined with the standard method for securitisation positions.

The internal IRC and CRM models are subject to similar governance to that of other internal models meeting the Pillar 1 regulatory requirements. More specifically, an ongoing monitoring allows to follow the adequacy of IRC and CRM models and of their calibration. This monitoring is based on the review of the modelling hypotheses at least once a year. This review includes:

- a check of the adequacy of the structure of the rating transition matrices used for IRC and CRM models;
- a backtesting of the probabilities of default used for these two models;
- a specific backtesting of the amount of IRC in relation to any losses incurred as a result of the defaults or rating migrations noted;
- a check of the adequacy of the models for the dissemination of recovery rates, spread dissemination and dissemination of basic correlations used in the CRM calculation.

Regarding the checks on the accuracy of these metrics:

- the IRC calculation being based on the sensitivities of each instrument – delta, gamma – as well as on the level of loss in the event of default (Jump to Default) calculated with the market recovery rate, the accuracy of this approach is checked against a full repricing every six months;
- such a check on CRM is not necessary as its computation is performed following a full repricing;
- these metrics are compared to normative stress tests defined by the regulator. In particular, the EBA stress test and the risk appetite exercise are performed regularly on the IRC metric. These stress tests consist of applying unfavourable rating migrations to issuers, shocking credit spreads and shocking rating transition matrices. Other stress tests are also carried out on an *ad hoc* basis to justify the correlation hypotheses between issuers and those made on the rating transition matrix;
- a weekly analysis of these metrics is carried out by the production and certification team for market risk metrics;
- the methodology and its implementation have been initially validated by the French Prudential and Resolution Supervisory Authority (*Autorité de Contrôle Prudenciel 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.

(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.

**TABLE 83: IRC (99.9%) AND CRM (99.9%)**

(In EURm)	31.12.2025	31.12.2024
<b>Incremental Risk Charge (99.9%)</b>		
Period start	38	105
Maximum value	250	129
Average value	92	80
Minimum value	37	36
Period end	179	36
<b>Comprehensive Risk Measure (99.9%)</b>		
Period start	11	30
Maximum value	45	50
Average value	15	25
Minimum value	6	10
Period end	6	14

## Other internal / economic indicators

### STRESS TEST RISK ASSESSMENT

**Audited I** Societe Generale calculates a measure of its risks in a stress test to take into account exceptional market disruptions.

A stress test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the positions affected.

Two major metrics are defined<sup>(1)</sup> and used:

- The Global Stress Test on market activities, which estimates the losses linked to market risks, market/counterparty cross-risk, and dislocation and carry risk on exotic activities, that could arise simultaneously in the event of a severe but plausible systemic crisis. This stress test is modelled on five scenarios;
- The Market Stress Test, which focuses solely on market risk, applying the same scenarios as the Global Stress Test and additional scenarios corresponding to different market conditions.

The various scenarios for those stress tests are regularly reviewed by the Market Risk Department. The relevance of the methodologies used in these stress tests is regularly monitored and reviewed by the Model Risk Department responsible for validating methodological changes in stress tests as part of its membership in the second line of defence. The independent review process ends with (i) a report describing the scope of the review, the tests performed, the results of the review, the conclusions or recommendations and by (ii) review and approval committees. These reviews are presented during dedicated biannual Committees, chaired by the Risk Department and attended by representatives of the Market Risk Department and the Model Risk Department, economists and representatives of Societe Generale's trading activities. These Committees cover the following topics: validation of methodological changes, changes in scenarios (introduction, removal, shock review), review of the appropriate coverage of the risk factors by the scenarios, review of the approximations made in terms of calculation, monitoring of the correct documentation of the whole process and review of recommendations related to these stress tests. It should be noted that these committees also cover adverse stress tests (i.e. specific stress tests by asset class or by risk factor) and stress tests by counterparty. The level of delegation to activate in production evolutions in stress tests depends on the impact of the contemplated changes.

The Global Stress Test on market activities limits and the Market Stress Test limits play a central role in the definition and the calibration of the Group's appetite for market risk: these indicators cover all activities and the main market risk factors and related risks associated with a severe market crisis, this allows both to limit the overall amount of risk and to take into account any diversification effects.

This system is complemented by stress-testing frameworks on the various individual risk factors (see adverse stress tests mentioned above), 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 collateralised transactions or 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.

(1) CVA (Credit Valuation Adjustment) risks are notably covered by the Market Stress Test.

### Market risk component

It corresponds to the results of the Market Stress Test<sup>(1)</sup> 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 (financial crisis scenario), eurozone crisis, general decline in risk assets) and two historical scenarios focusing respectively on the period of early October 2008 and early March 2020.

This component includes the impact of the stress test scenario on the counterparty credit risk reserves (Credit Value Adjustment) and funding risk reserves (Funding Value Adjustment) whose variation in case of a crisis affects the results of trading activities.

### Dislocation and carry risk component

Additional market risks to those assessed in the Market Stress Test can occur in market situation in which one or more participants – generally structured products – have concentrated or crowded trades. Dynamic risk hedging strategies can cause larger market dislocations than those calibrated in the Market Stress Test, and these dislocations can extend beyond the shock timeline used due to an imbalance between supply and demand.

Equity, credit, fixed income, currency and commodity trading activities are regularly reviewed to identify these areas of risk and to define a scenario that takes into account the specific features of each activity and position. Each scenario associated with an identified area of risk is added to the market risk component if – and only if – it is compatible with the market scenario in question.

### Market / counterparty cross-risk component on weak counterparties

Some counterparties may be significantly affected by a major crisis on the financial markets and their probability of default may increase. The third component of the Global Stress Test therefore aims to take into account this increased risk on certain types of weak counterparties (low-recourse counterparties, hedge funds or proprietary trading groups).

Four measurements are used:

- The **collateralised financing stress test**: this stress test focuses on collateralised financing activities and more specifically on weak counterparties. It applies a dislocation shock to several asset classes with the assumption of extremely tight liquidity conditions. Collateral and counterparty default rates are stressed concomitantly, taking into account any consanguinity with the collateral posted;
- The **adverse stress test on hedge funds and proprietary trading groups (PTG)**: this stress test applies three pairs of stress scenarios to all market transactions generating replacement regarding this type of counterparty. Each set of scenarios consists of a short-term scenario (scenario derived from the Market Stress Test) applied to positions with margin calls, and a long-term scenario (whose shocks are generally more severe) for positions without margin calls. Stressed current exposures are weighted by the probability of default of each counterparty and by the loss given default (LGD), then aggregated;

- The **adverse stress test on products for which the 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. ▲

### MARKET STRESS TEST

**Audited I** This metric, which focuses on market risk, measures the impact on the NBI in the event of shocks on all risk factors. This stress test is based on twelve scenarios<sup>(2)</sup> (three historical and nine hypothetical). The main principles are as follows:

- The scenario considered in the market stress test on a given day is the one with the worst result among the different scenarios defined;
- The shocks applied are calibrated on time horizons specific to each risk factor (the time horizon can range from five days for the most liquid risk factors to three months for the least liquid);
- Risks are calculated every day for each of the Bank’s market activities (all products together), using each of the historical and hypothetical scenarios.

### Historical scenarios

This method consists of an analysis over a long period of the major economic crises that have affected the financial markets: changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises have been analysed in order to define scenarios for potential variations in these main risk factors which, when applied to the Bank’s trading positions, could generate significant losses. Accordingly, this approach makes it possible to determine the historical scenarios used for the calculation of the stress test. This set of scenarios is also the subject of regular reviews. In 2020, 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 centred on an inflationary crisis and two new hypothetical scenarios corresponding to bull markets were added. ▲

(1) Measurement of the impact in the Net Banking Product in case of shocks to all risk factors (refer to description below).

(2) Including the scenarios used in the global stress tests on market activities.

## 9.3 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

### Allocation of exposures in the trading book

The on- and off-balance sheet items must be allocated to one of the two portfolios defined by prudential regulations: the banking book or the trading book.

The banking book is defined by elimination: all on- and off-balance sheet items not included in the trading book are included by default in the banking book.

The trading book consists of all positions in financial instruments and commodities held by an institution either for trading purposes or in order to hedge other positions in the trading book. The trading interest is documented as part of the traders' mandates.

The prudential classification of instruments and positions is governed as follows:

- the Finance Department's prudential regulation experts are responsible for translating the regulations into procedures, together with the Risk Department for procedures related to holding period and liquidity. They also analyse specific cases and exceptions. They share these procedures to the business lines;
- the business lines comply with these procedures as 1<sup>st</sup> line of defence (LOD1). In particular, they document the trading interest of the positions taken by traders;
- the Risk Department is the 2<sup>nd</sup> line of defence (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 data

At the end of September 2025, around 80% of Societe Generale capital requirements related to market risk are determined using an internal model approach.

The standard approach is mainly used for positions with currency risk and not belonging to the prudential trading book, for positions of the Collective Investment Units (CIU) or securitisation positions as well as for the Group's subsidiaries that do not have access to the core IT tools developed internally.

The capital requirements for market risk were broadly stable in 2025.

**TABLE 84: MARKET RISK CAPITAL REQUIREMENTS AND RWA BY RISK FACTOR**

(In EURm)	Risk-weighted assets			Capital requirement		
	31.12.2025	31.12.2024	Change	31.12.2025	31.12.2024	Change
VaR	1,705	1,960	(255)	136	157	(20)
Stressed VaR	5,485	5,279	206	439	422	16
Incremental Risk Charge (IRC)	2,234	990	1,244	179	79	100
Correlation portfolio (CRM)	245	186	59	20	15	5
<b>Total market risk assessed by internal model</b>	<b>9,669</b>	<b>8,415</b>	<b>1,254</b>	<b>774</b>	<b>673</b>	<b>100</b>
Specific risk related to securitisation positions in the trading portfolio	731	377	354	58	30	28
Risk assessed for currency positions	1,109	1,299	(190)	89	104	(15)
Risks assessed for interest rates (excl. securitisation)	359	514	(155)	29	41	(12)
Risk assessed for ownership positions	44	307	(263)	4	25	(21)
Risk assessed for commodities	7	10	(3)	1	1	(0)
<b>Total market risk assessed by standard approach</b>	<b>2,251</b>	<b>2,507</b>	<b>(256)</b>	<b>180</b>	<b>201</b>	<b>(20)</b>
<b>TOTAL</b>	<b>11,920</b>	<b>10,922</b>	<b>998</b>	<b>954</b>	<b>874</b>	<b>80</b>

**TABLE 85: MARKET RISK CAPITAL REQUIREMENTS AND RWA BY CATEGORY OF RISK**

(In EURm)	Risk-weighted assets		Capital requirement	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Risk assessed for currency positions	1,238	1,626	99	130
Risk assessed for credit (excl. deductions)	4,210	2,656	338	213
Risk assessed for commodities	86	46	7	4
Risk assessed for ownership positions	3,440	4,721	275	378
Risk assessed for interest rates	2,946	3,145	236	252
<b>TOTAL</b>	<b>11,920</b>	<b>12,195</b>	<b>955</b>	<b>976</b>

### 9.3.1 CAPITAL REQUIREMENTS FOR CVA RISK

Credit Valuation Adjustment (CVA) risk corresponds to the variability of the value adjustment for counterparty risk, which is the CCR market value for derivatives and repos, i.e. the adjustment made to the transaction price in order to take into account the counterparty's credit quality. It is measured as the difference between the contract price with a risk-free counterparty and the same contract taking into account the counterparty's default risk.

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 primarily using the advanced method:

- the positive expected exposure to the counterparty is mainly determined using the internal model described in section 4.6.3.1, which estimates the future exposure profiles to a counterparty, taking into account counterparty credit risk mitigants;

- the VaR and the Stressed VaR on CVA are determined using a similar methodology to the one developed for the calculation of the market VaR (see market risk chapter). This method consists of an "historical" simulation of the change in the CVA due to fluctuations in the credit spreads observed on the counterparties in portfolio, with a confidence interval of 99%. The calculation is made on the credit spreads variation observed, on the one hand, over a one-year rolling period (VaR on CVA), and, on the other hand, over a fixed one-year historical window corresponding to the period of greatest tension in terms of credit spreads (stressed VaR on CVA);
- the capital charge is the sum of two elements: VaR on CVA and Stressed VaR on CVA multiplied by a coefficient set by the regulator, specific to each bank.

The positions not taken into account in the advanced method are subject to a capital charge determined through the standard method by applying a normative weighting factor to the product of the EAD (Exposure At Default) by a maturity calculated according to the rules defined by the CRR (Capital Requirement Regulation); see the "Transactions subject to own funds requirements for CVA risk" - table 30 for the breakdown of CVA-related RWA between advanced and standard methods.

**TABLE 86: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK (CVA2)**

(In EURm)		31.12.2025	
		a	EU b
		Own Funds Requirements	Notional of CVA hedges
1	BACVA <sup>csr-unhedged</sup>	1,313	
2	BACVA <sup>csr-hedged</sup>	189	
<b>3</b>	<b>TOTAL</b>	<b>305</b>	
EU 4	Single-name CDS		4,538
EU 5	Index CDS		11,934
<b>EU 6</b>	<b>TOTAL</b>		<b>16,472</b>

## 9.4 FINANCIAL INSTRUMENT VALUATION

Management risk related to the valuation of financial products relies jointly on the Markets Department and the team of valuation experts (Valuation Group) within the Finance Department that both embody the first line of defence and by the team of independent review of valuation methodologies within the Market Risk Department.

### Governance

Governance on valuation topics is enforced through three valuation Committees, both attended by representatives of the Global Markets Division, the Market Risk Department and the Finance Division:

- the Valuation Risk Committee meets quarterly to monitor and approve changes in the valuation risk management framework; monitor indicators on this risk and propose or set a risk appetite; evaluate the control system and the progress of recommendations. 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, (i) the validation status of the model, (ii) its scope of use and (iii) 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<sup>(1)</sup> written by the front office and reviewed by the Market Risk Department. This system is complemented by specific controls carried out by the LOD1 (in particular the Independent Price Verification process performed by the Finance Department).

If necessary the resulting valuations are supplemented by reserves or adjustments (mainly covering liquidity, parameter or model uncertainties) the calculation methodologies of which are developed jointly by the Valuation Group and the front office and reviewed by the Market Risk Department. These adjustments are made under fair value accounting requirements or prudent valuation regulatory requirements. The latter aim to capture valuation uncertainty in accordance with the procedures prescribed by the regulations through additional valuation adjustments in relation to the fair value (Additional Valuation Adjustments or AVA) directly deducted from Common Equity Tier 1 capital.

(1) Document describing the parameter determination methodology.

## 9.5 CREDIT VALUATION ADJUSTMENTS (CVA)

### GENERAL PRINCIPLES

The CVA (Credit Valuation Adjustment) is an adjustment to marked-to-market of the derivatives and repos portfolio to take into account the credit quality of each counterparty facing the Group in the valuation.

This adjustment is equivalent to the counterparty credit risk hedging cost usually based on in the Credit Default Swap (CDS) market.

For a specific counterparty, the CVA is determined from:

- the positive expected exposure to the counterparty<sup>(1)</sup>;
- 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.

### CVA 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.

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 Bank) 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.

*(1) which is the average of the positive hypothetical future exposure values for a transaction, or a group of transactions, weighted by the probability that a default event will occur. It is mainly determined using risk neutral Monte Carlo simulations of risk factors that may affect the valuation of the derivatives transactions. The transactions are revalued through time according to the different scenarios, taking into account the terms and conditions defined in the contractual legal framework agreed, notably in terms of netting and collateralisation (i.e. that transactions with appropriate credit mitigants will generate lower expected exposure compared to transactions without credit mitigants)*

## 9.6 ADDITIONAL QUANTITATIVE INFORMATION ON MARKET RISK

**TABLE 87: MARKET RISK UNDER THE STANDARDISED APPROACH (MRI)**

(In EURm)	Risk-weighted assets	
	31.12.2025	31.12.2024
<b>Outright products</b>		
Interest rate risk (general and specific)	309	314
Equity risk (general and specific)	23	234
Foreign exchange risk	1,160	1,521
Commodity risk	7	-
<b>Options</b>		
Simplified approach	-	-
Delta-plus method	20	135
Scenario approach	-	-
<b>Securitisation (specific risk)</b>	<b>731</b>	<b>621</b>
<b>TOTAL</b>	<b>2,251</b>	<b>2,825</b>

(1) Outright products refer to positions in products that are not optional.

**TABLE 88: MARKET RISK UNDER THE ALTERNATIVE STANDARDISED APPROACH (ASA) (MRI (2))**

(En EURm)		31.12.2025
		Own Funds Requirements (OFR)
	<b>Sensitivity-based method</b>	
1	General interest rate risk (GIRR)	434
2	Equity risk (EQU)	419
3	Commodity risk (COM)	46
4	Foreign exchange risk (FX)	190
5	Credit spread risk for non-securitisations (CSR)	141
6	Credit spread risk for securitisation not included in the alternative correlation trading portfolio (non-ACTP CSR)	19
7	Credit spread risk for securitisation included in the alternative correlation trading portfolio (ACTP CSR)	35
	<b>Default risk</b>	
8	Non-securitisations	402
9	Securitisation not included in the alternative correlation trading portfolio (non-ACTP)	99
10	Securitisation included in the alternative correlation trading portfolio (ACTP)	12
	<b>Residual risk</b>	
EU 11a	Exotic underlyings	45
EU 11b	Other residual risks	429
<b>12</b>	<b>TOTAL</b>	<b>2,273</b>

TABLE 89: MARKET RISK UNDER THE INTERNAL MODEL APPROACH (MR2-A)

(In EURm)		Risk-weighted assets		Capital requirements	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
<b>1</b>	<b>VaR (higher of values a and b)</b>	<b>1,705</b>	<b>2,291</b>	<b>136</b>	<b>183</b>
(a)	Previous day's VaR (Article 365(1) (VaRt-1))			51	66
(b)	Average of the daily VaR (Article 365(1)) on each of the preceding sixty business days (VaRavg) x multiplication factor ((mc) in accordance with Article 366)			136	183
<b>2</b>	<b>SVaR (higher of values a and b)</b>	<b>4,894</b>	<b>6,110</b>	<b>392</b>	<b>489</b>
(a)	Latest SVaR (Article 365(2) (SVaRt-1))			156	150
(b)	Average of the SVaR (Article 365(2) during the preceding sixty business days (SVaRavg) x multiplication factor (ms) (Article 366)			392	489
<b>3</b>	<b>Incremental risk charge – IRC (higher of values a and b)</b>	<b>2,234</b>	<b>726</b>	<b>179</b>	<b>58</b>
(a)	Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)			179	36
(b)	Average of the IRC number over the preceding 12 weeks			146	58
<b>4</b>	<b>Comprehensive Risk Measure – CRM (higher of values a, b and c)</b>	<b>245</b>	<b>243</b>	<b>20</b>	<b>19</b>
(a)	Most recent risk number for the correlation trading portfolio (article 377)			6	14
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12-weeks			20	19
(c)	8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338(4))			2	7
<b>5</b>	<b>Other</b>	<b>591</b>		<b>47</b>	
<b>6</b>	<b>TOTAL</b>	<b>9,669</b>	<b>9,370</b>	<b>774</b>	<b>750</b>

**TABLE 90: INTERNAL MODEL APPROACH VALUES FOR TRADING PORTFOLIOS (MR3)**

(In EURm)	31.12.2025	31.12.2024
<b>VaR (10 days, 99%)<sup>(1)</sup></b>		
Maximum value	64	99
Average value	47	60
Minimum value	29	34
Period end	50	66
<b>Stressed VaR (10 days, 99%)<sup>(1)</sup></b>		
Maximum value	183	174
Average value	130	129
Minimum value	95	82
Period end	157	150
<b>Incremental Risk Charge (99.9%)</b>		
Maximum value	250	129
Average value	92	80
Minimum value	37	36
Period end	179	36
<b>Comprehensive Risk capital charge (99.9%)</b>		
Maximum value	45	50
Average value	15	25
Minimum value	6	10
Period end	6	14

(1) Within the scope for which the capital requirements are determined using the model.

**TABLE 91: RWA FLOW STATEMENT OF MARKET RISK EXPOSURES UNDER THE INTERNAL MODEL APPROACH (MR2-B)**

(In EURm)	VaR	SVaR	IRC	CRM	Other	Total RWA	Total own funds requirements
<b>RWA at end of previous reporting period (30.09.2025)</b>	<b>2,215</b>	<b>5,007</b>	<b>1,109</b>	<b>208</b>	<b>-</b>	<b>8,540</b>	<b>683</b>
Regulatory adjustment	(1,474)	1,952	0	0		478	38
RWA at the previous quarter-end (end of the day)	742	1,640	1,109	208		3,700	296
Movement in risk levels	(106)	310	1,124	(129)		1,199	96
Model updates/changes							
Methodology and policy							
Acquisitions and disposals							
Foreign exchange movements	1	1				2	0
Other							
RWA at the end of the disclosure period (end of the day)	637	1,952	2,234	79		4,901	392
Regulatory adjustment	1,068	3,534	0	166		4,768	381
<b>RWA at end of reporting period (31.12.2025)</b>	<b>1,705</b>	<b>5,485</b>	<b>2,234</b>	<b>245</b>		<b>9,669</b>	<b>774</b>

Effects are defined as follows:

- regulatory adjustment: difference between RWA used for the purpose of regulatory RWA calculation on the one hand and RWA of the last day or of the last week of the period on the other hand;
- movement in risk levels: changes due to position changes;
- model updates/changes: significant updates to the model to reflect recent experience (e.g. recalibration), as well as significant changes in model scope;
- methodology and policies: methodology changes to the calculations driven by regulatory policy changes;
- acquisitions and disposals: modifications due to acquisition or disposal of business/product lines or entities;
- foreign exchange movements: changes arising from foreign currency fluctuations.



# 10

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## OPERATIONAL RISK

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### **IN BRIEF**

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Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk RWA at end 2025

**€61.9<sub>bn</sub>**

*(Amount at end 2024: €50.1bn)*

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In line with the Group's Risk taxonomy, operational risk is one of the non-financial risks monitored by the Group. Operational risk is the risk of losses resulting from inadequacies or failures in processes, personnel or information systems, or from external events.

Operational risk classification is divided into seven event categories:

- commercial dispute;
- compliance and other dispute with authorities;
- errors in pricing or risk evaluation including model error;
- execution errors;
- fraud and other criminal activities;
- loss of operating environment/capability;
- IT system interruptions.

This classification ensures consistency throughout the system and enabling cross-business analyses throughout the Group (see section 4.10.2), particularly on the following risks:

- risks related to information and communication technologies and security (cybercrime, IT systems failures, etc.);
- risks related to outsourcing of services and business continuity;

- risks related to the launch of new products/services/activities for customers;
- non-compliance risk (including legal and tax risks) represents the risk of legal, administrative or regulatory sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with national or European legislation, regulations, rules, related self-regulatory organisation standards, and Codes of Conduct applicable to its banking activities;
- reputational risk arises from a negative perception on the part of customers, counterparties, shareholders, investors or regulators that could negatively impact the Group's ability to maintain or engage in business relationships and to sustain access to sources of financing;
- misconduct risk resulting from actions (or inaction) or behaviour of the Bank or its employees inconsistent with the Group's Code of Conduct, which may lead to adverse consequences for our stakeholders, or place the Bank's Sustainability or reputation at risk.

The framework relating to the risks of non-compliance, reputation and inappropriate conduct is detailed in Chapter 4.11 "Non Compliance & Legal risk".

## 10.1 GENERAL PRINCIPLES AND GOVERNANCE

### GENERAL PRINCIPLES

Controlling operational risks is a major challenge for the Group:

- regulatory issues: to comply with the requirements of regulators;
- reputation issues: to limit damage to the Group's reputation;
- financial challenge: to contain operational losses and prudential capital requirements.

The Group specifies its zero or very low tolerance to operational risk for: internal fraud, cyber security, data leakage, business continuity, outsourced service delivery, physical security, execution errors.

Furthermore, the Group has no tolerance for incidents whose severity is likely to seriously harm its image, threaten its results or the confidence of its customers and employees, prevent business continuity on its critical activities or challenge its strategic orientations.

The management of operational risk is an integral part of the tasks of all employees. It is based on:

- the existence of secure processing processes;
- the risk culture of employees;
- specific preventive measures, including rules on sound project management;
- the internal control system.

### 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 Business Unit/Service Units management of operational risks (including fraud risk, risks related to information systems and information security, and risks related to business continuity and crisis management),
- sets regulations and procedures for operational risk systems and production of cross Group analyses,
- produces risk and oversight indicators for operational risk frameworks.

To cover the entire Group, the Non-Financial Risk and Permanent Control Department has a central team supported by regional hubs. The regional hubs report back to the department, providing all information necessary for a consolidated overview of the Bank's risk profile that is holistic, prospective and valid for both internal oversight purposes and regulatory reporting.

The regional hubs are responsible for implementing the Operational Risk Division's briefs in accordance with the demands of their local regulators.

The Non-Financial Risk and Permanent Control Department communicates with the first line of defence through a network of operational risk correspondents in each Business/Service Units.

Concerning risks specifically linked to business continuity, crisis management and information, of persons and property, the Non-Financial Risk and Permanent Control Department carries out the critical review of the management of these risks in connection with the Group Security Division. Specifically, regarding IT risks, the Non-Financial Risk and Permanent Control Department carries out the critical review of the management of these risks in connection with GCOO (Group Chief Operating Office);

- a third line of defence in charge of internal audits conducted by the General Inspection and Audit Division.

## FIRST AND SECOND-LEVEL CONTROLS

The implementation and monitoring of the operational risk management framework is part of the Group's internal control framework:

- level 1 permanent 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 permanent control is carried out by dedicated teams in the Risk Division to carry out this mission on operational risks covering the risks specific to the various businesses (including operational risks related to credit and market risks), as well as the risks associated with purchases, communication, real estate, human resources and information system.

## RISK RELATED TO SECURITY OF PERSONS AND PROPERTY

Protecting persons and property, and compliance with the laws and regulations governing security are major objectives for Societe Generale Group. It is the mission of the Group Security Division to manage human, organisational and technical frameworks that guarantee the smooth operational functioning of the Group in France and internationally, by reducing exposure to threats (in terms of security and safety) and reducing their impact in the event of crisis.

The security of persons and property encompasses two very specific areas:

- security, which comprises all the human, organisational and technical resources combined to deal with technical, physical, chemical and environmental accidents that can harm people and property;
- safety, which comprises all the human, organisational and technical resources combined to deal with spontaneous or premeditated acts aimed at harming or damaging the Bank with the intent of obtaining psychological and/or financial profit.

The management of all the above risks is based on an operational risk system. A second line of defence is provided by the Risk Department.

## RISKS RELATED TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AND SECURITY RISKS

Given the importance for the Group of its information system and the data it conveys and the continuous increase in the cybercriminal threat, the risks related to information and communication technologies (ICT) and to security are major for Societe Generale. Their supervision, integrated into the general operational risk management system, is steered as the first line of defence by a dedicated area of expertise (Information and Information Systems Security - ISS) and the second line of defence is provided by the Risk Department. They are subject to specific monitoring by the management bodies through sessions dedicated to Group governance (Risk Committee, CORISQ, CCCIG, ISCO) and a quarterly dashboard which presents the risk situation and action plans on the main information and communication technologies risks.

The Group Security Department, housed within the General Secretariat, is responsible for protecting information. The information provided by customers, employees and also the collective knowledge and know-how of the bank constitute the Group's most valuable information resources. To this end, it is necessary to put in place the human, organisational and technical mechanisms which make it possible to protect the information and ensure that it is handled, communicated to and shared by only the people who are authorised to know.

The person in charge of risks related to information and communication technologies (ICT) and security of information systems is housed at GCOO (Group Chief Operating Office). Under the functional authority of the Head of Group Security, he recommends the strategy to protect digital information and heads up the IT Security Department. The IT security framework is aligned with the market standards (NIST, ISO 27002, ISO 27001, ISO 27035), and implemented in each Business/Service Unit. Societe Generale policies and process tend to be compliant with their requirements and conducts regular control on this compliance.

Risk management associated with cybercrime is carried out through the tri-annual Information Systems Security (ISS) master plan.

In order to take into account the development of the cyber threat, in a sustainable way on the 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 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 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 Group to improve its knowledge of its risks, be better prepared for extreme risk scenarios and better align their investments with their IT risks;
- produce the indicators that feed the IT risks monitoring dashboard, intended for management bodies and Information Systems Directors. They are reviewed regularly with the second line of defence in order to remain aligned with the IS and SSI strategy and their objectives;
- more generally, ensure the quality and reliability of all devices addressing IT operational risks. Particular attention is paid to the permanent control system for its IT risks, which is based on the definition of normative IT and security controls and the support of the Group in the deployment of managerial supervision on this topic. Since 2022, the SSI normative controls were reviewed, i.e. around 200 controls covering cyber topics in addition to the IT controls already in place. The IS/SSI Departments monitor the deployment of these controls across the Group, the progress of which is aligned with the objectives set by the Group.

In terms of awareness, a multilingual online training module on information security is mandatory for all internal Group staff and for all service providers who use or access our information system. It was updated in early 2023 in order to incorporate changes to the new Group Information Security Policy.

## RISKS RELATED TO FRAUD (INCLUDING UNAUTHORISED MARKET ACTIVITIES)

The supervision of fraud risk, whether internal or external, is integrated into the general operational risk management framework which allows the identification, assessment, mitigation and monitoring of the risk, whether it is potential or actual.

It is steered in the first line of defence by dedicated expert teams working on fraud risk management, in addition to the teams in charge of operational risk management specific to each of the banking businesses. These teams are in charge of the definition and operational implementation of the means of raising awareness, preventing, detecting and dealing with frauds. The second line of defence is provided by the Non-Financial Risks and permanent control Department with a fraud risk manager. The second line defines and verifies compliance with the principles of fraud risk management in conjunction with the first line teams, and ensures that the appropriate governance is in place.

Finally, the teams, whether they are in the first or second line of defence, work jointly with teams of experts in charge of information security, the fight against cyber crime, know your client (KYC), anti-money laundering and combating corruption. Likewise, the teams work closely with the teams in charge of credit risk and market risk. The sharing of information contributes to the identification and increased responsiveness in the presence of a situation of proven fraud or weak signals. This active collaboration makes it possible to initiate investigative measures, blocking attempted fraud, initiating the recovery of funds and/or the activation of associated guarantees and insurance payments in the event of successful fraud.

## RISKS RELATED TO DATA QUALITY

The bank's ability to effectively manage and consolidate risk-related data is a critical prerequisite for informed decision-making and robust risk governance. This applies to all data used to steer and manage the bank, both strategically and operationally, as well as to data used for risk, financial, and regulatory reporting.

The management of these risks relies, in the first line of defence, on the transversal expert function of the Chief Data Office, housed within the Resources division, and, in the second line of defence, on a team dedicated to data quality within the Non-Financial Risk and Permanent Control division.

## 10.2 METHODOLOGY AND METRICS

### 10.2.1 OPERATIONAL RISK MONITORING

The Group's main frameworks for controlling operational risks are as follows:

- collection and analysis of internal operational losses and significant incidents that do not have a financial impact;
- risk and control self-assessment (RCSA);
- oversight of key risk indicators (KRI);
- development of scenario analyses;
- analysis of external losses;
- framework of new products and significant changes;
- management of outsourced services;
- crisis management and business continuity;
- management of risks related to information and communication technologies (ICT);
- the second line of defence on risk data aggregation and risk reporting.

#### COLLECTION AND ANALYSIS OF INTERNAL OPERATIONAL LOSSES AND MAJOR INCIDENTS WITH NO FINANCIAL IMPACT

Internal losses and significant incidents without any financial impact are compiled throughout the Group. The process:

- monitors the cost of operational risks as they have materialised in the Group and establishes a historical data base for modelling the calculation of capital to be allocated to operational risk;
- learns from past events to minimise future losses.

#### ANALYSIS OF EXTERNAL LOSSES

External losses are operational losses data shared within the banking sector. These external data include information on the amount of actual losses, the importance of the activity at the origin of these losses, the causes and circumstances and any additional information that could be used by other establishments to assess the relevance of the event as far as they are concerned and enrich the identification and assessment of the Group's operational risk.

#### RISK AND CONTROL SELF-ASSESSMENT

Under the Risk and Control Self-Assessment (RCSA), each manager assesses the exposure to operational risks of its activities within its scope of responsibility, in order to improve their management.

The method defined by the Group consists of taking a homogeneous approach to identifying and evaluating operational risks and frameworks to control these risks, in order to guarantee consistency of results at Group level. It is based notably on Group repositories of activities and risks in order to facilitate a comprehensive assessment.

The objectives are as follows:

- identifying and assessing the major operational risks (in average amount and frequency of potential loss) to which each activity is exposed (the intrinsic risks, *i.e.* those inherent in the nature of an activity, while disregarding prevention and control systems). Where necessary, risk mapping established by the functions (*e.g.* Compliance, Information Systems Security, etc.) contributes to this assessment of intrinsic risks;

- assessing the quality of major risk prevention and mitigation measures;
- assessing the risk exposure of each activity that remains once the risk prevention and mitigation measures are taken into account (the "residual risk"), while disregarding insurance coverage subscribed by the Group;
- 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 Business Units/Service Units/Entities and the Senior Management proactively and prospectively manage their risks, taking into account their tolerance and risk appetite.

An analysis of Group-level KRIs and losses is presented to the Group's Executive Committee on a quarterly basis in a specific dashboard.

#### ANALYSES OF SCENARIOS

The analyses of scenarios serve two purposes: informing the Group of potential significant areas of risk and contributing to the calculation of the capital required to cover operational risks.

These analyses make it possible to build an expert opinion on a distribution of losses for each operational risk category and thus to measure the exposure to potential losses in scenarios of very severe severity, which can be included in the calculation of the prudential capital requirements.

In practice, various scenarios are reviewed by experts who gauge the severity and frequency of the potential impacts for the Group by factoring in internal and external loss data as well as the internal framework (controls and prevention systems) and the external environment (regulatory, business, etc.). Analyses are performed either at Group level (cross-business scenarios) or at business level.

Governance is established in particular to:

- enable approval of the annual scenarios update program by Senior Management through the Group Risk Committee (CORISQ);
- enable approval of the scenarios by the businesses (for example during the Internal Control Coordination Committees of the Business Units and Service Units 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.

## FRAMING NEW PRODUCT OFFERINGS AND SIGNIFICANT CHANGES

Each division submits its plans for a new product and services to the New Product Committee. The Committee, jointly coordinated by a representative of the Group Risk Division and a representative of the relevant businesses division, is a decision-making body which decides the production and marketing conditions of new products and services to clients.

The Committee aims to ensure that, before the launch of any product or service, or before any relevant changes to an existing product or service, all types of induced risks (among them, credit, market, liquidity and refinancing, country, operational, legal, accounting, tax, financial, information systems risks as well as the risks of non-compliance, reputation, protection of personal data, corporate social and environmental responsibility (CSR) 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 Business Units/Service Units concerned in order to prevent excessive concentrations on certain service providers.

## CRISIS MANAGEMENT AND BUSINESS CONTINUITY

Crisis management and business continuity measures aim to minimise as much as possible the impact of potential disasters on clients, staff, activities or infrastructures, and thus to preserve the Group's reputation and image as well as its financial strength.

Business continuity is managed by developing in each Societe Generale Group entity, organisations, procedures and resources that can deal with natural or accidental damage, or acts of deliberate harm, with a view to protect their personnel, assets and activities and to allow the provision of essential services to continue, if necessary, temporarily in reduced form, then restoring service to normal.

Since 2004, Societe Generale has used the Advanced Measurement Approach (AMA) allowed by the European Capital Requirements Directive to measure operational risk. This approach, implemented across the main Group entities, notably makes it possible to:

- identify the businesses that have the greatest risk exposures;
- identify the types of risk that have the greatest impact on the Group's risk profile and overall capital requirements;
- enhance the Group's management of operational risks.

## MANAGEMENT OF RISKS RELATED TO INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT).

With specific regard to information and communication technology (ICT) risks, RISQ/NFR acts as a second line of defence and is responsible, in conjunction with GCOO/ISR and SEGL/DSG, for policies to manage these risks, while respecting the roles of SEGL/DSG and RISQ/NFR. As such, RISQ/NFR shall review, *inter alia*, the ICT risk management framework, at least annually and in the event of major ICT incidents, express instructions from supervisors or need revealed by digital operational resilience tests or audit results.

## DATA QUALITY RISK MANAGEMENT

The second line of defence on data quality, in coordination with the transversal expert function GCOO/CDO (first line of defence), challenges data management policies, conducts regular and independent assessments of data aggregation and risk reporting capabilities, carries out fire drills to evaluate the ability to produce reports in crisis or stress situations, challenges the data quality anomaly management framework, and regularly informs management of the conclusions of its work.

## 10.2.2 OPERATIONAL RISK CAPITAL REQUIREMENTS

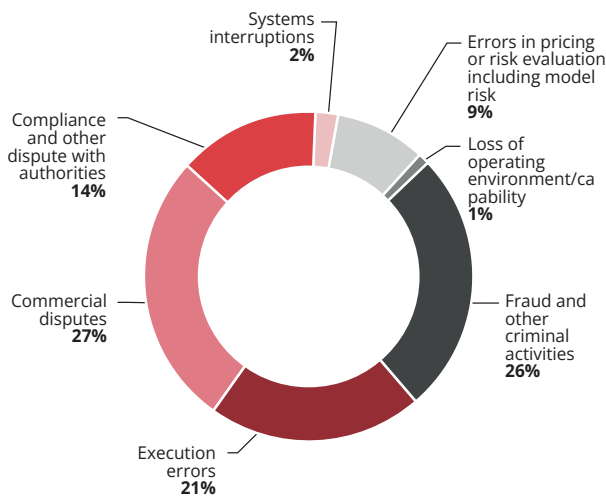
Since January 1, 2025, with the implementation of CRR3, the capital requirement for operational risk is based on a new standardized, non-model based, approach which applies to all EU institutions. It results from the calculation of a single indicator, the “BIC” (Business Indicator Component), determined by applying increasing marginal coefficients to the “BI” (Business Indicator), itself based on data from

financial statements. The “BI” is the sum of three components, averaged over three years, respectively based on interest income, leases and dividends (“ILDC”, Interest, Leases and Dividend Component), services (SC, Services Component), and financial and market activities (FC, Financial Component).

## 10.2.3 QUANTITATIVE DATA

The following charts break down operating losses by risk category for the 2021-2025 period.

**OPERATIONAL RISK LOSSES:  
BREAKDOWN BY SOCIETE GENERALE  
RISK EVENT TYPE – AMOUNTS**



Societe Generale’s operational risks in the last five years fall into five types, accounting for 97% of the Group’s total operating losses:

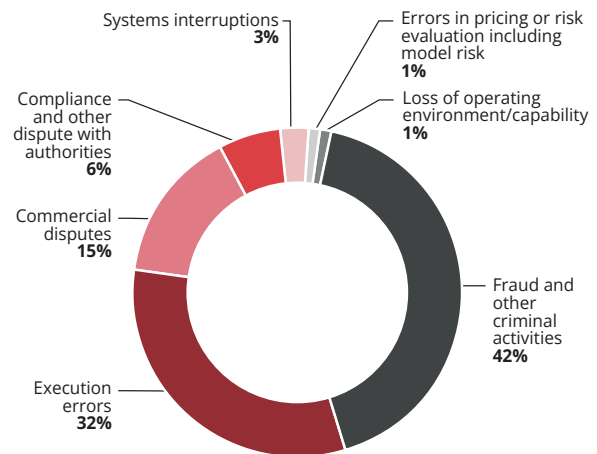
- Commercial disputes, is the first category and represent 27% of the Group’s operational losses over the period but remained stable in 2025.
- Fraud and other criminal activities represent 26% of operational loss amounts over the period.

They mainly consist of external fraud related to financing files (falsified financial statements provided by clients, theft or misappropriation of collateral/guarantees, etc.), fraud in vehicle leasing with or without purchase options, fraud involving manual payment methods (cards, transfers, and checks), and supplier fraud on financed equipment.

Notably, there was a significant 72% decrease in 2025 compared with 2024, driven by reversals of provisions on old financing files, limited fraud amount on payment instruments, and a reduction in fraud level related to vehicle leasing activities.

- Execution errors account for 21% of total operational losses, making them the third-largest source of losses for the Group over the period. In 2025, they increased slightly but remained below the five-year average.

**OPERATIONAL RISK LOSSES:  
BREAKDOWN BY SOCIETE GENERALE  
RISK EVENT TYPE – NUMBER OF EVENTS**



- Regulatory disputes represent 14% of the Group’s operational losses over the period but were nonetheless the largest source of losses in 2025 due to significant disputes in the vehicle leasing business.
- Errors in pricing or risk evaluation including model risk represent 9% of the Group’s operational losses over the period but remain stable compared to 2024.

The Group’s other operational risk categories (unauthorized trading, property damage/business disruption and IT system failures) remain marginal, accounting for 3% of the Group’s losses on average over the 2021–2025 period.

**TABLE 92: OPERATIONAL RISK LOSSES (ORI(2))**

	a	b	c	d	e	f	g	h	i	j	k
(In EURm)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Ten-year average
<b>Using €20,000 threshold</b>											
1	Total amount of operational risk losses net of recoveries (no exclusions)										
	164	369	270	481	440	365	378	579	1,726	732	550
2	Total number of operational risk losses										
	1,548	1,489	1,454	1,452	1,272	1,345	1,315	1,374	1,203	1,052	1,350
3	Total amount of excluded operational risk losses										
	-	-	-	-	-	-	-	-	-	-	-
4	Total number of excluded operational risk events										
	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses										
	164	369	270	481	440	365	378	579	1,726	732	550
<b>Using €100,000 threshold</b>											
6	Total amount of operational risk losses net of recoveries (no exclusions)										
	147	324	242	449	414	339	346	543	1,704	685	519
7	Total number of operational risk losses										
	480	483	465	533	472	523	486	461	414	328	465
8	Total amount of excluded operational risk losses										
	-	-	-	-	-	-	-	-	-	-	-
9	Total number of excluded operational risk events										
	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses										
	147	324	242	449	414	339	346	543	1,704	685	519

The consolidated monitoring of operational losses highlights a continued decline in their materiality over recent years. This downward trend reflects both the improvement in Société Générale Group's operational risk profile—thanks to the various remediation programs implemented—and the gradual resolution of legacy litigation cases.

The high operational losses recorded in 2016, 2017 and 2018 resulted from the aggregated impact of several historical litigation matters that required the recognition of significant provisions. These years were marked by complex disputes—including international proceedings and class actions—which led to exceptionally high levels of operational losses. These non-recurring events no longer reflect the Group's current operational risk profile.

**TABLE 93: BUSINESS INDICATOR, COMPONENTS AND SUBCOMPONENTS (OR2)**

(In EURm)

	a	b	c	d
<b>BI and its subcomponents</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>Average value</b>
<b>1 Interest, lease and dividend component (ILDC)</b>				<b>13,036</b>
<b>EU 1 ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))</b>				<b>13,036</b>
<b>1a Interest and lease income</b>	<b>68,581</b>	<b>80,019</b>	<b>75,577</b>	<b>74,726</b>
1b Interest and lease expense	55,268	67,945	62,270	61,827
1c Total assets/Asset component	847,168	917,028	953,545	905,914
1d Dividend income/dividend component	155	107	151	138
<b>2 Services component (SC)</b>				<b>12,039</b>
2a Fee and commission income	11,466	11,810	11,189	11,488
2b Fee and commission expense	5,119	4,679	4,576	4,791
2c Other operating income	296	352	286	311
2d Other operating expense	(309)	(830)	(515)	551
<b>3 Financial component (FC)</b>				<b>7,608</b>
3a Net profit or loss applicable to trading book (TB)	7,599	7,847	4,187	6,544
3b Net profit or loss applicable to banking book (BB)	(921)	(1,725)	546	1,064
EU 3c Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Prudential Approach
<b>4 Business Indicator (BI)</b>				<b>32,684</b>
<b>5 Business indicator component (BIC)</b>				<b>4,953</b>

**Disclosure on the BI**

	a
6a BI gross of excluded divested activities	33,380
6b Reduction in BI due to excluded divested activities	696
EU 6c Impact in BI of mergers/acquisitions	2,722

## 10.3 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

Société Générale’s total own funds requirements for operational risk amount to €4.9 billion at the end of 2025, an increase of €0.9 billion compared with the end of 2024. The implementation of CRR3 since the first quarter of 2025 has led to the determination of own funds requirements under the standardised approach and explains this increase.

The following table breaks down the Group’s risk-weighted assets and the corresponding capital requirements at 31 December 2025.

**TABLE 94: OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK EXPOSURE AMOUNTS (OR3)**

<i>(In EURm)</i>		<b>31.12.2025</b>
1	Business Indicator Component (BIC)	4,953
EU1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	4,953
4	Operational Risk Exposure Amounts (REA)	61,913

## 10.4 OPERATIONAL RISK INSURANCE

### General policy

Since 1993, Societe Generale has implemented a global policy of hedging Group operational risks through insurance.

This consists of searching the market for the most extensive cover available for the risks incurred and enabling all entities to benefit from such cover wherever possible. Policies are taken out with leading insurers. Where appropriate, 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, corporate officers, 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 financial consequences of claims made by third party against Societe Generale group subsidiaries involving their civil liability on the basis of professional misconduct are insured under a global policy.

#### CYBERATTACKS

A cyber risk insurance policy has been taken out amid an environment not specific to the banking sector which is seeing a rapid development of new forms of crime mainly involving breach of data or the compromise, unavailability or destruction of computer systems.

# 11

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## STRUCTURAL RISKS- INTEREST RATE AND EXCHANGE RATE

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### **IN BRIEF**

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Structural interest rate and exchange rate risks correspond to the risk of losses of interest margin or value of the fixed rate structural position arising from variations in interest or exchange rates. Structural interest rate and exchange rate risks arise from commercial activities and from transactions entered into by the Corporate Centre.

This section describes the monitoring of structural risks and provides information on structural interest rate and exchange rate risks.

**Audited I** Interest rate and foreign exchange risks in the banking book are linked to:

- The banking book activities, including commercial transactions and their hedging, but excluding positions related to social commitments covered in a dedicated scheme. This is the Group's structural exposure to interest rate and exchange rate risks.
- Positions relating to long term employee benefit commitments and their hedging, which are monitored under a dedicated system. ▲

## 11.1 GENERAL PRINCIPLES AND GOVERNANCE

### 11.1.1 GENERAL PRINCIPLES

**Audited I** The principles and standards for managing these risks are defined at the Group level. The ALM-Treasury (Asset and Liability Management and Treasury) department within the Group's Finance Department, acts as the first line of defence for the Group, while the Risk Department acts as the role of second line of defence.

The general principle for managing structural interest rate and foreign exchange rate risks within the consolidated entities is to ensure that movements in interest and foreign exchange rates do not significantly threaten the Group's capital base or its future profits and remain within the framework of the risk appetite defined by the Group.

The Group risk appetite is approved by the Board of Directors and structured along a set of indicators that measure the interest rate risk and the foreign exchange risk in the banking book (gathering regulatory metrics and internal indicators). It is then cascaded to each business unit/entity, through a dedicated set of limits for the various indicators framed at Group level on a consolidated basis.

Within business units/entities, the commercial and own management operations recorded on the balance sheet of the banking book must therefore be backed or hedged in terms of rates and exchange rates, subject to the existence of tradable hedging instruments in the relevant currencies in order to protect the bank's assets from interest and exchange rate fluctuations. In addition, hedges can be made to reduce the dependence of future interest margins on interest rate fluctuations. With regard to foreign exchange risk, in accordance with the relevant regulatory provisions, a structural foreign exchange position is maintained at the level of the central financial institutions in order to minimise the sensitivity of the Group's *Common Equity Tier 1* (CET1) ratio to exchange rate variation.

### 11.1.2 GOVERNANCE

#### THE GROUP ALM-TREASURY DEPARTMENT, WITHIN THE FINANCE DIVISION

is responsible for:

- The definition of the Group's structural risk principles and formalisation of the risk appetite;
- The analysis of the Group's exposures and the definition of hedging actions;
- The regulatory watch on structural risks;
- The definition of ALM principles within the Group;
- The definition of modelling principles applied by Group entities for structural risks;
- The consolidation and reporting of the Group's structural risks;
- The compliance with framing limits on structural risk.

#### THE ALM RISK DEPARTMENT, WITHIN THE RISK DIVISION

Within the Risk division, the ALM risk department monitors structural risks and assesses the management system for these risks. In this respect, it is responsible for:

- The risk identification for structural risk, including the interest rate risk and the forex rate risk in the banking book;
- Defining steering metrics and global stress test scenarios for the different structural risks, as well limit setting for the entities and Business/Service Units;
- Defining the standardised measuring framework, modelling methods and limiting structural risks.

By delegation of RISQ/MRM (Model Risk Management), this department is also in charge of the validation of ALM models as part of the Model Validation Committee, chaired by the Risk department.

Lastly, it chairs the ALM Standard Validation Committee to ensure the adequate interpretation of the regulatory framework and the adequate implementation in Societe Generale's environment.

#### THE ENTITIES AND BU/SU ARE RESPONSIBLE FOR MANAGING STRUCTURAL RISKS

Each entity, Business Unit/Service Unit (BU/SU) manages its ALM risks, regularly measures the risk incurred, carries out risk reporting, prepares hedging proposals and implements them.

In this respect, the entities and BU/SU apply the standards defined at Group level and develop the models, based on the central modelling teams at the Finance department.

An ALM officer, reporting to the Financial department of each entity, is responsible for the reporting of ALM risks to the Group's Financial department.

## THE GROUP ALM COMMITTEE, A GENERAL MANAGEMENT BODY

The Group ALM Committee is in charge of:

- Validating and monitoring the suitability of the structural risk management, monitoring and limiting framework;
- Reviewing changes in the Group's structural risks through consolidated reporting;
- Examining and validating the proposed measures and adjustments.

The Group ALM Committee gives delegation to the Group Rates and Forex Committee, co-chaired by the CFO and the CRO, for the validation of part of the limit framework.

## ENTITY ALM COMMITTEES

Each entity has an ALM Committee in charge of the implementation of the validated models, the risk management of the exposures to the interest rate risk and forex rate risk and the implementation of hedging programmes in compliance with the principles set out by the Group and the limits validated by the Group ALM Committee as well as the ALM Committees of the BU/SU. ▲

# 11.2 METHODOLOGY AND MEASUREMENTS ELEMENTS

## 11.2.1 MEASURING AND MONITORING STRUCTURAL INTEREST RATE RISK

### REGULATORY INDICATORS

**Audited I** The Supervisory Outlier Test (SOT) regulatory metrics are calculated and framed at Group level by applying the rate shocks as specified by the EBA's RTS 2022/10 (including the post-shock rate floor). The Group's standards provide for the inclusion of trade margins for the calculation of value metrics. For regulatory revenue metrics at constant outstanding, assumptions are made for the migration of the outstanding in particular between non-interest-bearing deposits and interest-bearing deposits.

### OTHER INTERNAL/ECONOMIC INDICATORS

Societe Generale also uses several internal indicators to measure and manage the Group's overall interest rate risk. The most important indicators are:

- The sensitivity of the net present value (NPV) to a shift of interest rates. It is measured as the change in the net present value of the static balance sheet at a rate change. This measure is calculated for all currencies to which the Group is exposed;
- The sensitivity of the interest margin measured over two years to changes in interest rates in various rate scenarios. It takes into account the variation generated by future commercial production (on the basis of a dynamic balance sheet for the management revenue indicators with taking into account the work in progress corresponding to the trajectories estimated in the budgets);
- The market value change (MVC) sensitivity of instruments accounted at fair value (mainly government bonds as well as derivatives not documented as hedging instruments from an accounting perspective) under various interest rate change scenarios, measured over one year;
- The sensitivity of the NPV to interest rate bases (risk associated with the decorrelation between different floating rate indices);
- The sensitivity of the NPV calculated for certain balance sheet items (in particular the banking book portfolio) to a credit spread shock.

Limits on these indicators are applicable to the Group, business units and central treasury for its own books (financial center) and the various entities. All of these metrics are also computed on a monthly basis for significant scopes and management is monitored at the same frequency at Group level.

Thresholds and limits are set for parallel shifts in interest rates of +/- 0.1% and for stressed shocks (+/-1% for the change in value and for the change in income) without the application of a floor. The measurements are carried out monthly (except for the months of January and July, for which no Group-level order is carried out). For value metrics, thresholds and limits are set for measurements made taking into account only adverse variations. A complementary synthetic measure of value sensitivity – all currencies – is provided for the Group. In addition, a stressed NPV metric (application of an upward and downward shock differentiated by currency) is framed at Group level.

To comply with these frameworks, the entities combine several possible approaches:

- Orientation of the commercial policy in such a way as to offset interest positions taken in assets and liabilities;
- Setting up a swap operation or – failing that, in the absence of such a market – entering into relevant lending/borrowing operation.

Assets and liabilities are analysed without a priori allocation of resources to uses. The maturities of outstanding amounts are determined by taking into account the contractual characteristics of the operations, adjusted for the results of customer behaviour modelling (in particular for sight deposits, savings and early loan repayments), as well as a number of disposal agreements, in particular on equity securities and equity. The discount rate used for value management metrics includes liquidity spreads for on-balance sheet products.

As of 31 December 2024, the main models applicable for the calculation of interest rate risk measures are models – depending on the level of interest rates, in particular for deposits – on a portion of deposits without a maturity date leading to an average duration of less than 5 years – the maturity may, in some cases, reach the maximum maturity of 20 years.

Implicit or explicit optional features embedded in products (e.g., possibility for borrowers to prepay their loans) are taken into account based on relevant models, be it for the computation of the NPV or future interest margin sensitivity to interest rates.

Hedging transactions are mainly documented in the chart of accounts:

- either micro-hedging (unitary backing of commercial transactions and hedging instruments),
- or macro-hedging according to the IAS 39 provision known as "carve-out" (backing in a global manner of portfolios of commercial transactions similar to hedging instruments within a financial centre; macro-hedging mainly concerns entities in the France network).

Macro-hedging derivatives are mainly interest rate swaps, in order to limit the variation in the net present value and profit or loss of the networks, within the framework of the assumptions used, within the limits. For the documentation of macro hedging, the hedged item is

an identified portion of a portfolio of commercial transactions carried out with customers or interbanks. The conditions to be met in order to be able to document hedging relationships are set out in Note 3.2 to the consolidated financial statements.

The Group also measures and supervises its change in the value of the Credit Spread in the Banking Book. for a shock of +0.1% applied to items measured at fair value as well as to all bond portfolios in the scope. A differentiated shock according to the quality of the counterparty is also computed.

Finally, the Group also evaluates the difference between the fair value and the amortised cost of fixed-income securities in the banking book.▲

**TABLE 95: AUDITED | INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1)**

		31.12.2025	
		Changes of the economic value of equity (*) (EVE)	Changes of the net interest income (NII)
(In EURm)			
<b>Supervisory shock scenarios</b>			
1	Parallel up	(3,423)	275
2	Parallel down	(767)	(653)
3	Steeper (decrease in short term rates, increase in long term rates)	337	
4	Flattener (increase in short term rates, decrease in long term rates)	(1,568)	
5	Short rates up	(1,942)	
6	Short rates down	859	

\* The Economic Value of Capital is a component of the Net Present Value as defined above, taking into account all assets and liabilities with the exception of shareholders' equity principally.

		31.12.2024	
		Changes of the economic value of equity (*) (EVE)	Changes of the net interest income (NII)
(In EURm)			
<b>Supervisory shock scenarios</b>			
1	Parallel up	(2,533)	371
2	Parallel down	(1,824)	(826)
3	Steeper (decrease in short term rates, increase in long term rates)	501	
4	Flattener (increase in short term rates, decrease in long term rates)	(1,768)	
5	Short rates up	(1,745)	
6	Short rates down	831	

\* The Economic Value of Capital is a component of the Net Present Value as defined above, taking into account all assets and liabilities with the exception of shareholders' equity principally.

## 11.2.2 MEASURING AND MONITORING STRUCTURAL EXCHANGE RATE RISK

**Audited I** Structural foreign exchange risk, understood as that generated by all transactions not included in the trading book, results mainly from:

- Investments in currencies other than the EUR currency. These include equity securities and branch allocations in foreign currencies that are not hedged against foreign exchange risk. The impact of currency fluctuations generated by these positions is mainly recorded in conversion reserves;
- Net results of an entity's activities in currencies other than its functional currency;
- Open positions taken on the balance sheet with the aim of desensitizing the CET1 ratio to changes in the exchange rate of currencies against the euro.

To achieve its objective of reducing awareness of the CET1 ratio, the following actions are undertaken:

- Group entities locally hedge the foreign exchange result of their activities in foreign currencies;

- The foreign exchange position generated by investments in foreign investments and branches, as well as by the conversion of their results into euros, is partially hedged centrally by the Group's Finance Department. Societe Generale maintains a target exposure equivalent to the level of the CET1 Target Group ratio, multiplied by the RWA generated in that currency, in each currency of the RWA and hedges the balance with borrowings or forward foreign exchange transactions denominated in the currency of the holdings and accounted for as investment hedging instruments (see Note 3.2.2 of the consolidated financial statements in Chapter 6 of the Universal Registration Document).

For each currency, the difference between the actual exposure and the target exposure is governed by limits validated by the General Management within the Group ALM Committee and by the Board of Directors.

Similarly, the sensitivities of the CET1 ratio to shocks of +/-10% of the value of currencies against euros are controlled. ▲

**TABLE 96: SENSITIVITY OF THE GROUP'S COMMON EQUITY TIER 1 RATIO TO A 10% CHANGE IN THE CURRENCY (IN BASIS POINTS)**

Currency	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	
	31.12.2025	31.12.2024 <sup>®</sup>	31.12.2025	31.12.2024 <sup>®</sup>
USD	(1.2)	1.9	1.2	(1.8)
XOF	(1.0)	(0.3)	1.0	0.3
TRY	(0.7)	(0.6)	0.7	0.6
TND	0.4	0.2	(0.4)	(0.2)
RON	(0.4)	0.3	0.4	(0.3)
AUD	0.3	0.1	(0.3)	(0.1)
XPF	0.2	0.1	(0.2)	(0.1)
XAF	0.2	0.3	(0.2)	(0.3)
CHF	0.1	0.4	(0.1)	(0.4)
Autres	0.9	2.1	(0.9)	(2.1)

<sup>®</sup> restatement



# 12

## STRUCTURAL RISK- LIQUIDITY RISK

### **IN BRIEF**

Liquidity risk is defined as the Group's inability to meet its financial obligations at a reasonable cost. Funding risk is defined as the risk of the Group being unable to finance the development of its activities in line with its commercial objectives and at a competitive cost.

Liquidity reserve at end 2025

**€318<sub>bn</sub>**

*(amount at end 2024: €315bn)*

**Audited I** Liquidity risk is defined as the risk that the bank does not have the necessary funds to meet its commitments. Funding risk is defined as the risk that the Group will no longer be able to finance its activities with appropriate volumes of resources and at a reasonable cost. ▲

## 12.1 GENERAL PRINCIPLES AND GOVERNANCE

### 12.1.1 GENERAL 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) sustainably finance the development of its activities at a reasonable cost (management of funding risks). Doing so, the liquidity and funding management ensures compliance with risk appetite and regulatory requirements.

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 sources of funding and liquidity risks within Societe Generale, 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 Societe Generale's 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, controlled by the Group Risk division;
- Definition of the definition of Risk Appetite. The Board of Directors approves the elements proposed by the General Management, in this case the framework for financial indicators. Liquidity Risk Appetite covers the following metrics:
  - Key regulatory indicators (LCR, LCR in USD and NSFR),
  - Short-term market funding volume,
  - The net liquidity position under several stress scenarios (systemic, idiosyncratic, combined), at a given survival horizon that vary with the scenario (from 3 months to one year). With the idiosyncratic and combined scenarios, the idiosyncratic shock is characterised by one of its main consequences, which would be an immediate 2 to 3-notch downgrade of Societe Generale's long-term rating. The liquidity position is assessed over time, taking into account the impacts of the scenarios, such as deposit outflows, drawing by clients of the committed facilities increase in margin calls related to derivatives portfolios, etc. The survival horizon is the moment in time when the net liquidity position under such assumptions becomes negative,
  - The overall transformation position of the Group (static liquidity deadlock in normal situation matured up to a maturity of 10 years),

- The amount of free collaterals providing an immediate access to central bank funding, in case of an emergency,
- 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 Societe Generale's central assumptions for the macro-economic environment and the business strategy of the Group, while the stressed scenario factors both Societe Generale's adverse macro-economic environment and unfavourable idiosyncratic issues;
- The annual budget calibrates the Group's funding plan, comprising the long-term funding program, 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 business lines to recover their excess liquidity and finance their needs through transactions carried out with its own management;
- Production and broadcasting of daily, weekly and monthly liquidity reports, leveraging on the central data repository, operated by a dedicated central production team. The net liquidity position under the combined stress scenario is reassessed on a monthly basis and can be analysed along multiple axes (per product, Business Unit, currency, legal entity). Each key metric (LCR, NSFR, transformation positions, net liquidity position under stress) is reviewed on a monthly basis by the Group Finance and Risk divisions. Forecasts are revised weekly 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, updated annually, which provides for: (i) a set of early warning indicators (e.g. market parameters or Societe Generale's 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 European Central Bank, a self-assessment of the liquidity risk framework in which key liquidity and funding risks are identified, quantified and analysed with both a backward and a multi-year forward-looking perspective. The adequacy self-assessment also describes qualitatively the risk management set up (methods, processes, resources...), supplemented by an assessment of the adequacy of the Group's liquidity.

In order to appropriately conduct these operational processes, Societe Generale has adopted the following guiding principles:

- Liquidity risk management is centralised at Group level, ensuring pooling of resources, optimisation of costs and consistent risk management. Businesses must comply with static liquidity deadlocks in normal situations, within the limits of their supervision and the operation of their activities, by carrying out operations with Corporate Centre, where appropriate, according to an internal refinancing schedule. Assets and liabilities with no contractual maturity are assigned maturities according to agreements or quantitative models proposed by the Finance Department and by the business lines and validated by the Risk Division;
- Funding resources are based on business development needs and the risk appetite defined by the Board of Directors (see section 2);
- Funding resources are diversified by currencies, investor pools, maturities and formats (vanilla issues, structured or secured

notes, etc.). Most of the debt is issued by the parent company. However, Societe Generale also relies on certain subsidiaries to raise resources in foreign currencies and from pools of investors complementary to those of the parent company;

- Liquid reserves are built up and maintained in such a way as to respect the stress survival horizon defined by the Board of Directors. Liquid reserves are available in the form of cash held in central banks and securities that can be liquidated quickly and housed either in the banking book, under direct or indirect management of the Group Treasury. in the trading book within the market activities under the supervision of the Group Treasury;
- The Group has options that can be activated at any time in a stressful situation, through an Emergency Financing Plan (EFP) at Group level (except for insurance activities, which have a separate contingency plan), defining leading indicators for monitoring the evolution of the liquidity situation, operating procedures and remedial actions that can be activated in a crisis situation. ▲

## 12.1.2 GOVERNANCE

**Audited I** Liquidity and funding risk management is executed through interactions between the following departments:

- The Finance Division, which is responsible for the liquidity and funding risks as First Line of Defence, interacting closely with Business Units. Within the 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 Societe Generale's scarce resources, including liquidity, within the Group's risk appetite and financial indicators framing;
  - The Group ALM and Treasury Department is in charge of:
    - All aspects of the operational management of liquidity and funding across the Group, including managing the liquidity position, executing the funding plan, supervising and coordinating treasury functions within Societe Generale, providing expertise in target setting, managing the liquidity reserves and the collateral used in funding transactions, managing the corporate centre,
    - The definition, modelling and monitoring of structural risks, including liquidity risk alongside interest rate and foreign exchange risks in the banking book,

The Metrics Production Department runs the management information system regarding liquidity. 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;

- The ALM Risks Department, which perform as the second line of defence functions, ensure the supervision of liquidity risks and evaluates the management system for these risks. As such, it is in charge of:
  - The definition of liquidity indicators and the setting of the main existing limits within the Group,
  - The definition of the normative framework for measuring, modelling methods and monitoring these risks.

In addition, by delegation of Model Risk Management, this department ensures the validation of ALM models for which it organises and chairs the Validation Committee of Models.

Finally, ALM Risks Department ensures the correct interpretation of the regulatory framework as well as an adequate implementation in the Societe Generale environment.

The main liquidity risk governance bodies are as follows:

- The Board of Directors which:
  - Sets the level of liquidity risk tolerance as part of the Group's risk appetite, based on 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, liquidity and funding indicators framing (financing programme definition),
  - Reviews at least quarterly the Group's liquidity 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 targets to the various Business Units and the Group Treasury entity, upon proposal from the Group Finance division,
  - Defines and implements the liquidity 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 six 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,
    - Periodic monitoring of budget targets and decisions for corrective measures if applicable,
    - Definition of principles and methods related to liquidity risk management (e.g. definition of stress scenarios),
    - Assessment of any regulatory changes and their impacts. ▲

## 12.2 METHODOLOGY AND METRICS

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### Regulatory indicators

**Audited I** 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 thirty days. The minimum regulatory requirement is 100% at any time;
- The Net Stable Funding Ratio (NSFR), a long-term ratio of the balance sheet transformation, which compares the funding 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)<sup>(1)</sup>.

Societe Generale's LCR ratio has always been above 100%: 144% at the end of 2025 compared to 162% at the end of 2024. Since it came into force, the NSFR ratio has always been above 100% and stands at 116% at the end of 2025 compared to 117% at the end of 2024. The fund raising capacity is assessed over a three-year horizon.

### Other internal/ economic indicators

Liquidity risk control is further based on:

- compliance with a minimum survival time horizon under various stress scenarios up to 12 months (Internal Liquidity Stress Indicator - ILSI);
- a framework for processing and anti-processing positions (price risk);
- the management of the Contingent Liquidity Reserve at the Central Banks. ▲

*(1) Several amendments to the European regulatory standards were adopted in May 2019: the text on LCR, published in October 2014, has since been supplemented by 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 applies since June 2021. The required ratio is 100%.*

## 12.3 ASSET ENCUMBRANCE

An asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn.

### Analysis of the balance sheet structure

Total Group encumbrance amounts to 35.2% over 2025, measured according to the EBA<sup>(1)</sup> definition. Securities encumbrance is 69.8%, while loan encumbrance is 11.8%.

The majority of the Group's encumbered assets (83.4%) is in the form of securities as a result of the relative size of capital market activities, mainly through repos, reverse repos and collateral swaps.

Securities encumbrance is concentrated in Societe Generale parent entity and its branches, where Group market activities are located.

The main sources of encumbrance are repo-like operations and debt securities issued. Encumbrance of assets in US dollars stems mainly from debt securities.

The level of encumbered loans varies among Group entities mainly due to their respective business models, funding strategies and the type of underlying loans, as well as to the law governing them. The main sources of loans encumbrance are in EUR and to a lesser extent in USD. A few points are noteworthy

- at Société Générale parent entity level, the loan encumbrance rate amounts to close to 21%<sup>(2)</sup> at 2025 year-end, stemming mainly from housing loans. Encumbered loans are affected as collateral for long-term refinancing mechanisms which are broadly used by banks for covered bonds (SG Société de Financement de l'Habitat, SG Société de Crédit Foncier and Caisse de Refinancement de l'Habitat), securitisations or specific mechanisms;
- at subsidiary level, the loan encumbrance rate stands at 16%<sup>(3)</sup> overall, with variance between entities due to different funding strategies. The highest levels of secured funding relate to entities which contribute to the pooling scheme (see below) or have implemented external funding programmes through securitisations such as BDK (Bank Deutsches Kraftfahrzeuggewerbe) and Ayvens, or other forms of secured funding

As far as loan encumbrance is concerned, there is a pooling scheme in which subsidiaries (Boursorama, Sogefinancement, and to a lesser extent BFCOI, Genefim, and Sogefimur) bring a share of their loan portfolio to the Group in order to supply refinancing schemes (such as the SG Société de Financement de l'Habitat Covered Bond vehicle). Not all the assets brought to Covered Bond vehicles are effectively encumbered from a Group-consolidated perspective, because Covered Bonds issued are in part self-retained by Société Générale as opposed to being distributed to investors. The portion of subsidiaries' loan portfolio encumbered at subsidiary level but not encumbered from a Group-consolidated perspective amounts to EUR 9,5 billion.

Over 2025 (median level over the year), Société Générale was holding itself EUR 35,6 billion of self-issued Covered Bonds and EUR 23,1 billion of self-issued Asset Back Securities, with underlying collateral portfolios of respectively EUR 42 and 25 billion. These underlying collateral portfolios were indirectly encumbered in proportions of respectively 40% for Covered Bond assets and 27,5% for Asset Back Securities assets, through market repurchase transactions.

With respect to the two main Covered Bond vehicles of the Société Générale Group, namely SG Société de Crédit Foncier et and SG Société de Financement de l'Habitat, their level of over-collateralisation was respectively at 127% and 111% at the end of 2025.

As far as SG Société de Financement de l'Habitat is concerned, collaterals are made of mortgage loans guaranteed by Crédit Logement.

Regarding SG Société de Crédit Foncier, collaterals are made of loans to the public sector.

The unencumbered "Other Assets" (excluding loans), in the EBA template, include derivatives and options positions (interest rate swaps, cross currency swaps, currency options, warrants, futures, forward contracts...) in an amount of EUR 103 billion as of end 2025, as well as some other assets that cannot be encumbered in the normal course of business, including goodwill, fixed assets, deferred tax, adjustment accounts, sundry debtors and other assets. Overall, assets that cannot be encumbered (derivatives products and other assets listed above) represent 18% of the total balance sheet as of end 2025.

(1) Median values on quarterly data.

(2) According to a methodology consisting of encumbering the least liquid eligible assets (encumbered loans/total loans) first.

**TABLE 97: ENCUMBERED AND UNENCUMBERED ASSETS (AEI)**

(In EURm)	31.12.2025 <sup>(1)</sup>							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which EHQA & HQLA		of which EHQA & HQLA		of which EHQA & HQLA		of which EHQA & HQLA
<b>Assets of the reporting institution</b>	<b>224,374</b>	<b>101,414</b>			<b>1,160,981</b>	<b>231,134</b>		
Equity instruments	61,349	49,492	61,349	49,492	47,797	27,772	47,797	27,772
Debt securities	53,849	46,400	53,849	46,400	100,388	52,128	100,388	52,128
<i>of which covered bonds</i>	137	81	137	81	928	805	928	805
<i>of which asset-backed securities</i>	49	25	49	25	851	2	851	2
<i>of which issued by general governments</i>	46,784	45,573	46,784	45,573	74,265	44,112	74,265	44,112
<i>of which issued by financial corporations</i>	3,707	626	3,707	626	11,952	7,614	11,952	7,614
<i>of which issued by non-financial corporations</i>	2,949	481	2,949	481	10,315	333	10,315	333
<b>Other assets</b>	<b>108,101</b>	<b>4,816</b>			<b>1,021,469</b>	<b>151,836</b>		
<i>of which Loans on demand</i>	7,902	-			189,589	147,245		
<i>of which Loans and advances other than loans on demand</i>	94,849	4,816			579,750	2,577		
<i>of which other</i>	5,373	-			249,091	1,995		

(1) Table's figures are calculated as medians of the four quarters across 2025.

(In EURm)	31.12.2024 <sup>(1)</sup>							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which EHQA & HQLA		of which EHQA & HQLA		of which EHQA & HQLA		of which EHQA & HQLA
<b>Assets of the reporting institution</b>	<b>210,971</b>	<b>91,908</b>			<b>1,204,457</b>	<b>267,481</b>		
Equity instruments	61,086	52,945	61,086	52,945	41,824	20,941	41,824	20,941
Debt securities	43,447	36,470	43,447	36,470	71,969	36,226	71,969	36,226
<i>of which covered bonds</i>	144	115	144	115	601	503	601	503
<i>of which asset-backed securities</i>	46	32	46	32	761	1	761	1
<i>of which issued by general governments</i>	37,320	35,815	37,320	35,815	47,664	32,008	47,664	32,008
<i>of which issued by financial corporations</i>	3,177	223	3,177	223	11,307	3,812	11,307	3,812
<i>of which issued by non-financial corporations</i>	3,065	579	3,065	579	8,944	383	8,944	383
<b>Other assets</b>	<b>109,888</b>	<b>873</b>			<b>1,090,665</b>	<b>208,615</b>		
<i>of which Loans on demand</i>	7,551	-			247,770	204,839		
<i>of which Loans and advances other than loans on demand</i>	96,560	873			572,332	1,654		
<i>of which other</i>	5,615	-			269,404	2,180		

(1) Table's figures are calculated as medians of the four quarters across 2024.

**TABLE 98: COLLATERAL RECEIVED (AE2)**

(In EURm)	31.12.2025 <sup>(1)</sup>			
	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
		of which EHQLA & HQLA <sup>(1)</sup>		of which EHQLA & HQLA <sup>(1)</sup>
<b>Collateral received by the reporting institution</b>	<b>461,066</b>	<b>403,483</b>	<b>101,938</b>	<b>84,676</b>
Loans on demand	-	-	-	-
Equity instruments	69,793	47,821	16,428	10,432
Debt securities	392,497	358,734	85,818	75,336
<i>of which covered bonds</i>	7,579	6,573	4,549	3,482
<i>of which asset-backed securities</i>	5,942	1,531	9,190	5,259
<i>of which issued by general governments</i>	353,746	345,729	63,639	60,643
<i>of which issued by financial corporations</i>	27,032	8,313	23,793	17,926
<i>of which issued by non-financial corporations</i>	12,071	4,657	2,496	512
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
<b>Own debt securities issued other than own covered bonds or asset-backed securities</b>	<b>597</b>	<b>-</b>	<b>124</b>	<b>-</b>
<b>Own covered bonds and asset-backed securities issued and not yet pledged</b>			<b>35,896</b>	<b>-</b>
<b>TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED</b>	<b>684,129</b>	<b>504,897</b>		

(1) Table's figures are calculated as medians of the four quarters across 2025.

(In EURm)	31.12.2024 <sup>(1)</sup>			
	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
		of which EHQLA & HQLA <sup>(1)</sup>		of which EHQLA & HQLA <sup>(1)</sup>
<b>Collateral received by the reporting institution</b>	<b>430,959</b>	<b>370,130</b>	<b>87,134</b>	<b>70,515</b>
Loans on demand	-	-	-	-
Equity instruments	66,159	45,390	10,681	6,981
Debt securities	364,799	323,781	74,167	62,534
<i>of which covered bonds</i>	9,832	5,935	1,206	329
<i>of which asset-backed securities</i>	5,240	1,359	11,027	6,428
<i>of which issued by general governments</i>	322,128	310,955	57,932	54,815
<i>of which issued by financial corporations</i>	29,882	7,044	7,110	591
<i>of which issued by non-financial corporations</i>	12,351	5,364	8,872	6,978
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
<b>Own debt securities issued other than own covered bonds or asset-backed securities</b>	<b>2,293</b>	<b>-</b>	<b>136</b>	<b>-</b>
<b>Own covered bonds and asset-backed securities issued and not yet pledged</b>			<b>33,386</b>	<b>-</b>
<b>TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED</b>	<b>650,101</b>	<b>457,433</b>		

(1) Table's figures are calculated as medians of the four quarters across 2024.

**TABLE 99: SOURCES OF ENCUMBRANCE (AE3)**

	<b>31.12.2025<sup>(1)</sup></b>	
<i>(In EURm)</i>	<b>Matching liabilities, contingent liabilities or securities lent</b>	<b>Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered</b>
Carrying amount of selected financial liabilities	358,857	385,255

*(1) Table's figures are calculated as medians of the four quarters across 2025.*

	<b>31.12.2024(1)</b>	
<i>(In EURm)</i>	<b>Matching liabilities, contingent liabilities or securities lent</b>	<b>Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered</b>
Carrying amount of selected financial liabilities	330,082	361,695

*(1) Table's figures are calculated as medians of the four quarters across 2025.*

## 12.4 LIQUIDITY RESERVE

The Group's liquidity reserve encompasses cash at central banks and assets that can be used to cover liquidity outflows under a stress scenario. The reserve assets are available, *i.e.* not used in guarantee or as collateral on any transaction. They are included in the reserve after applying a haircut to reflect their expected valuation under stress. The Group's liquidity reserve contains assets that can be freely transferred within the Group or used to cover subsidiaries' liquidity outflows in the event of a crisis: non-transferable excess cash (according to the regulatory ratio definition) in subsidiaries is therefore not included in the Group's liquidity reserve.

The liquidity reserve made up of:

- central bank deposits, excluding mandatory reserves;
- High-Quality Liquid Assets (HQLAs), which are securities that can be quickly monetised on the market *via* sale or repurchase transactions; these include government bonds, corporate bonds and equities listed on major indices (after haircuts). These HQLAs meet the eligibility criteria for the LCR, according to the most recent standards known and published by regulators. The haircuts applied to HQLA securities are in line with those indicated in the most recent known texts on determining the numerator of the LCR;
- non-HQLA Group assets that are central bank-eligible, including receivables as well as covered bonds and securitisations of Group receivables held by the Group.

**TABLE 100: LIQUIDITY RESERVE**

<i>(In EURbn)</i>	<b>31.12.2025</b>	<b>31.12.2024</b>
Central bank deposits (excluding mandatory reserves)	121	190
HQLA securities available and transferable on the market (after haircut)	142	82
Other available central bank-eligible assets (after haircut)	55	43
<b>TOTAL</b>	<b>318</b>	<b>315</b>

## 12.5 REGULATORY RATIOS

Regulatory requirements for liquidity risk are managed through two ratios:

- the Liquidity Coverage Ratio (LCR), which aims to ensure that banks hold sufficient liquid assets or cash to survive to a significant stress scenario combining a market crisis and a specific crisis and lasting for one month. The minimum regulatory requirement is 100% at all times;
- the Net Stable Funding Ratio (NSFR), a long-term ratio of the balance sheet transformation, which compares the financing needs generated by the activities of institutions with their stable resources; The minimum level required is 100%.

In order to meet these requirements, the Group ensures that its regulatory ratios are managed well beyond the minimum regulatory requirements set by Directive 2019/878 of the European Parliament and of the Council of 20 May 2019 (CRD5) and Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2)<sup>(1)</sup>.

Société Générale's LCR ratio has always been above 100%: 144% at the end of 2025 compared to 147%<sup>(2)</sup> % at the end of September 2025.

Since it came into force, the NSFR ratio has always been above 100% and stands at 116% at the end of December 2025, compared to 117% at the end of September 2025.

In addition to regulatory ratios, Société Générale has a comprehensive monitoring framework with a variety of internal indicators, comprising liquidity gaps under various liquidity stress scenarios and under normal conditions, with a view per individual significant currency and all currencies combined, with related steering targets or risk limits. Liquidity indicators specific to the US dollar slice of the balance-sheet are also monitored.

(1) Several amendments to European regulatory standards were adopted in May 2019: the text on the CRL, published in October 2014, has since been supplemented by a Delegated Act corrigendum which entered into force on 30 April 2020. The minimum level of the required ratio has been 100% since 1 January 2018. The NSFR requirement included in CRR2 (EU) 2019/876 of 20 May 2019 has applied since June 2021. The required ratio is 100%.

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

**TABLE 101: LIQUIDITY COVERAGE RATIO - LCR (LIQ1)**

The liquidity coverage ratio is calculated as the simple average of month-end observations over the twelve months preceding the end of each quarter.

The table below takes into account changes in historical data aimed at closer alignment with the technical instructions issued by the European Banking Authority (EBA/ITS/2020/04).

Prudential Group <i>(In EURm)</i>	Total unweighted value <i>(in average)</i>				Total weighted value <sup>®</sup> <i>(in average)</i>			
	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
<b>High-quality liquid assets</b>								
<b>Total high-quality liquid assets (HQLA)</b>					<b>269,681</b>	<b>272,087</b>	<b>277,293</b>	<b>282,881</b>
<b>Cash – Outflows</b>								
Retail deposits and deposits from small business customers, of which:								
<i>Stable deposits</i>	228,969	230,680	232,602	234,692	16,359	16,764	17,075	17,580
<i>Less stable deposits</i>	139,110	139,480	141,116	141,015	6,956	6,974	7,056	7,051
<i>Less stable deposits</i>	77,285	78,684	79,034	82,213	9,372	9,761	9,996	10,515
Unsecured wholesale funding	295,746	296,758	295,504	295,134	154,141	152,661	151,355	149,865
<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	67,209	68,331	68,605	68,557	16,297	16,551	16,554	16,537
<i>Non-operational deposits (all counterparties)</i>	210,399	211,622	212,537	214,687	119,706	120,419	120,440	121,436
<i>Unsecured debt</i>	18,138	16,806	14,362	11,891	18,138	15,691	14,362	11,891
Secured wholesale funding					45,156	43,987	43,450	44,686
Additional requirements	211,525	210,040	211,394	214,639	64,138	63,992	65,561	68,864
<i>Outflows related to derivative exposures and other collateral requirements</i>	28,247	26,501	27,233	27,612	24,177	22,136	23,122	23,744
<i>Outflows related to loss of funding on debt products</i>	6,068	7,850	10,062	12,728	6,042	8,901	10,036	12,702
<i>Credit and liquidity facilities</i>	177,211	175,688	174,099	174,299	33,920	32,955	32,403	32,417
Other contractual funding obligations	94,604	106,059	104,266	98,732	94,591	106,047	104,257	98,726
Other contingent funding obligations	165,136	137,383	122,652	121,174	7,073	6,883	6,813	6,780
<b>TOTAL CASH OUTFLOWS</b>					<b>381,457</b>	<b>390,334</b>	<b>388,511</b>	<b>386,501</b>
<b>CASH – INFLOWS</b>								
Secured lending (eg reverse repos)	372,781	362,731	355,552	353,268	33,464	34,970	35,143	35,513
Inflows from fully performing exposures	35,201	37,717	39,187	40,265	27,785	29,504	30,340	31,172
Other cash inflows	141,275	147,500	144,220	137,560	138,075	143,927	140,533	133,597
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
<b>TOTAL CASH INFLOWS</b>	<b>549,257</b>	<b>547,949</b>	<b>538,959</b>	<b>531,093</b>	<b>199,324</b>	<b>208,402</b>	<b>206,016</b>	<b>200,282</b>
<i>Fully exempt Inflows</i>	298	306	256	190	60	61	51	38
<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 75% cap</i>	412,570	414,284	408,007	398,177	199,264	208,340	205,965	200,244
<b>TOTAL ADJUSTED VALUE</b>								
<b>LIQUIDITY BUFFER</b>					<b>269,681</b>	<b>272,087</b>	<b>277,293</b>	<b>282,881</b>
<b>TOTAL NET CASH OUTFLOWS</b>					<b>182,133</b>	<b>181,933</b>	<b>182,495</b>	<b>186,219</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>					<b>148.26%</b>	<b>149.85%</b>	<b>152.20%</b>	<b>152.19%</b>

<sup>®</sup> Following regulator's requirement 4 quarter have been republished

As of 31 December 2025, the average of Société Générale's LCR stood at 148% (arithmetic average of the 12 LCR monthly values from January 2025 to December 2025, in accordance with the prudential disclosure requirement emanating from Regulation (EU) No 2019/876).

Reported LCR was 144% as of 31 December 2025 or EUR 80 billion of liquidity surplus over the regulatory requirement of 100%. This compares to 147%, or EUR 90 billion of liquidity surplus, as of 30 September 2025.

The LCR numerator was EUR 263 billion as of 31 December 2025, decreasing by EUR 18 billion compared with 30 September 2025. The net cash outflows decreased by EUR 9 billion over the same period.

As of 31 December 2025, the LCR numerator includes EUR 121 billion of withdrawable central bank reserves (45%) and EUR 120 billion of Level 1 high-quality securities (45%), as well as 22 billion (8%) of Level 2 or assimilated. The LCR numerator, which amounted to EUR 282 billion as of 30 September 2025, was 93% made of withdrawable cash reserves at central banks and Level 1 high-quality securities.

The euro accounted for 38% of Societe Generale's total high-quality liquid assets as of 31 December 2025. The US dollar and the Japanese yen accounted for respectively 31% and 12% of high-quality securities. Other currencies accounted individually for less than 5% of liquid assets.

Societe Generale ensures it does not overly rely on any given individual counterparty or segment by setting and monitoring concentration risk metrics on secured and unsecured markets. For instance, unsecured short-term funding is subject to thresholds by counterparty type (e.g. Corporates, Central banks, Public sector and Asset managers, etc). Secured funding is framed to ensure that the drying up of liquidity in any segment of the repo market (counterparty segments, underlying collateral segments and currencies) would not materially impair the refinancing of inventories in capital markets. In addition to this, the Group's long-term funding is structurally diversified. The plain vanilla funding programme is split into various currencies, instruments and geographies and seeks to continuously expand the investor base. Structured issuances are highly granular (multiple distributing networks) and provide a diversification in terms of nature of investors.

Societe Generale impacts its LCR computation to factor in collateral needs for covered bonds issuance vehicles and other vehicles used in capital markets activities, in case of a 3-notch downgrade of Société Générale's credit rating. Societe Generale also impacts its LCR computation to factor in a potential adverse market shock based on a 24-month historical look-back approach.

Intraday funding requirements give rise to dedicated reserves which are taken into account when computing liquidity stress tests based on internal models, which ground the control of the Societe Generale Group survival horizon under stress.

**TABLE 102: NET STABLE FUNDING RATIO (LIQ2)**

(In EURm)	31.12.2025					Weighted value
	Unweighted value by residual maturity					
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
<b>Available stable funding (ASF) Items</b>						
Capital items and instruments	73,445	1,985	-	9,338	82,783	
Own funds	73,445	1,985	-	9,338	82,783	
Other capital instruments		-	-	-	-	
Retail deposits		222,695	6,490	15,867	228,900	
Stable deposits		134,363	981	1,057	129,634	
Less stable deposits		88,331	5,509	14,809	99,266	
Wholesale funding		547,652	51,165	162,853	320,839	
Operational deposits		65,893	3	-	32,948	
Other wholesale funding		481,759	51,162	162,853	287,891	
Interdependent liabilities		53,844	0	0	-	
Other liabilities	2,462	56,369	406	5,647	5,850	
NSFR derivative liabilities	2,462					
All other liabilities and capital instruments not included in the above categories		56,369	406	5,647	5,850	
<b>TOTAL AVAILABLE STABLE FUNDING (ASF)</b>					<b>638,373</b>	
<b>Required stable funding (RSF) Items</b>						
Total high-quality liquid assets (HQLA)					39,271	
Assets encumbered for more than 12m in cover pool		42	112	30,485	26,043	
Deposits held at other financial institutions for operational purposes		-	-	-	-	
Performing loans and securities		256,773	51,973	357,038	356,781	
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		118,763	8,215	1,752	10,850	
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		57,801	9,297	32,380	42,980	
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		56,893	27,833	180,706	192,685	
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		11,968	3,073	23,041	22,517	
Performing residential mortgages, of which:		4,409	4,788	111,486	78,745	
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		4,045	4,448	103,081	71,249	
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		18,907	1,840	30,715	31,522	
Interdependent assets		53,599	0	183	-	
Other assets		113,663	5,541	94,699	115,993	
Physical traded commodities				-	-	
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		15,853	2,561	7,652	22,156	
NSFR derivative assets		-			-	
NSFR derivative liabilities before deduction of variation margin posted		70,767			3,538	
All other assets not included in the above categories		27,043	2,980	87,047	90,298	
Off-balance sheet items		202,496	-	61,935	10,667	
<b>TOTAL RSF</b>					<b>548,754</b>	
<b>NET STABLE FUNDING RATIO (%)</b>					<b>116.33%</b>	

31.12.2024					
(In EURm)	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>Available stable funding (ASF) Items</b>					
Capital items and instruments	73,548	1,743	-	10,545	84,093
<i>Own funds</i>	73,548	1,743	-	10,545	84,093
<i>Other capital instruments</i>		-	-	-	-
Retail deposits		230,174	5,826	16,325	235,608
<i>Stable deposits</i>		136,961	704	982	131,763
<i>Less stable deposits</i>		93,213	5,122	15,343	103,845
Wholesale funding		563,051	46,436	180,716	334,143
<i>Operational deposits</i>		70,485	3	3	35,247
<i>Other wholesale funding</i>		492,565	46,433	180,713	298,896
Interdependent liabilities		54,876	0	6,103	-
Other liabilities		70,485	311	6,803	6,958
<i>NSFR derivative liabilities</i>					
<i>All other liabilities and capital instruments not included in the above categories</i>		70,485	311	6,803	6,958
<b>TOTAL AVAILABLE STABLE FUNDING (ASF)</b>					<b>660,801</b>
<b>Required stable funding (RSF) Items</b>					
Total high-quality liquid assets (HQLA)					36,955
Assets encumbered for more than 12m in cover pool		55	143	47,831	40,824
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities		273,550	54,931	339,998	355,125
<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		105,337	6,426	1,871	9,520
<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		80,619	9,631	27,355	40,114
<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		63,703	31,998	182,381	204,607
<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		12,538	4,013	-	8,503
Performing residential mortgages, of which:		4,624	4,990	97,142	69,568
<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		4,214	4,550	89,052	62,265
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		19,268	1,885	31,248	31,316
Interdependent assets		54,717	0	6,261	-
Other assets		111,794	6,950	97,823	122,484
<i>Physical traded commodities</i>				0	0
<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		18,022	3,482	9,426	26,290
<i>NSFR derivative assets</i>		515			515
<i>NSFR derivative liabilities before deduction of variation margin posted</i>		65,455			3,273
<i>All other assets not included in the above categories</i>		27,802	3,467	88,398	92,406
Off-balance sheet items		208,305	-	63,377	11,062
<b>TOTAL RSF</b>					<b>566,450</b>
<b>NET STABLE FUNDING RATIO (%)</b>					<b>116.66%</b>

## 12.6 BALANCE-SHEET SCHEDULE

The main lines of the Group's financial liabilities and assets are presented in Note 3.13 to the consolidated financial statements according to the following model.

**TABLE 103: BALANCE-SHEET SCHEDULE**

### FINANCIAL LIABILITIES

		31.12.2025				
(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		9,737	-	-	-	9,737
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	184,668	28,634	35,124	46,769	295,195
Due to banks	Note 3.6	66,147	23,210	12,825	1,604	103,786
Customer deposits	Note 3.6	475,843	25,354	21,275	3,338	525,810
Securitised debt payables	Note 3.6	31,590	28,876	66,130	24,793	151,389
Subordinated debt	Note 3.9	8	21	627	11,960	12,616

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.

		31.12.2024				
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Due to central banks		11,364	-	-	-	11,364
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	184,412	26,473	42,362	37,936	291,183
Due to banks	Note 3.6	63,507	19,596	15,241	1,400	99,744
Customer deposits	Note 3.6	479,388	24,260	24,951	3,077	531,676
Securitised debt payables	Note 3.6	34,557	30,881	70,630	26,131	162,199
Subordinated debt	Note 3.9	9	465	2,922	13,613	17,009

NB: The scheduling assumptions for these liabilities are presented in Note 3.13 to the consolidated financial statements. In particular, the data are shown without provisional interest and excluding derivatives.

**FINANCIAL ASSETS**

<b>31.12.2025</b>						
<i>(In EURm)</i>	<b>Note to the consolidated financial statements</b>	<b>0-3 m</b>	<b>3 m-1 yr</b>	<b>1-5 yrs</b>	<b>&gt; 5 yrs</b>	<b>Total</b>
Cash, due from central banks		129,518	1,090	1,790	924	133,322
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	454,470	25,852	-	-	480,322
Financial assets at fair value through other comprehensive income	Note 3.4	99,749	1,048	-	291	101,088
Securities at amortised cost	Note 3.5	7,061	6,069	11,256	26,576	50,963
Due from banks at amortised cost	Note 3.5	70,529	1,825	2,672	1,261	76,287
Customer loans at amortised cost	Note 3.5	81,990	61,361	177,591	113,030	433,971
Lease financing agreements <sup>(1)</sup>	Note 3.5	1,982	4,092	11,358	3,101	20,533

(1) Amounts are presented net of impairments.

<b>31.12.2024</b>						
<i>(In EURm)</i>	<b>Note to the consolidated financial statements</b>	<b>0-3 m</b>	<b>3 m-1 yr</b>	<b>1-5 yrs</b>	<b>&gt; 5 yrs</b>	<b>Total</b>
Cash, due from central banks		199,942	493	974	271	201,680
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	406,556	22,747	-	-	429,303
Financial assets at fair value through other comprehensive income	Note 3.4	94,559	1,191	-	274	96,024
Securities at amortised cost	Note 3.5	28,231	761	3,002	661	32,655
Due from banks at amortised cost	Note 3.5	69,489	2,837	11,329	396	84,051
Customer loans at amortised cost	Note 3.5	116,064	55,202	160,123	102,419	433,808
Lease financing agreements <sup>(1)</sup>	Note 3.5	2,021	4,182	11,569	3,042	20,814

(1) Amounts are presented net of impairments.

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**

<b>31.12.2025</b>							
<i>(In EURm)</i>	<b>Note to the consolidated financial statements</b>	<b>Not scheduled</b>	<b>0-3 m</b>	<b>3 m-1 yr</b>	<b>1-5 yrs</b>	<b>&gt; 5 yrs</b>	<b>Total</b>
Tax liabilities	Note 6.3	-	-	1,340	1,263	-	2,603
Revaluation difference on portfolios hedged against interest rate risk		- 7,436	-	-	-	-	- 7,436
Other liabilities	Note 4.4	-	78,227	2,548	3,417	2,996	87,188
Non-current liabilities held for sale	Note 2.5	-	-	3,033	-	-	3,033
Liabilities related to insurance activities	Note 4.3	-	2,030	3,816	21,197	135,420	162,463
Provisions	Note 8.3	3,952	-	-	-	-	3,952
Shareholders' equity		79,527	-	-	-	-	79,527

<b>31.12.2024</b>							
<i>(In EURm)</i>	<b>Note to the consolidated financial statements</b>	<b>Not scheduled</b>	<b>0-3 m</b>	<b>3 m-1 yr</b>	<b>1-5 yrs</b>	<b>&gt; 5 yrs</b>	<b>Total</b>
Tax liabilities	Note 6.3	-	-	975	1,262	-	2,237
Revaluation difference on portfolios hedged against interest rate risk		(5,277)	-	-	-	-	(5,277)
Other liabilities	Note 4.4	-	81,117	2,974	3,702	2,993	90,786
Non-current liabilities held for sale	Note 2.5	-	-	17,079	-	-	17,079
Liabilities related to insurance activities	Note 4.3	-	4,314	10,619	42,427	93,331	150,691
Provisions	Note 8.3	4,085	-	-	-	-	4,085
Shareholders' equity		79,588	-	-	-	-	79,588

**OTHER ASSETS**

31.12.2025							
(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		(768)	-	-	-	-	(768)
Other assets	Note 4.4	-	73,313	-	-	-	73,313
Tax assets	Note 6	4,709	-	-	-	-	4,709
Deferred profit-sharing		-	-	-	-	-	-
Investments accounted for using the equity method		-	-	-	-	433	433
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	60,498	60,498
Goodwill	Note 2.2	-	-	-	-	5,083	5,083
Non-current assets held for sale	Note 2.5	-	1	2,494	1	-	2,496
Investments of insurance companies	Note 4.3	-	115	119	195	220	649

31.12.2024							
(In EURm)	Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Revaluation differences on portfolios hedged against interest rate risk		(292)	-	-	-	-	(292)
Other assets	Note 4.4	0	70,903	-	-	-	70,903
Tax assets	Note 6	4,687	-	-	-	-	4,687
Deferred profit-sharing		-	-	-	-	-	-
Investments accounted for using the equity method		-	-	-	-	398	398
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	61,409	61,409
Goodwill	Note 2.2	-	-	-	-	5,086	5,086
Non-current assets held for sale	Note 2.5	-	4	26,390	16	17	26,427
Insurance contract assets	Note 4.3	-	12	39	166	398	615

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the portfolios in question. Similarly, the schedule of tax assets whose schedule would result in the early disclosure of income flows is not made public.
2. Other assets and other liabilities (guarantee deposits and settlement accounts, miscellaneous receivables) are considered as current assets and liabilities.
3. The notional maturities of commitments in derivative instruments are presented in Note 3.2.2 to the consolidated financial statements.
4. Investments in subsidiaries and affiliates accounted for by the equity method and Tangible and intangible fixed assets have a maturity of more than five years.
5. Provisions and shareholders' equity are not scheduled.



# 13

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## NON COMPLIANCE RISK AND LEGAL RISK

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### **IN BRIEF**

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Structural interest rate and exchange rate risks correspond to the risk of losses of interest margin or value of the fixed rate structural position arising from variations in interest or exchange rates. Structural interest rate and exchange rate risks arise from commercial activities and from transactions entered into by the Corporate Centre.

This section describes the monitoring of structural risks and provides information on structural interest rate and exchange rate risks.

## 13.1 NON COMPLIANCE RISK AND LEGAL RISK

Non compliance risk and legal risk are considered non-financial risks, in line with the Group's Risk taxonomy.

Acting in compliance means understanding and observing the external and internal rules that govern our banking and financial activities. These rules aim to ensure a transparent and balanced relationship between the Bank and all its stakeholders. Compliance is the cornerstone of trust between the Bank, its customers, its supervisors and its employees.

Compliance with rules is the responsibility of all Group employees, who must demonstrate compliance and integrity on a daily basis. The rules must be clearly expressed, and staff have been informed and/or trained to understand them properly. The compliance risk prevention system is based on shared responsibility between the operational entities and the Group Compliance Department:

- the operational entities (BUs and SUs) must incorporate into their daily activities compliance with laws and regulations, the rules of professional best practice and the Group's internal rules;
- the Compliance Department manages the Group's compliance risk prevention and management system. It ensures the system's consistency and efficiency, while also developing appropriate relationships (liaising with the General Secretariat) with bank supervisors and regulators. This independent department reports directly to General Management. To support the businesses and supervise the system, the Compliance Department is organised into:
  - **Standards and Consolidation teams** responsible for defining the normative system and *oversight* guidelines, consolidating them at Group level, as well as defining the target operational model for each compliance risk;
  - **Division/Business Line compliance teams** which are aligned across the Group's major business lines (Corporate and Investment Banking, French Retail Banking, International Retail

Banking, Private Banking and Corporate Divisions), responsible for the relationship with BU/SUs, including *deal flow*, *advisory*, and risk *oversight* of BU/SUs;

- teams responsible for **cross-business functions**;
- teams responsible for **second-level controls**.

The Compliance Department is organised into three main compliance risk categories, for which it plays a standard-setting role:

- **financial security**: know your customer; fight against corruption, compliance with the rules and regulations on international sanctions and embargoes; anti-money laundering and combating the financing of terrorism, including reporting suspicious transactions to the appropriate financial intelligence authority when necessary;
- **regulatory risks** covering in particular: customer protection; ethics and conduct (see Chapter 5 of the URD - section on CSRD business conduct); compliance with tax transparency regulations (based on knowledge of the customers' tax profile); compliance with corporate social responsibility regulations and Group commitments; financial market integrity; compliance with prudential regulations in collaboration with the Risk Department; data protection including personal data and in particular customer data.

Compliance has set up an extensive compulsory training programme for each of these risk categories, designed to raise awareness of compliance risks among all or some employees.

The completion rates for these training modules are monitored closely by the Group at the highest level. In addition to its LOD2 function regarding the aforementioned risks, Compliance oversees the regulatory system for all regulations applicable to credit institutions, including those implemented by other departments, such as prudential regulations.

### 13.1.1 Non compliance risk

#### Financial security

##### KNOW YOUR CUSTOMER (KYC)

In terms of customer knowledge, Societe Generale's KYC system is now generally robust.

In mid-2025, the Group launched a multi-year programme to comply with the European Union's 6<sup>th</sup> anti-money laundering package, which introduces new obligations applicable from 10 July 2027 in terms of KYC due diligence (additional information and documentation to be obtained on customers or beneficial owners, shareholding structure, frequency of periodic reviews or new obligations for digital banks in terms of, verifying the identity of customers).

##### PREVENTION OF ANTI-MONEY LAUNDERING AND FINANCING OF TERRORISM (AML/CFT)

The Group is implementing all the provisions related to the 5<sup>th</sup> European Anti-Money Laundering and Countering the Financing of Terrorism Directive and the Decree of 6 January 2021 on the AML/CFT system and internal control, as well as European Regulation 2023/1113 on information accompanying transfers of funds and certain crypto-assets.

Internal initiatives to strengthen the system also continued in 2025, particularly in terms of risk detection capabilities related to crypto-assets, organised fraud or the circumvention of international sanctions. In general, the development of more sophisticated tools for detecting suspicious or atypical transactions, based on technologies such as *Big Data* and *Machine Learning*, is a priority for the Group as part of a multi-year investment programme.

##### FINANCIAL EMBARGOES AND SANCTIONS

The strengthening of sanctions imposed on Russia by various jurisdictions (the European Union, the US, the UK, etc.) on account of the war against Ukraine continued in 2025. The implementation of these sanctions remains very complex and may generate high operational risk for financial institutions and an increased focus on sanctions evasion. In this context, Societe Generale Group maintains close control over any operation involving Russia.

In November 2025, the *Federal Reserve Bank* (FRB) announced the lifting of the *Cease and Desist Order* signed in 2018, acknowledging that Société Générale had fulfilled the obligations set out in this framework.

## 13.1.2 REGULATORY COMPLIANCE RISK

### PROTECTION OF CUSTOMERS

#### Customer claims

Refer to URD section 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests / Complaint handling and mediation"; 5.4.2.2.2.2. "Actions related to responsible business practices / Complaint handling and mediation".

#### Conflicts of interest

Refer to URD section 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests / Prevention of conflicts of interest".

#### Product governance

Refer to section URD 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests".

#### Vulnerable customers

Refer to section URD 5.4.2.2.1.2. "Marketing practices for products and services that respect customers' interests / Supporting customers in situations of financial fragility"; URD 5.4.2.2.2.2. "Actions related to responsible business practices / Financial fragility".

### MARKET INTEGRITY

The regulatory changes of recent years concerning market integrity are integrated into the implementation of a robust risk hedging framework within the Societe Generale Group. The rules of conduct, the organisational principles and the oversight and control measures are in place, regularly assessed and continuously improved. Moreover, extensive training and awareness-raising programmes are provided to all Group employees.

This scheme has been further improved in 2025, including:

- By strengthening the normative framework and controls relating to the recording of electronic and audio communications for the populations concerned within the Société Générale Group and transaction reporting within GBIS (with improvement actions undertaken by the back-office teams to secure the reporting chains, which are scheduled to be finalised at the end of 2026);
- The continuation of the actions initiated in 2024 in terms of global supervision within GBIS, to increase the comprehensiveness and efficiency of the supervision of orders and transactions and to ensure compliance with the pre- and post-trade requirements imposed by exchanges on topics such as market abuse, algorithmic trading and market access (SDMA - *Sponsored Direct Market Access*). These actions will end in 2026;
- By integrating the Group's strategic projects into our system.

### CUSTOMER TAX TRANSPARENCY

The Group implements customer tax transparency requirements in compliance with the international standards in force. They relate to the automatic exchange of information, between tax authorities, of the balances and income of non-resident accounts receivable in tax (*Common Reporting Standard* (CRS)) and in the United States (FATCA (*Foreign Account Tax Compliance Act*)). The Group also applies the DAC6 directive, which requires the reporting of potentially aggressive cross-border tax planning arrangements and the US *Qualified Intermediary* regulation requiring reporting in the case of US-source income.

On this topic, compliance defines the normative framework, assists entities and supervises compliance with the rules. As such, the Group has put in place a robust organisation and system to ensure the reliability of the processes and the quality of the information transmitted to the tax authorities.

In 2025, the scheme was completed by:

- Preparation for regulatory changes relating to digital asset transactions as part of the application of the CARF (*Crypto-Asset Reporting Framework*).
- CRS 2.0 developments that extend the applicable customer due diligence as well as the information to be reported by integrating digital assets and new data.

The deployment of these international standards has been implemented in Europe via DAC8 (8th version of the Administrative Cooperation Directive).

In the Private Banking business line, the highest standards of tax transparency set by the G20 and the OECD are taken into account in the verification of the tax compliance of the assets deposited and customers are subject to particular vigilance through in-depth documentary due diligence.

### MEASURES AGAINST CORRUPTION

Refer to URD section 5.5.1.2. "Prevention and detection of corruption and bribery"

### SUSTAINABILITY RISK

The General Environmental and Social Principles present the framework applicable to the Group's activities that may be linked to an environmental or social impact through the products and services offered. In order to manage the environmental and social risks potentially linked to its activities, the Group implements sectoral policies, in addition to the General Environmental and Social Principles. These sectoral policies define the specific standards and criteria that the Group wishes to apply in sensitive sectors. To manage the implementation of the environmental and social risk management system and ensure that these commitments are upheld, the Compliance Division introduced the following measures:

- Development of prescriptive controls and key risk indicators;
- Deployment of an *e-learning* module on environmental and social risk management. The training was made compulsory for all employees having a direct or indirect relationship with corporate customers and was distributed to more than 70,000 Group employees;
- Definition of escalation procedures on the perimeter of corporate clients and on that of financial institutions and sovereigns, to describe the criteria that oblige *Business Units* to refer to the Compliance Department and, where applicable, arbitration by a Société Générale Group oversight committee chaired by a member of the Executive Committee, to enter into a relationship with an entity or to carry out transactions in situations that may present risks of non-compliance or environmental and social reputation issues.

### 13.1.3 DATA PROTECTION

#### DATA PROTECTION

Refer to URD section 5.4.2.2.1.3. "Customer privacy policies / Protection of customer personal data"; URD 5.4.2.2.2.3. "Privacy protection actions / Personal data protection".

### 13.1.4 OTHER REGULATORY RISKS

#### MANAGEMENT OF REPUTATIONAL RISK

Management of reputational risk is coordinated by the Compliance Department, which:

- Supports the Compliance Control Officers of the businesses in their strategy for preventing, identifying, assessing and controlling reputation risk;
- Develops a reputational risk dashboard that is communicated quarterly to the Risk Committee of the Board of Directors, based on information from the BU/SU (in particular the Human Resources and Communications department, Legal department, Corporate Social Responsibility department, 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 business lines and control functions and/or who present a high risk;
- Performs the Secretariat role for the Complex Transactions and Reputation Risk Committee (CTRC), tasked with reviewing and approving the legal, regulatory, tax, compliance and/or high reputation risk that may arise from the involvement of a Group entity in a complex transaction or from a product, transaction, service or activity with a customer or counterparty.

Moreover, Chief Compliance Officers dedicated to the *Business Units* take part in the various bodies (New Product and Significant Change Committees or NPSC, *ad hoc* committees, etc.) organised to approve new types of transactions, products, projects or customers, and formulate a written opinion as to their assessment of the level of risk of the planned initiative, and notably the reputation risk.

#### CORPORATE COMPLIANCE

In addition to its role as a second line of defence in the aforementioned areas, the Compliance Department has continued to strengthen the supervision of the Group's regulatory system in coordination with the Risk, Finance, Legal and Human Resources Departments. This oversight relies on the *Corporate Compliance Framework* approach, which aims to ensure the Group's compliance with all banking and financial regulations, including those implemented by other departments, namely control functions or independent expert functions. To this end, on each theme concerned, a document setting out the Compliance function's roles and responsibilities for the implementation of the missions is formalised and approved twice yearly by the stakeholders. The *Corporate Compliance* system is now mature and robust.

#### DATA RECORDS MANAGEMENT

Refer to URD section 5.4.2.2.2.3. "Privacy protection actions / Archiving".

#### COMPLIANCE INCIDENTS

[1>Audited I<1]In accordance with regulatory requirements, the Societe Generale Group has a system to centrally manage compliance incidents which is governed by a regularly updated body of standards.

The procedure for reporting incidents is governed by an *ad hoc* governance, together with Compliance Incident Committees (CIC). These are held monthly with an intermediate level for the business lines and a consolidated level for the Group, which addresses the most significant incidents. These bodies promote information sharing between members regarding any malfunctions that may occur, and the methods used to resolve them.

The presentation of these incidents in the CICs for the purposes of compliance risk supervision and steering is routinely accompanied by long-term remedial action plans to prevent future incidents from recurring. Once all the remedial action plans have been finalised, a compliance incident may be closed upon formal approval by the CIC. Major compliance incidents within the Group are reported on a quarterly basis:

- to the executive arm of the Group Compliance Committee;
- to the supervisory arm of the Board of Directors' Risk Committee in a Group Compliance dashboard;
- to the [i> Autorité de Contrôle Prudentiel et de Résolution<i] (the French Prudential Supervisory Authority).

#### TO REITERATE: COMPLIANCE REMEDIATION PLAN FOLLOWING THE AGREEMENTS SIGNED WITH THE FRENCH AND US AUTHORITIES

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. In accordance with these agreements, the Bank has defined and then implemented a programme to strengthen its compliance framework in the areas concerned.

On 5 November 2025, the *Federal Reserve Bank* (FRB) closed the *Cease & Desist Order* issued by OFAC on 19 November 2018 between the Bank and the FRB.

#### US COMPLIANCE REMEDIATION PLAN

On 17 December 2019, Société Générale SA and SG New York (SGNY) signed an agreement with the *Federal Reserve Bank of New York* (FRBNY) regarding SGNY's compliance risk management programme. This December 2019 agreement was closed by the FRB on 2 September 2025.

### 13.1.5 FIGHT AGAINST TAX EVASION

Société Générale Group's principles on combating tax evasion are governed by the Tax Code of Conduct. This Code is updated periodically and approved by the Board of Directors after review by the Executive Committee. It is public and accessible via the Bank's institutional portal (Link: Société Générale Group Tax Code of Conduct 2023). The current version was updated in December 2023.

The five main principles of the Code are as follows:

- Societe Generale has a responsible tax policy that forms part of its overall strategy;
- Societe Generale ensures compliance with the applicable tax rules in all countries where the Group operates, in accordance with international conventions and national laws;
- In its customer relationships, Société Générale 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, Société Générale is committed to strictly respecting tax procedures and ensures that it maintains responsible and transparent relations;

Société Générale 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. Société Générale also prohibits any transaction not based on sound economic grounds and driven solely by tax considerations, whether for its own account or for its customers. The tax strategy and its guiding principles are approved by the Board of Directors. Measures for monitoring compliance with the tax strategy and risks are presented to the Board of Directors (or a delegate Committee) at least once a year.

The Group is committed to a strict policy with regard to tax havens. No new Group entity may be established in a State or Territory on the official French list of ETNCs (États et territoires non coopératifs in French)<sup>(1)</sup>. 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.

In accordance with regulatory requirements, Societe Generale also includes tax fraud in its anti-money laundering procedures.

## 13.2 LITIGATION

The information pertaining to risks and litigation is included in Note 9 to the consolidated financial statements, page Note 9 .

(1) Including the European black list



# 14

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

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### **IN BRIEF**

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Environmental, social and governance (ESG) risks correspond to the risk of negative impacts stemming from current or prospective ESG factors relating to the Group's financing, investment or service activities.

## 14.1 GENERAL INFORMATION

### 14.1.1 DEFINITIONS AND ESG RISK FACTORS

This section details the main definitions applying to environmental, social and governance (ESG) risk factors as a whole.

Environmental, social and governance (ESG) risks can be defined as the potential negative materialisation of current or prospective ESG factors through the Group's counterparties, the assets that the Group invests in or its own operations. For the Group, risks related to ESG factors do not constitute a category of risks but represent a risk factor that potentially aggravates existing categories of risks.

This is in line with the standards in force defined by European supervisors and regulators. They are likely to impact the Group's activities, results and financial situation in the short, medium and long term. Furthermore, it should be noted that these different risks are highly interconnected and must be understood in their entirety. These ESG factors can materialize in varying intensities *via* various types of risk and impact the Group's activities, results and financial situation in the short, medium and long term.

Group's risk management system has been and continues to be adapted to integrate these new sustainability challenges.

The specifics of environmental, social and governance risk factors are respectively specified in section 14.5.2 "Environmental risk management", in section 14.6.2 "Social risk management" and in section 14.7.2 "Governance risk management".

The different categories and risk factors are defined in the corresponding sections of this 2026 Pillar 3.

**ESG factors** correspond to environmental, social or governance issues that may have a positive or negative effect on the financial performance or solvency of a sovereign or individual entity.

**Risk drivers** are the means by which ESG factors can lead to negative financial effects through transmission channels.

**Risk factor transmission channels** are the causal chains that explain how ESG risk factors give rise to financial risks for the Group as a financial institution directly, or indirectly through its counterparties, the assets they hold or the economy in which it operates.

These transmission channels can be classified into two categories:

- microeconomic transmission channels (direct channels), which include the causal chains by which climate risk factors affect (i) financial institution's individual counterparties (households, corporates and sovereigns) and their assets; and (ii) the financial institutions themselves, through the impacts on their operations or their financing capacity, as well as through impacts on their financial assets (such as bonds, single-name CDS (Credit Default Swap) and equities).

Examples of microeconomic transmission channels include lower real estate values, erosion of household wealth, lower return from assets, higher insurance premiums, increased compliance and legal costs, rise in other costs, material damage and disruption to activities, loss of market share, negative impact on the Company's image, and financial contagion (market losses and tighter credit conditions);

- macroeconomic transmission channels (indirect channels) are the mechanisms by which climate risk factors affect macroeconomic factors, such as labour productivity and economic growth, and how these, in turn, can impact financial institutions through their effect on the economy in which banks operate. Macroeconomic transmission channels also capture the effects on macroeconomic market variables such as risk-free interest rates, inflation, commodities and foreign exchange rates.

Examples of these macroeconomic transmission channels include lower profitability, weaker demand, lower output and effects linked to exchange rates and interest rates, etc.

The risks related to ESG factors can be defined as follows:

- **environmental risk factors** are those related to the quality and proper functioning of the natural environment and natural systems. They include factors such as climate change, pollution, water, biodiversity, resource and waste management, etc. These environmental risk factors 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 effect of physical environmental factors on the Group, its counterparties or its invested assets, and on its own-account operations; physical risks can be:
    - acute: they result from events linked to extreme climate conditions (such as floods, heat waves or fires) and acute environmental destruction (such as chemical pollution or oil spill),
    - chronic: they result from gradual changes in climate patterns (such as rising average temperatures or sea levels) or from a gradual loss of ecosystem services (for example, from the use of pesticides that lead to a gradual decline in pollinators, reduced soil fertility, and lower crop yields);
  - **transition risk**, which refers to the current or potential effect of the transition to a more environmentally sustainable economic model, on the Group, its financial position, counterparties or invested assets, and on its own-account operations. It can arise from the following elements:
    - policy: climate-related policy measures or potentially disjointed mitigation strategies could affect asset prices in carbon-intensive sectors,
    - technology: technological changes may, for example, make existing technologies obsolete or uncompetitive, alter their affordability and affect the relative price of substitute products. Such technological changes could trigger asset revaluation,
    - customer and investor preferences and behaviours: environmental effects could influence customers of the Group's counterparties, which could itself lead to a deterioration in the credit quality of those counterparties (decrease in activity, deterioration of reputation, etc.);

- **social risk factors** are those related to the rights, well-being and interests of people and communities. They include factors such as (in)equality, health, inclusion, labour relations, workplace health & safety and well-being, human capital and communities;
- **governance risk factors** are those related to governance practices (executive leadership, executive remuneration, 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 effect of ESG factors on its counterparties or on the assets in which the Group invests, as well as on its own operations, taking into account the principle of **double materiality**, which requires that the materiality of a sustainability matter be analysed across two dimensions:

- the impact materiality - the impact (actual or potential, positive or negative, over the short, medium or long term) that the undertaking could have on the environment and people as a result of its activities; and
- the financial materiality - the financial effects of ESG issues on the company, its financial position, its financial performance, or access to finance, etc. These financial effects can be positive, in which case they are opportunities or negative, in which case they are financial risks.

ESG risk management processes have been steadily improved over the past few years, with a more detailed and operational integration of environmental (particularly climate-related), social, and governance issues across all risk categories.

In 2025, the materiality assessment has been strengthened through the continuous deployment of tools (such as the Corporate Climate Vulnerability Indicator for credit risk).

Risk identification capabilities have been improved, particularly for credit risk, through the implementation of new ESG procedures and dashboards allowing for better integration of environmental, social and governance factors into the origination, monitoring and management processes.

Stress testing methodologies have been refined with scenarios integrating dynamic balance sheet approaches and the development of ad hoc scenarios and adapted time horizons. The scope of risk categories covered by stress tests has also been extended compared to the previous year.

Finally, efforts have been made to improve the granularity of analyses, the mapping of exposures and the monitoring of the energy performance of part of the Group's real estate assets as well as the monitoring of the investment portfolio, with better consideration of risks in the Group's strategies and initiatives.

## 14.1.2 TIME HORIZONS

In terms of time horizons, the Group has adopted the following time intervals:

- short term: period of up to one year;
- medium term: period from one up to five years;
- long term: beyond five years.

## 14.2 SUSTAINABILITY STRATEGY

The elements relating to the Group's sustainability strategy are presented in Chapter 5.1 "Sustainability statement", section 2.1.2 «Climate transition plan» of 2026 Universal Registration Document.

The management of potential impacts on climate change is based on the general framework for identifying and preventing serious environmental and social (E&S) impacts, the implementation of which is inseparable from the processes governing the conduct of the Group's activities.

### 14.2.1 GENERAL E&S PRINCIPLES

The **E&S General Principles** set out the framework applicable to the Group's activities, through which clients can have actual, or potential, E&S impacts, including in terms of climate impact and to which the Group can be linked through the products and services offered.

These E&S General Principles set out the main reference standards on these issues and include an undertaking from the Group to comply with the standards and encourage its customers to do likewise.

In terms of risks, the environmental and social impacts of the Group's counterparties can generate financial risks.

The Group sets out its E&S guidelines in several public documents: (i) the General E&S Principles, (ii) the ten sectoral policies on customers and dedicated transactions, six of which deal directly with climate change mitigation and (iii) the sectoral policies developed by Sogecap within Societe Generale Assurances.

They describe the mechanisms for identifying the actual or potential E&S impacts of clients or activities underlying dedicated transactions that are based on the analysis of controversies and the application of relevant sectoral policies. This identification leads to a detailed assessment of actual or potential E&S impacts, including those related to climate change, related to the clients' business or the activities underlying dedicated financing transactions. This work has led the Group to implement actions to mitigate the serious impacts identified that may condition the continuation of activities with certain clients or the financing of the dedicated transactions in question.

The General Principles also remind the approach adopted for the assessment of E&S impacts and associated risks in its decision-making processes, which consists of the following steps:

- identification: the Group has developed tools and processes to identify banking and financial products and services, business sectors and countries most likely to present E&S risks;
- assessment: when a risk has been identified, the Group carries out an assessment in the light of the applicable E&S General Principles, E&S Positions and Sectoral E&S Policies;
- action: depending on the outcome of the assessment, specific measures may need to be adopted. Depending on the identified E&S impacts and the associated risks, the Group may adopt preventive or mitigating measures: in-depth monitoring of certain E&S issues, insertion of explicit E&S criteria in the contractual documentation, restriction of the relationship, or even in some cases, the termination of the relationship or the cessation of the marketing of certain products.

The General Principles mention, in particular, the Equator Principles which consist of a common framework for managing E&S impacts, allowing financial institutions to identify, assess and manage these impacts for transactions falling under this initiative (project financing with total project investment costs above USD 10 million, and loans to companies related to these projects in excess of USD 50 million). These principles are applied, regardless of the eligibility of a transaction for sector-specific policies, through a set of due diligence measures tailored to prevent, mitigate or put an end to the major impacts identified.

## 14.2.2 SECTOR-SPECIFIC POLICIES

### GENERAL FRAMEWORK OF SECTOR-SPECIFIC POLICIES

**Sector-specific policies** define the standards that the Group intends to apply to sectors considered potentially sensitive from an E&S point of view. They include, in particular, criteria for identifying and analysing the actual, or potential, climate impacts of customers or the activities underlying dedicated transactions and, for those covering potential climate impacts, concern the following sectors: oil and gas; mines; thermal power plants; thermal coal; shipping and industrial agriculture and logging.

These policies are based on a common framework that identifies actual, or potential, E&S impacts related to a given sector of activity. These policies reiterate reference sector-specific or thematic standards, explain the scope of the activities concerned and define criteria by distinguishing between those that apply (i) to the Group's clients from those that apply (ii) to dedicated transactions for which the underlying activities are known (e.g. asset or project financing). Three types of criteria are defined in these policies:

- the criteria on the basis of which the Group does not provide financial products and services;
- priority assessment criteria targeting priority impact factors requiring a targeted and systematic response as part of the assessment process. Clients that do not meet the applicable assessment criteria are granted a reasonable timeframe in which to improve their practices (steps required may include a formal action plan or the signing of contractual undertakings). For project-related transactions, compliance with the criteria will have to be incorporated into project development. When providing dedicated advisory services ahead of project development, the Group must assess the client's commitment to developing a project that will satisfy these criteria;
- other assessment criteria aimed at identifying other E&S impact factors specific to the sector concerned, which will also be considered in the assessment, as well as defining the best practices the Group wishes to promote.

The E&S assessment criteria are applicable in a proportionate manner based on the importance of the E&S risks inherent to the clients' activities and to the underlying activities related to the dedicated transactions, products and services.

Sectoral policies are updated, in particular, in line with regulatory, scientific or societal developments, observed best practice and the Group's strategy. The Group's ongoing dialogue with its stakeholders covers issues related to civil society through various exchanges with French and international NGOs. When relevant issues are reported through these channels, they are dealt with through the impact management system, for instance by adding to identification lists or enhancing sector policies. Sectoral policy updates are approved by General Management; their implementation is part of a control system led by the Group's Compliance Department.

(Detailed information on sector policies is presented in Chapter 5.1 "Sustainability statement", sections 2.1.2.2 "The Group's leverage on corporate finance activities: align the financing portfolio with trajectories compatible with the Paris Agreement" and 2.1.3.1 "Policies for managing material impacts on climate change" of the 2026 Universal Registration Document).

The governance bodies (as described in Chapter 5.1 "Sustainability statement", section 1.1.4. "Governance of sustainability issues" of the 2026 Universal Registration document) play a key role in managing this process and monitoring the application of the system.

## 14.3 GOVERNANCE OF SUSTAINABILITY ISSUES

### 14.3.1 GENERAL INFORMATION ON THE GOVERNANCE OF SUSTAINABILITY ISSUES

The following paragraphs describe the governance processes, controls and procedures implemented to control, manage and monitor sustainability issues.

Additional information is also presented in Chapter 5.1 "Sustainability statement", section 1.1.4 "Governance of sustainability issues" of the 2026 Universal Registration Document.

#### OBJECTIVES AND DEFINITIONS

The "administrative, management and supervisory bodies", as cited in this chapter, are commonly referred to as "governance bodies". These governance bodies include, on the one hand, the Board of Directors (and its specialised committees) and on the other hand, the executive corporate officers ("the General Management").

### 14.3.2 COMPOSITION AND DIVERSITY OF GOVERNANCE BODIES

The composition of the Board of Directors and its specialised committees are described in Chapter 3 "Corporate Governance" of the 2026 Universal Registration Document.

The General Management, which manages the Company and represents it vis-à-vis third parties, is currently composed of the Chief Executive Officer, Mr. Slawomir Krupa, assisted by a Deputy Chief Executive Officer, Mr. Pierre Palmieri.

### 14.3.3 THE ROLES AND RESPONSIBILITIES OF GOVERNANCE BODIES AS REGARDS SUSTAINABILITY

#### 14.3.3.1 Roles and responsibilities of the Board of Directors in terms of sustainability

##### ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN TERMS OF SUSTAINABILITY

The Board of Directors defines the Group's business guidelines, ensures that they are implemented by General Management and reviews them at least once a year. These guidelines incorporate the Group's values and Code of Conduct, which it approves, as well as the key policy axes on social and environmental responsibility, human resources, IT systems and organisation.

The Board of Directors is assisted by a non-voting Director whose role is to provide CSR support. The non-voting director, in addition to his or her role in reviewing strategy in this area, attends all of the Board's committee meetings when CSR-related matters are on the agenda.

The strategic direction of the Group in CSR is approved by the Board of Directors on the basis of a proposal from General Management, which is reviewed by the non-voting Director.

##### ROLES AND RESPONSIBILITIES OF THE BOARD'S SPECIALISED COMMITTEES AS REGARDS SUSTAINABILITY

Throughout the year, the Board of Directors is assisted by four specialised committees which prepare for the review of CSR matters within their respective areas of responsibility. Each matter examined by a committee is subsequently presented to the Board of Directors for discussion and approval, where appropriate:

- the Audit and Internal Control Committee reviews all financial and non-financial CSR disclosures (including the Sustainability statement) before they are approved by the Board of Directors, including the monitoring of the process implemented and the internal control framework for preparing and certifying sustainability information. It reports to the Board of Directors on the performance of its mission;

- the Risk Committee is responsible for reviewing the risks associated with the Group's strategic direction in sustainability, including climate risks. This risk monitoring is part of the standard Group process described in Chapter 4.2 "Risk management framework" of the 2026 Universal registration document. As part of this mission, the Risk Committee examines the risks related to social and environmental responsibility at least once a quarter and specifically reviews the results of all climate stress tests. It also ensures the relevance of the risk descriptions and their materiality in the sustainability statement. These results are submitted to the Board of Directors to help it validate the appetite for ESG-related risk;
- the compensation Committee proposes to the Board of Directors, the CSR criteria (including at least one related to climate objectives) selected for the compensation of the Chief Executive Officers;
- the Nomination and Corporate Governance Committee prepares discussion material for the Board of Directors to ensure the best governance to deal with CSR matters. Using a Directors' skills matrix, it examines each year the Board's skills requirements in terms of expertise including various CSR-related topics. It draws the necessary conclusions on the recruitment processes in place and the training on offer.

Further information on the roles and responsibilities of the Board of Directors and its specialised committees can be found in the Internal Rules of the Board of Directors in Chapter 3 on Corporate Governance included in the 2026 Universal registration document. The roles and responsibilities of the Board of Directors as regards business conduct are described in section 4.1.1.1 "Corporate culture in business conduct" in the chapter 5.1 "Sustainability statement" of the 2026 Universal registration document.

### 14.3.3.2 Roles and responsibilities of the General Management with regard to sustainability

#### ROLES AND RESPONSIBILITIES OF THE GENERAL MANAGEMENT WITH REGARDS SUSTAINABILITY

The General Management proposes the CSR strategy, particularly on climate change, to the Board of Directors, which approves it. This proposal is reviewed beforehand, first by the non-voting Director, and then by the Board's specialised committees, where appropriate. General Management presents the implementation procedures for the CSR strategy, with an action plan and the time horizons in which these actions will be carried out. It informs the Board of Directors each year of the results obtained.

Within the General Management, the Deputy Chief Executive Officer is directly responsible for overseeing all CSR policies and their effective integration into the strategic path adopted by the Group's Business Units and Service Units.

#### ROLES AND RESPONSIBILITIES OF THE GROUP'S CROSS-FUNCTIONAL COMMITTEES AND BUSINESS COMMITTEES AS REGARDS SUSTAINABILITY

To implement the CSR strategy, the General Management relies on the Group's cross-functional committees and business committees that deal with sustainability matters. Each of them is chaired by the Deputy Chief Executive Officer:

##### Responsible Commitments Committee

The role of this committee is to deal with all matters relating to the Group's voluntary commitments in terms of Environmental and Social (E&S) responsibility. This Committee is decision-making and has authority over the whole Group.

Its objective is to examine significant E&S issues for the Group and strategic opportunities, to make new Group commitments in terms of E&S and to develop or revise the Group's E&S standards.

##### Group Risk Committee

This Committee's task is to approve the main cross-functional risk management systems, in particular the Group's risk taxonomy, risk identification, risk management and stress testing frameworks. It also validates the Risk Inventory and the Risk Appetite Framework (RAF) before they are submitted to the Board of Directors.

In addition, the risk materiality assessment is submitted to the Risk Committee for approval and presented to the Group's Executive Committee, as well as to the Board of Directors' Risk Committee. The ESG risk assessment is incorporated into the risk materiality assessment included in the sustainability statement, for which the Board of Directors is responsible.

## 14.3.4 RISK MANAGEMENT AND INTERNAL CONTROL OF SUSTAINABILITY INFORMATION

The control system applicable to risk management involves the three lines of defence, as described in Chapter 4.3 "Internal controls" of the 2026 Universal Registration Document. ESG risks form part of this general framework and of the existing control system on the different risk categories within the Risk departments concerned.

Additionally, The Group's Sustainability Department contributes to the production of Group-level normative documentation on ESG.

In general, specialised committees informing the Risk Committee and dedicated to a specific risk category (Credit Risk Committee, Counterparty Credit Risk Committee, Market Risk Committee, etc.) include an ESG dimension in their analysis, depending on the results of the materiality assessments and in line with the requirements of prudential regulation in Europe. In addition, the Risk Committee meets annually to discuss environmental issues, covering, in particular, aspects of risk appetite and the strengthening of governance around ESG risk management.

##### The Group's Complex Transactions and Reputational Risk Committee

The objective of this committee is to review, assess and, where appropriate, approve/refuse the increased legal, regulatory, tax, compliance, accounting, conduct and/or reputational risks that may arise from the involvement of Group entities in any complex structured transaction or any new or existing product, transaction, business, service or activity with a customer or counterparty.

##### Group Client Acceptance Committee

Client acceptance decisions are a key part of the day-to-day management of non-compliance and reputational risks at a financial institution. The committee's task is to approve or refuse new relationships or to confirm or halt the continuation of business relationships on the basis of certain criteria.

The committee assesses all non-compliance risks and related reputational risks, generated by the business relationship. This committee examines requests for exemptions from the Group's CSR standards for specific customers.

### 14.3.3.3 Integration of sustainability-related performance into compensation policies

Each year, on the proposal of the Compensation Committee, the Board of Directors decides on the remuneration policy for executive corporate officers, including the performance criteria for the calculation and vesting of annual variable compensation and long-term incentives. These criteria include CSR targets aimed at aligning the compensation of executive corporate officers with the Group's CSR strategy.

More detailed information on the integration of sustainability-related performance into the incentive and compensation schemes for executive corporate officers is presented in the section "Remuneration of Group Senior Management" in Chapter 3 dedicated to Corporate Governance in the 2026 Universal registration document.

The Finance Division is responsible for the production of ESG indicators. A department with this specific expertise is in charge of reporting and metrics. The Finance Department contributes to the regulatory monitoring of sustainability and is responsible for producing the sustainability statement.

## 14.4 GENERAL FRAMEWORK OF THE ESG RISK MANAGEMENT

ESG risks do not constitute a new risk category, but represent a potentially aggravating factor of the existing risk categories monitored as part of the Group's risk management.

These ESG risk factors are therefore analysed through the assessment of their effect on other existing risk categories and factors, in accordance with the guidelines of the European Banking Authority (EBA).

Their integration into the general framework is based on existing governance and processes. The approach to ESG risks is as follows: identification, quantification, definition of risk appetite, monitoring, reporting, risk control and mitigation. The section 14.5.2 "Environmental risk management" presents the process applied regarding environmental risks, which benefit from the most mature level of development (particularly in terms of climate risks).

### 14.4.1 FINANCIAL MATERIALITY ASSESSMENT

The financial materiality assessment for ESG risks applies individually to each risk category (such as credit risk or counterparty risk).

It consists of identifying the risk drivers likely to have a potential financial effect on each risk category and the associated transmission channels, and then quantitatively or qualitatively assessing this effect. This process is integrated into the Group's risk management framework.

#### Identification of risk factors and transmission channels

The Group defines a list of risk factors and transmission channels to be reviewed before each annual risk identification exercise based on regulatory changes, the publication of reference documents (BIS, EBA, ECB, etc.) and ongoing risk identification. Based on these elements, a qualitative identification of risk factors is carried out (using expert judgment), in the short, medium and long term and in relation to the associated transmission channels, concerning ESG factors.

#### Financial materiality assessment criteria

For each risk category, a quantitative or qualitative assessment of the materiality of the financial effect of each of the risk factors identified as relevant is conducted using the materiality thresholds defined at Group level, over short, medium and long-term time horizons.

The materiality of the potential financial effects of the risks generated by sustainability issues is determined based on the following criteria:

- the importance of the potential financial effects, taking into account the time horizon;
- the frequency of the scenarios;
- the level of materiality compared with the Group's threshold.

This assessment takes into account residual risk, i.e. the level of risk after the deployment of mitigation actions.

The likelihood of occurrence of the financial effect of the risks generated by an ESG factor corresponds to the likelihood of the risks occurring over certain time horizons (a 10-year occurrence for an adverse scenario and a 50-year occurrence for an extreme scenario).

For ESG risk materiality, the Group uses the same materiality thresholds as those applied to traditional risk categories, i.e. a pretax revenue threshold and a capital requirement threshold.

Quantitative and qualitative methods are used in the evaluation process. For the quantitative analysis (based in particular on the production of stress tests on certain risk categories), the data comes from both internal (such as exposure amounts and their characteristics – sector of activity, geography – internal credit ratings or environmental vulnerability indicator scores) and external sources (macroeconomic data such as inflation or GDP). Qualified experts of the different risk categories within the Group are called upon to supplement the data collected or to make up for the lack of quantitative data. This qualitative approach is intended to complete the quantitative analysis.

#### Results of the assessment of the financial materiality of risks

The following table provides a summary of the materiality assessment by risk level carried out in 2025, with a focus on the main risk categories.

Compared with the last risk identification exercise, several improvements have been made to ESG risk assessments. These advances reflect a strengthening of general risk management processes, with a finer and more operational integration of environmental (and in particular climate), social and governance issues for all risk categories.

The materiality assessment has been strengthened through the continuous deployment of tools (such as the *Corporate Climate Vulnerability Indicator* for credit risk).

Risk identification capabilities have been improved, particularly for credit risk, through the implementation of new ESG procedures and dashboards allowing for better integration of environmental, social and governance factors into the origination, monitoring and management processes.

Stress testing methodologies have been refined with scenarios integrating dynamic balance sheets and the development of ad hoc scenarios and adapted time horizons. The scope of risk categories covered by stress tests has also been extended compared to the previous year.

	Topics subject to the highest materiality level	Highest materiality level	Time horizons impacted by the highest materiality level
Credit Risk	E/G	High	ST/MT/LT
Counterparty credit risk	E/S/G	Medium	ST/MT/LT
Business Risk	E	High	ST/MT/LT
Liquidity and funding risk	E/S	Medium	ST/MT/LT
Market Risk on the Banking Book	E	High	ST/MT/LT
Non-financial risk	E	Medium	MT/LT
Reputational risk	E/G	High	LT
Market risk on the trading book	E/S/G	Low	ST/MT/LT

Furthermore, Chapter 5.1 "Sustainability statement" section 1.1.3 "Impacts, Risks and opportunities (IRO)" of the 2026 Universal Registration Document presents additional information concerning financial materiality as defined by the CSRD and with respect to the various European Sustainability Reporting Standards (ESRS).

### INTEGRATION OF THE OUTCOME OF RISK ASSESSMENT

The Group identifies and manages ESG risks on the basis of the results of its internal exercise to assess the financial materiality of ESG risk factors across all its risk categories and factors.

After determining the financial materiality, the Group ensures that its risk management framework and processes effectively address material ESG risks *via*, in particular:

- the Risk Appetite Framework and Risk Appetite Statement: review of the indicators and their thresholds;
- stress testing exercises: review of the overall scope of the climate stress test in order to add a new risk category or extend the geographical scope covered where necessary. Stress test exercises can also be carried out on specific risk scenarios or categories;
- ICAAP and ILAAP: review of capital allocation and liquidity resources based on materiality assessment.

In addition, the risk inventory is shared with the Business Units so that they can take it into account for the Business Environment Scan, which informs the annual strategic review.

The results of the stress tests and the financial materiality assessment are also used in the annual budget exercise and in the Environmental Resilience Analysis.

### METHODOLOGY USED FOR THE RESILIENCE ANALYSIS OF THE GROUP'S STRATEGY AND BUSINESS MODEL

The resilience analysis of the Group's strategy and business model is based in particular on the annual Business Environment Scan (BES), Strategic Planning Process (SPP), budget and Environmental Resilience Analysis (ERA).

The **Business Environment Scan** is carried out annually by all *Business Units* (BUs) to identify the potential impacts of Climate & Nature (C&N) risk factors in terms of threats and opportunities, tailored to their activities, customers, economic sectors and geographies. These threats and opportunities are integrated into the definition and implementation of their short-, medium- and long-term business strategy.

The BES primarily involves three steps:

- defining the granularity of risk analysis and C&N drivers according to the materiality of sub-activities and sector vulnerability;
- identifying the impact of C&N factors and risks on the business environment (sectors, customers, assets, geographies) taking into account the different time horizons;
- deriving the business implications in terms of threats and opportunities that may affect net banking income and profitability.

At the end of these steps, the BUs define and follow an action plan to manage the threats and seize the opportunities identified. The information identified in the BES informs the SPP process (see below). In addition, at the end of the BES process the Risk Department ensures the consistency of the BES analysis with the Materiality Assessment (effective challenge and validation of the BES).

The **Strategic Planning Process** (SPP) is a key annual process, structuring the Group's overall strategic planning. It aims to analyse the roadmaps of the Group's business and service units in a detailed and consistent manner, in order to assess the Group's ability to achieve its medium-term objectives and define its long-term ambitions. This process goes beyond just the ESG scope and integrates all of the Group's strategic dimensions.

The SPP includes a comprehensive review of each business unit's environment (competition, macroeconomic trends, regulatory framework, analysis of C&N risks from the BES, past performance, risk appetite, etc.), an assessment of their short- and medium-term roadmap to secure the Group's trajectory, as well as consideration of long-term ambitions, with a centralised assessment of initiatives according to resources, return on investment and risks.

This process aims to ensure the alignment of the financial and operational strategy with the Group's ambition, by integrating key external and internal factors (climate, energy transition, technology, risks, ESG). It also makes it possible to prioritise actions and manage the portfolio of activities according to strategic criteria.

**The Group's financial trajectory** is a 3 to 5-year plan based on the Group's strategy. It aims to optimise the allocation of resources (capital, liquidity, human and IT resources, etc.) in order to enable the sustainable profitability of its activities, in line with environmental conditions (macroeconomic, commercial, regulatory, technological, ESG, etc.). This process goes beyond the ESG scope and integrates all of the Group's strategic dimensions. It is based on balance sheet and income statement projections in several plausible macroeconomic environments. It also incorporates a climate stress scenario that aims to illustrate how C&N risks can affect the Group, particularly through its counterparties and financial assets.

This scenario makes it possible to evaluate, in the short and medium term:

- the vulnerability of the current balance sheet to a disorderly transition to a low-carbon economy or to extreme weather events (drought, flood, storm, etc.);
- the sectoral and geographical allocation of production, in order to adapt the business model and guide strategic choices.

Beyond the short- and medium-term climate issues that are addressed *via* climate stress tests in the budget process, the **Environmental Resilience Analysis** (focused on climate given the

materiality of the topic) is an annual process, implemented within the Group since 2025, in accordance with the requirements of the EBA Guidelines on the management of ESG risks, which aims to test the resilience of the Group's business model to climate challenges with a long-term horizon (2040), using a central scenario and alternative scenarios and integrating a dynamic view of expected balance sheet data over the period. In 2025, the central scenario considered was the *Below 2°C* scenario. This process makes it possible to analyse the Group's ability to adapt to future climate challenges, in particular through its management of concentration effects and its ability to review the composition of its assets.

## 14.4.2 ESG RISK APPETITE

The general principles relating to risk appetite are set out in Chapter 4.2 "Risk management organisation" of the 2026 Universal Registration Document.

Climate and nature-related risks are integrated into the overall risk appetite framework, based on the results of financial materiality assessments. These elements are validated by the Board of Directors after consultation with the Risk Committee. The general principles of ESG risk management are presented in section 14.4.1 "Financial materiality assessment".

The Group distinguishes between two sets of Risk Appetite Statement (RAS) metrics for ESG risks: (i) cross-cutting metrics impacting multiple risk categories and (ii) metrics impacting a specific risk category, fully integrated into the RAS governance for each risk category.

Assessment and oversight of the effect of climate risk factors is based in particular on portfolio alignment indicators (GHG emissions linked to the power sector, for example) or on climate vulnerability

indicators. As part of the process of strengthening governance of ESG risk management, these indicators were reviewed and enhanced in 2025, in particular, to update climate risk factor-related indicators monitored at sector level (both in terms of emissions and portfolio exposure). These indicators are also gradually being implemented at Business Unit level.

These indicators are part of the Group's risk appetite governance and include monitoring and escalation processes allowing, among other things, for information to be passed on to management.

The Group may need to set limits on some of these indicators. Some decisions (e.g. the setting of a portfolio alignment targets for coal) assume existing governance through the Group's CSR Department, the Business Units concerned and the second lines of defence (Risk and Compliance Departments). Other decisions (adjustments to existing limits or definition of new limits for climate considerations) are taken within the framework of existing governance for the relevant risk category.

## 14.4.3 PROCESSES, INDICATORS AND METHODOLOGICAL TOOLS

As part of ESG analyses of its counterparties, the Group applies general Environmental and Social (E&S) principles that establish a general framework applicable to respect for fundamental human rights and the environment.

The Group also relies on various sectoral policies that make it possible to identify and monitor counterparties belonging to sectors considered potentially sensitive from an E&S point of view.

The Group also relies on processes, indicators and tools to measure, control and mitigate risks related to ESG or more specifically environmental risk factors such as:

- the definition and monitoring of the Key Risk Indicators (KRI) related to ESG, produced and reported in the various risk committees;
- public commitments:
  - As part of its work on the decarbonization of its portfolio, the Group has gradually set portfolio alignment targets on 10 particularly emitting sectors, while measuring its progress and regularly adapting the Group's data system as methodologies and regulations evolve. Adherence to sectoral initiatives such as the Poseidon Principles for Maritime Transport and the *Pegasus Guidelines* proposed by the *Aviation Climate-Aligned*

*Finance* (Aviation CAF) working group on air transport complete this system;

- Sectoral policies<sup>(1)</sup> define the standards that the Group intends to apply to sectors considered potentially sensitive from an E&S point of view;
- reduction of fossil fuel financing with the aim of reducing exposure to exploration and extraction activities (upstream) in the oil and gas industry and to thermal coal;
- internal tools and processes:
  - internal tools are used to assess the climate vulnerability of business segments (Industry Climate Vulnerability Indicator, ICVI), companies (Corporate Climate Vulnerability Indicator, CCVI) and countries (Sovereign Climate Vulnerability Indicator, SCVI), as well as the vulnerability to nature of business segments (Industry Nature Vulnerability Indicator, INVI). These indicators are also gradually being reinforced by questionnaires addressed to counterparties;
  - an ESG analysis process (both at the counterparty and transaction level) has been set up to formalise the identification and assessment of ESG risks. It is gradually being rolled out in the Group's Business Units.

(1) <https://www.societegenerale.com/fr/responsabilite/gouvernance/politiques-sectorielles>

#### 14.4.4 PERIODIC REPORTING OF RESULTS TO ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

As part of the reporting framework established by the Risk Department for the different risk categories, ESG risk factors are regularly monitored, with:

- risk reports submitted to the Risk Committee of the Board of Directors several times a quarter, in addition to four quarterly reports sent to the Board of Directors;
- risk reports for the General Management submitted to the Risk Committee several times a quarter.

In terms of content, the items included in these reports cover each of the main risk categories (indicators and comments) with the addition of specific topical issues, a focus on particular topics, as

well as a quarterly dashboard presenting “ESG risk appetite indicators”. The list of these indicators is subject to annual approval by the General Management's Risk Committees dedicated to environmental issues for cross-functional indicators or to defining risk appetite in relation to indicators specific to a risk category.

Items relating to the assessment of the financial materiality of ESG risks are shared with the Group's Executive Committee, the General Management and the Board's Risk Committee as part of the overall risk inventory exercise. The aim of this exercise is to present the risks identified as material for the Group and thus inform decisions on risk appetite indicators.

### 14.5 RISK MANAGEMENT FRAMEWORK – ENVIRONMENTAL RISK SPECIFICS

#### 14.5.1 DEFINITION OF ENVIRONMENTAL RISK

This Chapter presents the main definitions applying to environmental risk factors as a whole (climate change, pollution, biodiversity and ecosystems, etc.).

For the Group, environmental risks do not constitute a category of risks but represent a risk factor that potentially aggravates existing categories of risks monitored as part of the Group's risk management.

Environmental risks can be defined as the potential negative materialisation of current or prospective environmental factors through the Group's counterparties, the assets that the Group invests in or its own operations. These environmental factors can materialise with different intensity *via* various types of risk and can impact the Group's activities, performance and financial position in the short, medium and long term.

Environmental factors concern factors related to climate change and nature.

The Group has adopted the risk terminology proposed by the Task Force on Climate-related Financial Disclosures (TCFD) to qualify climate-related risks and by extension to the environment, *i.e.* physical and transition risks.

**The environmental risk factors** are those related to the quality and proper functioning of the natural environment and natural systems. They include factors such as climate change, pollution, water, biodiversity, resource and waste management, etc. These environmental risk factors could have an adverse financial impact through a range of risk drivers, classed as follows:

- physical risk factors: These arise from the physical effect of climate change and environmental degradation (related to the dependence on ecosystem services of economic actors). Physical risks can materialize at the local level (e.g. related to natural disasters affecting a specific location) or at the sectoral level (related to climate or biodiversity events, such as lack of water resources) affecting the entire value chain. They can be classified as follows:

- acute: These arise from events related to extreme weather conditions (such as floods, heat waves or fires) and acute environmental destruction (such as chemical pollution or oil spills),
- chronic: these result from gradual changes in climate patterns (such as a rising average temperature or sea level) or from a gradual loss of ecosystem services (for example, from the use of pesticides leading to a gradual decline in pollinators, a decrease in soil fertility and a decline in agricultural yields);
- transition risk factors: These refer to the uncertainty related to the timing and speed of the adjustment process to a low-carbon and more environmentally sustainable economic model. This transition involves significant legal, regulatory, technological and market changes that address the mitigation and adaptation requirements related to climate change and the preservation of the environment and ecosystems. These risks may be affected by the following:
  - policy: climate-related policy measures or potentially disjointed mitigation strategies could affect asset prices in carbon intensive sectors,
  - technology: technological changes may, for example, make existing technologies obsolete or uncompetitive, alter their affordability and affect the relative price of substitute products. Such technological changes could trigger asset revaluation,
  - customer and investor preferences and behaviours: environmental effects could influence customers of the Group's counterparties, which could itself lead to a deterioration in the credit quality of those counterparties (decrease in activity, deterioration of reputation, etc.).

## 14.5.2 ENVIRONMENTAL RISK MANAGEMENT

ESG factors have been and continue to be integrated into the risk management system, particularly in terms of environmental risks and risks related to climate change.

The processes relating to environmental risks are thus part of the existing processes for the Group’s various risk categories. Climate risks have a higher level of maturity compared to other environmental risks.

Since risks linked to environmental factors are potentially aggravating factors of the risk categories monitored as part of the Group’s risk management, their integration is based on the following multi-stage approach: identification, quantification, definition of risk appetite, monitoring, reporting, control and risk mitigation.

The table below summarises the relevant transmission channels for each risk category.

Environmental transmission channels	Risk categories concerned
Revenues	Credit, Counterparty, Market (trading), Liquidity and funding, Business, Strategy, Insurance, Investment, Country.
Costs / Commodities	Credit, Counterparty, Model, Operational, Market (trading), Liquidity and funding, Investment, Business, Strategy, Insurance, Leasing, Country.
Assets	Credit, Counterparty, Operational, Employees benefits, Liquidity and funding, Business, Strategy, Insurance, Leasing, Own Real Estate, Investment, Country.
Interest rates	Credit, Counterparty, Market (banking and trading), Employees benefits, Business, Country.
Equity & FX	Credit, Counterparty, Market (trading), Employees benefits, Business, Country.
Intrinsic Societe Generale Group	Credit, Operational, Liquidity and funding, Business, Reputation.
Others	Credit, Compliance and Litigation, Liquidity and funding, Business.

### 14.5.2.1 Identification of environmental risks

The identification and assessment of environmental risks are part of the ESG risk identification system described in section 14.4.1 “Financial materiality assessment” presented above.

As aggravating factors of existing risk categories, environmental risks can entail financial losses for the Group through specific transmission channels identified for each risk category.

### 14.5.2.2 Quantifying climate risks

The climate risk management approach requires quantification as part of risk identification. Climate risk is quantified using various climate scenarios and over several time horizons.

#### SCENARIO SELECTION

Strategic planning requires the use of forward-looking scenarios. The level of severity and temporality of climate-related risks remain uncertain in all geographical regions, the transition aspects depend on potentially different political and societal choices by countries and/or regions and may also stem from technological developments that are still unknown. The physical aspects are more directly related to the location of the activities, as well as their vulnerability. This is why it is important to consider how various situations and contexts might affect climate risks.

In recent years, the Economic and Sector Studies Department has been deepening its climate analysis as regards the macro and sectoral impact and integrate climate considerations, carbon pricing and economic and environment policy actions into the Group’s baseline economic scenario, with a more granular sector approach.

The Group has selected scenarios from several sources (Network for Greening the Financial System – NGFS, IPCC, International Energy Agency - IEA, Oxford Economics, NiGEM), which are the market benchmarks. Depending on the exercise, the scenarios are then used for internal analyses with short-, medium- and long-term trajectories, serving as a source of data, calibration and benchmarks for the Risk Department’s internal scenarios.

For physical risk, the Group has chosen a **Current Policies** scenario for internal stress tests and its Industry Climate Vulnerability Indicator. This scenario is based on the assumption that policies will be maintained “business as usual” at the global level, not allowing for the adoption of transition policies beyond current levels. This leads to a significant rise in both extreme and chronic physical risks due to the increase in, and intensification of, climate hazards. In this scenario, the average temperature in 2100 is about +3°C higher than the average pre-industrial temperature. It is applied over time horizons up to 2050. In the shorter term, physical risks remain predetermined and are accentuated primarily by the stock of greenhouse gases (“GHGs”) already present in the atmosphere, with annual emissions having only a marginal influence.

The “Current Policies” scenario assumes that annual GHG emissions will remain at current levels until 2100, with a significant stock of atmospheric GHGs.

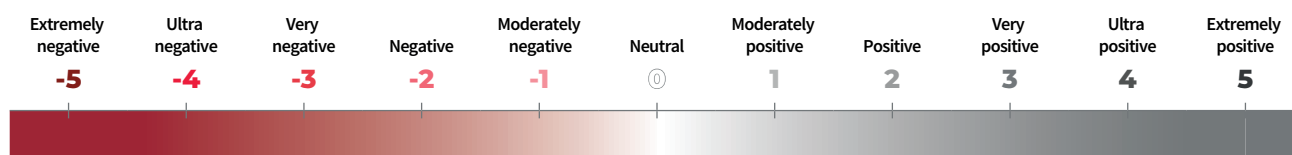
For transition risk, the Group uses a **Net Zero Emission by 2050** (NZE) scenario for internal stress tests and its Industry Climate Vulnerability Indicator. This is based on the assumption of ambitious policies to reduce greenhouse gases (GHGs) at the global level, making it possible to limit the temperature to around +1.5°C in 2100 relative to the average pre-industrial temperature. This includes a limited overshoot, a temporary period during which the average temperature exceeds +1.5°C relative to the average preindustrial temperature, before returning below this threshold. It is applied over time horizons up to 2050.

In addition to the two scenarios described above, the Group uses a central **Below 2°C** scenario for some scopes, based on the working assumption that governments and undertakings will meet the political commitments announced, in accordance with a scenario of below +2°C relative to the average pre-industrial temperature. This scenario corresponds to a situation where physical risks are present and more significant than in an NZE scenario and for which the transition challenges are also significant, but to a lesser extent than in an NZE scenario. It is applied over time horizons up to 2050. This scenario is notably used as a reference to simulate the impact of short-term shocks (one to three years), both in terms of transition risks (by incorporating NZE-type elements) and physical risks (by incorporating climate-related shocks that have a severe impact on the economy).

These scenarios may be subject to additional variations and may be supplemented by ad hoc scenarios relating to specific situations for certain risk categories.

The scenarios proposed internally cover the short, medium and long terms (up to 2050) and thus exceed the residual maturity of most of the Group's assets.

All indicators use the same 11-level scale ranging from “extremely negative” to “extremely positive”:



The indicators have been developed for transition risk and physical risk on different levels:

**Industry Climate Vulnerability Indicator (ICVI)**

At industry level, the ICVI score conceptually reflects the position of the least advanced companies in terms of climate strategy, assuming that they have no climate strategy beyond what is required by regulation, in terms of the mitigation of transition risks or adaptation to physical risks.

This ICVI indicator, is calculated uniformly at global level for each of the 114 business sectors. For an understanding of transition risk, the indicator reflects the vulnerability of the companies least advanced in their climate strategies in a stressed transition scenario ("NZE 2050", IEA). For an understanding of physical risk in the least advanced companies of a sector the indicator uses a stressed physical scenario ("Current Policies", IEA).

For each business sectors, the indicator level (from -5 to 5, defined for transition risk or physical risk) is set by independent internal experts from the Group's Economic and Sector Studies Department on the basis of a documented questionnaire and additional qualitative and quantitative analyses at sector level. It takes into account the effect of climate risk (transition and physical) on the revenues, costs and asset value of companies in each segment. Transition and physical ICVI indicators are used, in particular, as part of credit risk and counterparty risk stress tests.

**ENVIRONMENTAL VULNERABILITY INDICATORS**

The assessment of environmental risks impacting the Group's counterparties is based on a set of climate vulnerability indicators. These indicators aim to measure environmental risks (related to climate change, biodiversity loss, depletion of freshwater resources, pollution, and issues linked to the circular economy and resource management) faced by sovereigns, industries and corporates in terms of transition and physical risks.

These indicators are then used, depending on their maturity and level of deployment, as part of stress tests, portfolio monitoring and specific mitigation measures. They measure counterparties' current vulnerability and their capacity to adapt to transition and physical risks, emphasising the transition trajectory to 2030 and the ability to continue on that pathway to 2050 (and beyond).

The “Assets at risk” focus proposed by the ICVI indicator (based on the work of the Group's consulting engineers) provides information on the assets aspects, and therefore on stranded assets. The identification of companies presenting challenges in terms of transition is carried out both at the sectoral and individual level, based on climate vulnerability indicators.

**Corporate Climate Vulnerability Indicator (CCVI)**

This indicator makes it possible to take into account the specific features of a corporate counterparty's climate vulnerability, in particular, through its climate strategy and its mitigation and adaptation actions.

The CCVI indicator for transition risk is calculated on the basis of the ICVI transition and a questionnaire to assess the company-specific climate strategy. This questionnaire collects information on the quality of the information related to GHG emissions measures communicated, the credibility of the targets or the governance in place. On the basis of this questionnaire, the CCVI score can potentially be improved compared to the ICVI rating. This CCVI score is given during the internal credit rating and is reviewed annually.

A second CCVI indicator, devoted to physical risk, is based on the physical ICVI and on a questionnaire designed to understand the vulnerability of the company in question to climatic hazards. This questionnaire collects information on the quality of the assessment of the company's exposure to acute and chronic physical risks, the credibility of its adaptation plan and the financial impacts assessed by the company. This indicator was developed in 2025 and is being rolled out gradually.

The table below presents a summary of the results of the CCVI Transition indicator. It summarises, sector by sector, the CCVI Transition score bucket which brings together the main exposures.

Sector	CCVI bucket of scores of the main exposures
<b>Agriculture, food industry</b>	Fairly negative to Negative
<b>Automotive</b>	Fairly negative to Negative
<b>Aviation and defence</b>	Very negative to extremely negative
<b>B2B and B2C services</b>	Neutral
<b>Construction</b>	Neutral
<b>Heavy industry and mining</b>	Fairly negative to Negative
<b>Hotels, restaurants, tourism, leisure</b>	Fairly negative to Negative
<b>Land transport and logistics</b>	Fairly negative to Negative
<b>Manufacturing industries</b>	Fairly negative to Negative
<b>Oil and Gas</b>	Very negative to Extremely negative
<b>Pharmaceuticals, health and social work</b>	Fairly negative to Negative
<b>Real estate</b>	Very negative to Extremely negative
<b>Retail trade excluding automotive</b>	Fairly negative to Negative
<b>Shipping and cruise</b>	Fairly negative to Negative
<b>Telecoms, media and technology</b>	Fairly negative to Negative
<b>Utilities</b>	Extremely positive to Very positive

### Sovereign Climate Vulnerability Indicator (SCVI)

Two SCVI indicators, one for transition aspects and the other for physical risk, assess the impact of climate-related risks on a country's ability and willingness to meet its external debt commitments. For the transition indicator, the scores reflect a country's vulnerability and capacity to adapt to climate transition in a Net Zero Scenario (NZE). For the physical risk indicator, the scores reflect vulnerability to chronic and acute physical risks as well as adaptive capacities, in a current policies scenario, to cope with the increased frequency of extreme weather events and adapt to chronic risks.

### CLIMATE STRESS TESTS

Dedicated climate stress tests are a useful tool for assessing the resilience of financial institutions to various market developments, taking into account different scenarios of future developments in terms of energy transition, CO<sub>2</sub> emission trajectory or acute climate events.

Climate stress tests are produced at least once a year over the short-term (2025-2026), medium-term (2030) and long-term (2040-2050) and cover transition and physical risks on a global scope or on a specific portfolio.

As part of the stress test work, the main assumptions used primarily concern the long-term scenarios used, which are the "Current Policies", "Below 2°C" and "NZE 2050" scenarios described in Chapter 5.1 "Sustainability statement" in section 1.1.3.2. "Description of processes to identify and assess material IROs". They are broken down by sector and geography. Physical and/or transition shocks are also applied to these scenarios, based on a static balance sheet (short, medium and long term) supplemented by stress tests based on a dynamic (long-term) balance sheet.

The short- and medium-term stress tests used the principle of a static balance sheet (based on the 2024 baseline) while the long-term stress tests applied a dynamic balance sheet (in addition to calculations based on a static balance sheet), integrating in particular the economic evolution of the various business sectors and their importance within the Group's credit portfolio.

The results of the stress tests are used in several internal processes, including the financial materiality assessment, the ICAAP process (concerning budget aspects for the normative approach and the Internal Capital Needs process for an economic approach) and the Environmental Resilience Analysis.

### SPECIFIC FEATURES OF PHYSICAL RISK INTEGRATION

In addition to the deployment of vulnerability indicators dedicated to physical risk and the gradual strengthening of physical risks in its stress test framework described above, the Group continues to develop its analysis of physical risks through several initiatives, based on both internal tools and external solutions. The Group is striving to improve analysis of the physical risks generated by its activity by refining the identification of the location of its assets, in particular, by stepping up its collection of information on loan origination or additional data collection exercises (from customers, external partners and data providers).

The Group has also developed a Climate Physical Risk Traffic Light tool for identifying physical hazards based on address or geolocation. It is gradually being rolled out at origination for corporate real estate assets financed or taken as collateral, based on scoring data from an external service provider, in order to incorporate physical risk assessment into credit decisions. The Group has also recently applied a mass analysis of residential and commercial real estate, based on geographical heatmaps.

The disclosure of Pillar 3 data on physical risks has also served to improve understanding of related climate issues. The methodology used is detailed in section 14.9 of the present document.

### INCORPORATING THE IMPACT OF CLIMATE RISKS INTO THE ASSESSMENT OF CREDIT LOSSES

The Group has adopted tools developed to 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).

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. These sector-specific adjustments are made by means of dedicated governance based on the sector ratings established by the Group's Economic Research Department, which incorporates climate factors into the sector rating process.

### INCORPORATION OF THE EFFECT OF CLIMATE RISKS IN THE ICAAP AND IN THE ILAAP

The incorporation of the effect of climate risk factors into the Internal Capital Adequacy Assessment Process (ICAAP) on capital requirement continued to be gradually strengthened in 2025, both from a normative perspective (i.e. related to regulatory requirements) and from an economic perspective (i.e. related to risks identified internally).

As part of the ILAAP (Internal Liquidity Adequacy Assessment Process), the Group has used a quantification produced as part of the 2025 financial materiality assessment exercise relating to liquidity and financing risk. This quantification was produced *via* stress tests across multiple scenarios and time horizons, using expert calibration of cash outflows.

### OPERATIONAL RISK AND OWN ACCOUNT OPERATIONS

The Group defines operational risk as the risk of losses arising from the inadequacy or failure of internal processes, people and systems or from external events, including legal risk. It assesses physical risks to its assets and operations as part of the operational risk management framework.

The Group's operational resilience strategy is implemented across all geographies according to a common risk-scenario framework and through the implementation of a business continuity plan (BCP) and equipped crisis management systems as well as the maintenance of our IT contingency plans. The approach also applies to main outsourced service providers in order to ensure their ability to address local risks. In addition, the Group has developed an approach to assess climate change-related risks (e.g. flooding, heatwave, fire) for its most sensitive sites/data centers and their impacts on all or part of the resources (human, technical, or facilities or services provided by service providers). These risks are already covered by existing business continuity arrangements, which are regularly reviewed and tested. For illustration, scenarios such as a typhoon or heavy rain in Hong Kong or hurricanes or snowfall in New York are considered. In addition, the scenarios of a "Seine flood" in France or "Chennai floods" in India are incorporated into the internal stress tests models for operational risks.

#### 14.5.2.3 Definition of risk appetite and climate risks

The general principles of risk appetite for ESG risks are presented in section 14.4.2 "ESG risk appetite" of this document.

#### 14.5.2.4 Monitoring and reporting of climate risks

Climate risks are subject to monitoring and follow-up integrated into the system relating to all risk categories, as presented in section 14.4.4 "Periodic reporting to administrative, management and supervisory bodies".

#### 14.5.2.5 Climate risk control and mitigation

The Group uses a set of processes and tools put in place to control and mitigate risks linked to environmental factors. The paragraphs below provide details of these different processes and tools.

The main processes, indicators and tools put in place to measure, control and mitigate risks relating to ESG risk factors are presented in section 14.3.4 "Risk management and internal control of sustainability information".

### MECHANISMS FOR ALLOCATION AND PERIODIC MONITORING OF CLIMATE RISKS

#### General guidelines

General guidelines for the climate risk allocation and monitoring process have been defined and are gradually being adopted by the various sector-specific Risk Committees. They enshrine the obligation to check that counterparties are not on the environmental and social watch list, compliance with sectoral policy criteria as well as the obligation to analyse CCVI scoring and take material ESG controversies into consideration.

#### Environmental and social watch and identification lists

An E&S identification list identifies projects that are the subject of public attention, criticism or campaigns within civil society in relation to ESG concerns. When a project is included in this list, the process of credit granting involves a more thorough evaluation.

In addition, a watch list, which includes companies that do not comply with E&S sector policy criteria or the Environmental & Social General Principles, is updated quarterly as part of the E&S risk identification system. This list is now included in the Group's financial security tool, is available to all employees who deal with corporate clients and is subject to periodic screening for control purposes.

#### Sector policy criteria

Sectoral policies also provide relevant guidelines to follow on the E&S aspects of the identified sectors, focusing on issues requiring a sector-specific or regional approach and cover a total of 10 sectors. In particular, they make it possible to identify counterparties particularly concerned by transition issues (such as the Thermal Coal, Oil & Gas or Mining sectors), which contributes to the correct monitoring of the companies concerned.

When entering into a relationship with, or reviewing, a counterparty, checks are carried out to verify whether a customer is subject to a sectoral policy and whether criteria are applicable to the customer under the policy in question.

#### Client negative information checks

The detection of environmental and social (E&S) negative news is used across the corporate scope to identify and anticipate the possible negative consequences of two distinct risks: the risk of non-alignment (with respect to the Group's commitments) and the resulting reputational risk (NGO actions, etc.).

#### ESG assessment of clients and transactions

An in-depth ESG assessment is carried out for corporate customers or transactions identified as involving intrinsic ESG risk. The complete sequence of the various due diligence processes is described in two specific Group operating procedures, one for the ESG analysis of counterparties, the other for the ESG analysis of transactions, which specify the different stages of these analyses as well as the levels of validation required.

### Effect of portfolio diversification

The portfolio's geographical and sectoral diversification is a major risk reduction lever likely to reduce the Group's exposure to climate risks. By spreading assets across different geographical areas, the bank limits its vulnerability to localised extreme climate events or country-specific transition policies. Similarly, sectoral diversification makes it possible to reduce concentration in high-emitting industries or those that are sensitive to climate-related regulatory changes.

### New Product Committee

Climate and nature factors are also taken into account in New Product Committees. This allows for the potential financial and non-financial risks linked to the physical and transition risks associated with marketing a new product to be taken into consideration.

## STRATEGY AND ALIGNMENT TARGETS

### Sector decarbonisation targets

As part of its work on decarbonising its portfolio, the Group has gradually set portfolio alignment targets for ten particularly high-emitting sectors, while measuring its progress and regularly adapting the Group's data system as methodologies and regulations evolve. The ten key sectors now subject to an alignment target are: Oil and Gas, Thermal Coal, Power Generation, Cement, Steel, Aluminium, Automotive, Shipping, Commercial Real Estate and Aviation. These alignment targets make it possible, in particular, to mitigate the Group's transition risk.

The elements relating to portfolio alignment issues are presented in the chapter 5.1 "Sustainability statement", section 2.1.2.2 "The Group's leverage on corporate finance activities: align the financing portfolio with trajectories compatible with the Paris Agreement", in the 2026 Universal registration document. The "NZBA Progress Report 2024" published in July 2024 also provides information on the Group's sector alignment trajectories.

Adherence to sectoral initiatives such as the Poseidon Principles for shipping and the Pegasus Guidelines proposed by the Aviation Climate-Aligned Finance (Aviation CAF) working group on air transport complete this approach.

### Incorporation of climate and environmental issues into the Group's strategy

The work carried out through the annual Business Environment Scan (BES), Strategic Planning Process (SPP), budget and Environmental Resilience Analysis (ERA) processes makes it possible to systematically incorporate climate and environmental issues into the Group's strategy. The role of these processes is detailed in section 14.4.1 "Financial materiality assessment" of this document.

## SECURITY AND INSURANCE

### Inclusion of ESG factors in the valuation of real and personal property collateral

With respect to real estate and personal property collateral, two instructions for the first and second lines of defence were issued internally in November 2023 and March 2024 to include ESG factors in the assessment of collateral. The Group rolled out its data collection process for Energy Performance Certificates (EPC) – a key component in assessing the real estate collateral transition risk – across the Group and circulated guidelines on how this risk should be taken into account when considering whether to grant loans.

### Climate damage insurance

Insurance mechanisms (mainly non-life insurance, automatically including Natural Disaster cover and storm/hail/snow (TGN) cover for the French market), reinsurance mechanisms and natural disaster insurance systems theoretically cover damage caused by climate factors and constitute a mitigating factor. The benefit of this insurance cover is, however, likely to gradually decrease as extreme events occur more frequently (even more so in pessimistic scenarios), since it is likely that insurance policies will become more and more geographically selective.

## SPECIFIC MECHANISMS FOR MITIGATING RISKS

### Specific mechanisms for reducing business risk

Business risk is covered by specific mechanisms, including (i) the commitments made by the Group's businesses in the transition strategy and (ii) the annual assessment of the adequacy of the Group's strategy to cope with climate & nature risk factors as part of the strategic planning process.

### Specific mechanisms for reducing market risk on the banking book

Market risk in the banking book can be mitigated through hedging positions. However, there are no ESG-specific mitigation mechanisms, as hedging positions are an integral part of the Group's business. These hedges are generally updated on a monthly basis.

### Specific mechanisms for reducing reputational risk

The first level of reputational risk mitigation is the robustness of the Group's risk management and control systems for the underlying risks.

The Group manages the reputational risk factor through a set of measures, including:

- incorporation of reputational risk analysis into risk processes;
- dedicated escalation process for reputational risk;
- incorporation of reputational risk into Group normative documents;
- quarterly dedicated reportings.

## 14.5.2.6 Specific features of nature risks

### DEFINITION

In the present publication, the concepts of "nature" and "nature-related risks" denote environmental aspects other than climate.

They concern in particular the issues relating to biodiversity and ecosystems, water and aquatic and marine resources, pollution and the circular economy and waste, as defined by the European Taxonomy.

The definition elements presented in section 14.5.1 "Definition of environmental risk" concern environmental aspects as a whole and therefore remain relevant with regard to nature-related aspects.

The distinction between physical risk and transition risk also remains relevant.

The NGFS further defines nature-related financial risks as “the risks of negative impacts on economies, individual financial institutions and financial systems resulting from: (i) the degradation of nature, including its biodiversity, and the loss of ecosystem services that result from it (i.e. physical risks); or (ii) misalignment of economic actors with actions aimed at protecting, restoring and/or reducing negative impacts on nature (i.e. transition risks)”.

## INITIATIVES IN NATURE RISK MANAGEMENT

The Group continues to reinforce its framework for the identification, assessment, and quantification of nature-related risks.

In addition to the climate vulnerability indicators (detailed in section 14.5.2.2.), the Group has also developed an indicator dedicated to nature issues (biodiversity and ecosystems, water resources, pollution).

The Industry Nature Vulnerability Indicator (INVI) is designed to measure the vulnerability of each industrial sector to nature-related risks, as well as the capacity of each sector to adapt to these risks (for both transition risks and physical risks). This indicator does not include climate aspects in order to avoid double counting with the ICVI.

In this sense, the objective of the INVI is to provide an initial assessment of financial materiality, i.e. how physical and transition risks related to nature could impact the revenues, costs and value of assets of a given industrial sector, while taking into account in this analysis the adaptability of this sector.

The INVI score reflects the situation of companies most exposed to physical and transition risks.

It is defined globally and for each of the four themes identified by the European Taxonomy (biodiversity and ecosystems, water and aquatic and marine resources, pollution, circular economy), both for physical risk and for transition risk.

This assessment applies to all industrial sectors (excluding financial activities and conglomerates) divided into various segments, uniformly defined at the global level. Independent internal experts determined for each of the segments covered a final overall INVI score on a scale of -5 to +5, based on two documented questionnaires:

- a physical INVI questionnaire: structured according to the three main categories of ecosystem services (provisioning services, regulation and maintenance services, cultural services);
- a transition INVI questionnaire: structured in categories of impact of economic activities on nature, with reference to the IPBES classification of the main direct drivers of biodiversity loss, excluding climate change (already covered by the ICVI): land/sea use change, pollution, overexploitation of natural resources, invasive species.

The Group has also developed a nature vulnerability indicator at the sovereign level, the Sovereign Nature Vulnerability Indicator (SNVI). This indicator is designed to work with the sectoral Nature vulnerability indicators and to provide a score defined according to the same scale.

The Group has also developed two quantitative assessments resulting from nature narratives (quantification of financial effects by sector relating to biodiversity loss), to understand nature-related issues, both transitional and physical. An initial quantitative assessment aims to capture transition risks arising from a scenario that includes the implementation of climate and nature (C&N) policies in line with the Paris Climate Agreement, the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030. A second quantitative assessment aims to capture physical risks arising from a scenario that includes a very limited application of climate and nature policies, thus implying high physical risks related to climate change and nature loss. These elements are intended to be used in future materiality assessments.

### 14.5.2.7 Data matters

For financial institutions to effectively identify, quantify and manage climate-related risks, it is essential to have quality ESG data in terms of accuracy, completeness and freshness. To achieve this, the Group has implemented a global ESG data strategy led by a dedicated ESG Chief Data Officer. This strategy aims to align ESG data sourcing and governance with business needs, regulatory expectations and risk management objectives.

The necessary ESG data includes supplier data, public data and data collected directly from its customers. However, the Group sometimes faces constraints related to the lack of precision or availability of information published by its customers and counterparties. Therefore, estimates are necessary in these cases or when the available data are of insufficient quality.

To ensure consistency and traceability of the different ESG data sources and approximation calculations, the Group implements ESG data products, which gather this information and apply different rules to create a coherent dataset used by regulatory and business line teams. For example, the Group offers data products related to absolute GHG emissions and energy performance certificates that will be progressively used for the production of Pillar 3 and the sustainability statement.

These ESG data products, which are currently being deployed, also make it possible to put in place robust quality controls to improve the reliability of ESG information. These controls are monitored at Group level as well as by the business and service units, which makes it possible to identify areas where the quality or completeness of the data needs to be improved and to define action plans accordingly.

## 14.6 RISK MANAGEMENT FRAMEWORK – SOCIAL RISKS SPECIFICS

### 14.6.1 DEFINITION OF SOCIAL RISKS

**Social risks** refer to the negative materialization of current or prospective social factors through the Group’s counterparties, the assets the Group invests in or its own operations. These social factors can take the form of various types of risk and impact the Group’s activities, performance and financial position in the short, medium and long term. They are those related to rights, well-being and interests of people and communities, and include factors such as equality and inequality, health, inclusiveness, labour relations, workplace safety, human capital. They are mainly based on the below categories:

- **Group’s employees:** social factors relating to the Group’s employees can lead to risks linked, for example, to staff shortage problems, difficulties in recruiting, lack of staff training, large-scale social and political movements, which are likely to hamper the Group’s activity. Risks of litigation, as well as reputational problems, may also arise from a possible non-respect of employee rights by the Group (on matters of social protection, health or safety, for example);
- **employees in the Group’s value chain (corporate clients, suppliers, third parties...):** the Group’s stakeholders are faced with social risk factors similar to those described above for the Group, which may thus indirectly impact the Group’s financial situation (*via* a deterioration in the credit quality of its corporate clients, or a disruption of the supply chain) or its reputation;
- **affected communities:** insufficient consideration of the rights and interests of local communities (as well as their environment) by the Group or its stakeholders, may result in reputational risks, as well as direct and indirect negative financial impacts for the Group (litigation costs, drop-in activity, deterioration in the credit quality of its corporate clients, for example);
- **consumers and end-users:** non-respect of minimum standards of compliance with consumers by the Group or its stakeholders, may result in risks similar to those generated by the “Affected communities” social factor.

### 14.6.2 SOCIAL RISK MANAGEMENT

#### 14.6.2.1 Assessment of the financial materiality of social risks

The identification and assessment of social risks are part of the ESG risk identification system described in section 14.4.1 “Assessment of financial materiality” presented above.

As aggravating factors of existing risk categories, social risks can cause financial losses for the Group through specific transmission channels identified for each risk category.

The table below summarises the relevant transmission channels for each risk category.

Social transmission channels	Risk categories concerned
Revenues	Credit, Counterparty, Model, Liquidity and funding, Business, Strategy, Investment, Country.
Costs / Commodities	Credit, Counterparty, Operational, Liquidity and funding, Investment, Business, Strategy, Country.
Assets	Credit, Counterparty, Operational, Model, Liquidity and funding, Strategy, Insurance, Country.
Interest rates	Counterparty, Market (banking and trading), Employees benefits.
Equity & FX	Credit, Counterparty, Employees benefits.
Intrinsic Societe Generale Group	Operational, Model, Liquidity and funding, Business, Strategy.
Others	Credit, Model, Employees benefits, Compliance and Litigation, Business, Country.

As part of the ESG risk identification system, the financial effects of social risk factors are assessed in order to determine their financial materiality, this assessment being carried out qualitatively.

## 14.6.2.2 ESG assessment of counterparties – Social risk

As part of the ESG analyses of its counterparties, the Group applies general Environmental and Social (E&S) principles which establish a general framework applicable to respect of fundamental human rights and the environment.

With regard to social and human rights risks, these Principles are built around the Universal Declaration of Human Rights (1948) and the fundamental conventions of the International Labour Organization. They cover the following topics in particular:

- forced labour and slavery;
- child labour;
- respect for indigenous peoples and their cultural heritage;
- rights of ownership;
- discrimination;
- freedom of association;
- health and safety;
- decent working conditions, remuneration and social protection;
- right to privacy.

In making these commitments, the Group's objective is twofold: limit potential direct adverse social impacts, and encourage transactions and clients that make a positive impact to sustainable development.

The Group has developed the procedures and tools it needs to ensure it delivers on its social commitments in its financing operations, human resources management and supply chain. It uses customised tools to search public controversies rooted in social issues.

Credit approval procedures include an assessment of environmental and social criteria, using specific tools, based both on the Group's knowledge of its counterparties and on research into public controversies sparked by social issues.

For most E&S-sensitive sectors, the Group has introduced E&S sector policies to provide guidelines for ensuring that the Group's commitments on social issues are met through priority assessment criteria.

An E&S identification list identifies projects that are the subject of public attention, criticism or campaigns within civil society in relation to ESG concerns. When a project is included in this list, the process of granting credit involves a more thorough evaluation

The Group also updates quarterly an E&S watch list which includes companies that do not align with the criteria of certain E&S sectoral policies or that do not comply with our general environmental or social principles as part of the E&S risk identification system. This list is now included in the Group's financial security tool and is available to all employees who deal with corporate clients. It is subject to periodic screening for control purposes.

The Group is also committed to the Equator Principles<sup>(1)</sup> to ensure that all direct project financing transactions adhere to these principles, which include a social dimension.

Most of the information given above is published on Société Générale's website and is available in the sections explaining the general principles of the Group's Environment, and Social policy<sup>(2)</sup> and its E&S sector policies<sup>(3)</sup>

(1) <https://equator-principles.com/>

(2) <https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf>

(3) <https://www.societegenerale.com/en/responsibility/governance/sector-policies>

## 14.7 RISK MANAGEMENT FRAMEWORK – SPECIFICS OF GOVERNANCE RISKS

### 14.7.1 DEFINITIONS OF GOVERNANCE RISKS

**Governance risks** refer to the negative materialization of current or prospective governance factors through the Group’s counterparties, the assets the Group invests in or its own operations. These governance factors can take the form of various types of risk and impact the Group’s activities, performance and financial position in the short, medium and long term. They encompass governance practices, including executive management, compensation of senior management, audits, internal controls, tax evasion, independence of the Board, shareholder rights, corruption, integrity, as well as how companies or entities address environmental and social risk drivers in their policies and procedures.

These factors can directly impact the Group financially in the event of non-compliance with high governance standards, exposing it to compliance, reputational and litigation risks. Litigation risks can thus result in financial costs (e.g. fines, damages, legal costs), and reputational risks are likely to generate a possible reduction in activity.

Governance factors are also likely to impact the financial situation of the Group indirectly, through its corporate clients (or other stakeholders). These companies are in fact also exposed to these same compliance, reputational and litigation risks, with the possible effect of an amplification of the financial vulnerabilities of these companies, and ultimately a negative impact on their credit quality. Furthermore, any image and reputational problems encountered by these client companies could also negatively impact the reputation of the Group itself.

### 14.7.2 GOVERNANCE RISK MANAGEMENT

#### 14.7.2.1 Assessment of the financial materiality of governance risks

The identification and assessment of governance risks are part of the ESG risk identification system described in section 14.4.1 “Financial materiality assessment” presented above.

As aggravating factors of existing risk categories, governance risks can lead to financial losses for the Group through specific transmission channels identified for each risk category.

The table below summarises the relevant transmission channels for each risk category.

Governance transmission channels	Risk categories concerned
Revenues	Credit, Business, Country.
Costs / Commodities	Credit, Counterparty, Operational, Liquidity and funding, Business, Strategy, Country.
Assets	Credit, Counterparty, Liquidity and funding, Business, Insurance, Leasing.
Interest rates	Credit, Counterparty, Market (banking and trading).
Equity & FX	Counterparty, Market (trading), Employees benefits.
Intrinsic Societe Generale Group	Business, Strategy, Reputation.
Others	Credit, Compliance and Litigation, Business, Investment, Country.

As part of the ESG risk identification system, the financial effects of governance risk factors are assessed in order to determine their financial materiality, this assessment being carried out qualitatively or quantitatively depending on the risk category.

## 14.7.2.2 Counterparties ESG assessment – Governance Risk

The Group manages the governance risk factor related to its client counterparties through a set of measures including:

- an integration of the governance criterion into the ESG risk factor analysis process, which is itself integrated into the credit approval process of client counterparties;
- an analysis at the beginning of the relationship and constant vigilance regarding business relationships with corporate clients for financial security aspects and risk of non-alignment with the Group's commitments, through dedicated processes and tools including:
  - the Know Your Customer process;
  - continuous monitoring of controversies and negative information (on financial security and ESG aspects) concerning client counterparties;
  - the identification of politically exposed persons among the legal representatives and beneficial owners of the corporate client;
  - the detection of links of attachment (nexus) for the application of sanctions (presence on lists of designated persons or sectoral sanctions),
  - continuous monitoring of transactions to identify potential money laundering or financing of terrorism scenarios (AML/CFT normative text).
- E&S identification and watch lists;
  - the E&S identification list identifies projects that are the subject of public attention, criticism or campaigns within civil society in relation to ESG concerns. When a project is included in this list, the process of granting credit involves a more thorough evaluation;
  - the E&S watch list includes companies that do not align with the criteria of certain E&S sectoral policies or that do not comply with our general environmental or social principles. This is updated quarterly as part of the E&S risk identification system. This list is now included in the Group's financial security tool and is available to all employees who deal with corporate clients. It is subject to periodic screening for control purposes.

## 14.8 PILLAR 3 CROSS REFERENCE TABLE

Sujet	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2026 Universal Registration Document	Information in 2026 Pillar 3
<b>Environmental risk</b>	Business strategy and processes	Table 1 (a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	<p>Chapter 1.3 A clear strategy for a sustainable future</p> <p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.2. Sustainability strategy</li> <li>■ 1.1.3.1. Outcomes of the IRO assessment in relation to the strategy and business model</li> <li>■ 1.1.3.2 Description of the processes to identify and assess material (IROs)</li> <li>■ 2.1.1.2 Description of the climate risk resilience analysis</li> <li>■ 2.1.2 Climate transition plan</li> <li>■ 2.1.3. Management of material impacts on climate change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.1.1. Definitions and ESG Factors</li> <li>■ 14.2. Sustainability strategy</li> <li>■ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.4.2. ESG Risk appetite</li> <li>■ 14.5.1 Definition of environmental risk</li> </ul>
<b>Environmental risk</b>	Business strategy and processes	Table 1 (b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.1.2. Information on special provisions</li> <li>■ 1.1.3. Impacts, risks and opportunities</li> <li>■ 1.1.4.8.Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> <li>■ 2.1.2. Climate transition plan</li> <li>■ 2.1.3. Management of material impacts on climate change mitigation</li> <li>■ 2.1.5.4. Definition of risk appetite and climate risks</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.1.2. Time horizons</li> <li>■ 14.2. Sustainability strategy</li> <li>■ 14.4.2. ESG risk appetite</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.5.2. Environmental risk management</li> </ul>
<b>Environmental risk</b>	Business strategy and processes	Table 1 (c)	Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 2.2. Indicators of the European taxonomy on sustainable activities</li> <li>■ 2.1.2. Climate transition plan</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2. Sustainability strategy</li> </ul>
<b>Environmental risk</b>	Business strategy and processes	Table 1 (d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	<p>Chapitre 5. Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.2.3. Stakeholders' interests and views</li> <li>■ 2.1.3. Management of material impacts on climate change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2.2. Sector-specific policies</li> </ul>
<b>Environmental risk</b>	Governance	Table 1 (e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	<p>Chapter 3.1.1 Governance</p> <p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.4. Governance of sustainability issues</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3. Governance of sustainability matters</li> </ul>

Sujet	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2026 Universal Registration Document	Information in 2026 Pillar 3
<b>Environmental risk</b>	Governance	Table 1 (f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3. Impacts, risks and opportunities</li> <li>■ 1.1.4.3. The roles and responsibilities of Governance bodies as regards sustainability</li> <li>■ 1.1.4.4. Expertise of governance bodies with regard to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. the roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.3.4. Risk management and internal control of sustainability information</li> <li>■ 14.4.1. Financial materiality assessment</li> </ul>
<b>Environmental risk</b>	Governance	Table 1 (g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.4.3. The roles and responsibilities of Governance bodies as regards sustainability</li> <li>■ 1.1.4.4. Expertise of governance bodies with regard to sustainability</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.3.4. Risk management and internal control of sustainability information</li> <li>■ 14.4.1. Financial materiality assessment</li> </ul>
<b>Environmental risk</b>	Governance	Table 1 (h)	Lines of reporting and frequency of reporting relating to environmental risk	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.4.5. Decision-making process involving governance bodies</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.4.4. Periodic reporting of results to administrative, management and supervisory bodies</li> </ul>
<b>Environmental risk</b>	Governance	Table 1 (i)	Alignment of the remuneration policy with institution's environmental risk-related objectives	Chapter 3.1.6 Remuneration of Senior Management Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.4.6. Integration of sustainability related performance into compensation policies</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> </ul>
<b>Environmental risk</b>	Risk management	Table 1 (j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3. Impacts, risks and opportunities</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> <li>■ 2.1.1.2. Description of the climate risk resilience analysis</li> <li>■ 2.1.5.4. Definition of risk appetite and climate risks</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.4.2. ESG risk appetite</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.5.1. Definition of environmental risk factors</li> <li>■ 14.5.2 Environmental risk management</li> </ul>
<b>Environmental risk</b>	Risk management	Table 1 (k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> <li>■ 2.1.1. Climate change-related material IROs and their interaction with the strategy and business model</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2.1. General E&amp;S Principles</li> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.4.2. ESG risk appetite</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.5.1. Definition of environmental risk</li> <li>■ 14.5.2 Environmental risk management</li> </ul>

Sujet	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2026 Universal Registration Document	Information in 2026 Pillar 3
<b>Environmental risk</b>	Risk management	Table 1 (l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> <li>■ 2.1.1.2. Description of the climate risk resilience analysis</li> <li>■ 2.1.3. Management of material impacts on climate change mitigation</li> <li>■ 2.1.5. Climate risk management</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.5.2.1. Identification of environmental risks</li> <li>■ 14.5.2.2. Quantifying climate risks</li> <li>■ 14.5.2.5. Climate risk control and mitigation</li> <li>■ 14.5.2.6. Specific features of nature risks</li> </ul>
<b>Environmental risk</b>	Risk management	Table 1 (m)	Activities, commitments and exposures contributing to mitigate environmental risks	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 2.1.2. Climate transition plan</li> <li>■ 2.2. Indicators of the European taxonomy on sustainable activities</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.5.2.5. Climate risk control and mitigation</li> </ul> <p><i>(See also Pillar 3 quantitative templates in section 14.9)</i></p>
<b>Environmental risk</b>	Risk management	Table 1 (n)	Implementation of tools for identification, measurement and management of environmental risks	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> <li>■ 2.1.5. Climate Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.5.2.2. Quantifying climate risks</li> <li>■ 14.5.2.4. Monitoring and reporting of climate risks</li> <li>■ 14.5.2.5. Climate risk control and mitigation</li> <li>■ 14.5.2.6. Specific features of nature risk</li> </ul>
<b>Environmental risk</b>	Risk management	Table 1 (o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.3. Impacts, risks and opportunities</li> <li>■ 2.1.1.1. Climate change-related material IROs and their interaction with the strategy and business model</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.5.2.2. Quantifying climate risks</li> </ul>
<b>Environmental risk</b>	Risk management	Table 1 (p)	Data availability, quality and accuracy, and efforts to improve these aspects	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 2.1.5.6. Data matters</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.5.2.7. Data matters</li> </ul> <p><i>(See also the narratives accompanying the Pillar 3 quantitative templates in section 14.9)</i></p>
<b>Environmental risk</b>	Risk management	Table 1 (q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> <li>■ 2.1.5.4. Definition of risk appetite and climate risks</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2. Sustainability strategy</li> <li>■ 14.4.2. ESG risk appetite</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.5.2. Environmental risk management</li> </ul>
<b>Environmental risk</b>	Risk management	Table 1 (r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material (IROs)</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.5.2.1. Identification of environmental risks</li> </ul>

Sujet	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2026 Universal Registration Document	Information in 2026 Pillar 3
<b>Social risk</b>	Business strategy and processes	Table 2 (a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	<p>Chapter 1.3 A clear strategy for a sustainable future</p> <p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.2. Sustainability strategy</li> <li>■ 1.1.3.1. Outcomes of the IRO assessment in relation to the strategy and business model</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.1.1. Definition and ESG risk factors</li> <li>■ 14.2. Sustainability strategy</li> <li>■ 14.3.3. Roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.6.1. Definition of social risks</li> <li>■ 14.6.2. Social risk management</li> </ul>
<b>Social risk</b>	Business strategy and processes	Table 2 (b)	Objectives, targets and limits to assess and address social risk in short, medium and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.1.2. Information on special provisions</li> <li>■ 1.1.3. Impacts, risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.1.2. Time horizons</li> <li>■ 14.2. Sustainability strategy</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.6.2. Social risk management</li> </ul>
<b>Social risk</b>	Business strategy and processes	Table 2 (c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.2.3. Stakeholders' interests and views</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2.2. Sector-specific policies</li> </ul>
<b>Social risk</b>	Governance	Table 2 (d)	<p>Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:</p> <ul style="list-style-type: none"> <li>(I) Activities towards the community and society</li> <li>(II) Employee relationships and labour standards</li> <li>(III) Customer protection and product responsibility</li> <li>(IV) Human rights</li> </ul>	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.4. Gouvernance of sustainability issues</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3. Governance of sustainability matters</li> </ul>
<b>Social risk</b>	Governance	Table 2 (e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	<p>Chapter 5.1 Sustainability statement</p> <ul style="list-style-type: none"> <li>■ 1.1.3. Impacts, risks and opportunities</li> <li>■ 1.1.4.3. The roles and responsibilities of Governance bodies as regards sustainability</li> <li>■ 1.1.4.4. Expertise of governance bodies with regard to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.3.4. Risk management and internal control of sustainability information</li> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.6.2. Social risk management</li> </ul>

Sujet	Sub-topic	Pillar 3 reference	Pillar 3 requirement	Information in 2026 Universal Registration Document	Information in 2026 Pillar 3
Social risk	Governance	Table 2 (f)	Lines of reporting and frequency of reporting relating to social risk	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.4.5. Decision-making process involving governance bodies</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> <li>■ 14.4.4. Periodic reporting of results to administrative, management and supervisory bodies</li> </ul>
Social risk	Governance	Table 2 (g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	<ul style="list-style-type: none"> <li>■ Chapter 3.1.6 Remuneration of Senior Management</li> </ul> Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.4.6. Integration of sustainability related performance into compensation policies</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> </ul>
Social risk	Risk management	Table 2 (h)	Definitions, methodologies and international standards on which the social risk management framework is based	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> <li>■ 2.1.1. Climate change-related material IROs and their interaction with the strategy and business model</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2.1. General E&amp;S principles</li> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.6.1. Definition of social risks</li> <li>■ 14.6.2. Social risk management</li> </ul>
Social risk	Risk management	Table 2 (i)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.6.2. Social risk management</li> </ul>
Social risk	Risk management	Table 2 (j)	Activities, commitments and assets contributing to mitigate social risk		<ul style="list-style-type: none"> <li>■ 14.6.2. Social risk management</li> </ul>
Social risk	Risk management	Table 2 (k)	Implementation of tools for identification and management of social risk	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.4.1. Financial materiality assessment</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.6.2. Social risk management</li> </ul>
Social risk	Risk management	Table 2 (l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.4.8. Sustainability risk management</li> <li>■ 1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.2. Sustainability strategy</li> <li>■ 14.4.3. Processes, indicators and methodological tools</li> <li>■ 14.6.2. Social risk management</li> </ul>
Social risk	Risk management	Table 2 (m)	Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>■ 1.1.3.2. Description of the processes to identify and assess material IROs</li> </ul>	<ul style="list-style-type: none"> <li>■ 14.6.2.1. Assessment of financial materiality of social risks</li> </ul>

Sujet	Sub-topic	Pillar 3 reference	Pilar 3 requirement	Information in 2026 Universal Registration Document	Information in 2026 Pillar 3
<b>Governance risk</b>	Governance	Table 3 (a)	Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>1.1.3. Impacts, risks and opportunities</li> <li>1.1.4.3. The roles and responsibilities of Governance bodies as regards sustainability</li> <li>1.1.4.4. Expertise of governance bodies with regard to sustainability</li> <li>1.1.4.8. Sustainability risk management</li> <li>1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>14.3.3. The roles and responsibilities of governance bodies as regards sustainability</li> <li>14.3.4. Risk management and internal control of sustainability information</li> <li>14.4.1. Financial materiality assessment</li> </ul>
<b>Governance risk</b>	Governance	Table 3 (b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>1.1.4.3. The roles and responsibilities of Governance bodies as regards sustainability</li> <li>1.1.4.5. Decision-making process involving governance bodies</li> </ul>	<ul style="list-style-type: none"> <li>14.3. Governance of sustainability issues</li> <li>14.4.4. Periodic reporting of results to administrative, management and supervisory bodies</li> </ul>
<b>Governance risk</b>	Governance	Table 3 (c)	Institution's integration in governance arrangements of the governance performance of their counterparties including: <ul style="list-style-type: none"> <li>(I) Ethical considerations</li> <li>(II) Strategy and risk management</li> <li>(III) Inclusiveness</li> <li>(IV) Transparency</li> <li>(V) Management of conflict of interest</li> <li>(VI) Internal communication on critical concerns</li> </ul>	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>1.1.3. Impacts, risks and opportunities</li> <li>1.1.4.3. The roles and responsibilities of Governance bodies as regards sustainability</li> <li>1.1.4.4. Expertise of governance bodies with regard to sustainability</li> <li>1.1.4.8. Sustainability risk management</li> <li>1.1.4.9. Sustainability internal control framework</li> </ul>	<ul style="list-style-type: none"> <li>14.3.3. Roles and responsibilities of governance bodies as regards sustainability</li> <li>14.3.4. Risk management and internal control of sustainability information</li> <li>14.4.1. Financial materiality assessment</li> <li>14.7.2. Governance risk management</li> </ul>
<b>Governance risk</b>	Risk management	Table 3 (d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering: <ul style="list-style-type: none"> <li>(I) Ethical considerations</li> <li>(II) Strategy and risk management</li> <li>(III) Inclusiveness</li> <li>(IV) Transparency</li> <li>(V) Management of conflict of interest</li> <li>(VII) Internal communication on critical concerns</li> </ul>	Chapter 5.1 Sustainability statement <ul style="list-style-type: none"> <li>1.1.3. Impacts, risks and opportunities</li> <li>1.1.4.8. Sustainability risk management</li> <li>1.1.4.9. Sustainability internal control framework</li> <li>4.1.2. Management of material risks related to business conduct</li> </ul>	<ul style="list-style-type: none"> <li>14.3.4. Risk management and internal control of sustainability information</li> <li>14.4.1. Financial materiality assessment</li> <li>14.7.2. Governance risk management</li> </ul>

## 14.9 QUANTITATIVE INFORMATION ON ESG RISKS

Quantitative information on environmental, social and governance risks for the implementation of regulation 2022/2453 apply the same data as those used to produce other regulatory reports. In particular, elements used to produce the reporting of financial information (FINREP) have been used to ensure consistency with existing production. Specific enhancements have then been made to this base to comply with each template's requirements. These enhancements mainly consist of drawing on external data providers.

### Template 1: Banking book – Climate change transition risk- credit quality of exposures by sector, emissions and residual maturity

A sector breakdown of exposures to non-financial counterparts has been performed by leveraging on the internal procedure used for regulatory reporting to determine the activity sector of a specific counterparty.

Regarding exposure to companies excluded from the EU Paris-aligned Benchmarks, their identification is based on data coming from our external data provider and internal monitoring. This data has allowed the Group to apply the exclusion criteria as defined under regulation 2020/1818 regarding revenue or emission intensity thresholds as well as the assessment of significant harm to at least one of the six environmental objectives referred to in Article 9 of Regulation (EU) 2020/852. Based on these results, internal reviews were performed to qualify the consistency with existing internal procedures.

Greenhouse gas (GHG) emissions are reported for the purposes of in Pillar 3 ESG. The method for calculating corporate carbon emissions follows the Global GHG Accounting and Reporting Standard for the financial industry, developed by the Partnership for Carbon Accounting Financials (PCAF).

In accordance with this methodology, a prioritization of data sources on emissions data was established as follows:

- where available, reported emissions data from our clients were used (PCAF score 1 or 2, depending on whether they were certified or not. This is called "primary" data;
- when estimated via the external provider, emission data (PCAF score 3 or 4) were used;
- if not, it was decided to use PCAF emission factors, based on customers' revenue based or assets based, to estimate their emissions, with PCAF scores of 4 and 5 respectively.

Moreover, financed emissions are calculated based on PCAF methodology by applying to the clients emissions the ratio between (i) the Bank total outstanding and (ii) the EVIC when available , otherwise the client's total equity and debt (attribution factor).

The methodology has been refined through the application of the EVIC when available to ensure better compliance with the PCAF methodology.

The group financed emissions represent 110.5 MtCO<sub>2</sub>e, including reported data for 17.5 % of our clients exposures and an estimate for 82.5%.

**TABLE 104: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY**

Sector/subsector		31.12.2025															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)								GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column l): gross carrying amount percentage of the portfolio derived from company-specific reporting					
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)						≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years	Average weighted maturity
1	Exposures towards sectors that highly contribute to climate change*	159,165	11,104		18,880	6,737	(4,230)	(858)	(3,045)	110,484,208	72,768,401	17.46%	104,935	30,692	19,299	4,239	6
2	A - Agriculture, forestry and fishing	2,451	6		418	193	(116)	(22)	(83)	1,854,024	603,151	7.38%	1,651	528	189	83	6
3	B - Mining and quarrying	5,530	4,049		298	41	(40)	(8)	(30)	6,779,872	4,433,005	36.73%	4,057	897	565	11	4
4	B.05 - Mining of coal and lignite	1	-		-	-	-	-	-	553	53	0.00%	1	-	-	-	2
5	B.06 - Extraction of crude petroleum and natural gas	1,904	1,899		66	1	(4)	(3)	(1)	2,785,012	2,010,348	47.20%	1,847	57	-	-	2
6	B.07 - Mining of metal ores	2,008	1,021		177	7	(4)	(1)	(2)	1,938,260	1,511,223	32.18%	1,590	357	58	3	3
7	B.08 - Other mining and quarrying	385	-		50	15	(13)	(4)	(9)	619,334	379,450	9.22%	189	179	11	6	6
8	B.09 - Mining support service activities	1,232	1,129		5	18	(19)	-	(18)	1,436,713	531,931	43.95%	430	304	496	2	8
9	C - Manufacturing	32,240	1,445		3,783	1,504	(978)	(204)	(690)	36,997,024	30,028,819	24.71%	24,809	5,169	1,253	1,009	5
10	C.10 - Manufacture of food products	5,495	-		312	208	(143)	(16)	(114)	6,263,492	5,578,362	15.71%	4,381	674	156	284	6
11	C.11 - Manufacture of beverages	2,078	-		259	48	(36)	(7)	(23)	915,477	787,342	26.20%	1,906	112	23	37	3
12	C.12 - Manufacture of tobacco products	10	-		9	-	-	-	-	44	40	85.93%	10	-	-	-	1
13	C.13 - Manufacture of textiles	286	-		23	24	(15)	(2)	(11)	164,272	141,545	9.06%	203	65	15	3	4
14	C.14 - Manufacture of wearing apparel	211	-		36	43	(28)	(2)	(25)	99,353	88,346	28.47%	180	19	11	1	3
15	C.15 - Manufacture of leather and related products	117	-		3	4	(3)	-	(2)	42,844	40,303	3.32%	53	45	19	-	6
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	811	-		122	53	(39)	(10)	(26)	315,768	266,005	12.88%	539	208	33	31	6
17	C.17 - Manufacture of paper and paper products	580	-		145	30	(27)	(10)	(15)	459,110	361,708	12.23%	412	128	29	11	4
18	C.18 - Printing and reproduction of recorded media	356	-		31	32	(17)	(2)	(14)	88,196	66,561	0.33%	223	114	12	7	6
19	C.19 - Manufacture of coke and refined petroleum products	1,129	1,100		6	16	(2)	-	(1)	2,682,167	1,434,074	41.85%	490	398	237	4	6
20	C.20 - Manufacture of chemicals and chemical products	2,633	54		282	94	(79)	(23)	(52)	2,244,307	1,484,696	24.89%	2,264	277	38	54	4
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	1,435	5		164	74	(26)	(4)	(18)	841,943	638,833	43.50%	1,174	227	10	24	4
22	C.22 - Manufacture of rubber products	1,342	14		104	48	(36)	(5)	(26)	1,346,654	1,219,723	7.67%	908	281	85	68	7
23	C.23 - Manufacture of other non-metallic mineral products	1,216	1		304	53	(57)	(17)	(35)	2,723,136	626,520	27.07%	941	226	18	31	5
24	C.24 - Manufacture of basic metals	1,969	26		205	94	(54)	(6)	(44)	2,623,749	1,782,909	17.56%	1,570	232	125	42	4
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	2,638	1		335	163	(102)	(27)	(68)	1,781,648	1,616,609	14.56%	1,813	582	132	111	7
26	C.26 - Manufacture of computer, electronic and optical products	1,632	1		86	27	(22)	(10)	(10)	980,147	901,469	47.44%	1,499	90	32	11	2
27	C.27 - Manufacture of electrical equipment	1,758	2		350	152	(69)	(6)	(58)	2,247,707	2,125,381	25.08%	1,344	354	24	36	4
28	C.28 - Manufacture of machinery and equipment n.e.c.	1,637	11		302	91	(66)	(21)	(40)	2,112,585	2,046,096	15.34%	1,273	234	57	73	6
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	2,332	219		465	93	(66)	(18)	(43)	6,120,139	6,001,518	54.26%	1,831	375	25	101	5

		31.12.2025														
Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)							Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)					
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years	Average weighted maturity
30	C.30 - Manufacture of other transport equipment	1,101	1	49	83	(38)	(4)	(32)	2,060,034	2,037,819	58.13%	847	183	66	5	3
31	C.31 - Manufacture of furniture	297	-	28	19	(10)	(2)	(7)	214,052	181,819	7.01%	239	37	14	7	4
32	C.32 - Other manufacturing	483	-	56	23	(18)	(4)	(12)	167,742	134,952	17.06%	287	124	42	30	9
33	C.33 - Repair and installation of machinery and equipment	694	10	107	32	(25)	(8)	(14)	502,458	466,189	3.14%	422	184	50	38	8
34	D - Electricity, gas, steam and air conditioning supply	19,545	3,091	1,959	214	(173)	(93)	(60)	20,577,364	7,559,705	15.88%	11,390	4,160	3,243	752	6
35	D35.1 - Electric power generation, transmission and distribution	17,645	2,169	1,694	209	(155)	(79)	(59)	15,762,742	6,305,830	14.32%	10,397	3,575	2,922	751	6
36	D35.11 - Production of electricity	13,838	2,115	1,535	205	(144)	(78)	(58)	14,523,024	5,675,964	13.89%	7,685	2,624	2,803	726	7
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	1,346	919	259	5	(17)	(14)	(1)	2,335,542	1,107,684	41.59%	686	449	211	-	6
38	D35.3 - Steam and air conditioning supply	554	3	6	-	(1)	-	-	2,479,080	146,191	7.87%	307	136	110	1	6
39	E - Water supply; sewerage, waste management and remediation activities	2,078	180	143	34	(30)	(8)	(18)	2,154,291	1,144,933	25.38%	1,217	440	267	154	7
40	F - Construction	7,826	12	1,442	675	(506)	(97)	(382)	4,562,225	4,151,611	14.22%	6,000	1,104	581	141	5
41	F.41 - Construction of buildings	1,996	1	247	223	(190)	(20)	(162)	1,459,414	1,311,869	16.68%	1,502	283	149	62	5
42	F.42 - Civil engineering	1,474	2	423	55	(37)	(12)	(22)	733,220	625,867	32.64%	1,038	235	169	32	6
43	F.43 - Specialised construction activities	4,356	9	772	397	(279)	(65)	(198)	2,369,591	2,213,875	5.32%	3,460	586	263	47	4
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	31,532	1,073	3,384	1,789	(1,123)	(147)	(894)	17,932,199	15,534,440	13.98%	24,813	3,550	1,662	1,507	6
45	H - Transportation and storage	20,997	1,248	2,585	507	(313)	(77)	(210)	17,944,028	7,916,837	30.75%	9,207	7,279	4,279	232	7
46	H.49 - Land transport and transport via pipelines	6,549	984	532	303	(167)	(37)	(115)	3,106,323	2,243,918	11.60%	3,801	1,843	802	103	6
47	H.50 - Water transport	6,068	199	901	64	(30)	(4)	(23)	8,440,979	3,085,386	39.60%	1,851	2,014	2,202	1	8
48	H.51 - Air transport	3,830	-	701	35	(26)	(8)	(16)	4,851,710	1,345,645	59.45%	847	2,252	726	5	7
49	H.52 - Warehousing and support activities for transportation	4,241	65	343	104	(89)	(28)	(55)	1,361,710	1,182,507	24.23%	2,426	1,144	548	123	6
50	H.53 - Postal and courier activities	309	-	108	1	(1)	-	(1)	183,306	59,381	37.59%	282	26	1	-	3
51	I - Accommodation and food service activities	4,956	-	728	556	(313)	(43)	(254)	917,858	785,417	8.17%	2,721	1,585	617	33	5
52	L - Real estate activities	32,010	-	4,140	1,224	(638)	(159)	(424)	765,323	610,483	5.89%	19,070	5,980	6,643	317	6
53	Exposures towards sectors other than those that highly contribute to climate change*	78,767	389	5,760	2,371	(1,630)	(432)	(1,051)				59,281	13,024	5,516	946	4
54	K - Financial and insurance activities	19,761	233	431	209	(155)	(23)	(120)				16,359	2,504	815	83	3
55	Exposures to other sectors (NACE codes J, M - U)	59,006	156	5,329	2,162	(1,475)	(409)	(931)				42,922	10,520	4,701	863	4
56	<b>TOTAL</b>	<b>237,932</b>	<b>11,493</b>	<b>24,640</b>	<b>9,108</b>	<b>(5,860)</b>	<b>(1,290)</b>	<b>(4,096)</b>	<b>110,484,208</b>	<b>72,768,401</b>	<b>17.46%</b>	<b>164,216</b>	<b>43,716</b>	<b>24,815</b>	<b>5,185</b>	<b>5</b>

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

Sector/subsector	31.12.2024															
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent) (**)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years	Average weighted maturity	
1 Exposures towards sectors that highly contribute to climate change*	153,598	13,906	1,197	15,877	6,882	(4,093)	(943)	(2,823)	146,468,363	106,327,217	0	98,579	27,550	15,672	11,797	9
2 A - Agriculture, forestry and fishing	2,098	-	-	292	162	(107)	(23)	(74)	1,690,268	620,148	0	1,333	509	139	117	8
3 B - Mining and quarrying	6,394	4,718	9	148	77	(61)	(16)	(42)	17,992,570	13,221,469	1	4,501	1,191	649	53	5
4 B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	430	37	-	-	-	-	-	4
5 B.06 - Extraction of crude petroleum and natural gas	2,564	2,559	6	29	17	(6)	(1)	(5)	9,809,788	6,890,281	1	2,465	97	-	2	3
6 B.07 - Mining of metal ores	1,753	548	-	56	25	(14)	(6)	(7)	5,417,313	4,571,312	1	1,150	559	37	7	4
7 B.08 - Other mining and quarrying	377	-	1	36	15	(19)	(8)	(10)	465,364	272,905	0	146	192	14	25	11
8 B.09 - Mining support service activities	1,700	1,611	2	27	20	(22)	(1)	(20)	2,299,675	1,486,934	1	740	343	598	19	8
9 C - Manufacturing	33,372	2,233	388	3,006	1,721	(950)	(173)	(692)	53,301,674	44,298,537	0	22,880	4,253	1,686	4,553	13
10 C.10 - Manufacture of food products	4,815	-	-	287	205	(157)	(20)	(124)	7,538,799	6,890,216	0	3,684	476	135	520	10
11 C.11 - Manufacture of beverages	2,200	-	-	121	22	(21)	(6)	(10)	548,647	451,477	0	1,656	127	18	399	16
12 C.12 - Manufacture of tobacco products	8	-	-	7	-	-	-	-	543	460	1	7	-	-	1	8
13 C.13 - Manufacture of textiles	254	-	-	34	36	(22)	(3)	(18)	162,341	138,042	0	188	46	10	10	6
14 C.14 - Manufacture of wearing apparel	230	-	-	51	30	(21)	(3)	(18)	58,112	50,056	0	181	18	9	22	9
15 C.15 - Manufacture of leather and related products	140	-	-	22	4	(3)	(1)	(2)	45,810	43,370	0	51	71	14	4	8
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	732	-	1	65	42	(29)	(7)	(19)	276,188	231,641	0	455	189	23	65	10
17 C.17 - Manufacture of paper and paper products	503	-	-	68	37	(23)	(4)	(15)	286,858	216,462	0	371	67	19	46	9
18 C.18 - Printing and reproduction of recorded media	284	-	-	34	33	(17)	(2)	(14)	68,491	51,601	0	219	48	5	12	6
19 C.19 - Manufacture of coke and refined petroleum products	1,715	1,682	14	113	27	(7)	(3)	(4)	7,102,278	5,988,470	1	848	161	678	28	7
20 C.20 - Manufacture of chemicals and chemical products	2,281	26	1	292	109	(64)	(29)	(31)	4,114,013	2,170,276	0	1,534	385	23	339	14
21 C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	1,373	4	-	125	85	(26)	(9)	(12)	749,837	600,739	0	1,141	88	14	130	7
22 C.22 - Manufacture of rubber products	1,078	12	4	138	67	(40)	(7)	(29)	1,012,397	912,208	0	652	241	40	145	13
23 C.23 - Manufacture of other non-metallic mineral products	1,137	-	7	292	52	(55)	(13)	(37)	2,518,800	580,327	0	744	249	14	130	12
24 C.24 - Manufacture of basic metals	1,530	82	72	201	70	(67)	(8)	(54)	5,184,404	3,279,917	0	1,000	249	13	268	16
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	2,086	1	22	192	168	(85)	(15)	(62)	1,386,855	1,268,023	0	1,400	424	61	201	11
26 C.26 - Manufacture of computer, electronic and optical products	784	1	-	83	46	(25)	(9)	(12)	354,719	311,657	0	437	183	17	147	17
27 C.27 - Manufacture of electrical equipment	1,844	3	93	141	252	(67)	(3)	(60)	2,917,878	2,808,071	0	1,394	161	84	205	11
28 C.28 - Manufacture of machinery and equipment n.e.c.	1,823	4	2	261	102	(56)	(9)	(42)	1,001,851	913,077	0	1,426	191	49	157	9
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	3,593	418	52	234	201	(94)	(12)	(76)	14,210,097	13,764,005	1	1,870	449	20	1,254	29
30 C.30 - Manufacture of other transport equipment	3,571	-	116	96	76	(33)	(3)	(26)	3,200,131	3,145,551	1	2,874	51	319	327	10
31 C.31 - Manufacture of furniture	213	-	-	25	11	(7)	(1)	(5)	125,024	105,713	0	138	23	8	44	18
32 C.32 - Other manufacturing	442	-	-	50	16	(13)	(2)	(10)	158,544	124,825	0	205	131	68	38	11
33 C.33 - Repair and installation of machinery and equipment	736	-	4	74	30	(18)	(4)	(12)	279,057	252,353	0	405	225	45	61	10
34 D - Electricity, gas, steam and air conditioning supply	19,046	3,894	391	1,723	404	(180)	(92)	(74)	16,571,960	4,893,603	0	10,281	4,191	3,480	1,094	8
35 D35.1 - Electric power generation, transmission and distribution	17,170	2,619	378	1,349	401	(136)	(52)	(73)	13,561,125	4,227,815	0	9,243	3,835	3,034	1,058	8
36 D35.11 - Production of electricity	15,038	2,418	352	1,174	397	(131)	(51)	(72)	11,426,259	3,331,288	0	7,706	3,333	2,971	1,028	9
37	1,394	1,273	12	372	2	(43)	(40)	(1)	1,662,407	494,225	0	698	307	355	34	8

		31.12.2024															
Sector/subsector	a	b	c	d	e	f		g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent) (**)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				Average weighted maturity		
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures			Of which Scope 3 financed emissions		≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years		
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains																	
38 D35.3 - Steam and air conditioning supply	482	2	1	2	1	(1)	-	-	1,348,428	171,563	0	340	49	91	2	6	
39 E - Water supply; sewerage, waste management and remediation activities	1,812	228	29	129	37	(30)	(8)	(18)	1,814,825	1,028,293	0	842	588	236	146	8	
40 F - Construction	6,411	13	100	776	666	(451)	(80)	(342)	4,363,469	3,912,296	0	4,658	937	535	281	7	
41 F.41 - Construction of buildings	1,970	-	64	214	204	(165)	(23)	(136)	1,641,140	1,543,753	0	1,612	141	134	83	5	
42 F.42 - Civil engineering	1,344	5	16	104	77	(45)	(12)	(29)	1,038,007	793,352	0	844	228	197	75	8	
43 F.43 - Specialised construction activities	3,097	8	20	458	385	(241)	(45)	(177)	1,684,322	1,575,191	0	2,202	568	204	123	7	
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	30,568	1,407	17	3,607	1,459	(997)	(182)	(742)	33,327,876	30,354,568	0	22,019	2,852	1,055	4,642	13	
45 H - Transportation and storage	18,481	1,412	146	1,904	549	(385)	(109)	(249)	15,445,927	6,368,086	0	8,337	6,140	3,617	387	7	
46 H.49 - Land transport and transport via pipelines	6,060	1,058	126	531	297	(217)	(87)	(114)	2,415,475	1,740,924	0	3,832	1,325	753	150	6	
47 H.50 - Water transport	5,387	336	-	826	70	(32)	(3)	(26)	7,698,827	2,885,552	1	1,758	1,984	1,642	3	7	
48 H.51 - Air transport	3,565	-	-	230	40	(25)	(6)	(17)	4,414,255	993,659	1	1,033	1,937	564	31	8	
49 H.52 - Warehousing and support activities for transportation	3,366	18	17	290	140	(110)	(13)	(91)	912,268	743,463	0	1,677	893	658	138	7	
50 H.53 - Postal and courier activities	103	-	3	27	2	(1)	-	(1)	5,102	4,488	1	37	1	-	65	49	
51 I - Accommodation and food service activities	4,655	-	1	889	532	(320)	(58)	(238)	1,117,427	981,562	0	2,650	1,071	724	210	7	
52 L - Real estate activities	30,761	1	116	3,403	1,275	(612)	(202)	(352)	842,367	648,655	0	21,078	5,818	3,551	314	5	
53 Exposures towards sectors other than those that highly contribute to climate change*	82,502	298	293	5,133	2,128	(1,453)	(328)	(958)			-	58,804	14,437	5,966	3,295	6	
54 K - Financial and insurance activities	21,328	86	172	370	192	(133)	(16)	(105)				18,895	1,281	543	609	3	
55 Exposures to other sectors (NACE codes J, M - U)	61,174	212	121	4,763	1,936	(1,320)	(312)	(853)			-	39,909	13,156	5,423	2,686	7	
56 TOTAL	236,100	14,204	1,490	21,010	9,010	(5,546)	(1,271)	(3,781)	146,468,363	106,327,217	0	157,383	41,987	21,638	15,092	8	

\* In accordance with the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006  
 \*\* The main variation in Scope 3 Financed emissions between Q4 2024 and Q4 2025 is explained by the use of EVIC as a replacement for Total Debt and Equity when it was available in the calculation of the attribution factor.

## Template 2: Climate change Transition risk: Loans collateralised by immovable property collateral – Energy efficiency of the collateral

This template outlines the gross carrying amount of loans collateralized by immovable property by energy efficiency buckets based on the level of energy efficiency of the collaterals indicated in the Energy Performance Certificate (EPC).

The loans collateralized by immovable property include loans secured by a guarantee provided by Crédit Logement or other insurance companies.

The EPC requires a collection process from the Group’s clients which is currently under way, and which will ultimately allow for the reporting to be further refined.

In the absence of an EPC, the Groups has where possible estimated the energy consumption of the immovable property collateral based on public information disclosed by entities such as the French Energy and Environment (ADEME). In addition, the approach described above was completed using statistical distributions from national databases or from databases specific to the Group’s portfolio.

**TABLE 105: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY – ENERGY EFFICIENCY OF THE COLLATERAL**

		31.12.2025															
Counterparty sector		Total gross carrying amount amount (in MEUR)															
		Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)					Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral			
		0; <=100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated		
1	Total EU area	158,974	14,112	26,493	47,543	26,820	12,799	6,591	1979	3,538	7,528	11,776	6,810	2,304	1324	123,717	80%
2	Of which Loans collateralised by commercial immovable property	27,578	1,709	3,490	3,046	2,126	1081	856	219	562	619	670	378	119	261	24,749	38%
3	Of which Loans collateralised by residential immovable property	131,396	12,403	23,003	44,498	24,694	11,718	5,735	1759	2,976	6,909	11,105	6,432	2,185	1062	98,967	91%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	99,102	12,134	22,955	40,016	15,044	5,990	2,963	-	-	-	-	-	-	-	99,102	100%
6	Total non-EU area	6,991	69	529	114	-	-	-	69	197	114	-	-	-	-	6,611	5%
7	Of which Loans collateralised by commercial immovable property	5,941	69	529	114	-	-	-	69	197	114	-	-	-	-	5,561	6%
8	Of which Loans collateralised by residential immovable property	1,049	-	-	-	-	-	-	-	-	-	-	-	-	-	1,049	0%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	332	-	332	-	-	-	-	-	-	-	-	-	-	-	332	100%

		31.12.2025																														
Counterparty sector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p																
																	Total gross carrying amount amount (in MEUR)															
																	Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral		
0; <=100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated																			
1	Total EU area	158,974	14,112	26,493	47,543	26,820	12,799	6,591	1979	3,538	7,528	11,776	6,810	2,304	1324	123,717	80%															
2	Of which Loans collateralised by commercial immovable property	27,578	1,709	3,490	3,046	2,126	1081	856	219	562	619	670	378	119	261	24,749	38%															
3	Of which Loans collateralised by residential immovable property	131,396	12,403	23,003	44,498	24,694	11,718	5,735	1759	2,976	6,909	11,105	6,432	2,185	1062	98,967	91%															
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
5	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	99,102	12,134	22,955	40,016	15,044	5,990	2,963	-	-	-	-	-	-	-	99,102	100%															
6	Total non-EU area	6,991	69	529	114	-	-	-	69	197	114	-	-	-	-	6,611	5%															
7	Of which Loans collateralised by commercial immovable property	5,941	69	529	114	-	-	-	69	197	114	-	-	-	-	5,561	6%															
8	Of which Loans collateralised by residential immovable property	1,049	-	-	-	-	-	-	-	-	-	-	-	-	-	1,049	0%															
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
10	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	332	-	332	-	-	-	-	-	-	-	-	-	-	-	332	100%															

### Template 3: Banking book – Indicators of potential change transition risk: Alignment metrics

The Group aims to align its credit portfolios for the highest-emitting sectors with trajectories compatible with the climate objectives of the Paris Agreement. The alignment indicators defined in this context are detailed in Chapter 5, "Corporate Social Responsibility," of the Universal Registration Document (URD), within section 5.3.2, Climate Transition Plan.

The Pillar 3 approach is based on these indicators. In particular, column (b) has been populated only with the main NACE sector codes relevant to the alignment targets, and column (c) with the Gross Accounting Amount linked to these indicators.

The 3-year targets in column (g) are not currently being filled in to ensure consistency with the Group's approach, which discloses objectives for 2030. Linear interpolation could be performed between the baseline year and 2030, but this would not stand for formal intermediary objectives for the Group. Linear interpolation is a method with limitations, not allowing to take into account in particular the pace of low-carbon technological advances that are accelerating on the horizon close to 2030 for many sectors. This interpolation method would conduct in the followings:

Sector	Linearized target at three years + reference year
1 Power Generation	109
2 Fossil fuel combustion / Thermal Coal	12
2 Fossil fuel combustion / Upstream Oil & Gas	22
2 Fossil fuel combustion / Oil & Gas (scope 1, 2 & 3)	09
3 Automotive	116
4 Aviation	793
5 Maritime transport	16
6 Cement, clinker and lime production / Cement	577
7 Iron and steel, coke, and metal ore production / Steel	-

For the chemicals sector work is currently under progress given the complexity of the sector and the lack of methodology in the banking industry to align such a sector.

**TABLE 106: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS**

31.12.2025							
a	b	c	d	e	f	g	
Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)	
1 Power Generation	35.11	12,982	GHG emissions intensity (gCO2eq./kWh)	85.2	-38.2%	Not available	
2 Fossil fuel combustion / Thermal Coal	05.10;05.20;35.11	208	Gross commitments (€m, index 100)	29.9	-30.5%	Not available	
2 Fossil fuel combustion / Upstream Oil & Gas	06.10;09.10;19.29;3521;35.22;35.23;49.50	625	Gross commitments (€m, index 100)	24.2	-69.4%	Not available	
2 Fossil fuel combustion / Oil & Gas (scope 1, 2 & 3)	06.10;09.10;19.29;3521;35.22;35.23;49.50	5,422	Absolute GHG emissions (in MTCO2eq.)	7.9	-54.1%	Not available	
3 Automotive	29.10	748	GHG emissions intensity (gCO2eq./v-km)	154.0	45.3%	Not available	
4 Aviation	51.10;51.21;77.35	4,256	GHG emissions intensity (gCO2eq./RTK)	821.0	4.7%	Not available	
5 Maritime transport	50.10;50.20	1,760	Poseidon Principles alignment score of AER	16.7	63.5%	Not available	
6 Cement, clinker and lime production / Cement	08.91;08.92;08.93;08.99;23.51;23.52;23.63;23.64;81.10	273	GHG emissions intensity (kgCO2eq./t cement)	639.0	38.0%	Not available	
7 Iron and steel, coke, and metal ore production / Steel	07.10;24.10;24.20;24.30;24.34;24.51;24.52	308	SSP alignment score of GHG emission intensity	0.2	26.4%	Not available	
8 Chemicals							

\*\*\* Point in Time (PIT) distance to 2030 NZE2050 scenario in % (for each metric)

31.12.2024							
a	b	c	d	e	f	g	
Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)	
1 Power Generation	35.11	13,313	GHG emissions intensity (gCO <sub>2</sub> eq./kWh)	114.4	-41.2%	Not available	
2 Fossil fuel combustion / Thermal Coal	05.10;05.20;35.11	273	Gross commitments (€m, index 100)	44.2	2.9%	Not available	
2 Fossil fuel combustion / Upstream Oil & Gas	06.10;09.10;19.29;35.21;35.22;35.23;49.50	1,267	Gross commitments (€m, index 100)	41.7	-45.9%	Not available	
2 Fossil fuel combustion / Oil & Gas (scope 1, 2 & 3)	06.10;09.10;19.29;35.21;35.22;35.23;49.50	6,340	Absolute GHG emissions (in MtCO <sub>2</sub> eq.)	10.5	-49.3%	Not available	
3 Automotive	29.10	1,043	GHG emissions intensity (gCO <sub>2</sub> eq./v-km)	155.9	47.1%	Not available	
4 Aviation	51.10;51.21;77.35	5,714	GHG emissions intensity (gCO <sub>2</sub> eq./RTK)	866.3	10.5%	Not available	
5 Maritime transport	50.10;50.20	1,647	Poseidon Principles alignment score of AER	16.8	79.0%	Not available	
6 Cement, clinker and lime production / Cement	08.91;08.92;08.93;08.99;23.51;23.52;23.63;23.64;81.10	367	GHG emissions intensity (kgCO <sub>2</sub> eq./t cement)	672.6	45.3%	Not available	
7 Iron and steel, coke, and metal ore production / Steel	07.10;24.10;24.20;24.30;24.34;24.51;24.52	532	SSP alignment score of GHG emission intensity	-0.6	41.6%	Not available	
8 Chemicals							

\*\*\* Point in Time (PIT) distance to 2030 NZE2050 scenario in % (for each metric)

**Template 4: Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms**

To determine the elements presented in this template, the Group has defined a list of the world's 20 most carbon-intensive firms, in particular by drawing on the reports of the Carbon Disclosure Project (CDP).

**TABLE 107: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS**

31.12.2025					
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	1,609	0.18%		3	10
* For counterparties among the top 20 carbon emitting companies in the world.					
31.12.2024					
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	1,796	0.21%	3	4	11
* For counterparties among the top 20 carbon emitting companies in the world.					

## Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk

ata availability issues require the use of physical hazard projection estimates to be applied to exposures. The methodology will be enriched in future publications to take into account all physical events and risks.

The geographical breakdown of this template is based on aggregations (France, Europe excluding France, North America, and Rest of the World) in line with the locations of the Group's main activities.

The exposures sensitive to the impact of climate change physical events are reported in gross amounts, i.e. before taking into account mitigating measures such as insurance coverage or mitigating actions by counterparties or public actors (such as flood protection systems) – based on the location of the assets. It is expected that the physical risk impacts on the Group's portfolio are reduced by such measures.

The identification of the existence of physical risks in the Group's portfolios is based on the following items:

- climate-related hazards covered include river floods, droughts, wildfires, heavy precipitation and tropical cyclones as acute events, as well as sea level rise and heat stress as chronic events;
- use of Shared Socioeconomic Pathway SSP5-8.5 and Representative Concentration Pathway RCP8.5 climate scenario,

developed by the Intergovernmental Panel on Climate Change (IPCC). Projections are carried out at yearly time steps: 2030 for acute hazards and 2050 for chronic hazards, except for sea level rise (2100);

- geographical location refers to the assets of counterparties in the Group's portfolio. The Group used internal and external data sources (SIREN, Moody's) to determine the location of the assets. Asset locations constitute a critical element in the identification of physical risks and continue to be the subject of quality improvement efforts;
- the physical risk scores of each asset, split per type of hazard, is based on data provider Munich Re for all companies.

Based on the assumptions made and available data, the residential real estate loan portfolio subject to physical risk in France (which constitutes the Group's main market) represents EUR 16.1 billion in terms of gross risk: this exposure is prior to any mitigation mechanism and the resulting final vulnerability of the counterparties.

The corporate portfolio subject to physical risk in France (which constitutes the Group's main market) represents an amount of EUR 15.9 billion in terms of gross risk before taking into account any mitigation mechanism and the final vulnerability of counterparties.

**TABLE 108: BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK**

31.12.2025															
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Gross carrying amount (Min EUR)															
of which exposures sensitive to impact from climate change physical events															
France	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	≤ 5 years	5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Of which Stage 2 exposures							Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, forestry and fishing	1,054	68	14	6	1	4.0	17	66	6	12	9	(5)	(1)	(4)	
2 B - Mining and quarrying	304	34	5	-	2	7.0	5	34	2	8	3	(2)	-	(1)	
3 C - Manufacturing	14,877	1,335	403	77	3	3.0	212	1,573	33	239	108	(66)	(14)	(46)	
4 D - Electricity, gas, steam and air conditioning supply	3,066	175	46	71	104	10.0	30	276	90	11	2	(4)	(1)	(2)	
5 E - Water supply; sewerage, waste management and remediation activities	1,141	153	48	18	2	6.0	77	143	1	16	3	(5)	(3)	(2)	
6 F - Construction	5,343	1,138	80	62	8	2.0	69	1,189	30	104	69	(50)	(8)	(40)	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	16,153	1,542	344	150	37	5.0	306	1,692	75	291	204	(130)	(21)	(102)	
8 H - Transportation and storage	6,003	349	227	86	24	6.0	63	597	26	118	50	(32)	(13)	(18)	
9 L - Real estate activities	19,543	2,113	622	861	29	6.0	175	3,284	166	494	184	(65)	(18)	(40)	
10 Loans collateralised by residential immovable property	110,646	868	2,543	8,323	4,368	15.0	1,390	12,733	1,979	1,610	161	(18)	(4)	(13)	
11 Loans collateralised by commercial immovable property	19,358	682	511	664	7	8.0	97	1,508	259	295	123	(31)	(20)	(8)	
12 Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Other relevant sectors (breakdown below where relevant)	37,959	4,124	1,004	542	25	4.0	348	5,209	138	517	350	(200)	(34)	(152)	

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Gross carrying amount (Min EUR)															
of which exposures sensitive to impact from climate change physical events															
Europe (excluding France)	Breakdown by maturity bucket						Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	≤ 5 years	5 years ≤ 10 years	10 years ≤ 20 years	> 20 years									Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, forestry and fishing	1,170	36	28	8	3	8.0	4	69	2	6	2	(1)	-	(1)	
2 B - Mining and quarrying	1,712	325	10	-	-	2.0	183	90	62	14	-	-	-	-	
3 C - Manufacturing	9,146	879	91	10	66	6.0	270	695	81	103	33	(22)	(6)	(14)	
4 D - Electricity, gas, steam and air conditioning supply	5,961	555	232	61	10	4.0	501	296	61	87	-	(4)	(2)	-	
5 E - Water supply; sewerage, waste management and remediation activities	592	19	14	20	11	12.0	14	35	15	2	-	-	-	-	
6 F - Construction	1,789	135	33	16	12	8.0	56	135	5	48	2	(4)	(2)	(1)	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	9,826	962	45	3	80	6.0	338	725	27	67	16	(10)	(1)	(7)	
8 H - Transportation and storage	7,678	312	297	14	8	6.0	190	418	23	21	12	(11)	(1)	(10)	
9 L - Real estate activities	8,996	855	40	-	-	3.0	552	325	18	88	5	(5)	-	(2)	
10 Loans collateralised by residential immovable property	20,755	57	251	1,061	1,950	21.0	1	3,317	1	434	30	(40)	(25)	(14)	
11 Loans collateralised by commercial immovable property	9,547	524	297	47	2	4.0	170	681	19	69	7	(17)	(3)	(4)	
12 Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Other relevant sectors (breakdown below where relevant)	28,880	1,931	444	68	6	3.0	943	1,036	470	349	327	(65)	(9)	(52)	

Gross carrying amount (Min EUR)															
of which exposures sensitive to impact from climate change physical events															
North America	Breakdown by maturity bucket						Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	≤ 5 years	5 years ≤ 10 years	10 years ≤ 20 years	> 20 years									Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, forestry and fishing	16	-	-	-	-	7.0	-	-	-	-	-	-	-	-	
2 B - Mining and quarrying	1,331	163	99	2	-	3.0	136	44	84	13	-	-	-	-	
3 C - Manufacturing	2,894	629	28	1	9	2.0	304	203	160	55	1	(3)	(1)	(1)	
4 D - Electricity, gas, steam and air conditioning supply	5,611	648	7	-	-	2.0	372	183	100	1	-	-	-	-	
5 E - Water supply; sewerage, waste management and remediation activities	55	3	1	3	3	13.0	5	3	2	-	-	-	-	-	
6 F - Construction	155	15	-	-	-	3.0	11	3	1	8	-	-	-	-	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,939	537	1	-	15	2.0	201	162	190	55	44	(25)	(1)	(24)	
8 H - Transportation and storage	3,239	72	89	27	-	6.0	97	48	43	3	-	-	-	-	
9 L - Real estate activities	2,204	177	-	-	-	3.0	39	117	21	8	18	(9)	(1)	(8)	
10 Loans collateralised by residential immovable property	6	-	-	-	-	6.0	-	-	-	-	-	-	-	-	
11 Loans collateralised by commercial immovable property	1,991	-	-	-	-	na	-	-	-	-	-	-	-	-	
12 Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Other relevant sectors (breakdown below where relevant)	9,583	937	131	2	-	2.0	504	427	139	33	1	(2)	-	-	

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Gross carrying amount (Mln EUR)															
of which exposures sensitive to impact from climate change physical events															
Rest of the world	Breakdown by maturity bucket						Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	<= 5 years	5 years <= 10 years	10 years <= 20 years	> 20 years									Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, forestry and fishing	211	6	1	-	-	3.0	3	3	1	-	1	(1)	-	(1)	
2 B - Mining and quarrying	2,183	534	133	31	-	3.0	200	297	201	55	4	(1)	-	(1)	
3 C - Manufacturing	5,320	1,405	325	4	81	6.0	715	709	391	76	92	(89)	(3)	(80)	
4 D - Electricity, gas, steam and air conditioning supply	4,907	321	36	106	-	6.0	54	167	242	121	-	(4)	(4)	-	
5 E - Water supply; sewerage, waste management and remediation activities	291	22	31	2	4	7.0	3	52	4	-	-	-	-	-	
6 F - Construction	540	104	1	-	4	4.0	49	28	32	5	42	(42)	-	(41)	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,613	1,281	18	12	33	3.0	266	765	313	17	46	(32)	(2)	(29)	
8 H - Transportation and storage	4,078	307	60	17	1	4.0	36	206	143	87	31	(11)	(1)	(9)	
9 L - Real estate activities	1,267	120	-	-	-	2.0	9	86	25	2	4	(2)	-	(2)	
10 Loans collateralised by residential immovable property	1,038	-	1	1	-	9.0	-	1	1	-	-	-	-	-	
11 Loans collateralised by commercial immovable property	2,624	-	-	-	-	2.0	-	-	-	-	-	-	-	-	
12 Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Other relevant sectors (breakdown below where relevant)	7,301	2,440	112	10	3	2.0	352	1,375	838	33	21	(21)	(1)	(19)	

31.12.2024

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Gross carrying amount (Mln EUR)															
of which exposures sensitive to impact from climate change physical events															
France	Breakdown by maturity bucket						Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	<= 5 years	5 years <= 10 years	10 years <= 20 years	> 20 years									Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, sylviculture et pêche	877	46	11	7	5	9.0	9	55	5	10	8	(4)	-	(3)	
2 B - Industries extractives	330	29	6	1	1	4.0	3	32	2	6	4	(2)	-	(1)	
3 C - Industrie manufacturière	12,717	1,023	215	91	104	9.0	60	1,346	27	152	93	(62)	(7)	(49)	
4 D - Production et distribution d'électricité, de gaz, de vapeur et d'air conditionné	2,880	159	28	87	44	9.0	9	274	35	7	3	(3)	(1)	(2)	
5 E - Production et distribution d'eau, assainissement, gestion des déchets et dépollution	1,022	51	127	15	5	7.0	84	112	2	16	3	(3)	(2)	-	
6 F - Services de bâtiments et travaux publics	3,933	335	81	37	16	6.0	17	438	14	56	58	(34)	(5)	(26)	
7 G - Commerce de gros et de détail; réparation d'automobiles et de motocycles	14,715	1,271	262	78	145	9.0	87	1,599	70	335	145	(103)	(29)	(70)	
8 H - Transports et entreposage	5,611	278	149	69	36	7.0	25	488	19	91	46	(27)	(10)	(16)	
9 L - Activités immobilières	18,545	2,284	688	794	30	6.0	52	3,687	57	674	137	(65)	(24)	(31)	
10 Prêts garantis par des biens immobiliers résidentiels	106,578	855	2,362	5,450	1,793	13.0	715	8,333	1,412	867	95	(11)	(4)	(7)	
11 Prêts garantis par des biens immobiliers commerciaux	17,829	532	485	542	47	8.0	92	1,282	232	241	90	(25)	(15)	(7)	
12 Sûretés saisies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Autres secteurs pertinents (ventilation ci-dessous, le cas échéant)	42,731	3,481	732	363	95	5.0	116	4,477	78	459	265	(168)	(39)	(117)	

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Gross carrying amount (Mln EUR)														
of which exposures sensitive to impact from climate change physical events														
Europe (excluding France)	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years								Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, sylviculture et pêche	915	31	21	3	4	9.0	1	58	-	4	9	(4)	(1)	(3)
2 B - Industries extractives	1,921	107	5	-	-	2.0	24	79	9	5	-	-	-	-
3 C - Industrie manufacturière	8,866	635	74	6	203	19.0	114	740	64	62	49	(19)	(4)	(13)
4 D - Production et distribution d'électricité, de gaz, de vapeur et d'air conditionné	4,497	98	91	96	8	8.0	116	170	7	10	1	(1)	(1)	-
5 E - Production et distribution d'eau; assainissement, gestion des déchets et dépollution	493	6	4	8	3	13.0	2	20	(1)	1	-	-	-	-
6 F - Services de bâtiments et travaux publics	1,722	58	6	32	15	15.0	6	97	8	11	1	(1)	(1)	(1)
7 G - Commerce de gros et de détail; réparation d'automobiles et de motos	8,122	574	43	-	121	14.0	69	661	8	63	2	(6)	(4)	(1)
8 H - Transports et entreposage	6,166	174	33	222	30	11.0	60	333	66	3	16	(14)	-	(14)
9 L - Activités immobilières	8,868	269	99	17	2	4.0	94	291	2	28	1	(3)	(2)	-
10 Prêts garantis par des biens immobiliers résidentiels	19,008	7	30	190	500	22.0	-	727	-	166	8	(9)	(4)	(4)
11 Prêts garantis par des biens immobiliers commerciaux	8,781	55	44	9	-	4.0	4	104	-	1	-	(2)	-	-
12 Sûretés saisies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Autres secteurs pertinents (ventilation ci-dessous, le cas échéant)	28,071	1,299	340	58	34	5.0	364	992	375	49	30	(13)	(2)	(4)

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Gross carrying amount (Mln EUR)														
of which exposures sensitive to impact from climate change physical events														
North America	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years								Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, sylviculture et pêche	14	5	-	-	-	2.0	-	2	3	-	-	-	-	-
2 B - Industries extractives	1,132	182	95	-	-	4.0	43	186	48	10	-	(2)	(2)	-
3 C - Industrie manufacturière	5,149	392	123	1	303	30.0	244	346	229	45	4	(1)	-	-
4 D - Production et distribution d'électricité, de gaz, de vapeur et d'air conditionné	6,590	460	118	1	327	30.0	241	421	244	10	-	(1)	-	-
5 E - Production et distribution d'eau; assainissement, gestion des déchets et dépollution	39	2	-	1	2	13.0	1	3	1	-	-	-	-	-
6 F - Services de bâtiments et travaux publics	102	5	-	-	-	7.0	2	3	-	1	-	-	-	-
7 G - Commerce de gros et de détail; réparation d'automobiles et de motos	2,406	486	2	-	207	23.0	225	246	224	68	1	(3)	(2)	-
8 H - Transports et entreposage	2,845	73	35	-	7	8.0	32	46	37	2	-	-	-	-
9 L - Activités immobilières	2,239	131	-	-	-	2.0	20	76	35	17	19	(6)	(1)	(5)
10 Prêts garantis par des biens immobiliers résidentiels	25	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Prêts garantis par des biens immobiliers commerciaux	1,840	-	-	-	-	na	-	-	-	-	-	-	-	-
12 Sûretés saisies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Autres secteurs pertinents (ventilation ci-dessous, le cas échéant)	9,266	658	12	6	27	5.0	112	387	204	35	31	(12)	(5)	(6)

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Gross carrying amount (Mln EUR)														
of which exposures sensitive to impact from climate change physical events														
Rest of the world	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	≤ 5 years	5 years ≤ 10 years	10 years ≤ 20 years	20 years								Of which Stage 2 exposures	Of which non-performing exposures	
1 A - Agriculture, sylviculture et pêche	292	14	-	-	-	1.0	3	7	4	-	1	-	-	-
2 B - Industries extractives	3,011	652	95	-	1	3.0	63	533	152	36	6	(6)	(5)	(1)
3 C - Industrie manufacturière	6,640	1,129	225	328	222	12.0	179	1,013	712	157	52	(49)	(4)	(44)
4 D - Production et distribution d'électricité, de gaz, de vapeur et d'air conditionné	5,079	478	3	118	-	5.0	57	172	370	241	-	(7)	(7)	-
5 E - Production et distribution d'eau; assainissement, gestion des déchets et dépollution	258	3	34	1	1	8.0	1	36	2	-	-	-	-	-
6 F - Services de bâtiments et travaux publics	654	98	2	3	3	3.0	13	65	28	7	19	(19)	(1)	(18)
7 G - Commerce de gros et de détail; réparation d'automobiles et de motocycles	5,325	2,308	32	4	129	5.0	104	2,033	336	17	36	(38)	(2)	(34)
8 H - Transports et entreposage	3,859	71	73	15	7	8.0	9	125	32	3	36	(10)	-	(10)
9 L - Activités immobilières	1,109	181	5	11	-	3.0	6	180	11	11	44	(24)	(1)	(22)
10 Prêts garantis par des biens immobiliers résidentiels	1,515	1	1	1	-	8.0	-	1	2	-	-	-	-	-
11 Prêts garantis par des biens immobiliers commerciaux	2,145	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Sûretés saisies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Autres secteurs pertinents (ventilation ci-dessous, le cas échéant)	7,089	1,724	120	17	45	4.0	112	1,538	256	43	11	(11)	(1)	(7)



# 15

## MODEL RISK

### **IN BRIEF**

Model risk is defined as the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

Many choices made within the Group are based on quantitative decision support tools (models). Model risk is defined as the risk of adverse consequences (including financial consequences) due to decisions reached based on results of internal models. The source of model risk may be linked to errors in development, implementation or use of these models and can take the form of model uncertainty or errors in the implementation of model management processes.

## 15.1 MODEL RISK MONITORING

The Group is fully committed to maintaining a solid governance system in terms of model risk management in order to ensure the efficiency and reliability of the identification, design, implementation, modification monitoring processes, independent review and approval of the models used. An MRM (“Model Risk Management”) Department in charge of controlling model risk was created within the Risk Department in 2017. Since then, the model risk management framework has been consolidated and structured and is based today on the following device.

### Market players and responsibilities

The model risk management system is implemented by the three independent lines of defence, which correspond to the responsibility of the business lines in risk management, to the review and independent supervision and evaluation of the system and which are segregated and independent to avoid any conflict of interest.

The mechanism in place is as follows:

- the first line of defence (LoD1), which brings together several teams with diverse skills within the Group, is responsible for the development, implementation, use and monitoring of the relevance over time of the models, in accordance with model risk management system; these teams are housed in the Business Departments or their Support Departments;
- the second line of defence (LoD2) is made up of governance teams and independent model review teams, and supervised by the “Model Risk” Department within the Risk Department;
- the third line of defence (LoD3) is responsible for assessing the overall effectiveness of the model risk management system (the relevance of governance for model risk and the efficiency of the activities of the second line of defence) and independent audit of models: it is housed within the Internal Audit Department.

### Governance, steering and monitoring

An 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 by the LoD1 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 the review and approval process

For each model, risk management is based on compliance with the rules and standards defined for the entire Group by each LoD1 player, it is guaranteed by an effective challenge from LoD2 and a uniform approval process.

The need to examine a model is assessed according to the level of model risk, its model family and applicable regulatory requirements. The independent review by the second line of defence is triggered in particular for new models, periodic model reviews, proposals to change models and transversal reviews in response to a recommendation:

- it corresponds to all the processes and activities which aim to verify the conformity of the functioning and use of the models with respect to the objectives for which they were designed and to the applicable regulations, on the basis of the activities and controls implemented by LoD1;
- it is based on certain principles aimed at verifying the theoretical robustness (evaluation of the quality of the design and development of the model), the conformity of the implementation and use, and the relevance of the monitoring of the model;
- it gives rise to an Independent Review Report, which describes the scope of the review, the tests carried out, the results of the review, the conclusions or the recommendations.

The model approval process is the responsibility of LoD2 and follows the same approval format 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.

At the end of the review work, after a discussion period with LoD1 regarding the conclusions of the review report, including findings and recommendations, LoD2 confirms or modifies the review report and publishes it.

LoD2 then organises the Approval Authority, a body which has the power to decide on the use of a model, changes made to the existing model or continuous monitoring of the relevance of the model along the time proposed by the LoD1, from the Independent Review Report and the minutes of the Review Authority.

# 16

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## OTHER RISKS

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### **IN BRIEF**

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This section describes equity risks and other risks not described in previous chapters.

## 16.1 RISK RELATED TO INSURANCE ACTIVITIES

Refer to Financial Statements in Chapter 6 - Note 4.3 Insurance activities.

## 16.2 INVESTMENT RISK

The Group's appetite for financial shareholdings in proprietary private equity operations is restricted to certain targeted business areas. Consequently, the types of acceptable private equity operations chiefly involve:

- commercial support for the network through the private equity business of the Group's retail banking network in France and certain foreign subsidiaries;
- shareholdings in innovative companies and/or ESG-oriented companies, either directly or through private equity funds;
- shareholdings in financial services companies such as Euroclear and Crédit Logement.

Any equity investment transaction, regardless of its amount, must be reviewed under the responsibility of the Business Unit and approved by the Group Strategy Department. Once the total portfolio of the Business Unit exceeds an amount of EUR 25 million, an investment envelope must be approved by the Group Strategy Department on the basis of a file prepared by the Business Unit with the support of 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 description of the investment policy (typology, duration, etc.);
- the risk analysis (legal, accounting, tax, compliance and reputational risks);
- 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.

## 16.3 BUSINESS RISK

Business risks are the risks linked to the exposure to value loss due to fluctuations in volumes, margins, net fees and operating expenses that are not already captured by other risk categories. The CRMs (Monthly Results Committee) are an opportunity to review the financial performance of the BU/SU/pillars/Group, to measure potential deviations from the financial trajectory and to decide on corrective actions if necessary. The quarterly summary of the Group's financial performance is presented and commented on in CACI and forwarded to the Board of Directors.

## 16.4 RISK RELATED TO OPERATING LEASING ACTIVITIES

Through its **Mobility, International Retail Banking & Financial Services (MIBS)** Division, mainly in its long-term vehicle leasing subsidiary (operating leasing product), the Group is exposed to the risk associated to the management of the leased vehicles which includes the risk on residual value and the cost of the repair, maintenance and tyres.

### Residual value risk

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.

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, tariffs, consumer preferences, new vehicles pricing, etc.

The gross result<sup>(1)</sup> on used-vehicle sales amounted to €628.1 million in 2025, compared with €907.9 million as of 31 December 2024.

### RISK MANAGEMENT

The residual value setting procedure defines the processes, roles and responsibilities involved in the determination of residual values that will be used by Ayvens as a basis for producing vehicle lease quotations.

A Residual Value Review Committee is held at least three times a year within each operating entity of Ayvens. This Committee debates and decides residual values, considering local market specificities, documenting its approach, ensuring that there is a clear audit trail.

A central Ayvens Risk team examines and validates the proposed residual values before notifying the operating entities and updated in the local quotation system. This team escalates to Ayvens' regional Directors, group Chief Risk and Compliance Officer (CRCO) and/or other ExCo members in case of disagreements.

Additionally, following IAS (International Accounting Standards) and Ayvens Group accounting rules, a fleet revaluation exercise is carried out twice a year for operating entities owning more than 10,000 cars (once a year for smaller entities) by the subsidiaries under the supervision of the Ayvens' Central Risk Department and using common tools and methodologies. If the reassessment of the fleet results in expected losses, additional depreciation may be booked according to Ayvens Group accounting standards to cover the residual value risk.

## 16.5 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 Strategic Planning Process 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. The Internal Rules of the Board of Directors (provided in Chapter 3 of the present document in section 3.3) lay down the procedures for convening meetings.

## 16.6 CONDUCT RISK

The Group is also exposed to conduct risk through all of its core businesses. The Group defines conduct risk as resulting from actions (or inaction) or behaviours of the Bank or its employees, inconsistent with the Group's Code of Conduct, which may lead to adverse consequences for its stakeholders, or jeopardise the Bank's sustainability or reputation.

Stakeholders include in particular the clients, employees, investors, shareholders, suppliers, the environment, markets and countries in which the Group operates.

(1) Excluding the impact of depreciation adjustments



# 17

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## **PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT**

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## **17.1 PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT**

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**Mr Leopoldo ALVEAR**

Group Chief Financial Officer of Societe Generale

## **17.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT**

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I certify, after having taken all reasonable measures to this effect, that the information disclosed in this Pillar 3 Risk Report complies, to the best of my knowledge, with Part 8 of EU Regulation No. 2019/876 (and its subsequent amendments) and has been established in accordance with the internal control procedures agreed upon at the management body level.

Paris, the 25th of March 2026

**Group Chief Financial Officer of Societe Generale**

**Mr Leopoldo ALVEAR**

# 18

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## APPENDICES

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## 18.1 PILLAR 3 CROSS-REFERENCE TABLE

CRD4/ CRR article	Theme	Pillar 3 report reference (except reference to the Universal Registration Document)	Page in Pillar 3 report
90 (CRD)	Return on assets	5 Capital management and adequacy	48
		1 Group concise risk statement	8-16
435 (CRR)	Risk management objectives and policies	3 Risk management and organisation	31-46
		12 Liquidity risk	223-240
436 (CRR)	Scope of application	5 Capital management and adequacy	65-67 ; 91-100
		SG website - Capital instruments and TLAC eligible SNP/SP	
		SG website - Information about the consolidation scope	
		SG website - Differences in the scopes of consolidation (LI3)	
437 (CRR)	Own funds	5 Capital management and adequacy	53-57 ;62-66
437a (CRR)	TLAC and related eligible instruments	5 Capital management and adequacy SG website - Capital instruments and TLAC eligible SNP/SP	60 ; 62-63
438 (CRR)	Capital requirements	5 Capital management and adequacy	48;63
439 (CRR)	Exposure to counterparty credit risk	7 Counterparty credit risk	154-169
440 (CRR)	Capital buffers	5 Capital management and adequacy	67-69
441 (CRR)	Indicators of global systemic importance	SG website - Information and publication section	
442 (CRR)	Credit risk adjustments	6 Credit risk	86 ; 112-116
443 (CRR)	Encumbered and unencumbered assets	12 Liquidity risk	227-230
		6 Credit risk	87-112;128-131
444 (CRR)	Information on the use of the standardised approach/use of ECAIs	8 Securitisation	183
		9 Market risk	192-206
445 (CRR)	Exposure to market risk	9 Market risk	192-206
446 (CRR)	Operational risk	10 Operational risk	208-215
447 (CRR)	Information on key metrics	1 Group concise risk statement	14-16
448 (CRR)	Exposure to interest rate risk on positions not included in the trading book	11 Structural interest rate and exchange rate risks	218-221
449 (CRR)	Exposure to securitisation positions	8 Securitisation	172-190
449 bis (CRR)	Environmental Social Governance	14 ESG	248-266
450 (CRR)	Remuneration policy	First update of the Pillar 3 report (planned)	
451 (CRR)	Leverage	5 Capital management and adequacy	60;70-73
		12 Liquidity risk	224-226 ;231-240
452 (CRR)	Use of the IRB Approach to credit risk	6 Credit risk	87-109;132-144
453 (CRR)	Use of credit risk mitigation techniques	6 Credit risk	87-88;126;144-150
454 (CRR)	Use of the advanced measurement approaches to operational risk	10 Operational risk	208-216
455 (CRR)	Use of internal market risk models	9 Market risk	192-206

## 18.2 INDEX OF THE TABLES IN THE RISK REPORT

Chapter	Table number Pillar 3 report	Table number URD <sup>(1)</sup>	Title	Page in Pillar 3 report	Page in UR D <sup>(1)</sup>	EBA regulatory references
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(1) Universal Registration Document.

## 18.3 MAPPING TABLE OF EXPOSURE CLASSES

As part of the presentation of credit risk data, the table below shows the link between the synthetic presentations of certain tables and the exposure classes detailed in the tables requested by the EBA in the context of the revision of Pillar 3.

Approach	COREP exposure class	Pillar 3 exposure class
AIRB	Central governments and central banks	Sovereigns
AIRB	Institutions	Institutions
AIRB	Corporate - SME	Corporates
AIRB	Corporate - Specialised lending	Corporates
AIRB	Corporate - Other	Corporates
AIRB	Retail - Secured by real estate SME	Retail
AIRB	Retail - Secured by real estate non-SME	Retail
AIRB	Retail - Qualifying revolving	Retail
AIRB	Retail - Other SME	Retail
AIRB	Retail - Other non-SME	Retail
AIRB	Other non credit-obligation assets	Others
AIRB	Default funds contributions	Others
FIRB	Central governments and central banks	Sovereigns
FIRB	Institutions	Institutions
FIRB	Corporate - SME	Corporates
FIRB	Corporate - Specialised lending	Corporates
FIRB	Corporate - Other	Corporates
IRB	Equity Exposures	Others
IRB	Securitisation	Others
Standardised	Central governments or central banks	Sovereigns
Standardised	Regional governments or local authorities	Institutions
Standardised	Public sector entities	Institutions
Standardised	Multilateral development banks	Sovereigns
Standardised	International organisations	Sovereigns
Standardised	Institutions	Institutions
Standardised	Corporates	Corporates
Standardised	Retail	Retail
Standardised	Secured by mortgages on immovable property	Others
Standardised	Exposures in default	Others
Standardised	Items associated with particularly high risk	Others
Standardised	Covered bonds	Others
Standardised	Claims on institutions and corporate with a short-term credit assessment	Others
Standardised	Claims in the form of CIU	Others
Standardised	Equity Exposures	Others
Standardised	Other items	Others
Standardised	Default funds contributions	Others
Standardised	Securitisation	Others

## 18.4 ABBREVIATIONS TABLE

### ABBREVIATIONS TABLE

Abbreviation	Meaning
ABS	Asset-Backed Securities
ACPR	<i>Autorité de contrôle prudentiel et de résolution</i> (French supervisory authority)
ALM	Asset and Liability Management
CCF	Credit Conversion Factor
CDS	Credit Default Swap
CDO	Collateralised Debt Obligation
CLO	Collateralised Loan Obligation
CMBS	Commercial Mortgage-Backed Securities
CRD	Capital Requirement Directive
CRM (credit risk)	Credit Risk Mitigation
CRM (market risk)	Comprehensive Risk Measure
CRR	Capital Requirement Regulation
CVaR	Credit Value at Risk
EAD	Exposure At Default
ECB	European Central Bank
EL	Expected Loss
IMM	Internal Model Method
IRBA	Internal Ratings-Based approach – Advanced
IRBF	Internal Ratings-Based approach – Foundation
IRC	Incremental Risk Charge
G-SIB	Global Systemically Important Bank
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MREL	Minimum Requirement for own funds and Eligible Liabilities
NSFR	Net Stable Funding Ratio
PD	Probability of Default
RMBS	Residential Mortgage-Backed Securities
RW	Risk Weight
RWA	Risk-Weighted Assets
SREP	Supervisory Review and Evaluation Process
SVaR	Stressed Value at Risk
TLAC	Total Loss Absorbing Capacity
VaR	Value at Risk

Conception et Réalisation



