

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

5,500,000 European Style Cash Settled Short Certificates relating to

the ordinary H shares of BYD Company Limited

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S\$1.20 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 14 June 2024 including such further base listing documents as may be issued from time to time, as supplemented by an addendum dated 30 September 2024 (the “**Base Listing Document**”), for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and

holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 14 June 2024 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 2 April 2025.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

1 April 2025

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in

one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) in respect of certain corporate adjustment events on the Underlying Stock, trading in the Certificates may be suspended on the relevant ex-date of the Underlying Stock and trading in the Certificates will resume on the next immediate trading day on the SGX-ST. Please note that trading in the Certificates on the SGX-ST may be suspended for more than one trading day in certain circumstances;
- (b) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (c) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (d) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;
- (e) in the event that the Company is subject to any sanction by governmental authorities, (i) such sanction may impact general investor interest in the Underlying Stock, which may in turn affect the liquidity and market price of the Underlying Stock, and (ii) investors should consult their own legal advisers to check whether and to what extent investing in the Certificates will be in violation of applicable laws and regulations;
- (f) in the event that the Company is controlled through weighted voting rights, certain individuals who own shares of a class which is being given more votes per share may have the ability to determine the outcome of most matters, and depending on the action taken by the Company, the market price of the Certificates could be adversely affected;
- (g) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (h) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

- (i) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (j) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (k) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 31 to 36 and the examples and illustrations of adjustments set out in the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section of this document for more information;
- (l) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (m) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (n) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);
- (o) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;
- (p) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (q) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous trading day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer

than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

- (r) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (s) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (t) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when market opens (including pre-opening session or opening auction, as the case may be) the following trading day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 52 to 53 of this document for more information;
- (u) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Certificates may be terminated prior to its Expiry Date for the following reasons which are not exhaustive: Illegality and force majeure, occurrence of a Holding Limit Event (as defined in the Conditions of the Certificates) or Hedging Disruption (as defined in the Conditions of the Certificates). For more detailed examples of when early termination may occur, please refer to the FAQ section under the "Education" tab on the website at dlc.socgen.com.

The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be substantially less than the amount initially invested, and at the worst case, be zero. Investors may refer to the Condition 13 on pages 38 to 40 of this document for more information;

- (v) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (w) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the

Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

- (x) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (y) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (z) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

- (aa) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

- Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

- The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;
- (bb) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;
- (cc) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (dd) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“**CDP**”):
 - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (ee) the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate (“**HIBOR**”) benchmark is referenced in the Leverage Inverse Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any

authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate;

- (ff) the US Foreign Account Tax Compliance Act (“**FATCA**”) withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do not provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor’s broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

- (gg) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986.” Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder’s particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates;

- (hh) risks arising from the taxation of securities

Tax law and practice are subject to change, possibly with retroactive effect. This may have a negative impact on the value of the Certificates and/or the market price of the Certificates. For example, the specific tax assessment of the Certificates may change compared to its assessment at the time of purchase of the Certificates. This is especially true with regard to derivative Certificates and their tax treatment. Holders of Certificates therefore bear the risk that they may misjudge the taxation of the income from the purchase of the Certificates. However, there is also the possibility that the taxation of the income from the purchase of the Certificates will change to the detriment of the holders.

Holders of the Certificates bear the risk that the specific tax assessment of the Certificates will change. This can have a negative impact on the value of the Certificates and the investor may incur a corresponding loss. The stronger this negative effect, the greater the loss may be; and

- (ii) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. The BRRD, as amended, has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal has been discussed and amended by the European Parliament and the European Council. Council and Parliament reached agreement on 6 December 2023 to make the proposal final and applicable. If the final agreement was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The final agreement may also lead to a rating downgrade for senior preferred debt instruments.

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Framework (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism (“**SSM**”). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States’ resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been, and continues to be, designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the “**SSM Regulation**”) and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able

to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the “**Resolution Authority**”) with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions while minimising the impact of an institution’s failure on the economy and financial system (including taxpayers’ exposure to losses).

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions’ resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the “**Bail-in Power**”). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of

contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD and the SRM Regulation provide the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments. The BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The regime has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts were published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among other things, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC has been implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended notably by Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio,

requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the “**CRR II**”) and Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU as regards the prudential treatment of global systemically important institutions with a multiple-point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities, EU G-SIBs, such as Societe Generale, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in BRRD, as amended notably by BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks, including Societe Generale).

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	5,500,000 European Style Cash Settled Short Certificates relating to the ordinary H shares of BYD Company Limited traded in HKD (the “ Underlying Stock ”)
ISIN:	LU2517569021
Company:	BYD Company Limited (RIC: 1211.HK)
Underlying Price ³ and Source:	HK\$386.2 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 1.20
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	16.00%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost ⁶ :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	25 March 2025
Closing Date:	1 April 2025

³ These figures are calculated as at, and based on information available to the Issuer on or about 1 April 2025. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 1 April 2025.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days’ notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	2 April 2025
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 23 March 2027
Expiry Date:	31 March 2027 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	30 March 2027 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 44 to 58 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where: “t” refers to “ Observation Date ” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

An “**Underlying Stock Business Day**” is a day on which The Stock Exchange of Hong Kong Limited (the “**HKEX**”) is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 44 to 58 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 20 to 25 below.

Initial Exchange Rate³: 0.1725

Final Exchange Rate: The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.

Air Bag Mechanism:

The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents an approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes of continuous trading after the Air Bag is triggered. The resumption of trading is subject to the SGX-ST’s requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 23 to 25 below and the “Description of Air Bag Mechanism” section on pages 50 to 51 of this document for further information of the Air Bag Mechanism.

Adjustments and Extraordinary Events:

The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

Underlying Stock Currency:

Hong Kong Dollar (“**HKD**”)

Settlement Currency:

Singapore Dollar (“**SGD**”)

Exercise Expenses:

Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.

Relevant Stock Exchange for the Certificates:

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)

Relevant Stock Exchange for the Underlying Stock:

HKEX

Business Day, Settlement Business Day and Exchange Business Day: A “**Business Day**” or a “**Settlement Business Day**” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

An “**Exchange Business Day**” is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.

Warrant Agent: The Central Depository (Pte) Limited (“**CDP**”)

Clearing System: CDP

Fees and Charges: Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information: Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

LSL_t means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - SB_{t-1,t} - RC_{t-1,t}), 0]$$

LR_{t-1,t} means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right)$$

FC_{t-1,t} means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t - 1, t)}{\text{DayCountBasisRate}}$$

SB_{t-1,t} means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$SB_{t-1,t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(t - 1, t)}{\text{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to 4.00%.

RC_{t-1,t} means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows:

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right| \right) \times \text{TC}$$

TC means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:

0.11%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage	-5
S_t	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
Rate_t	means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC H1HKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Rfactor_t	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula: $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p><i>Div_t</i> is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.</p>
ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).
DayCountBasis	365
Rate	
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	means, in respect of the Reference Rate any of the following has occurred or will occur: <ul style="list-style-type: none"> (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA)

or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board’s paper titled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014.

Reference Rate Cessation

means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/ Benchmark Event

means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s)

means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)

Extraordinary Strategy Adjustment for Performance Reasons

If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance**

Reasons) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date (LSL_{IRD}) should be computed as follows:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

$ILSL_{IR(k)}$

means, in respect of $IR(k)$, the Intraday Leverage Inverse Strategy Level in accordance with the following provisions:

(1) for $k = 1$:

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - SB_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for $k > 1$:

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

$ILR_{IR(k-1),IR(k)}$

means the Intraday Leveraged Return between $IR(k-1)$ and $IR(k)$, calculated as follows:

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

$IRC_{IR(k-1),IR(k)}$

means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of $IR(k)$ on a given Intraday Restrike Date, calculated as follows:

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

$IS_{IR(k)}$

means the Underlying Stock Price in respect of $IR(k)$ computed as follows:

(1) for $k=0$

$$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for $k=1$ to n

means in respect of $IR(k)$, the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to $IR(C)$

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

$IR(k)$

For $k=0$, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For $k=1$ to n , means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	<p>means in respect of an Observation Date(t):</p> <p>(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $IS_{IR(0)}$ as of such Calculation Time.</p> <p>(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $IS_{IR(k)}$ as of such Calculation Time.</p>
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time (including pre-opening session or opening auction, as the case may be) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	<p>means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.</p> <p>Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.</p>
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 14 June 2024, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
 - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;
- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
 - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

- (C) the cancellation of the Certificates; and/or
- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the “**Statutory Bail-In**”);

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**Code**”):

- (A) ranking:
 - (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the Code;
 - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the Code; and
 - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the Code; and
- (B) which are not *titres non structurés* as defined under Article R.613-28 of the Code, and
- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself and any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the

Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

“Amounts Due” means any amounts due by the Issuer under the Certificates.

“Bail-In Power” means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, varied or otherwise modified in any way and/or converted into shares or other securities or obligations of the obligor or any other person.

“MREL” means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

“Relevant Resolution Authority” means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate

the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

“**Settlement Disruption Event**” means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the “SG Group”), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

“**Computer System**” means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

“**Data**” means any digital information, stored or used by the Computer System, including confidential data.

- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
- (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer,

Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

- (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
- (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that

results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) Subdivision or Consolidation of the Certificates. The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction) and subject to the approval of the SGX-ST.
- (f) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For

the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

6A. US withholding tax implications on the Payment

Notwithstanding any other provision of these Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction (i) required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**US Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the US Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto, (ii) imposed pursuant to the Section 871(m) Regulations (“**Section 871(m) Withholding**”) or (iii) imposed by any other law of the United States. In addition, in determining the amount of Section 871(m) Withholding imposed on any payments on the Certificates, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the US Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

With respect to Specified Warrants that provide for net dividend reinvestment in respect of either an underlying U.S. security (i.e. a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on Certificates that reference such U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer or the Guarantor will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer or the Guarantor will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

For the purpose of this Condition:

“**Section 871(m) Regulations**” means the U.S. Treasury regulations issued under Section 871(m) of the Code.

“**Specified Warrants**” means, subject to special rules from 2017 through 2026 set out in Notice 2024-44 (the **Notice**), Warrants issued on or after 1 January 2017 that substantially replicate the economic performance of one or more U.S. underlying equities as determined by the Issuer on the date for such Warrants as of which the expected delta of the product is determined by the Issuer, based on tests set out in the applicable Section 871(m) Regulations, such that the Warrants are subject to withholding under the Section 871(m) Regulations.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to

be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

- (a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(e).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"Regulatory Event" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **"Relevant Affiliates"** and each of the Issuer, Société Générale and the Relevant Affiliates, a **"Relevant Entity"**) that, after the Certificates have been issued, (i) any Relevant Entity

would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"Change in law" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(e) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"Holding Limit Event" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall

Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for Hedging Disruption.* If the Issuer or any of its affiliates is, following commercially reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any Hedge Positions (as defined below) or (ii) to freely realize, recover, receive, repatriate, remit, regain or transfer the proceeds of any Hedge Position (where either (i) or (ii) shall constitute a "**Hedging Disruption**"), the Issuer may terminate the Certificates early in accordance with Condition 13(e) provided that the intrinsic value on the previous trading day of the relevant Certificate is at or above the Issue Price. The Issuer's decision on whether a Hedging Disruption has occurred is final and conclusive. For the avoidance of doubt, Hedging Disruptions shall include the scenario where any Hedge Position cannot be maintained up to the amount necessary to cover all of the Issuer's obligations under the Certificates.

For the purposes hereof, "**Hedge Positions**" means any one or more commercially reasonable (i) positions (including long or short positions) or contracts in, or relating to, securities, options, futures, other derivatives contracts or foreign exchange, (ii) stock loan or borrowing transactions or (iii) other instruments, contracts, transactions or arrangements (howsoever described) that the Issuer or any of its affiliates determines necessary to hedge, individually or on a portfolio basis, any risk (including, without limitation, market risk, price risk, foreign exchange risk and interest rate risk) in relation to the assumption and fulfilment of the Issuer's obligations under the Certificates.

- (d) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(e) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.
- (e) *Termination.* If the Issuer terminates the Certificates early, the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The determination of the fair market value may deviate from the determination of the Cash Settlement Amount under different scenarios, including but not limited to, where (i) the Daily Reset (as defined in the relevant Supplemental Listing Document) mechanism is suspended and/or (ii) the Final Reference Level is determined based on the closing price of the Underlying Stock on multiple Underlying Stock Business Days or Exchange Business Days, as the case may be. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the “**Substituted Obligor**”), it shall give at least 90 days’ notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	BYD Company Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	5,500,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 14 June 2024 (the “ Master Instrument ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ Master Warrant Agent Agreement ”) and made between the Issuer, the Guarantor and the Warrant Agent (as amended and/or supplemented from time to time).
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

- Transfers of Certificates:** Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
- Listing:** Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 2 April 2025.
- Governing Law:** The laws of Singapore
- Warrant Agent:** The Central Depository (Pte) Limited
4 Shenton Way
#02-01 SGX Centre 2
Singapore 068807
- Further Issues:** Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	t ⁷ =0	x	t=1	x	t=2	x ...	t=i			
		Notional Amount		Leverage Inverse Strategy daily performance ⁸		Daily Fees		Leverage Inverse Strategy daily performance	Daily Fees	Leverage Inverse Strategy Daily performance	Daily Fees

Value of Certificates	=	t=0	x	Product of the daily Leverage Inverse Strategy Performance	x	Product of the Daily Fees (Hedging Fee Factor)	
		Notional Amount		Leverage Inverse Strategy daily performance		Leverage Inverse Strategy daily performance	Daily Fees x Daily Fees

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate	x	Hedging Fee Factor
		Notional Amount		÷		
				Initial Reference Level x Initial Exchange Rate		

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "Observation Date" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary H shares of BYD Company Limited traded in HKD
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	1.20 SGD
Notional Amount per Certificate:	1.20 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	16.00%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 16.00\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9556\% \approx 99.9544\%$$

Assuming 2nd Underlying Stock Business Day falls 3 Calendar Days after 1st Underlying Stock Business Day:

$$\text{HFF}(2) = \text{HFF}(1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF (2)} = 99.9544\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 16.00\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9544\% \times 99.9967\% \times 99.8667\% \approx 99.8178\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n - 1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.3187% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9544%
5/7/2018	99.9089%
6/7/2018	99.8634%
9/7/2018	99.7269%
10/7/2018	99.6815%
11/7/2018	99.6361%
12/7/2018	99.5907%
13/7/2018	99.5453%
16/7/2018	99.4093%
17/7/2018	99.3640%
18/7/2018	99.3187%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.3187\% \\ &= 119.18\% \end{aligned}$$

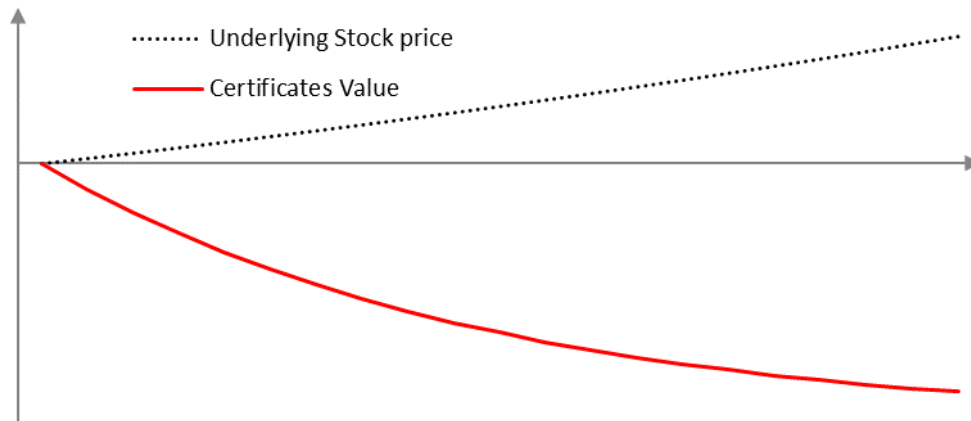
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.18\% \times 1.20 \text{ SGD} \\ &= \mathbf{1.430 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

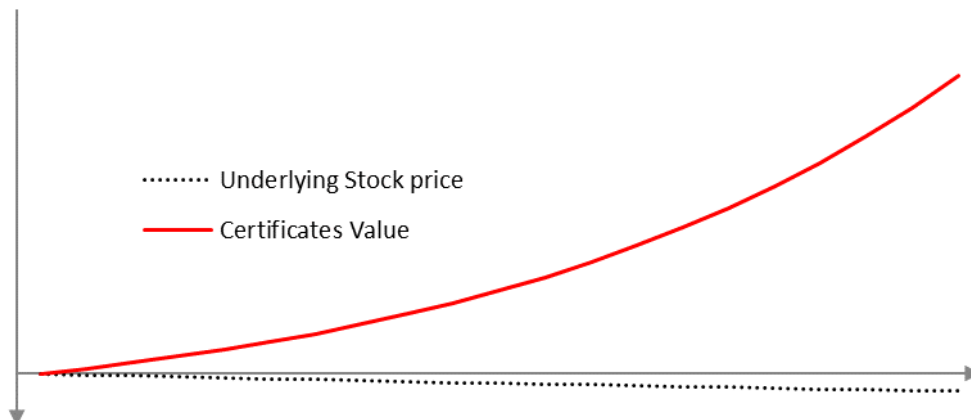
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

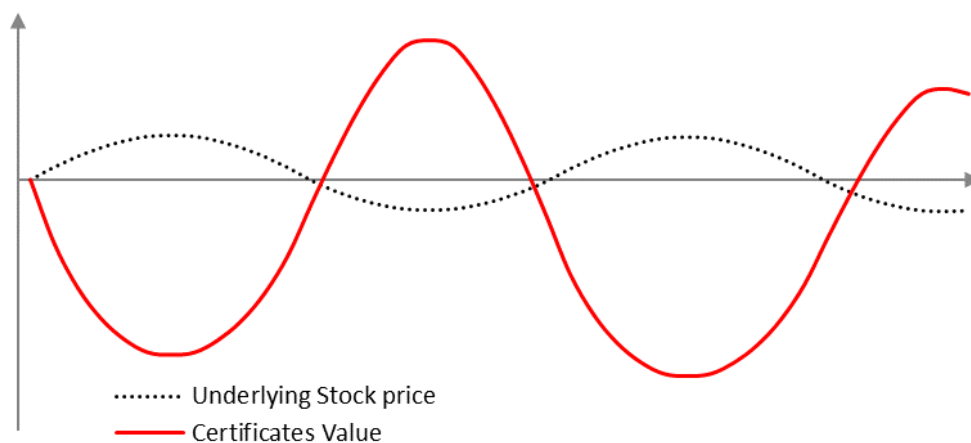
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	1.20	1.08	0.97	0.87	0.79	0.71
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	1.20	1.32	1.45	1.60	1.76	1.93
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	1.20	1.08	1.19	1.07	1.18	1.06
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, this is followed by a period which is divided into two sub-periods:

- Observation Period: the price of the Underlying Stock is observed and its maximum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is less than 15 minutes of continuous trading until Market Close when the Air Bag Mechanism is triggered; and
- Reset Period: the Leverage Inverse Strategy is then reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy.

During the Observation Period and Reset Period, trading of Certificates is suspended for a period of at least 30 minutes of continuous trading after the Air Bag is triggered, and such suspension will be based on instructions provided by the Issuer to the SGX-ST for suspension of trading. Investors cannot sell or purchase any Certificates during this period.

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

For the avoidance of doubt, if the Air Bag Mechanism was triggered more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST's approval to resume trading. If the Air Bag Mechanism was triggered between 45 minutes and 60 minutes of continuous trading before Market Close, trading of Certificates may or may not resume the same trading day after the Reset Period has elapsed. If the Air Bag Mechanism was triggered with only 45 minutes or less of continuous trading before Market Close, trading of Certificates resumes on the next trading day.

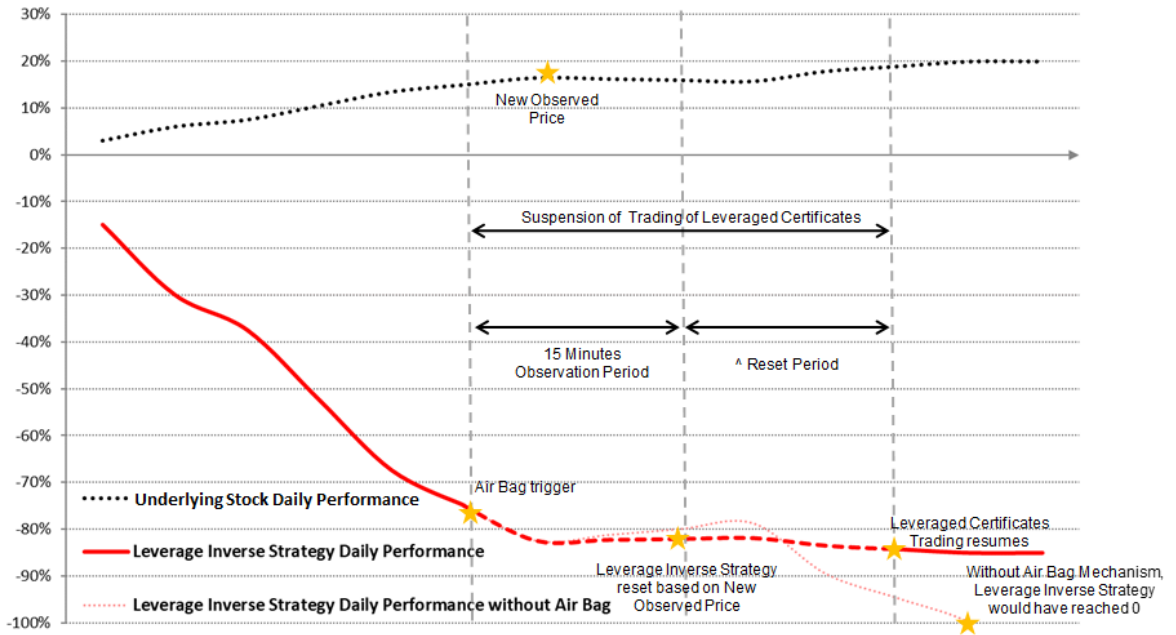
The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour. The Issuer will provide at least 15 minutes' notice of the resumption of trading by making an SGXNET announcement.

With **Market Close** defined as:

- the Underlying Stock closing time, including the closing auction session, with respect to the Observation Period; and
- the sooner of (i) the Underlying Stock closing time for continuous trading and (ii) the SGX-ST closing time, with respect to the Resumption of Trading

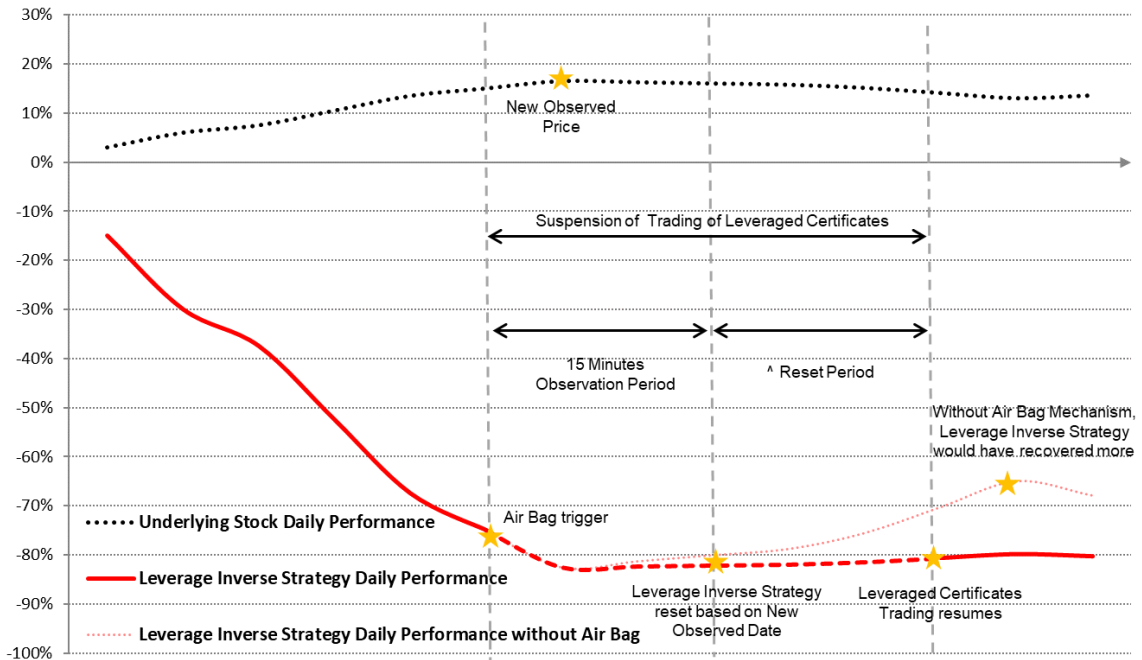
Illustrative examples of the Air Bag Mechanism⁹

Scenario 1 – Upward Trend after Air Bag trigger



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

Scenario 2 – Downward Trend after Air Bag trigger



^ The resumption of trading is subject to the SGX-ST's requirements of at least 15 minutes after the SGX-ST approves the request from the Issuer to resume trading on the Certificates, rounded to the next quarter of an hour.

⁹ The illustrative examples are not exhaustive.

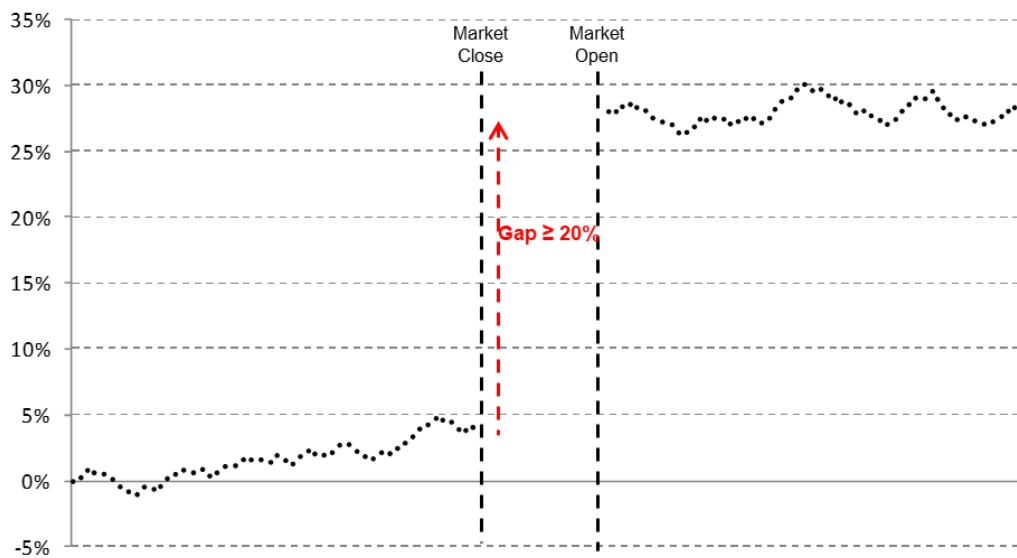
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

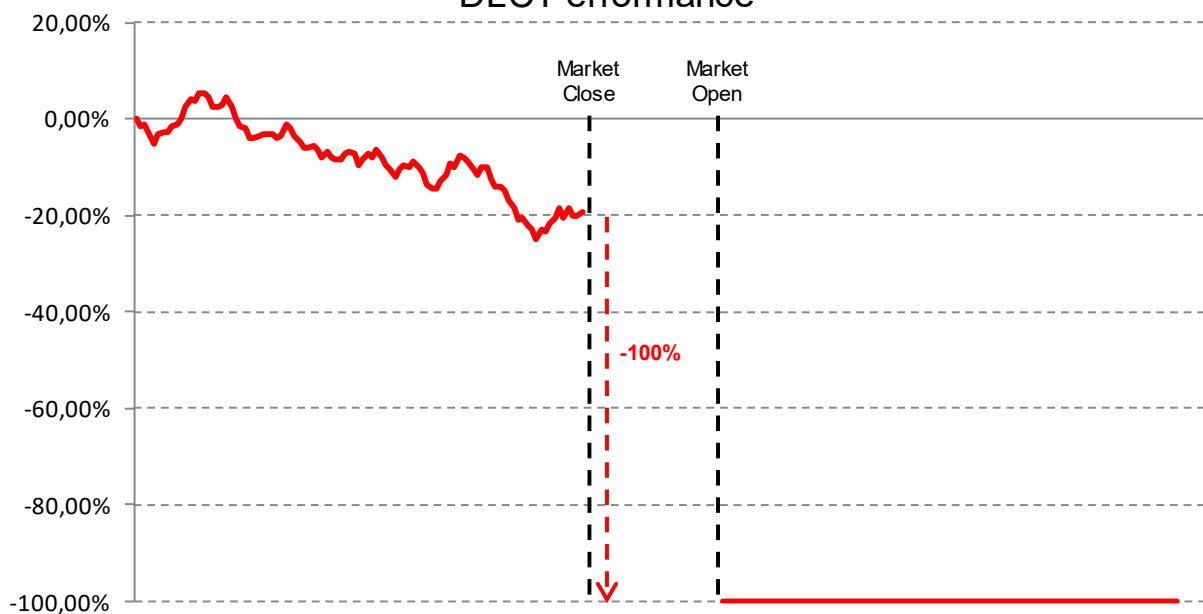
Scenario 1 – Overnight rise of the Underlying Stock

On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more above the previous trading day closing price, the Air Bag Mechanism would only be triggered when the market opens (including pre-opening session or opening auction, as the case may be) the following trading day, and the Certificates would lose their entire value in such event.

Underlying Stock Performance

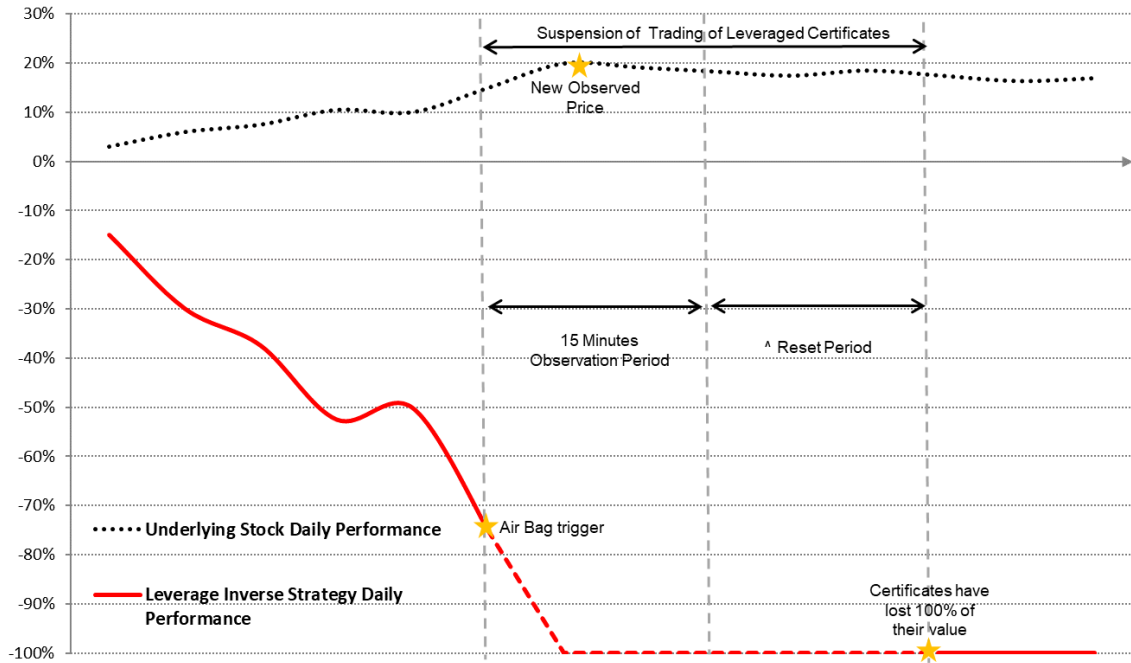


DLC Performance



Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula:

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag Mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.08	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$57.5, which is 15% above \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.14	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	0.90	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.08	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	0.90	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the “HKExCL”) at <http://www.hkex.com.hk> and/or the Company’s web-site at <https://www.bydglobal.com/en/index.html>. The Issuer has not independently verified any of such information.

BYD Company Limited (the “**Company**”) is a China-based company principally engaged in the manufacture and sales of transportation equipment. The Company is also engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use. The Company’s products include rechargeable batteries and photovoltaic products, mobile phone parts and assembly, and automobiles and related products. The Company mainly conducts its businesses in China, the United States and Europe.

The information set out in Appendix I of this document relates to the audited annual results of the Company and its subsidiaries for the year ended 31 December 2024 and has been extracted and reproduced from an announcement by the Company dated 24 March 2025 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at <http://www.hkex.com.hk>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker (“**DMM**”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;
- (iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;
- (v) where the Certificates are suspended from trading for any reason;
- (vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;
- (x) if the stock market experiences exceptional price movement and volatility;

- (xi) when it is a public holiday in Singapore and/or Hong Kong and the SGX-ST and/or the HKEX are not open for dealings; and
- (xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the Guarantor's audited consolidated financial statements for the year ended 31 December 2024.

On 23 September 2024, the share capital of Société Générale stands at EUR 1,000,395,971.25 and comprises 800,316,777 shares with a nominal value of EUR 1.25 per share.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with the information set out in the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2024 or the Guarantor since 31 December 2024, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
 - (a) the Guarantee;
 - (b) the Master Instrument; and
 - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The reports of the Auditors of the Issuer and the Guarantor were not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.
7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:
- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
 - (b) the latest financial reports (including the notes thereto) of the Issuer;
 - (c) the latest financial reports (including the notes thereto) of the Guarantor;
 - (d) the Base Listing Document (which can also be viewed at: <https://www.sgx.com/securities/prospectus-circulars-offer-documents>);
 - (e) this document; and
 - (f) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to places.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made

available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of

investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it is not a U.S. Person, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person), or (iv) a U.S. Person for purposes of the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.

APPENDIX I

REPRODUCTION OF THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 OF BYD COMPANY LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited annual results of the Company and its subsidiaries for the year ended 31 December 2024 and has been extracted and reproduced from an announcement by the Company dated 24 March 2025 in relation to the same.

Audit Report

審計報告

Ernst & Young Hua Ming (2025) Shen Zi No. 70013328_H01
安永華明(2025)審字第70013328_H01號
BYD Company Limited
比亞迪股份有限公司

To the shareholders of BYD Company Limited:

比亞迪股份有限公司全體股東：

1. AUDIT OPINION

We have audited the financial statements of BYD Company Limited which comprise the consolidated and company balance sheets as at 31 December 2024, the consolidated and company income statements, statement of changes in owners' equity and cash flow statement for the year ended 31 December 2024 and notes to the financial statements.

In our opinion, the accompanying financial statements of BYD Company Limited have been prepared in accordance with the PRC Accounting Standards for Business Enterprises (the "PRC ASBEs") in all material aspects and give a fair view of the consolidated and company financial position of BYD Company Limited as at 31 December 2024 and the consolidated and company results of operation and cash flows of BYD Company Limited for 2024.

一、審計意見

我們審計了比亞迪股份有限公司的財務報表，包括二零二四年十二月三十一日的合併及公司資產負債表，二零二四年度合併及公司利潤表、股東權益變動表和現金流量表以及相關財務報表附註。

我們認為，後附的比亞迪股份有限公司的財務報表在所有重大方面按照企業會計準則的規定編製，公允反映了比亞迪股份有限公司二零二四年十二月三十一日的合併及公司的財務狀況以及二零二四年度的合併及公司的經營成果和現金流量。

Audit Report

審計報告

II. BASIS FOR OPINION

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the section headed “Certified Accountants’ Responsibilities for the Audit of the Financial Statements” of our report. We are independent of BYD Company Limited in accordance with the Code of Ethics for PRC certified accountants and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the section headed “Certified Accountants’ Responsibilities for the Audit of the Financial Statements” of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the key audit matter below, provide the basis for our audit opinion on the accompanying financial statements as a whole.

二、形成審計意見的基礎

我們按照中國註冊會計師審計準則的規定執行了審計工作。審計報告的「註冊會計師對財務報表審計的責任」部分進一步闡述了我們在這些準則下的責任。按照中國註冊會計師職業道德守則，我們獨立於比亞迪股份有限公司，並履行了職業道德方面的其他責任。我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

三、關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對本期財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「註冊會計師對財務報表審計的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為財務報表整體發表審計意見提供了基礎。

Audit Report

審計報告

Key audit matter:

關鍵審計事項：

How our audit addressed the key audit matter:

該事項在審計中是如何應對：

Revenue recognition

The operating revenue of BYD Company Limited is mainly from the sales of automobiles and related products and other products, and mobile handset components, assembly services and other products. In 2024, BYD Company Limited recorded a revenue of RMB777.1 billion in the consolidated financial statements, representing an increase of RMB174.8 billion or 29% as compared to the total revenue in 2023.

比亞迪股份有限公司的營業收入主要來自於汽車、汽車相關產品及其他產品、手機部件、組裝及其他產品。二零二四年度，比亞迪股份有限公司合併財務報表中營業收入金額為人民幣7,771億元，較二零二三年度增加人民幣1,748億元，增長率為29%。

收入確認

The audit procedures performed in relation to the revenue recognition in our audit mainly included:

我們在審計過程中對收入確認執行的審計程序主要包括：

- Understood, assessed and tested the effectiveness of the design and operation of internal controls related to revenue recognition;
- 了解、評價和測試與營業收入相關的內部控制的設計及執行有效性；
- Obtained main sales contracts, checked and identified the terms and conditions in the contracts which were related to the transfer of control and revenue recognition, and assessed whether the accounting policies on revenue recognition had been compliance with the requirements of with the PRC ASBEs;
- 獲取主要的銷售合同，檢查和識別與控制權轉移及收入確認相關的合同條款與條件，評價收入確認的會計政策是否符合企業會計準則的要求；
- Confirmed on a sample basis the current sales with major customers in line with confirmation of accounts receivable, and conducted alternative test on samples without reply;
- 結合應收賬款函證，以抽樣方式向主要客戶函證本期銷售額，對未回函的樣本執行替代測試；
- Selected samples from goods sales around the balance sheet date and checked supporting documents such as outbound delivery orders and logistics documents to assess whether relevant revenue had been recognised during the appropriate accounting period;
- 就資產負債表日前後的銷售商品交易選取樣本，檢查出庫單和物流單據等支持性文件，評價相關收入是否被記錄於恰當的會計期間；

Audit Report

審計報告

Key audit matter:

關鍵審計事項：

Taking into consideration that there was a continuous increase in revenue and large amount of sales volume during the Year and the different types of customers and different business types involved, inappropriate recognition of revenue might have a material effect on the financial statements. Therefore, revenue recognition was identified as a key audit matter.

考慮到本年收入持續增長，銷售量大且涉及不同類型的客戶以及不同的業務類型，收入的不恰當確認對財務報表有重大影響。因此，我們將收入確認識別為關鍵審計事項。

For the disclosures of this accounting policy, significant accounting judgements and estimates, as well as relevant financial statements, please refer to notes III.24, 25 and 33 and notes V.44.

該會計政策、重大會計判斷和估計以及相關財務報表披露參見附註三、24、25、33，以及附註五、44。

How our audit addressed the key audit matter:

該事項在審計中是如何應對：

- Selected samples depending on different revenue models, conducted detailed test on revenue recognition and checked supporting documents such as sales orders, outbound delivery orders, logistics records and signed receipts, bank statements, export declarations and sales invoices;
- 根據不同的收入模式，選取樣本，執行收入確認的細節測試，檢查銷售訂單、出庫單、物流單、簽收單、銀行流水、出口報關單及銷售發票等支持性文件；
- Conducted analytical review procedures to compare the movements of various revenues and gross profit margins and analyse the reasonableness of the movements;
- 執行分析性覆核程序，對比各類別收入及毛利率的變動情況，分析收入與毛利率變動的合理性；
- Checked whether there was any significant reversal of revenue or sales return after the Reporting Period;
- 檢查報告期後是否存在重大收入衝回或大額退貨的情況；
- Reviewed the disclosures of operating revenue in the notes to the consolidated financial statements.
- 覆核合併財務報表附註中有關營業收入的披露。

Audit Report

審計報告

Key audit matter:

關鍵審計事項：

Expected credit losses on trade receivables and long-term receivables

BYD Company Limited recorded a carrying amount of trade receivables of RMB62.3 billion and a carrying amount of long-term receivables (including the portion due within one year) of RMB21.6 billion as at 31 December 2024 in the consolidated financial statements, which accounted for a significant portion of the total assets in the consolidated financial statements.

截止二零二四年十二月三十一日，比亞迪股份有限公司合併財務報表中應收賬款賬面價值為人民幣623億元，長期應收款(包括一年內到期部分)賬面價值為人民幣216億元，對合併財務報表總資產而言金額重大。

BYD Company Limited applied a simplified measurement method which grouped different portfolios based on their risk characteristics, and used a credit risk matrix to assess the expected credit losses of the financial assets above. For an item of trade receivable of significant amount and with objective evidence indicating that the credit risk of such differs significantly from that of other receivables, the expected credit loss is calculated by the difference between the present value of all contractual cash flows related to such trade receivable under the single contract and the present value of all expected cash flows. For other receivables, the management has considered the characteristics of credit risks related to different customers, and assessed the expected credit losses by aging group. Management's estimate of expected credit losses has taken into consideration all reasonable and reliable information, including the credit ratings of customers, aging of closing balance, existence of disputes and historic payments, as well as forward-looking information in line with expected macro-economic environment and other factors.

比亞迪股份有限公司運用簡化計量方法，按照風險特徵劃分不同組合，採用信用風險矩陣對上述金融資產的預期信用損失進行評估。對於單項金額重大且存在客觀證據表明該單項應收款項的信用風險與其他應收款項的信用風險有顯著不同的，按照該單項合同下應收款項的所有合同現金流量現值與預期收取的所有現金流量現值之間的差額計提預期信用損失。對於其他的應收款項，管理層考慮了不同客戶的信用風險特徵，以賬齡組合為基礎評估預期信用損失。管理層對預期信用損失的估計考慮所有合理且有依據的信息，包括客戶信用評級、期末餘額的賬齡、是否存在糾紛以及歷史回款情況等信息，還需要結合預期宏觀經濟環境等因素考慮前瞻性信息。

How our audit addressed the key audit matter:

該事項在審計中是如何應對：

應收賬款和長期應收款的預期信用損失

The audit procedures performed in relation to the expected credit losses on trade receivables and long-term receivables in our audit mainly included:

我們在審計過程中對應收賬款和長期應收款的預期信用損失執行的審計工作主要包括：

- Understood, assessed and tested the effectiveness of the design and operation of internal controls related to the estimates of expected credit losses on trade receivables and long-term receivables;
- 了解、評價和測試與應收賬款和長期應收款預期信用損失估計相關的內部控制設計和運行的有效性；
- Discussed with management on the groupings of credit risk characteristic and the estimates of expected credit losses, assessed their accuracy based on historical loss rate, and evaluated the reasonableness of management's expected credit loss model considering current economic conditions;
- 與管理層討論信用風險特徵組合類別的劃分、預期信用損失率的估計，根據歷史損失率評估其準確性，並結合當前經濟狀況來評價管理層使用的預期信用損失模型的合理性；

Audit Report

審計報告

Key audit matter:

關鍵審計事項：

As the groupings of trade receivables and long-term receivables with different credit risk characteristics by management and the estimates of expected credit loss rates involved significant judgements and estimates, the expected credit losses on trade receivables and long-term receivables were identified as a key audit matter.

管理層對應收賬款和長期應收款不同的信用風險特徵組合類別的劃分、預期信用損失率的估計等涉及重大的判斷和估計，因此我們將應收賬款和長期應收款的預期信用損失識別為關鍵審計事項。

For the disclosures of this accounting policy, significant accounting judgements and estimates, as well as relevant financial statements, please refer to notes III.10 and 33 and notes V.3, 10.

該會計政策、重大會計判斷和估計以及相關財務報表披露參見附註三、10、33，以及附註五、3、10。

How our audit addressed the key audit matter:

該事項在審計中是如何應對：

- For trade receivable with individual bad debt provision, discussed with management on the reasonableness of identification and analysed the recoverability of such receivables;
- 對單項計提壞賬準備的應收款項，與管理層討論劃分標準的合理性並對該類款項的可回收性進行分析；
- For trade receivables for which provision for bad debts has been made on group basis by credit risk characteristics, verified the accuracy of the calculation of the receivables' migration rate, and considered the reasonableness of inputs such as customers' debt repayment capacity, historical repayment performance, industry-specific and macroeconomic indicators;
- 對按信用風險特徵組合計提壞賬準備的應收款項，檢查應收款項遷徙率計算的準確性，考慮客戶償債能力、歷史回款情況、行業和宏觀經濟指標等參數的合理性；
- Recalculated the calculation of expected credit losses on trade receivables and long-term receivables, checked the accuracy of the aging of trade receivables and reviewed the amounts of impairment provision;
- 重新測算應收賬款和長期應收款預期信用損失的計算過程，檢查應收賬款賬齡的準確性，覆核減值準備的金額；
- Checked the subsequent payments, and reviewed supporting documents such as bank statements, bank slips and other supporting documents.
- 檢查期後回款情況，查看銀行對賬單、銀行回單等支持性文件。

Audit Report

審計報告

IV. OTHER INFORMATION

The management of BYD Company Limited are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THE GOVERNANCE BODY FOR THE FINANCIAL STATEMENTS

The management are responsible for the preparation of the financial statements that give a fair view in accordance with the PRC ASBEs and for the design, execution and maintenance of such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management are responsible for assessing BYD Company Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there are plans for liquidation or cessation or there are no other realistic alternatives.

The governance body is responsible for overseeing BYD Company Limited's financial reporting process.

四、其他信息

比亞迪股份有限公司管理層對其他信息負責。其他信息包括年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中了解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

五、管理層和治理層對財務報表的責任

管理層負責按照企業會計準則的規定編製財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使財務報表不存在由於舞弊或錯誤導致的重大錯報。

在編製財務報表時，管理層負責評估比亞迪股份有限公司的持續經營能力，披露與持續經營相關的事項(如適用)，並運用持續經營假設，除非計劃進行清算、終止運營或別無其他現實的選擇。

治理層負責監督比亞迪股份有限公司的財務報告過程。

Audit Report

審計報告

VI. CERTIFIED ACCOUNTANT'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with audit standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

六、註冊會計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照審計準則執行的審計在某一重大錯報存在時總能發現。錯報可能由舞弊或錯誤所導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表作出的經濟決策，則通常認為錯報是重大的。

在按照審計準則執行審計工作的過程中，我們運用了職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- (1) 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- (2) 了解與審計相關的內部控制，以設計恰當的審計程序。
- (3) 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。

Audit Report

審計報告

- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BYD Company Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to issue a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause BYD Company Limited to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within BYD Company Limited to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit.

We communicate with the governance body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the governance body with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- (4) 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對比亞迪股份有限公司持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致比亞迪股份有限公司不能持續經營。
- (5) 評價財務報表的總體列報（包括披露）、結構和內容，並評價財務報表是否公允反映相關交易和事項。
- (6) 就比亞迪股份有限公司中實體或業務活動的財務信息獲取充分、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

我們與治理層就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計中識別出的值得關注的內部控制缺陷。

我們還就已遵守與獨立性相關的職業道德要求向治理層提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施（如適用）。

Audit Report

審計報告

From the matters communicated with the governance body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與治理層溝通的事項中，我們確定哪些事項對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

Ernst & Young Hua Ming LLP
PRC certified public accountant:
Li Jianguang (李劍光)
(Partner in charge)

PRC certified public accountant:
Hu Die (胡蝶)

Beijing, the PRC
24 March 2025

安永華明會計師事務所(特殊普通合伙)
中國註冊會計師：
李劍光
(項目合夥人)

中國註冊會計師：
胡蝶

中國北京
二零二五年三月二十四日

Consolidated Balance Sheet

合併資產負債表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

Assets	資產	Note V 附註五	31 December 2024 二零二四年 十二月 三十一日	31 December 2023 二零二三年 十二月 三十一日 (Restated) (經重述)
Current assets	流動資產			
Monetary funds	貨幣資金	1	102,738,734	109,094,408
Financial assets held for trading	交易性金融資產	2	40,511,496	9,542,789
Derivative financial instruments	衍生金融資產		35,093	19,761
Purchases of financial assets under resale agreements	買入返售金融資產		392,472	-
Trade receivables	應收賬款	3	62,298,988	61,866,019
Receivables financing	應收款項融資	4	10,449,966	5,564,924
Prepayments	預付款項	6	3,974,023	2,215,413
Other receivables	其他應收款	5	3,616,030	2,757,912
Inventories	存貨	7	116,036,237	87,676,748
Contract assets	合同資產	8	1,410,541	2,660,319
Long-term receivables due within one year	一年內到期的長期應收款	10	11,379,480	7,508,351
Other current assets	其他流動資產	9	17,729,184	13,214,802
Total current assets	流動資產合計		370,572,244	302,121,446
Non-current assets	非流動資產			
Long-term receivables	長期應收款	10	10,206,134	8,238,190
Long-term equity investments	長期股權投資	11	19,082,496	17,647,212
Other equity instrument investments	其他權益工具投資	12	8,501,093	5,327,283
Other non-current financial assets	其他非流動金融資產	13	2,655,245	2,696,374
Investment properties	投資性房地產		60,228	82,510
Fixed assets	固定資產	14	262,287,302	230,903,820
Construction in progress	在建工程	15	19,954,343	34,726,196
Right-of-use assets	使用權資產	16	10,575,072	9,678,956
Intangible assets	無形資產	17	38,423,925	37,236,261
Development expenditures	開發支出		508,038	541,000
Goodwill	商譽	18	4,427,571	4,427,571
Long-term deferred expenditures	長期待攤費用	19	5,006,717	4,062,529
Deferred tax assets	遞延所得稅資產	20	8,559,492	6,584,422
Other non-current assets	其他非流動資產	21	22,535,955	15,273,900
Total non-current assets	非流動資產合計		412,783,611	377,426,224
Total assets	資產總計		783,355,855	679,547,670

The accompanying notes form an integral part of these financial statements 後附財務報表附註為本財務報表的組成部分

Consolidated Balance Sheet

合併資產負債表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

Liabilities	負債	Note V 附註五	31 December 2024 二零二四年 十二月 三十一日	31 December 2023 二零二三年 十二月 三十一日 (Restated) (經重述)
Current liabilities	流動負債			
Short-term borrowings	短期借款	23	12,103,272	18,323,216
Derivative financial liabilities	衍生金融負債		1,993	7,713
Bills payables	應付票據	24	2,383,996	4,053,314
Trade payables	應付賬款	25	241,643,424	194,429,817
Contract liabilities	合同負債	26	43,729,585	34,698,510
Employee benefits payables	應付職工薪酬	27	21,843,196	17,138,836
Tax payables	應交稅費	28	10,096,912	7,852,324
Other payables	其他應付款	29	144,989,197	164,972,849
Provision	預計負債	30	3,547,165	2,620,325
Non-current liabilities due within one year	一年內到期的非流動負債	31	10,222,575	7,740,491
Other current liabilities	其他流動負債	32	5,423,861	1,829,276
Total current liabilities	流動負債合計		495,985,176	453,666,671
Non-current liabilities	非流動負債			
Long-term borrowings	長期借款	33	8,257,786	11,975,139
Lease liabilities	租賃負債	35	9,875,967	8,847,186
Deferred tax liabilities	遞延所得稅負債	20	2,787,484	3,950,836
Other non-current liabilities	其他非流動負債	36	67,761,233	50,645,725
Total non-current liabilities	非流動負債合計		88,682,470	75,418,886
Total liabilities	負債合計		584,667,646	529,085,557

The accompanying notes form an integral part of these financial statements

後附財務報表附註為本財務報表的組成部分

Consolidated Balance Sheet

合併資產負債表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

Shareholders' equity	股東權益	Note V 附註五	31 December 2024 二零二四年 十二月 三十一日	31 December 2023 二零二三年 十二月 三十一日 (Restated) (經重述)
Shareholders' equity	股東權益			
Share capital	股本	37	2,909,266	2,911,143
Other equity instruments	其他權益工具	38	14,894,442	-
Including: Perpetual bond	其中：永續債		14,894,442	-
Capital reserve	資本公積	39	60,679,406	62,041,774
Less: treasury shares	減：庫存股	40	723,968	1,266,944
Other comprehensive income	其他綜合收益	41	1,440,616	603,663
Special reserve	專項儲備		29,461	22,370
Surplus reserve	盈餘公積	42	7,374,087	7,374,087
Undistributed profit	未分配利潤	43	98,647,794	67,123,972
Total shareholders' equity attributable to the parent company	歸屬於母公司股東權益合計		185,251,104	138,810,065
Non-controlling interests	少數股東權益		13,437,105	11,652,048
Total shareholders' equity	股東權益合計		198,688,209	150,462,113
Total liabilities and shareholders' equity	負債和股東權益總計		783,355,855	679,547,670

The financial statement was signed by the following persons:

財務報表由以下人士簽署：

Legal representative:

法定代表人：

Wang Chuan-fu

王傳福

Chief Financial Officer:

主管會計工作負責人：

Zhou Ya-lin

周亞琳

Head of Accounting Department:

會計機構負責人：

Liu Hui

劉惠

The accompanying notes form an integral part of these financial statements

後附財務報表附註為本財務報表的組成部分

Consolidated Income Statement

合併利潤表

Year ended 31 December 2024
截至二零二四年十二月三十一日止年度
RMB'000
人民幣千元

		Note V 附註五	2024 二零二四年	2023 二零二三年 (Restated) (經重述)
I. Operating revenue	一、營業收入	44	777,102,455	602,315,354
Less: Operating costs	減：營業成本	44	626,046,616	490,398,945
Tax and surcharge	稅金及附加	45	14,752,402	10,349,628
Selling expenses	銷售費用	46	24,085,317	15,370,800
Administrative expenses	管理費用	47	18,644,661	13,461,708
Research and development expenses	研發費用	48	53,194,745	39,574,945
Finance expenses	財務費用	49	1,216,206	(1,474,894)
Including: Interest expenses	其中：利息費用	49	2,093,781	1,827,605
Interest income	利息收入	49	2,483,756	2,796,195
Add: Other income	加：其他收益	50	14,051,650	5,253,459
Investment income	投資收益	51	2,291,475	1,635,141
Including: Investment income in associates and joint ventures	其中：對聯營企業和合營 企業的投資 收益		1,468,954	1,277,455
Loss on derecognition of financial assets measured at amortised cost	以攤餘成本計量的金融資產 終止確認損失		(7,411)	-
Gains from changes in fair value	公允價值變動收益	52	531,933	257,740
Impairment losses on credit	信用減值損失	53	(1,553,315)	(1,579,612)
Impairment losses on asset	資產減值損失	54	(3,871,677)	(2,188,219)
Gains on disposal of assets	資產處置收益	55	(126,527)	90,364
II. Operating profit	二、營業利潤		50,486,047	38,103,095
Add: Non-operating income	加：營業外收入	56	1,251,576	711,370
Less: Non-operating expenses	減：營業外支出	57	2,056,946	1,545,828
III. Total profit	三、利潤總額		49,680,677	37,268,637
Less: Income tax expenses	減：所得稅費用	58	8,092,737	5,924,567
IV. Net profit	四、淨利潤		41,587,940	31,344,070
V. Classified by continuity of operation	五、按經營持續性分類			
Net profit from continuing operations	持續經營淨利潤		41,587,940	31,344,070
VI. Classified by ownership	六、按所有權歸屬分類			
Net profit attributable to Shareholders of the parent company	歸屬於母公司所有者的淨利潤		40,254,346	30,040,811
Non-controlling interests	少數股東損益		1,333,594	1,303,259

Consolidated Income Statement

合併利潤表

Year ended 31 December 2024
截至二零二四年十二月三十一日止年度
RMB'000
人民幣千元

		Note V 附註五	2024 二零二四年	2023 二零二三年 (Restated) (經重述)
VII. Earnings per share (RMB/share)	七、 每股收益(元/股)			
Basic earnings per share	基本每股收益	59	13.84	10.32
Diluted earnings per share	稀釋每股收益		13.84	10.32
VIII. Other comprehensive income	八、 其他綜合收益		843,398	184,028
Other comprehensive income that cannot be reclassified to profit or loss	不能重分類進損益的其他綜合收益			
Changes in fair value of other equity instrument investments	其他權益工具投資公允價值變動		408,375	220,896
Income tax impact	所得稅影響		(40,823)	(54,047)
			367,552	166,849
Other comprehensive income that will be reclassified to profit or loss	將重分類進損益的其他綜合收益			
Changes in fair value of receivables financing	應收款項融資公允價值變動		(12,095)	38,479
Provision for credit impairment of receivables financing	應收款項融資信用減值準備		—	(10,453)
Exchange difference on foreign currency translation	外幣報表折算差額		481,496	(19,544)
			469,401	8,482
Other comprehensive income attributable to non-controlling interests, net of tax	歸屬於少數股東的其他綜合收益的稅後淨額	41	6,445	8,697
IX. Total comprehensive income	九、 綜合收益總額		42,431,338	31,528,098
Among which:	其中：			
Total comprehensive income attributable to shareholders of the parent company	歸屬於母公司股東的綜合收益總額		41,091,299	30,216,142
Total comprehensive income attributable to non-controlling interests	歸屬於少數股東的綜合收益總額		1,340,039	1,311,956

The accompanying notes form an integral part of these financial statements

後附財務報表附註為本財務報表的組成部分

Consolidated Statement of Changes in Owners' Equity

合併股東權益變動表

Year ended 31 December 2024

截至二零二四年十二月三十一日止年度

RMB'000

人民幣千元

二零二四年

		Shareholders' equity attributable to the parent company 歸屬於母公司股東權益											
		Share capital	Other equity instruments	Capital reserve	Treasury shares	Less:	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Sub-total	Non-controlling interests	Total shareholders' equity
		股本	其他權益工具	資本公積	減：庫存股	減：庫存股	其他綜合收益	專項儲備	盈餘公積	未分配利潤	小計	少數股東權益	股東權益合計
I.	Closing balance for the previous year and opening balance for the year	2,911,143	-	62,041,774	1,266,944	603,663	22,370	7,374,087	67,123,972	138,810,065	11,652,048	150,462,113	
II.	Amount of change in the current year												
	(I) Total comprehensive income												
	1 Amounts incurred for the year						1,118,922		40,254,346	41,373,268	1,340,039	42,713,307	
	2 Others						(281,969)		281,969				
	(II) Capital contribution and reduction by shareholders												
	1 Ordinary shares contributed by shareholders											98,000	98,000
	2 Capital contribution by other equity instrument holders		14,894,442							14,894,442			14,894,442
	3 Repurchase of ordinary shares	(1,877)		(398,151)						(400,028)			(400,028)
	4 Share-based payment recognized in shareholders' equity (note XIII)			398,933						396,933		3,471	400,404
	5 Effect of the vesting of restricted shares			(542,976)									
	6 Others			(818,174)						(818,174)		758,613	(59,561)
	(III) Profit distribution												
	1 Appropriation to surplus reserve												
	2 Distribution to shareholders (note V, 43)								(9,012,493)	(9,012,493)		(415,066)	(9,427,559)
	(IV) Special reserve												
	1 Appropriation for the year							7,091		7,091			7,091
III.	Closing balance for the year	2,909,266	14,894,442	60,679,406	723,988	1,440,616	29,461	7,374,087	98,647,794	185,251,104	13,437,105	198,688,209	

The accompanying notes form an integral part of these financial statements

後附財務報表附註為本財務報表的組成部分

Consolidated Statement of Changes in Owners' Equity

合併股東權益變動表

Year ended 31 December 2024
截至二零二四年十二月三十一日止年度
RMB'000
人民幣千元

二零二三年

2023

		Shareholders' equity attributable to the parent company 歸屬於母公司股東權益							Sub-total 小計	Non- controlling interests 少數股東 權益	Total shareholders' equity 股東權益 合計
		Share capital 股本	Capital reserve 資本公積	Less: Treasury shares 減：庫存股	Other comprehensive income 其他綜合 收益	Special reserve 專項儲備	Surplus reserve 盈餘公積	Undistributed profit 未分配利潤			
I.	Closing balance for the previous year and opening balance for the year	2,911,143	61,705,883	1,809,920	428,332	12,078	6,839,541	40,943,232	111,029,299	10,380,538	121,389,837
II.	Amount of change in the current year	-	-	-	175,331	-	-	30,040,811	30,216,142	1,311,956	31,528,098
	(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	-
	(II) Capital contribution and reduction by shareholders	-	-	-	-	-	-	-	-	-	-
	1 Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	98,000	98,000
	2 Share-based payment recognized in shareholders' equity (note XIII)	-	-	-	-	-	-	-	-	-	-
	3 Effect of the vesting of restricted shares	-	859,294	-	-	-	-	-	859,294	12,895	872,189
	4 Others	-	(542,976)	(542,976)	-	-	-	-	-	-	-
	(III) Profit distribution	-	19,563	-	-	-	-	-	19,563	(4,044)	15,519
	1 Appropriation to surplus reserve	-	-	-	-	-	535,546	(535,546)	-	-	-
	2 Distribution to shareholders (note V, 43)	-	-	-	-	-	-	(3,324,525)	(3,324,525)	(127,297)	(3,451,822)
	(IV) Special reserve	-	-	-	-	-	-	-	-	-	-
	1 Appropriation for the year	-	-	-	-	10,292	-	-	10,292	-	10,292
III.	Closing balance for the year	2,911,143	62,041,774	1,266,944	603,663	22,370	7,374,087	67,123,972	138,810,065	11,652,048	150,462,113

The accompanying notes form an integral part of these financial statements

後附財務報表附註為本財務報表的組成部分

Consolidated Cash Flow Statement

合併現金流量表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		Note V 附註五	2024 二零二四年	2023 二零二三年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Cash received from sales of goods and provision of services	銷售商品、提供勞務收到的現金		774,347,395	572,704,798
Tax rebates received	收到的稅費返還		12,073,925	15,165,447
Cash received from other activities relating to operations	收到其他與經營活動有關的現金	60	28,396,310	23,947,858
Sub-total of cash inflows from operating activities	經營活動現金流入小計		814,817,630	611,818,103
Cash paid for goods and services	購買商品、接受勞務支付的現金		489,866,241	313,433,210
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		117,067,584	84,287,908
Cash paid for various types of taxes	支付的各項稅費		52,697,132	29,528,359
Cash paid for other activities relating to operations	支付其他與經營活動有關的現金	60	21,732,800	14,843,601
Sub-total of cash outflows from operating activities	經營活動現金流出小計		681,363,757	442,093,078
Net cash flow from operating activities	經營活動產生的現金流量淨額	61	133,453,873	169,725,025

Consolidated Cash Flow Statement

合併現金流量表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

	Note V 附註五	2024 二零二四年	2023 二零二三年
II. Cash flows from investing activities:	二、投資活動產生的現金流量：		
Cash received from disposal of investments	收回投資收到的現金	128,755	—
Cash received from disposals of associates or joint ventures	處置合營或聯營公司所收到的現金	13,898	122,617
Cash received from gains in investment	取得投資收益收到的現金	469,217	192,409
Net cash received from disposals of subsidiaries and other operating entities	處置子公司及其他營業單位收到的現金淨額	7,776	73,840
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額	1,068,016	470,793
Cash received from other activities relating to investments	收到其他與投資活動有關的現金	60	22,245,824
Sub-total of cash inflows from investing activities	投資活動現金流入小計	15,400,173	23,105,483
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金	97,359,768	122,093,509
Cash paid for acquisition of subsidiaries and other operating entities, net	收購子公司及其他營業單位支付的現金淨額	125,437	14,077,769
Cash paid for investments	投資支付的現金	3,666,259	2,084,953
Cash paid for other activities relating to investments	支付其他與投資活動有關的現金	60	10,512,896
Sub-total of cash outflows from investing activities	投資活動現金流出小計	144,482,455	148,769,127
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(129,082,282)	(125,663,644)

Consolidated Cash Flow Statement

合併現金流量表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

	Note V 附註五	2024 二零二四年	2023 二零二三年
III. Cash flows from financing activities:	三、籌資活動產生的現金流量：		
Cash received from capital injection	吸收投資收到的現金	98,000	98,000
Cash received from borrowings	取得借款收到的現金	37,663,666	45,304,083
Cash received from bonds issuance	發行債券收到的現金	2,960,000	–
Cash contribution by other equity instrument holders	其他權益工具持有者投入的現金	14,894,442	–
Cash received from other activities relating to financing	收到的其他與籌資活動有關的現金	105,558	28,233
Sub-total of cash inflows from financing activities	籌資活動現金流入小計	55,721,666	45,430,316
Cash paid for repayment of debts	償還債務支付的現金	50,103,695	27,230,939
Cash payments for distribution of dividends, profits or interest expenses	分配股利、利潤或償付利息支付的現金	10,051,081	4,101,617
Including: Dividends and profits paid to minority shareholders by subsidiaries	其中：子公司支付給少數股東的股利、利潤	415,066	127,297
Cash paid for other activities relating to financing	支付其他與籌資活動有關的現金	5,834,437	1,280,633
Sub-total of cash outflows from financing activities	籌資活動現金流出小計	65,989,213	32,613,189
Net cash flows (used in)/from financing activities	籌資活動(使用)/產生的現金流量淨額	(10,267,547)	12,817,127
IV. Effect of foreign exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響	(359,247)	450,780
V. Net increase in cash and cash equivalents	五、現金及現金等價物淨增加額	(6,255,203)	57,329,288
Add: opening balance of cash and cash equivalents	加：年初現金及現金等價物餘額	108,511,745	51,182,457
VI. Closing balance of cash and cash equivalents	六、年末現金及現金等價物餘額	102,256,542	108,511,745

The accompanying notes form an integral part of these financial statements 後附財務報表附註為本財務報表的組成部分

Company Balance Sheet

公司資產負債表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

Assets	資產	Note XVII 附註十七	31 December 2024 二零二四年 十二月 三十一日	31 December 2023 二零二三年 十二月 三十一日
Current assets	流動資產			
Monetary funds	貨幣資金		30,794,989	14,922,981
Financial assets held for trading	交易性金融資產		5,285,514	300,487
Trade receivables	應收賬款	1	2,363,347	1,642,730
Receivables financing	應收款項融資		34,640	15,796
Prepayments	預付款項		14,357	12,485
Other receivables	其他應收款	2	32,953,005	26,410,735
Inventories	存貨		186,545	51,571
Other current assets	其他流動資產		126,910	13,134
Total current assets	流動資產合計		71,759,307	43,369,919
Non-current assets	非流動資產			
Long-term equity investments	長期股權投資	3	69,312,088	59,565,120
Other equity instrument investments	其他權益工具投資		5,174,153	4,902,097
Other non-current financial assets	其他非流動金融資產		1,456,192	1,195,974
Investment properties	投資性房地產		50,732	52,341
Fixed assets	固定資產		706,441	755,017
Construction in progress	在建工程		4,357	14,392
Right-of-use assets	使用權資產		41,537	34,893
Intangible assets	無形資產		1,558,967	671,622
Other non-current assets	其他非流動資產		79,799	33,506
Total non-current assets	非流動資產合計		78,384,266	67,224,962
Total assets	資產總計		150,143,573	110,594,881

The accompanying notes form an integral part of these financial statements

後附財務報表附註為本財務報表的組成部分

Company Balance Sheet

公司資產負債表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		31 December 2024	31 December 2023
		二零二四年 十二月 三十一日	二零二三年 十二月 三十一日
Liabilities and shareholders' equity	負債和股東權益		
Current liabilities	流動負債		
Bills payables	應付票據	—	2,102
Trade payables	應付賬款	2,024,742	1,472,431
Contract liabilities	合同負債	16,898	21,702
Employee benefits payables	應付職工薪酬	57,888	61,767
Tax payables	應交稅費	6,690	2,750
Other payables	其他應付款	52,235,910	29,511,515
Non-current liabilities due within one year	一年內到期的非流動負債	2,697,937	4,287,027
Other current liabilities	其他流動負債	106,309	2,821
Total current liabilities	流動負債合計	57,146,374	35,362,115
Non-current liabilities	非流動負債		
Long-term borrowings	長期借款	2,092,500	4,752,500
Lease liabilities	租賃負債	8,978	16,573
Deferred tax liabilities	遞延所得稅負債	227,656	231,407
Other non-current liabilities	其他非流動負債	9,525	62,501
Total non-current liabilities	非流動負債合計	2,338,659	5,062,981
Total liabilities	負債合計	59,485,033	40,425,096
Shareholders' equity	股東權益		
Share capital	股本	2,909,266	2,911,143
Other equity instruments	其他權益工具	14,894,442	—
Including: Perpetual bond	其中：永續債	14,894,442	—
Capital reserve	資本公積	56,312,492	56,865,744
Less: treasury shares	減：庫存股	723,968	1,266,944
Other comprehensive income	其他綜合收益	1,066,148	901,114
Surplus reserve	盈餘公積	1,680,978	1,680,978
Undistributed profit	未分配利潤	14,519,182	9,077,750
Total shareholders' equity attributable to the parent company	歸屬於母公司股東權益合計	90,658,540	70,169,785
Total shareholders' equity	股東權益合計	90,658,540	70,169,785
Total liabilities and shareholders' equity	負債和股東權益總計	150,143,573	110,594,881

The accompanying notes form an integral part of these financial statements 後附財務報表附註為本財務報表的組成部分

Company Income Statement

公司利潤表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		Note XVII 附註十七	2024 二零二四年	2023 二零二三年
Operating revenue	營業收入	4	4,280,965	2,743,956
Less: Operating costs	減：營業成本	4	3,758,305	2,311,685
Tax and surcharge	稅金及附加		19,190	15,291
Selling expenses	銷售費用		21,948	15,768
Administrative expenses	管理費用		502,130	255,049
Research and development expenses	研發費用		231,599	159,991
Finance expenses	財務費用		(447,093)	(61,892)
Including: Interest expenses	其中：利息費用		157,293	247,307
Interest income	利息收入		641,445	339,925
Add: Other income	加：其他收益		43,238	37,817
Investment income	投資收益	5	14,308,810	9,144,389
Including: Investment income in associates and joint ventures	其中：對聯營企業和合營企業的投資收益		1,271,765	1,160,891
Loss on derecognition of financial assets measured at amortised cost	以攤餘成本計量的金融資產終止確認損失		-	-
Gains from changes in fair value	公允價值變動收益		177,820	206,857
Impairment losses on credit	信用減值損失		45,811	(74,134)
Impairment losses on asset	資產減值損失		(638,262)	(73)
Gains from disposal of assets	資產處置收益		200	666
Operating profit	營業利潤		14,132,503	9,363,586
Add: Non-operating income	加：營業外收入		19,733	29,009
Less: Non-operating expenses	減：營業外支出		39,074	34,131
Total profit	利潤總額		14,113,162	9,358,464
Less: Income tax expenses	減：所得稅費用		(58,794)	(128,149)
Net profit	淨利潤		14,171,956	9,486,613

Company Income Statement

公司利潤表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		2024 二零二四年	2023 二零二三年
Classified by continuity of operation	按經營持續性分類		
Including: Net profit from continuing operations	其中：持續經營淨利潤	14,171,956	9,486,613
Other comprehensive income	其他綜合收益	165,034	140,804
Other comprehensive income that cannot be reclassified to profit or loss	不能重分類進損益的其他綜合收益		
Changes in fair value of other equity instrument investments	其他權益工具投資公允價值變動	220,169	187,758
Income tax impact	所得稅影響	(55,042)	(46,940)
		165,127	140,818
Other comprehensive income that will be reclassified to profit or loss	將重分類進損益的其他綜合收益		
Changes in fair value of receivables financing	應收款項融資公允價值變動	(93)	(10)
Provision for credit impairment of receivables financing	應收款項融資信用減值準備	-	(4)
Total comprehensive income	綜合收益總額	(93) 14,336,990	(14) 9,627,417

The accompanying notes form an integral part of these financial statements 後附財務報表附註為本財務報表的組成部分

Company Statement of Changes in Owners' Equity

公司股東權益變動表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

2024

二零二四年

		Share capital	Other equity instruments	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
		股本	其他權益工具	資本公積	減：庫存股	其他綜合收益	盈餘公積	未分配利潤	股東權益合計
I. Closing balance for the previous year and opening balance for the year	一、上年年末及本年初餘額	2,911,143	-	56,865,744	1,266,944	901,114	1,680,978	9,077,750	70,169,785
II. Amount of change in the current year	二、本年增減變動金額								
(I) Total comprehensive income	(一) 綜合收益總額								
1 Amounts incurred for the year	1 本年發生	-	-	-	-	447,003	-	14,171,956	14,618,959
2 Others	2 其他	-	-	-	-	(281,969)	-	281,969	-
(II) Capital contribution and reduction by shareholders	(二) 股東投入和減少資本								
1 Capital contribution by other equity instrument holders	1 其他權益工具持有者投入資本	-	14,894,442	-	-	-	-	-	14,894,442
2 Share-based payment recognized in shareholders' equity	2 股份支付計入股東權益的金額	-	-	387,875	-	-	-	-	387,875
3 Effect of the vesting of restricted shares	3 解鎖限制性股票的影響	-	-	(542,976)	(542,976)	-	-	-	-
4 Repurchase of ordinary shares	4 回購普通股	(1,877)	-	(398,151)	-	-	-	-	(400,028)
5 Others	5 其他	-	-	-	-	-	-	-	-
(III) Profit distribution	(三) 利潤分配								
1 Appropriation to surplus reserve	1 提取盈餘公積	-	-	-	-	-	-	-	-
2 Distribution to shareholders (note V. 43)	2 對股東的分配 (附註五·43)	-	-	-	-	-	-	(9,012,493)	(9,012,493)
III. Closing balance for the year	三、本年年末餘額	2,909,266	14,894,442	56,312,492	723,968	1,066,148	1,680,978	14,519,182	90,658,540

Company Statement of Changes in Owners' Equity

公司股東權益變動表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		二零二三年						
		Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
		股本	資本公積	減：庫存股	其他綜合收益	盈餘公積	未分配利潤	股東權益合計
I.	Closing balance for the previous year and opening balance for the year	2,911,143	56,567,975	1,809,920	760,310	1,145,432	3,451,208	63,026,148
II.	Amount of change in the current year							
(I)	Total comprehensive income	-	-	-	140,804	-	9,486,613	9,627,417
(II)	Capital contribution and reduction by shareholders							
1	Share-based payment recognized in shareholders' equity	-	825,713	-	-	-	-	825,713
2	Effect of the vesting of restricted shares	-	(542,976)	(542,976)	-	-	-	-
3	Others	-	15,032	-	-	-	-	15,032
(III)	Profit distribution							
1	Appropriation to surplus reserve	-	-	-	-	535,546	(535,546)	-
2	Distribution to shareholders (note V. 43)	-	-	-	-	-	(3,324,525)	(3,324,525)
III.	Closing balance for the year	2,911,143	56,865,744	1,266,944	901,114	1,680,978	9,077,750	70,169,785

The accompanying notes form an integral part of these financial statements 後附財務報表附註為本財務報表的組成部分

Company Cash Flow Statement

公司現金流量表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		2024 二零二四年	2023 二零二三年
I. Cash flows from operating activities:	一、經營活動產生的現金流量：		
Cash received from sales of goods and provision of services	銷售商品、提供勞務收到的現金	4,055,589	2,974,114
Tax rebates received	收到的稅費返還	5,809	2,900
Cash received from other activities relating to operations	收到其他與經營活動有關的現金	7,503,562	6,474,327
Sub-total of cash inflows from operating activities	經營活動現金流入小計	11,564,960	9,451,341
Cash paid for goods and services	購買商品、接受勞務支付的現金	3,162,303	2,149,853
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金	445,544	446,615
Cash paid for various types of taxes	支付的各項稅費	22,041	15,341
Cash paid for other activities relating to operations	支付其他與經營活動有關的現金	1,779,614	367,030
Sub-total of cash outflows from operating activities	經營活動現金流出小計	5,409,502	2,978,839
Net cash flow from operating activities	經營活動產生的現金流量淨額	6,155,458	6,472,502

Company Cash Flow Statement

公司現金流量表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		2024 二零二四年	2023 二零二三年
II. Cash flow from investing activities:	二、投資活動產生的現金流量：		
Cash received from gains in investment	取得投資收益收到的現金	7,989,708	1,534,450
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額	2,263	52,980
Net cash received from disposal of subsidiaries and other operating entities	處置子公司及其他營業單位收到的現金淨額	346,983	28,023
Cash received from other activities relating to investments	收到其他與投資活動有關的現金	359,806	24,935
Sub-total of cash inflows from investing activities	投資活動現金流入小計	8,698,760	1,640,388
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金	1,746,971	341,320
Cash paid for investments	投資支付的現金	6,539,986	4,209,898
Cash paid for other activities relating to investments	支付其他與投資活動有關的現金	5,260,000	13,963,979
Sub-total of cash outflows from investing activities	投資活動現金流出小計	13,546,957	18,515,197
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(4,848,197)	(16,874,809)

Company Cash Flow Statement

公司現金流量表

31 December 2024
二零二四年十二月三十一日
RMB'000
人民幣千元

		2024 二零二四年	2023 二零二三年
III. Cash flows from financing activities:	三、籌資活動產生的現金流量：		
Cash received from borrowings	取得借款收到的現金	3,000,000	4,812,500
Capital contribution by other equity instrument holders	其他權益工具持有者投入的現金	14,894,442	-
Cash received from other activities relating to financing	收到的其他與籌資活動有關的現金	16,060,281	22,395,290
Sub-total of cash inflows from financing activities	籌資活動現金流入小計	33,954,723	27,207,790
Cash paid for repayment of debts	償還債務所支付的現金	7,260,000	5,800,000
Cash payments for distribution of dividends, profits or interest expenses	分配股利、利潤或償付利息支付的現金	9,170,390	3,616,588
Cash paid for other activities relating to financing	支付其他與籌資活動有關的現金	3,295,549	21,125
Sub-total of cash outflows from financing activities	籌資活動現金流出小計	19,725,939	9,437,713
Net cash flows from financing activities	籌資活動產生的現金流量淨額	14,228,784	17,770,077
IV. Effect of foreign exchange rate changes on cash and cash equivalents	四、匯率變動對現金及現金等價物的影響	(6,714)	(46)
V. Net increase/(decrease) in cash and cash equivalents	五、現金及現金等價物淨增加／(減少)額	15,529,331	7,367,724
Add: opening balance of cash and cash equivalents	加：年初現金及現金等價物餘額	14,819,696	7,451,972
VI. Closing balance of cash and cash equivalents at the end of the year	六、年末現金及現金等價物餘額	30,349,027	14,819,696

The accompanying notes form an integral part of these financial statements 後附財務報表附註為本財務報表的組成部分

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

I. CORPORATE BACKGROUND

BYD Company Limited (the "Company") is a joint stock company incorporated in Guangdong Province, the People's Republic of China with limited liability. The Company, formerly known as Shenzhen BYD Battery Company Limited (深圳市比亞迪實業有限公司), was approved by the former State Economic and Trade Commission in 2002, as evidenced by the approval document "Reply of Consenting to the Establishment of BYD Company Limited" (Guo Jing Mao Qi Gai [2002] No.153) and the approval document "Reply of Consenting to the Adjustment of Capital Structure of BYD Company Limited" (Guo Jing Mao Ting Qi Gai [2002] No.348). Shenzhen BYD Battery Company Limited (深圳市比亞迪實業有限公司) was overall restructured into the Company on 11 June 2002 based on the audited net assets value as at 30 April 2002. The Company currently holds the Enterprise Legal Person Business License issued by Shenzhen Administration for Market Regulation (unified social credit code: 91440300192317458F). As at 31 December 2024, 1,811,266,000 ordinary shares (A shares) and 1,098,000,000 H shares issued by the Company were listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, respectively. The Company is domiciled at 1 Yan' An Road, Kui Chong Street, Dapeng New District, Shenzhen, Guangdong Province, with an office address at No.3009, BYD Road, Pingshan New District, Shenzhen, Guangdong Province.

The Group is principally engaged in automobile business which mainly includes new energy vehicles, handset components and assembly services, rechargeable batteries and photovoltaics business. Meanwhile, with its technological superiority, the Group actively develops urban rail transportation business segment.

The Company's direct largest shareholder and ultimate largest shareholder is Wang Chuan-fu, a natural person, with a shareholding percentage of 17.82%.

The financial statements were approved for issue by the board of directors of the Company by way of resolution on 24 March 2025. According to the Articles of Association, the financial statements will be submitted to the general meeting for approval.

一、 基本情況

比亞迪股份有限公司(「本公司」)是一家在中華人民共和國廣東省註冊成立的股份有限公司。本公司前身為深圳市比亞迪實業有限公司，二零零二年經原國家經貿委以《關於同意設立比亞迪股份有限公司的批覆》(國經貿企改[2002]153號)以及《關於同意比亞迪股份有限公司調整股本結構的覆函》(國經貿廳企改[2002]348號)批准，深圳市比亞迪實業有限公司以二零零二年四月三十日經審計的淨資產為基礎，於二零零二年六月十一日整體變更設立本公司。本公司目前持有深圳市市場監督管理局頒發的《企業法人營業執照》(統一社會信用代碼：91440300192317458F)，截至二零二四年十二月三十一日，本公司所發行人民幣普通股A股為1,811,266千股已在深圳證券交易所上市，H股1,098,000千股已在香港聯交所上市。本公司住所為廣東省深圳市大鵬新區葵湧街道延安路1號，辦公地址為廣東省深圳市坪山新區比亞迪路3009號。

本集團主要從事以新能源汽車為主的汽車業務、手機部件及組裝業務，二次充電電池及光伏業務，同時利用自身的技術優勢積極拓展城市軌道交通業務領域。

本公司直接第一大股東和最終第一大股東均為自然人王傳福，持股比例為17.82%。

本財務報表業經本公司董事會於二零二五年三月二十四日決議批准報出。根據本公司章程，本財務報表將遞交股東大會審議。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standard” issued by the Ministry of Finance and the specific accounting standards, interpretations and other relevant regulations issued and revised thereafter (collectively known as the “ASBE”). In addition, relevant financial information as required under the “Compilation Rules for Information Disclosures by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports” has been disclosed in the financial statements.

2. Going concern

The financial statements are prepared on a going concern basis. As at 31 December 2024, the Group had net current liabilities of RMB125,412,932,000. The Group has raised a net proceed of approximately HKD43,383,000,000 through the placing of 129,800,000 new H shares after deducting commissions and estimated expenses. Based on the cash flow forecast prepared by the management of the Company, and taking into account the net cash flow generated from the operating activities of the Group, available financial credit facilities and the expected rate of capital investments, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its liabilities and obligations falling due within the next twelve months from 31 December 2024, therefore, it is appropriate to prepare the financial report on a going concern basis.

二、財務報表的編製基礎

1. 編製基礎

本財務報表按照財政部頒佈的《企業會計準則—基本準則》以及其後頒佈及修訂的具體會計準則、解釋以及其他相關規定(統稱「企業會計準則」)編製。此外，本財務報表還按照《公開發行證券的公司信息披露編報規則第15號—財務報告的一般規定》披露有關財務信息。

2. 持續經營

本財務報表以持續經營為基礎列報。截至2024年12月31日，本集團淨流動負債為人民幣125,412,932千元，本集團已於2025年3月11日通過配售129,800,000股新H股，扣除佣金和估計費用後募集資金淨額約為港元43,383,000千元，根據本公司管理層編製的現金流預測，並考慮本集團經營活動產生的現金流量淨額、擁有的金融信貸額度以及資本性投入的速度，本集團董事認為，本集團將有足夠的營運資金支付其自2024年12月31日起未來十二個月到期的負債和義務，因此，本財務報告以持續經營為基礎編製是適當的。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The specific accounting policies and accounting estimates prepared by the Group based on actual production and operation characteristics mainly include revenue recognition and measurement, expected credit losses on trade receivables, depreciation of fixed assets, amortisation of intangible assets, capitalisation conditions for development phase expenses, and impairment of non-current assets, etc.

1. Statement of compliance with ASBE

The financial statements have been prepared in accordance with the ASBE, and presented truly and completely the financial position of the Company and the Group as at 31 December 2024 and the results of their operations and their cash flows for the year 2024.

2. Financial year

The financial year of the Group is from 1 January to 31 December of each calendar year.

3. Reporting currency

The Company's reporting currency and the currency used in preparing the financial statements were Renminbi. The amounts in the financial statements were denominated in thousands of Renminbi, unless otherwise stated.

The Group's subsidiaries, joint ventures and associates determine their reporting currency according to the major economic environment in which they operate the business, and translate into Renminbi when preparing the financial statements.

三、重要會計政策及會計估計

本集團根據實際生產經營特點制定了具體會計政策和會計估計，主要體現在收入確認和計量、應收款項預期信用損失、固定資產折舊、無形資產攤銷、開發階段支出资本化條件、非流動資產減值等。

1. 遵循企業會計準則的聲明

本財務報表符合企業會計準則的要求，真實、完整地反映了本公司及本集團於二零二四年十二月三十一日的財務狀況以及二零二四年度的經營成果和現金流量。

2. 會計期間

本集團會計年度採用公曆年度，即每年自一月一日起至十二月三十一日止。

3. 記賬本位幣

本公司記賬本位幣和編製本財務報表所採用的貨幣均為人民幣，除有特別說明外，均以人民幣千元為單位表示。

本集團下屬子公司、合營企業及聯營企業，根據其經營所處的主要經濟環境自行決定其記賬本位幣，編製本財務報表時折算為人民幣。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

三、重要會計政策及會計估計(續)

4. Method and basis for determination of materiality

4. 重要性標準確定方法和選擇依據

Materiality standard

重要性標準

Significant recovery or reversal of provision for bad debt of trade receivables 應收款項壞賬準備收回或轉回金額重要的	The recovery or reversal amount for a single item accounts for more than 10% of the total provision for bad debt of trade receivables and exceeds RMB300 million 單項收回或轉回金額佔各類應收款項壞賬準備總額的10%以上且金額大於3億
Significant write-off of trade receivables 重要的應收款項實際核銷	The write-off amount for a single item accounts for more than 10% of the total provision for bad debt of trade receivables and exceeds RMB300 million 單項核銷金額佔應收款項壞賬準備總額的10%以上且金額大於3億
Prepayments of significant amounts and with aging of over 1 year 賬齡超過1年且金額重要的預付款項	The amount of a single prepayment with aging of over 1 year accounts for more than 10% of the total prepayments and exceeds for RMB300 million 單項賬齡超過1年的預付款項佔預付款項總額的10%以上且金額大於3億
Significant change in the carrying amount of contract assets 合同資產賬面價值發生重大變動	The amount of change in the carrying amount of contract assets accounts for more than 30% of the total contract assets 合同資產賬面價值變動金額佔合同資產總額的30%以上
Significant recovery or reversal of provision for impairment of contract assets 合同資產減值準備收回或轉回金額重要的	The recovery or reversal amount for a single item accounts for more than 10% of the total provision for impairment of contract assets and exceeds RMB300 million 單項收回或轉回金額佔合同資產減值準備總額的10%以上且金額大於3億
Major construction in progress 重要的在建工程	The balance of industrial parks under construction in a single geographical area accounts for more than 10% of the balance of the total construction in progress and exceeds RMB1,000 million 單個地理區域內的工業園在建工程餘額大於總在建工程餘額的10%且金額大於10億

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

三、重要會計政策及會計估計(續)

4. Method and basis for determination of materiality (continued)

4. 重要性標準確定方法和選擇依據(續)

Materiality standard 重要性標準

Significant capitalised R&D projects 重要的資本化研發項目	The balance of development expenditures of a single project at the end of the period accounts for more than 10% of the closing balance of total development expenditures and exceeds RMB500 million 單個項目期末餘額佔開發支出期末餘額10%以上且金額大於5億
Significant outsourced in-process R&D projects 重要的外購在研項目	The development expenditures of a single project accounts for more than 10% of the total development expenditures 單項佔研發投入總額的10%以上
Significant contract changes 重要的合同變更	The amount of change/adjustment accounts for more than 30% of the original contract value, and the effect on the revenue of the period accounts for more than 1% of the total revenue of the period 變更/調整金額佔原合同額的30%以上，且對本期收入影響金額佔本期收入總額的1%以上
Significant contract liabilities with aging of over 1 year 賬齡超過一年的重要合同負債	The amount of a single contract liability with aging of over 1 year accounts for more than 10% of the total contract liabilities and exceeds RMB500 million 單項賬齡超過1年的合同負債佔合同負債總額的10%以上且金額大於5億
Significant changes in the carrying amount of contract liabilities 合同負債賬面價值發生重大變動	The amount of change in the carrying amount of contract liabilities accounts for more than 30% of the total contract liabilities 合同負債賬面價值變動金額佔合同負債總額的30%以上
Significant trade payables and other payables 重要的應付賬款、其他應付款	The amount of a single item of trade payable/other payable with aging of over 1 year accounts for more than 10% of the total trade payables/other payables and exceeds RMB500 million 賬齡超過1年的單項應付賬款/其他應付款佔應付賬款/其他應付款總額的10%以上且金額大於5億

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

三、重要會計政策及會計估計(續)

4. Method and basis for determination of materiality (continued)

4. 重要性標準確定方法和選擇依據(續)

Materiality standard

重要性標準

Significant investments	The amount of a single investment accounts for more than 10% of the total cash inflow or outflow related to investing activities and exceeds RMB1,000 million
重要投資活動	單項投資活動佔收到或支付投資活動相關的現金流入或流出總額的10%以上且金額大於10億
Material joint ventures and associates	The carrying amount of the long-term equity investment in an investee accounts for more than 5% of the Group's net assets attributable to the parent company and the gains or losses on the long-term equity investment measured under the equity method accounts for more than 10% of the Group's consolidated net profit
重要的合營企業或聯營企業	對單個被投資單位的長期股權投資賬面價值佔集團歸屬母公司淨資產的5%以上，且長期股權投資權益法下投資損益佔集團合併淨利潤的10%以上
Major subsidiaries	The net assets of a subsidiary accounts for more than 5% of the Group's net assets attributable to the parent company, or the net profit of a subsidiary accounts for more than 10% of the Group's consolidated net profit
重要子公司	子公司淨資產佔集團歸屬母公司淨資產5%以上，或子公司淨利潤佔集團合併淨利潤的10%以上
Subsidiaries with significant minority interests	The net assets of a subsidiary accounts for more than 5% of the Group's net assets attributable to the parent company, and the non-controlling interests of a subsidiary accounts for more than 1% of the Group's net assets
存在重要少數股東權益的子公司	子公司淨資產佔集團歸屬母公司淨資產5%以上，且單個子公司少數股東權益佔集團淨資產的1%以上
Significant activities which do not involve cash receipts and disbursements for the current period	The activity does not involve current cash receipts and disbursements, with its effect on the financial statements of the period accounting for more than 10% of the net assets, or the expected effect on the future cash flow accounting for more than 10% of the corresponding total cash inflow or outflow
不涉及當期現金收支的重大活動	不涉及當期現金收支，對當期報表影響超過淨資產10%，或預計對未來現金流影響超過相對應現金流入或流出總額的10%的活動

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combination

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Assets and liabilities obtained by combining party in the business combination involving entities under common control (including goodwill arising from the acquisition of the merged party by the ultimate controller) are recognised on the basis of their carrying amounts at the combination date recorded on the financial statements of the ultimate controlling party. The difference between the carrying amount of the consideration paid for the combination (or aggregate face values of the shares issued) and the carrying amount of the net assets obtained is adjusted to capital reserves. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. The excess of the sum of the cost for business combination over the share of the attributable net identifiable assets of the acquiree, measured at fair value, was recognised as goodwill, which is subsequently measured at cost less cumulative impairment loss. In case the cost for business combination is less than the fair value of the share of the attributable net identifiable assets of the acquiree, a review of the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities, the cost for business combination is conducted. If the review indicates that the fair value of the sum of the cost for business combination is indeed less than the fair value of the share of the attributable net identifiable assets of the acquiree, the difference is recognised in profit or loss.

三、重要會計政策及會計估計(續)

5. 企業合併

企業合併分為同一控制下企業合併和非同一控制下企業合併。

參與合併的企業在合併前後均受同一方或相同的多方最終控制，且該控制並非暫時性的，為同一控制下企業合併。合併方在同一控制下企業合併中取得的資產和負債(包括最終控制方收購被合併方而形成的商譽)，按合併日在最終控制方財務報表中的賬面價值為基礎進行相關會計處理。合併方取得的淨資產賬面價值與支付的合併對價的賬面價值(或發行股份面值總額)的差額，調整資本公積中的股本溢價，不足沖減的則調整留存收益。

參與合併的企業在合併前後不受同一方或相同的多方最終控制的，為非同一控制下企業合併。非同一控制下企業合併中所取得的被購買方可辨認資產、負債及或有負債在收購日以公允價值計量。合併成本大於合併中取得的被購買方可辨認淨資產公允價值份額的差額，確認為商譽，並以成本減去累計減值損失進行後續計量。合併成本小於合併中取得的被購買方可辨認淨資產公允價值份額的，對取得的被購買方各項可辨認資產、負債及或有負債的公允價值以及合併成本的計量進行覆核，覆核後合併成本仍小於合併中取得的被購買方可辨認淨資產公允價值份額的，其差額計入當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements

The consolidation scope for consolidated financial statement is determined based on the concept of control, including the Company and all subsidiaries' financial statements. Subsidiaries are those enterprises or entities which the Group has control over (including enterprises, separable components of investee units and structured entities controlled by the Company). The investor can control the investee if and only if the investor meets the following three elements: power over the investee; the entitlement to variable return through involvement in the activities of the investee; the ability to influence the amount of return using the power over the investee.

Where the accounting policies or accounting periods adopted by subsidiaries are inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies and accounting periods of the Company. All assets, liabilities, equities, income, costs and cash flows arising from intercompany transactions, and dividends are eliminated on consolidation.

The excess of current loss attributable to minority shareholders of a subsidiary over their entitlements to the opening balance of shareholders' equity shall be charged to minority interests.

For subsidiaries obtained through a business combination not involving entities under common control, the operating results and cash flows of the acquirees will be recognised in consolidated financial statements from the date the Group effectively obtains the control until the date that control is terminated. When consolidated financial statement is prepared, the subsidiaries' financial statements will be adjusted based on the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

三、重要會計政策及會計估計(續)

6. 合併財務報表

合併財務報表的合併範圍以控制為基礎確定，包括本公司及全部子公司的財務報表。子公司，是指被本集團控制的主體(含企業、被投資單位中可分割的部分，以及本公司所控制的結構化主體等)。當且僅當投資方具備下列三要素時，投資方能夠控制被投資方：投資方擁有對被投資方的權力；因參與被投資方的相關活動而享有可變回報；有能力運用對被投資方的權力影響其回報金額。

子公司與本公司採用的會計政策或會計期間不一致的，在編製合併財務報表時，按照本公司的會計政策和會計期間對子公司財務報表進行必要的調整。本集團內部各公司之間的所有交易產生的資產、負債、權益、收入、費用和現金流量於合併時全額抵銷。

子公司少數股東分擔的當期虧損超過了少數股東在該子公司期初股東權益中所享有的份額的，其餘額仍沖減少數股東權益。

對於通過非同一控制下企業合併取得的子公司，被購買方的經營成果和現金流量自本集團取得控制權之日起納入合併財務報表，直至本集團對其控制權終止。在編製合併財務報表時，以購買日確定的各項可辨認資產、負債及或有負債的公允價值為基礎對子公司的財務報表進行調整。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (continued)

For subsidiaries obtained through a business combination involving entities under common control, the operating result and cash flow of the party being combined will be recognised in consolidated financial statement from the beginning of the current period during which the combination occurs. In preparing the comparative consolidated financial statements, adjustments were made to relevant items in financial statements in previous periods as if the reporting entity formed after the consolidation had been in existence since the ultimate controlling party started to exercise effective control.

In the event of the change in one or more elements of control as a result of changes in relevant facts and conditions, the Group reassesses whether it has control over the investee.

Where there is no loss of control, the change in minority interests is accounted for as equity transaction.

7. Classification of joint venture arrangements and joint operation

Joint venture arrangements are in the form of joint operation and joint venture enterprise. A joint operation is a joint venture arrangement under which the joint venture parties are entitled to assets and undertake liabilities under the arrangement. A joint venture enterprise is a joint venture arrangement under which the joint venture parties are only entitled to the net assets under such arrangement.

The following items should be recognised by a joint venture party in relation to its share of profit in the joint operation: solely held assets, as well as jointly held assets according to its share; solely assumed liabilities, as well as jointly assumed liabilities according to its share; income derived from its entitled share of production of the joint operation; income derived from the sales of production of the joint operation according to its share; solely incurred expenses, as well as expenses incurred by the joint operation according to its share.

三、重要會計政策及會計估計(續)

6. 合併財務報表(續)

對於通過同一控制下企業合併取得的子公司，被合併方的經營成果和現金流量自合併當期期初納入合併財務報表。編製比較合併財務報表時，對前期財務報表的相關項目進行調整，視同合併後形成的報告主體，自最終控制方開始實施控制時一直存在。

如果相關事實和情況的變化導致對控制要素中的一項或多項發生變化的，本集團重新評估是否控制被投資方。

不喪失控制權情況下，少數股東權益發生變化作為權益性交易。

7. 合營安排分類及共同經營

合營安排分為共同經營和合營企業。共同經營，是指合營方享有該安排相關資產且承擔該安排相關負債的合營安排。合營企業，是指合營方僅對該安排的淨資產享有權利的合營安排。

合營方確認其與共同經營中利益份額相關的下列項目：確認單獨所持有的資產，以及按其份額確認共同持有的資產；確認單獨所承擔的負債，以及按其份額確認共同承擔的負債；確認出售其享有的共同經營產出份額所產生的收入；按其份額確認共同經營因出售產出所產生的收入；確認單獨所發生的費用，以及按其份額確認共同經營發生的費用。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Cash and cash equivalents

Cash represents cash on hand and deposits readily available for payments. Cash equivalents represent short-term highly liquid investments which are readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

9. Foreign currency translation

For foreign currency transactions, the Group translates the foreign currency into its functional currency.

Upon initial recognition, foreign currency transactions are translated into the functional currency using the median exchange rate published by the PBOC at the beginning of the month in which transactions occur (unless the adoption of such exchange rate is considered inappropriate owing to exchange rate fluctuations, in which case the spot exchange rate prevailing on the date of transaction shall be adopted). However, the capital invested by investors in foreign currencies is translated using the spot exchange rate at the dates of the transactions. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. The translation differences arising from the settlement and foreign currency monetary items, except those relating to foreign currency monetary items eligible for the capitalisation shall be dealt with according to the principle of capitalisation of borrowing costs, are recognised in profit or loss. Foreign currency non-monetary items measured at historical cost continue to be translated using the exchange rate at initial recognition and it does not change its carrying amount in functional currency. Foreign currency non-monetary items measured at fair values will be translated using the spot exchange rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income for the current period depending on the characteristics of the non-monetary items.

三、重要會計政策及會計估計(續)

8. 現金及現金等價物

現金，是指本集團的庫存現金以及可以隨時用於支付的存款；現金等價物，是指本集團持有的期限短、流動性強、易於轉換為已知金額的現金、價值變動風險很小的投資。

9. 外幣業務和外幣報表折算

本集團對於發生的外幣交易，將外幣金額折算為記賬本位幣金額。

外幣交易在初始確認時，採用交易發生當月月初中國人民銀行公佈的中間匯率(除非匯率波動使得採用該匯率折算不適當，則採用交易發生日的即期匯率折算)將外幣金額折算為記賬本位幣金額，但投資者以外幣投入的資本以交易發生日的即期匯率折算。於資產負債表日，對於外幣貨幣性項目採用資產負債表日即期匯率折算。由此產生的結算和貨幣性項目折算差額，除屬於與購建符合資本化條件的資產相關的外幣專門借款產生的差額按照借款費用資本化的原則處理外，均計入當期損益。以歷史成本計量的外幣非貨幣性項目，仍採用初始確認時所採用的匯率折算，不改變其記賬本位幣金額。以公允價值計量的外幣非貨幣性項目，採用公允價值確定日的即期匯率折算，由此產生的差額根據非貨幣性項目的性質計入當期損益或其他綜合收益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Foreign currency translation (continued)

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: the assets and liabilities are translated using the spot exchange rate at the balance sheet date, and owners' equity items, except for "undistributed profits", are translated at the spot exchange rates when such items arose; income and expense items in the income statement are translated using the average exchange rates for the periods when transactions occur (unless the adoption of such exchange rate is considered inappropriate owing to exchange rate fluctuations, in which case the spot exchange rate prevailing on the date of transaction shall be adopted). Translation differences arising from the aforesaid translation of financial statements denominated in foreign currency shall be recognised as other comprehensive income. When foreign operations are disposed, other comprehensive income relating to the foreign operation is transferred to profit or loss. Partial disposal shall be recognized on a pro-rata basis. For foreign currency monetary items that are not repayable in the foreseeable future and that in substance constitute a net investment in a foreign subsidiary and are reflected in a currency other than the reporting currency of the parent subsidiary, management eliminates the exchange differences arising from such foreign currency monetary items of the parent subsidiary and the difference is included in exchange difference on foreign currency translation.

Cash flows denominated in foreign currencies and foreign subsidiaries' cash flows are translated using the average exchange rate for the period when cash flows occur (unless the adoption of such exchange rate is considered inappropriate owing to exchange rate fluctuations, in which case the spot exchange rate prevailing on the date on which the cash flow is incurred shall be adopted). The impact on cash by the fluctuation of exchange rates is presented as a separate line item of reconciliation in the cash flow statement.

三、重要會計政策及會計估計(續)

9. 外幣業務和外幣報表折算(續)

對於境外經營，本集團在編製財務報表時將其記賬本位幣折算為人民幣：對資產負債表中的資產和負債項目，採用資產負債表日的即期匯率折算，所有者權益項目除「未分配利潤」項目外，其他項目採用發生時的即期匯率折算；利潤表中的收入和費用項目，採用交易發生當期平均匯率(除非匯率波動使得採用該匯率折算不適當，則採用交易發生日的即期匯率折算)折算。按照上述折算產生的外幣財務報表折算差額，確認為其他綜合收益。處置境外經營時，將與該境外經營相關的其他綜合收益轉入處置當期損益，部分處置的按處置比例計算。對於在可預見的未來無需償還、實質構成對境外子公司的淨投資的外幣貨幣性項目，以母子公司的記賬本位幣以外的貨幣反映的，管理層將母子公司的此項外幣貨幣性項目產生的匯兌差額相互抵銷，差額計入外幣報表折算差額。

外幣現金流量以及境外子公司的現金流量，採用現金流量發生當期平均匯率(除非匯率波動使得採用該匯率折算不適當，則採用現金流量發生日的即期匯率折算)折算。匯率變動對現金的影響額作為調節項目，在現金流量表中單獨列報。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments

Financial instruments refer to the contracts which give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

(1) Recognition and derecognition of financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the financial instrument.

A financial asset (or part of it, or a part of a group of similar financial asset) is derecognised when one of the following criteria is met, that is, when a previously recognised financial asset is transferred from balance sheet:

- 1) The right of receiving the cash flow generated from the financial asset has expired;
- 2) The right of receiving cash flow generated by the financial assets is transferred, or an obligation of paying the full amount of cash flow received to third parties in a timely manner has been undertaken under "pass-through" agreements, where substantially all risks and rewards of the ownership of such type of financial assets have been transferred, or control over such type of financial assets has not been retained even though substantially all risks and rewards of the ownership of such type of financial assets have been neither transferred nor retained.

三、重要會計政策及會計估計(續)

10. 金融工具

金融工具，是指形成一個企業的金融資產，並形成其他單位的金融負債或權益工具的合同。

(1) 金融工具的確認和終止確認

本集團於成為金融工具合同的一方時確認一項金融資產或金融負債。

滿足下列條件的，終止確認金融資產（或金融資產的一部分，或一組類似金融資產的一部分），即將之前確認的金融資產從資產負債表中予以轉出：

- 1) 收取金融資產現金流量的權利屆滿；
- 2) 轉移了收取金融資產現金流量的權利，或在「過手」協議下承擔了及時將收取的現金流量全額支付給第三方的義務；並且實質上轉讓了金融資產所有權上幾乎所有的風險和報酬，或雖然實質上既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但放棄了對該金融資產的控制。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(1) *Recognition and derecognition of financial instruments (continued)*

If the obligation of financial liability has been fulfilled, cancelled or expired, the financial liability is derecognised. If the present financial liability is substituted by the same debtor with another liability differing in substance, or the terms of the present liability have been substantially modified, this substitution or modification is treated as derecognition of the present liability and recognition of a new liability with any arising differences recognised in profit or loss.

Conventional dealings in financial assets are recognised or derecognised under the trade day accounting method. Conventional dealings in financial assets are purchases or sales of financial assets in accordance with the terms of a contract which specifies that the delivery of the financial assets will take place according to the schedule determined by regulations or market practices. The trade day is the date on which the Group undertakes to buy or sell a financial asset.

(2) *Classification and valuation of financial assets*

At initial recognition, the Group classifies its financial assets into: financial assets at amortised cost, financial assets at fair value through other comprehensive income, or financial assets at fair value through profit or loss according to the Group's business model for managing financial assets and the contract cash flow characteristics of the financial assets. Only if the Group changes its business model for managing financial assets, all affected related financial assets can be reclassified.

Financial assets are measured at fair value at initial recognition, provided that trade receivables or bills receivable not containing significant financing components or for which financing components of not more than 1 year are not taken into consideration shall be measured at their transaction prices at initial recognition.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(1) 金融工具的確認和終止確認(續)

如果金融負債的責任已履行、撤銷或屆滿，則對金融負債進行終止確認。如果現有金融負債被同一債權人以實質上幾乎完全不同條款的另一金融負債所取代，或者現有負債的條款幾乎全部被實質性修改，則此類替換或修改作為終止確認原負債和確認新負債處理，差額計入當期損益。

以常規方式買賣金融資產，按交易日會計進行確認和終止確認。以常規方式買賣金融資產，是指按照合同規定購買或出售金融資產，並且該合同條款規定，根據通常由法規或市場慣例所確定的時間安排來交付金融資產。交易日，是指本集團承諾買入或賣出金融資產的日期。

(2) 金融資產分類和計量

本集團的金融資產於初始確認時根據本集團管理金融資產的業務模式和金融資產的合同現金流量特徵分類為：以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他綜合收益的金融資產、以公允價值計量且其變動計入當期損益的金融資產。當且僅當本集團改變管理金融資產的業務模式時，才對所有受影響的相關金融資產進行重分類。

金融資產在初始確認時以公允價值計量，但是因銷售商品或提供服務等產生的應收賬款或應收票據未包含重大融資成分或不考慮不超過一年的融資成分的，按照交易價格進行初始計量。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(2) Classification and valuation of financial assets (continued)

For financial assets at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss; for other financial assets, the relevant transaction costs are recognised in their initial recognition amount.

The subsequent measurement of financial assets is dependent on its classification:

Debt instrument investments at amortised cost

Financial assets fulfilling all of the following conditions are classified as financial assets at amortised cost: the objective of the Group's business management model in respect of such type of financial assets is to generate contract cash flow; the contract terms of such type of financial assets provide that cash flow generated on specific dates represents interest payment in relation to principal amounts based on outstanding principal amounts only. Interest income from such type of financial assets are recognised using the effective interest rate method, and any profit or loss arising from derecognition, amendments or impairment shall be charged to profit or loss.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) 金融資產分類和計量(續)

對於以公允價值計量且其變動計入當期損益的金融資產，相關交易費用直接計入當期損益，其他類別的金融資產相關交易費用計入其初始確認金額。

金融資產的後續計量取決於其分類：

以攤餘成本計量的債務工具投資

金融資產同時符合下列條件的，分類為以攤餘成本計量的金融資產：管理該金融資產的業務模式是以收取合同現金流量為目標；該金融資產的合同條款規定，在特定日期產生的現金流量僅為對本金和以未償付本金金額為基礎的利息的支付。此類金融資產採用實際利率法確認利息收入，其終止確認、修改或減值產生的利得或損失，均計入當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(2) *Classification and valuation of financial assets (continued)*

Debt instrument investments at fair value through other comprehensive income

Financial assets fulfilling all of the following conditions are classified as financial assets at fair value through other comprehensive income: the objective of the Group's business management model in respect of such type of financial assets is both to generate contract cash flow and to sell such type of financial assets; the contract terms of such type of financial assets provide that cash flow generated on specific dates represents interest payment in relation to principal amounts based on outstanding principal amounts only. Interest income from this type of financial assets are recognized using the effective interest rate method. Other than interest income, impairment loss and exchange differences which shall be recognised as profit or loss, other fair value changes shall be included in other comprehensive income. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to profit or loss.

Equity instrument investments at fair value through other comprehensive income

The Group irrevocably chooses to designate certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income, and only the relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is included in profit or loss for the period. Subsequent changes in fair value are included in other comprehensive income with no impairment provision required. When the financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from it and included in retained earnings.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) 金融資產分類和計量(續)

以公允價值計量且其變動計入其他綜合收益的債務工具投資

金融資產同時符合下列條件的，分類為以公允價值計量且其變動計入其他綜合收益的金融資產：本集團管理該金融資產的業務模式是既以收取合同現金流量為目標又以出售金融資產為目標；該金融資產的合同條款規定，在特定日期產生的現金流量僅為對本金和以未償付本金金額為基礎的利息的支付。此類金融資產採用實際利率法確認利息收入。除利息收入、減值損失及匯兌差額確認為當期損益外，其餘公允價值變動計入其他綜合收益。當金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從其他綜合收益轉出，計入當期損益。

以公允價值計量且其變動計入其他綜合收益的權益工具投資

本集團不可撤銷地選擇將部分非交易性權益工具投資指定為以公允價值計量且其變動計入其他綜合收益的金融資產，僅將相關股利收入(明確作為投資成本部分收回的股利收入除外)計入當期損益，公允價值的後續變動計入其他綜合收益，不需計提減值準備。當金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從其他綜合收益轉出，計入留存收益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(2) *Classification and valuation of financial assets (continued)*

Financial assets measured at fair value through profit or loss

Financial assets other than the above-mentioned financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss for the period, except for those involving the hedge accounting.

(3) *Classification and valuation of financial liabilities*

Except for financial guarantee contracts signed, the Group classifies its financial liabilities at initial recognition: financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss; for financial liabilities at amortised cost, the relevant transaction costs are recognised in their initial recognition amount.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(2) *金融資產分類和計量(續)*

以公允價值計量且其變動計入當期損益的金融資產

上述以攤餘成本計量的金融資產和以公允價值計量且其變動計入其他綜合收益的金融資產之外的金融資產，分類為以公允價值計量且其變動計入當期損益的金融資產。對於此類金融資產，採用公允價值進行後續計量，除與套期會計有關外，所有公允價值變動計入當期損益。

(3) *金融負債分類和計量*

除了簽發的財務擔保合同以外，本集團的金融負債於初始確認時分類為：以公允價值計量且其變動計入當期損益的金融負債、以攤餘成本計量的金融負債。對於以公允價值計量且其變動計入當期損益的金融負債，相關交易費用直接計入當期損益，以攤餘成本計量的金融負債的相關交易費用計入其初始確認金額。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(3) *Classification and valuation of financial liabilities (continued)*

The subsequent measurement of financial liabilities is dependent on its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (comprising derivatives classified as financial liabilities) and financial liabilities designated at initial recognition to be measured at fair value through profit or loss. Financial liabilities held for trading (comprising derivatives classified as financial liabilities) are subsequently measured at fair value, and except for those involving the hedge accounting, all changes in fair value are included in profit or loss. The Group subsequently measures financial liabilities that are designated at fair value through profit or loss at fair value. Except that changes in fair value arising from changes to the Group's own credit risks are recorded in other comprehensive income, other changes in fair value are recorded in profit or loss. Unless inclusion of changes in fair value arising from changes to the Group's own credit risks in other comprehensive income will cause or expand accounting mismatch in the gains or losses, the Group records all changes in fair value (including affected amount of changes to the own credit risks) in the profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, these financial liabilities are carried at amortised cost using the effective interest method.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(3) *金融負債分類和計量(續)*

金融負債的後續計量取決於其分類：

以公允價值計量且其變動計入當期損益的金融負債

以公允價值計量且其變動計入當期損益的金融負債，包括交易性金融負債(含屬於金融負債的衍生工具)和初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債。交易性金融負債(含屬於金融負債的衍生工具)，按照公允價值進行後續計量，除與套期會計有關外，所有公允價值變動均計入當期損益。對於指定為以公允價值計量且其變動計入當期損益的金融負債，按照公允價值進行後續計量，除由本集團自身信用風險變動引起的公允價值變動計入其他綜合收益之外，其他公允價值變動計入當期損益；如果由本集團自身信用風險變動引起的公允價值變動計入其他綜合收益會造成或擴大損益中的會計錯配，本集團將所有公允價值變動(包括自身信用風險變動的影響金額)計入當期損益。

以攤餘成本計量的金融負債

對於此類金融負債，採用實際利率法，按照攤餘成本進行後續計量。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(4) *Impairment of financial instruments*

Determination and accounting treatment of expected credit losses

The Group performs impairment assessment on financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income, contract assets and financial guarantee contracts based on expected credit losses and recognises provision for impairment losses.

For receivables and contract assets that do not contain significant financing components, the Group adopts a simplified measurement method to measure provision for impairment losses based on an amount equivalent to expected credit losses for the entire period.

For receivables and contract assets that contain significant financing components, the Group chooses to adopt a simplified measurement method to measure provision for impairment losses based on an amount equivalent to expected credit losses for the entire period.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) *金融工具減值*

預期信用損失的確定方法及會計處理方法

本集團以預期信用損失為基礎，對以攤餘成本計量的金融資產及以公允價值計量且其變動計入其他綜合收益的債務工具投資、合同資產及財務擔保合同進行減值處理並確認損失準備。

對於不含重大融資成分的應收款項以及合同資產，本集團運用簡化計量方法，按照相當於整個存續期內的預期信用損失金額計量損失準備。

對於包含重大融資成分的應收款項以及合同資產，本集團選擇運用簡化計量方法，按照相當於整個存續期內的預期信用損失金額計量損失準備。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(4) *Impairment of financial instruments (continued)*

Determination and accounting treatment of expected credit losses (continued)

For financial assets and financial guarantee contracts other than those measured with simplified valuation methods, the Group evaluates at each balance sheet date whether its credit risk has significantly increased since initial recognition. The period during which credit risk has not significantly increased since initial recognition is considered the first stage, at which the Group shall measure impairment loss provision based on the amount of expected credit loss for the next 12 months and shall compute interest income according to the book balance and effective interest rate; the period during which credit risk has significantly increased since initial recognition although no credit impairment has occurred is considered the second stage, at which the Group shall measure impairment loss provision based on the amount of expected credit loss for the entire period and shall compute interest income according to the book balance and effective interest rate; the period during which credit impairment has occurred after initial recognition is considered the third stage, at which the Group shall measure impairment loss provision based on the amount of expected credit loss for the entire period and shall compute interest income according to the amortised cost and effective interest rate. For financial instruments with relatively low credit risk at the balance sheet date, the Group assumes its credit risk has not significantly increase since initial recognition.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

預期信用損失的確定方法及會計處理方法(續)

除上述採用簡化計量方法以外的金融資產及財務擔保合同，本集團在每個資產負債表日評估其信用風險自初始確認後是否已經顯著增加，如果信用風險自初始確認後未顯著增加，處於第一階段，本集團按照相當於未來12個月內預期信用損失的金額計量損失準備，並按照賬面餘額和實際利率計算利息收入；如果信用風險自初始確認後已顯著增加但尚未發生信用減值的，處於第二階段，本集團按照相當於整個存續期內預期信用損失的金額計量損失準備，並按照賬面餘額和實際利率計算利息收入；如果初始確認後發生信用減值的，處於第三階段，本集團按照相當於整個存續期內預期信用損失的金額計量損失準備，並按照攤餘成本和實際利率計算利息收入。對於資產負債表日只具有較低信用風險的金融工具，本集團假設其信用風險自初始確認後未顯著增加。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(4) *Impairment of financial instruments (continued)*

Determination and accounting treatment of expected credit losses (continued)

For the Group's criteria for judging whether credit risks have significantly increased, the definition of assets subjected to credit impairment, please refer to Note X.2.

The Group's measurement of expected credit loss of financial instruments reflects factors including unbiased probability weighted average amount recognized by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

Categories of groups for collective assessment based on credit risk characteristics and basis for determination

Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of financial instruments with shared risk characteristics based on their ageing portfolio.

Ageing calculation method of credit risk characteristic collective assessment based on ageing

The aging profile is determined based on the revenue recognition date.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) 金融工具減值(續)

預期信用損失的確定方法及會計處理方法(續)

關於本集團對信用風險顯著增加判斷標準、已發生信用減值資產的定義等披露參見附註十、2。

本集團計量金融工具預期信用損失的方法反映的因素包括：通過評價一系列可能的結果而確定的無偏概率加權平均金額、貨幣時間價值，以及在資產負債表日無須付出不必要的額外成本或努力即可獲得的有關過去事項、當前狀況以及未來經濟狀況預測的合理且有依據的信息。

按照信用風險特徵組合計提減值準備的組合類別及確定依據

本集團考慮了不同客戶的信用風險特徵，以共同風險特徵為依據，以賬齡組合為基礎評估金融工具的預期信用損失。

基於賬齡確認信用風險特徵組合的賬齡計算方法

本集團根據確認收入的日期確定賬齡。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(4) *Impairment of financial instruments (continued)*

Criteria for judging individual provision for bad debt impairment provision

When a counterparty is significantly different from other counterparties in the group in terms of credit risk characteristics, the individual approach is adopted for receivables due from this counterparty. The Group①assessed the expected credit losses of the credit-impaired financial assets on the individual basis; ②assessed the expected credit losses of the financial assets on the individual basis in case a modification or re-negotiation of a contract between the Group and a counterparty may result in a change to the contractual cash flows without resulting in the derecognition of the financial assets.

Write-off of impairment provision

When the Group no longer reasonably expects to be able to fully or partially recover the contract cash flow of financial assets, the Group directly writes down the book balance of such financial assets.

(5) *Offsetting of financial instruments*

If the following conditions are met, financial assets and financial liabilities are presented in the balance sheet with the net amount after offsetting each other: there is a currently enforceable legal right to offset the recognised amount; and there is an intention to settle on a net basis, or simultaneous realisation of the financial assets and settlement of the financial liabilities.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(4) *金融工具減值(續)*

按照單項計提壞賬減值準備的單項計提判斷標準

若某一對手方信用風險特徵與組合中其他對手方顯著不同，對應收該對手方款項按照單項計提損失準備。本集團對於1已發生信用減值的金融資產基於單項為基礎評估預期信用損失；2與對手方修改或重新議定合同，未導致金融資產終止確認，但導致合同現金流量發生變化的金融資產基於單項為基礎評估預期信用損失。

減值準備的核銷

當本集團不再合理預期能夠全部或部分收回金融資產合同現金流量時，本集團直接減記該金融資產的賬面餘額。

(5) *金融工具抵銷*

同時滿足下列條件的，金融資產和金融負債以相互抵銷後的淨額在資產負債表內列示：具有抵銷已確認金額的法定權利，且該種法定權利是當前可執行的；計劃以淨額結算，或同時變現該金融資產和清償該金融負債。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(6) *Financial guarantee contracts*

A financial guarantee contract is a contract under which the issuer shall indemnify the contract holder suffering losses with a specified amount in the event that the debtor fails to repay its debt in accordance with the terms of the debt instrument. Financial guarantee contracts are measured at fair value at initial recognition, other than financial guarantee contracts designated as financial liabilities at fair value through profit or loss after initial recognition, other financial guarantee contracts shall be subsequently measured at the higher of the amount of provision for expected credit loss determined as at the balance sheet date and the amount at initial recognition less the cumulative amortised amount determined in accordance with revenue recognition principles.

(7) *Derivative financial instruments*

The Group uses derivative financial instruments. Such derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those involving the hedge accounting, profit or loss arising from changes in the fair value of derivative instruments shall be directly recognised in profit or loss.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(6) *財務擔保合同*

財務擔保合同，是指特定債務人到期不能按照債務工具條款償付債務時，發行方向蒙受損失的合同持有人賠付特定金額的合同。財務擔保合同在初始確認時按照公允價值計量，除指定為以公允價值計量且其變動計入當期損益的金融負債的財務擔保合同外，其餘財務擔保合同在初始確認後按照資產負債表日確定的預期信用損失準備金額和初始確認金額扣除按照收入確認原則確定的累計攤銷額後的餘額兩者孰高者進行後續計量。

(7) *衍生金融工具*

本集團使用衍生金融工具。衍生金融工具初始以衍生交易合同簽訂當日的公允價值進行計量，並以其公允價值進行後續計量。公允價值為正數的衍生金融工具確認為一項資產，公允價值為負數的確認為一項負債。

除與套期會計有關外，衍生工具公允價值變動產生的利得或損失直接計入當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

(8) *Transfer of financial assets*

If the Group has transferred substantially all the risks and rewards associated with the ownership of a financial asset to the transferee, the asset should be derecognised. If the Group retains substantially all the risks and rewards of ownership of a financial asset, the asset should not be derecognised.

When the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, it may either derecognise the financial asset and recognise any associated assets and liabilities if control of the financial asset has not been retained; or recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability if control has been retained.

Assets formed by the continuing involvement by way of the provision of financial guarantee in respect of the transferred financial assets shall be recognised as the lower of the carrying value of the financial asset and the amount of financial guarantee. The amount of financial guarantee means the maximum amount among considerations received to be required for repayment.

三、重要會計政策及會計估計(續)

10. 金融工具(續)

(8) 金融資產轉移

本集團已將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方的，終止確認該金融資產；保留了金融資產所有權上幾乎所有的風險和報酬的，不終止確認該金融資產。

本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬的，分別下列情況處理：放棄了對該金融資產控制的，終止確認該金融資產並確認產生的資產和負債；未放棄對該金融資產控制的，按照其繼續涉入所轉移金融資產的程度確認有關金融資產，並相應確認有關負債。

通過對所轉移金融資產提供財務擔保方式繼續涉入的，按照金融資產的賬面價值和財務擔保金額兩者之中的較低者，確認繼續涉入形成的資產。財務擔保金額，是指所收到的對價中，將被要求償還的最高金額。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Inventories

Inventories include raw materials, work-in-progress, finished goods, turnover materials, etc.

Inventories are initially measured at costs. Inventories' costs include purchasing costs, processing costs and other costs. Actual costs of goods delivered are recognised using the weighted average method. Turnover materials mainly include packing materials, which are charged to the costs and expenses when fetched using the one-off write-off method.

Inventories are valued using the perpetual inventories stock-take system.

At the balance sheet date, inventories are measured at the lower of cost or net realisable value. If the cost is higher than the new realizable value, provision for impairment of inventories is made and recognized in profit or loss.

Net realisable values represent estimated selling prices in the ordinary course of business less any estimated costs to be incurred to completion, estimated selling expenses and relevant tax amounts. The provision for impairment of inventories in the segment of automobiles and related products is recognised on the item-by-item basis, and the net realisable value is determined on the basis of estimated selling price. The net realisable value of other inventories in the segment of automobiles and related products and of the inventories of the segment of mobile handset is determined based on historical losses and business risks, taking into account the risk of slow-moving inventory and obsolete inventory, future market demands and the risk of product iteration and project change as well as aging profile and the experience in estimating net realisable value.

三、重要會計政策及會計估計(續)

11. 存貨

存貨包括原材料、在產品、庫存商品、週轉材料等。

存貨按照成本進行初始計量。存貨成本包括採購成本、加工成本和其他成本。發出存貨，採用加權平均法確定其實際成本。週轉材料主要包括包裝物，領用時採用一次轉銷法計入成本費用。

存貨盤存制度採用永續盤存制。

於資產負債表日，存貨按照成本與可變現淨值孰低計量，對成本高於可變現淨值的，計提存貨跌價準備，計入當期損益。

可變現淨值，是指在日常活動中，存貨的估計售價減去至完工時估計將要發生的成本、估計的銷售費用以及相關稅費後的金額。計提存貨跌價準備時，汽車及汽車相關業務中的庫存商品按單個存貨項目計提，以估計售價為基礎確定可變現淨值。汽車及汽車相關業務中的其他存貨以及手機業務存貨以歷史損失情況與業務風險為基礎，考慮不同類型存貨呆滯過時風險及未來市場需求、產品迭代及項目變更風險，結合庫齡情況估計可變現淨值經驗數據來確定相關存貨的可變現淨值。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

Long-term equity investments were initially measured at initial investment cost on acquisition. For a long-term equity investment acquired by the business combination involving entities under common control, the initial investment cost is recognised as the share of the investee's equity in the carrying amount presented in the consolidated financial statements of the ultimate controller. The difference between the initial investment cost and the carrying amount of consolidated consideration is charged to the capital reserve (or recognised as write-down in the retained profit if the capital reserve is not available). For long-term equity investments acquired through the business combination of entities not under common control, the initial investment cost shall be the cost of combination (for business combinations of entities not under common control achieved in stages through multiple transactions, the initial investment cost shall be the sum of the carrying amount of the equity investment in the acquired party held prior to the date of acquisition and new investment cost incurred as at the date of acquisition). The initial investment cost of long-term equity investments other than those acquired through business combination shall be recognised in accordance with the following: for those acquired by way of cash payments, the initial investment cost shall be the consideration actually paid plus expenses, tax amounts and other necessary outgoings directly related to the acquisition of the long-term equity investments. For long-term equity investments acquired by way of the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

In the financial statements of the Company, the cost method is used for long-term equity investments in investees over which the Company exercises control. Control is defined as the power exercisable over the investee, the entitlement to variable return through involvement in the activities of the investee and the ability to influence the amount of return using the power over the investee.

三、重要會計政策及會計估計(續)

12. 長期股權投資

長期股權投資包括對子公司以及合營企業和聯營企業的權益性投資。

長期股權投資在取得時以初始投資成本進行初始計量。通過同一控制下企業合併取得的長期股權投資，以合併日取得被合併方所有者權益在最終控制方合併財務報表中的賬面價值的份額作為初始投資成本；初始投資成本與合併對價賬面價值之間差額，調整資本公積(不足沖減的，沖減留存收益)。通過非同一控制下企業合併取得的長期股權投資，以合併成本作為初始投資成本(通過多次交易分步實現非同一控制下企業合併的，以購買日之前所持被購買方的股權投資的賬面價值與購買日新增投資成本之和作為初始投資成本)。除企業合併形成的長期股權投資以外方式取得的長期股權投資，按照下列方法確定初始投資成本：支付現金取得的，以實際支付的購買價款及與取得長期股權投資直接相關的費用、稅金及其他必要支出作為初始投資成本；發行權益性證券取得的，以發行權益性證券的公允價值作為初始投資成本。

本公司能夠對被投資單位實施控制的長期股權投資，在本公司個別財務報表中採用成本法核算。控制，是指擁有對被投資方的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響回報金額。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (continued)

When the cost method is used, long-term equity investments are measured at initial cost on acquisition. When additional investments are made or investments are recouped, the cost of long-term equity investments shall be adjusted. Cash dividend or profit distribution declared by the investee shall be recognised as investment gains for the period.

The equity method is used to account for long-term equity investments when the Group can jointly control and has significant influence over the invested entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means having the authority to take part in the decision over the financial and operational policies but not the authority to control or jointly control with other parties the formulation of such policies.

Under the equity method, any excess of the initial investment cost of a long-term equity investment over the Company's share of the fair value of the investment's identifiable net assets is included in the initial investment cost of the long-term equity investment. When the initial investment cost of a long-term equity investment is less than the Company's share of the fair value of the investment's identifiable net assets, the difference is recognised in profit or loss for the current period and debited to long-term equity investment.

三、重要會計政策及會計估計(續)

12. 長期股權投資(續)

採用成本法時，長期股權投資按初始投資成本計價。追加或收回投資的，調整長期股權投資的成本。被投資單位宣告分派的現金股利或利潤，確認為當期投資收益。

本集團對被投資單位具有共同控制及重大影響的，長期股權投資採用權益法核算。共同控制，是指按照相關約定對某項安排所共有的控制，並且該安排的相關活動必須經過分享控制權的參與方一致同意後才能決策。重大影響，是指對一個被投資單位的財務和經營政策有參與決策的權力，但並不能夠控制或者與其他方一起共同控制這些政策的制定。

採用權益法時，長期股權投資的初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，歸入長期股權投資的初始投資成本；長期股權投資的初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，其差額計入當期損益，同時調整長期股權投資的成本。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (continued)

Under the equity method, after the long-term equity investments are acquired, investment gains or losses and other comprehensive income are recognised according to the entitled share of net profit or loss and other comprehensive income of the investee and the carrying amount of the long-term equity investment is adjusted accordingly. When recognising the Group's share of the net profit or loss of the invested entity, the Group makes adjustments based on fair values of the investees' identifiable assets and liabilities at the acquisition date in accordance with the Group's accounting policy and accounting period to investee's net profits, eliminating pro-rata profit or loss from internal transactions between associates and joint ventures attributed to investor (except that loss from inter-group transactions deemed as asset impairment loss shall be fully recognised), provided that invested or sold assets constituting businesses shall be excluded. When the invested enterprise declares profit appropriations or cash dividends, the carrying amount of long-term equity investment is adjusted down by the Group's share of the profit appropriations and dividends. The Group shall discontinue recognising its share of the losses of the investee after the long-term equity investment together with any long-term interests that in substance forms part of the Group's net investment in the investee are reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group also adjusts the carrying amount of long-term equity investments for other changes in owner's equity of the investees (other than the net-off of net profits or losses, other comprehensive income and profit allocation of the investee), and includes the corresponding adjustment in equity.

三、重要會計政策及會計估計(續)

12. 長期股權投資(續)

採用權益法時，取得長期股權投資後，按照應享有或應分擔的被投資單位實現的淨損益和其他綜合收益的份額，分別確認投資損益和其他綜合收益並調整長期股權投資的賬面價值。在確認應享有被投資單位淨損益的份額時，以取得投資時被投資單位可辨認資產等的公允價值為基礎，按照本集團的會計政策及會計期間，並抵銷與聯營企業及合營企業之間發生的內部交易損益按照應享有的比例計算歸屬於投資方的部分(但內部交易損失屬於資產減值損失的，應全額確認)，對被投資單位的淨利潤進行調整後確認，但投資或出售的資產構成業務的除外。按照被投資單位宣告分派的利潤或現金股利計算應享有的部分，相應減少長期股權投資的賬面價值。本集團確認被投資單位發生的淨虧損，以長期股權投資的賬面價值以及其他實質上構成對被投資單位淨投資的長期權益減記至零為限，本集團負有承擔額外損失義務的除外。對於被投資單位除淨損益、其他綜合收益和利潤分配以外所有者權益的其他變動，調整長期股權投資的賬面價值並計入股東權益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost. Subsequent expenses relating to the investment properties are charged to investment property costs if there is a probable inflow of economic benefits relating to the asset and its cost can be reliably measured. Otherwise, those expenditures are recognised in profit or loss as incurred.

The Group uses the cost model for subsequent measurement of investment properties.

Buildings in investment properties are depreciated using the straight-line method, with estimated useful life of 30–50 years. The useful lives, estimated net residual values and depreciation methods of investment properties are reviewed and adjusted as appropriate at least at each year-end.

14. Fixed Assets

A fixed asset is recognised when, and only when, it is probable that future economic benefits that are associated with the fixed asset will flow to the Group and the cost can be measured reliably. Subsequent expenditures related to a fixed asset are recognised in the carrying amount of the fixed asset if the above recognition criteria are met, and the carrying value of the replaced part is derecognised; otherwise, those expenditures are recognised in profit or loss as incurred according to the beneficiaries.

Fixed assets are initially recognised at cost. Cost of purchased fixed assets includes purchasing price, relevant taxes, and any directly attributable expenditure for bringing the asset to working conditions for its intended use.

三、重要會計政策及會計估計(續)

13. 投資性房地產

投資性房地產，是指為賺取租金或資本增值，或兩者兼有而持有的房地產。

投資性房地產按照成本進行初始計量。與投資性房地產有關的後續支出，如果與該資產有關的經濟利益很可能流入且其成本能夠可靠地計量，則計入投資性房地產成本。否則，於發生時計入當期損益。

本集團採用成本模式對投資性房地產進行後續計量。

投資性房地產中的房屋及建築物折舊採用年限平均法計提，估計使用年限為30-50年。本集團至少於每年年度終了，對投資性房地產的使用壽命、預計淨殘值和折舊方法進行覆核，必要時進行調整。

14. 固定資產

固定資產僅在與其有關的經濟利益很可能流入本集團，且其成本能夠可靠地計量時才予以確認。與固定資產有關的後續支出，符合該確認條件的，計入固定資產成本，並終止確認被替換部分的賬面價值；否則，在發生時按照受益對象計入當期損益。

固定資產按照成本進行初始計量。購置固定資產的成本包括購買價款，相關稅費，以及為使固定資產達到預定可使用狀態前所發生的可直接歸屬於該資產的其他支出。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed Assets (continued)

Except freehold lands account no depreciation and except moulds in machinery equipment are depreciated on a unit of production method, others are all depreciated on a straight-line basis. The estimated useful lives, estimated residual value ratio and annual depreciation rates of the fixed assets that are depreciated on a straight-line basis are as follows:

	Estimated useful life 估計使用年限	Estimated residual value ratio 預計淨殘值率	Annual depreciation rate 年折舊率
Buildings 房屋及建築物	5-70 years 5-70年	0%-5%	1.4%-20.0%
Machinery equipment 機器設備	3-12 years 3-12年	0%-5%	7.9%-33.3%
Motor vehicles 運輸工具	3-5 years 3-5年	0%-5%	19.0%-33.3%
Office and other equipment 辦公及其他設備	10 years and below 10年及10年以下	0%-5%	9.5% and above 9.5%及9.5%以上

The Group reviews, at least at each year end, useful lives, estimated residual values and depreciation methods of fixed assets and makes adjustments if necessary.

15. Construction in progress

Construction in progress is measured at the actual construction expenditures, including necessary project work expenses incurred during the period while construction is in progress, borrowing costs subject to capitalisation before they can be put into use and other related fees.

三、重要會計政策及會計估計(續)

14. 固定資產(續)

除永久業權土地不計提折舊以及除機器設備中的模具按工作量法折舊外，其餘均採用年限平均法計提。按照年限平均法折舊的固定資產的估計使用年限、預計淨殘值率及年折舊率如下：

	Estimated useful life 估計使用年限	Estimated residual value ratio 預計淨殘值率	Annual depreciation rate 年折舊率
Buildings 房屋及建築物	5-70 years 5-70年	0%-5%	1.4%-20.0%
Machinery equipment 機器設備	3-12 years 3-12年	0%-5%	7.9%-33.3%
Motor vehicles 運輸工具	3-5 years 3-5年	0%-5%	19.0%-33.3%
Office and other equipment 辦公及其他設備	10 years and below 10年及10年以下	0%-5%	9.5% and above 9.5%及9.5%以上

本集團至少於每年年度終了，對固定資產的使用壽命、預計淨殘值和折舊方法進行覆核，必要時進行調整。

15. 在建工程

在建工程成本按實際工程支出確定，包括在建期間發生的各項必要工程支出、工程達到預定可使用狀態前的應予資本化的借款費用以及其他相關費用等。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Construction in progress (continued)

Construction in progress is transferred into fixed assets when it is ready for its intended use. The criteria are as follows:

Buildings

房屋及建築物

Machinery equipment

機器設備

Office and other equipment

辦公及其他設備

三、重要會計政策及會計估計(續)

15. 在建工程(續)

在建工程在達到預定可使用狀態時轉入固定資產。標準如下：

Criteria of transfer to fixed assets 結轉固定資產的標準

The earlier of completion acceptance or actual commencement of the usage
完工驗收／實際開始使用孰早

The earlier of installation and acceptance or actual commencement of the usage
完成安裝並驗收／實際開始使用孰早

The earlier of installation and acceptance or actual commencement of the usage
完成安裝並驗收／實際開始使用孰早

16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Other borrowing costs incurred are recorded in the profit or loss for the period. The capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction or production that are necessary to prepare the asset for its intended use are in progress.

The capitalisation of such borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Borrowing costs incurred afterwards are recognised in profit or loss.

16. 借款費用

可直接歸屬於符合資本化條件的資產的購建或者生產的借款費用，予以資本化，其他借款費用計入當期損益。當資本支出和借款費用已經發生，且為使資產達到預定可使用或可銷售狀態所必要的購建或生產活動已經開始時，借款費用開始資本化。

購建或者生產符合資本化條件的資產達到預定可使用或者可銷售狀態時，借款費用停止資本化。之後發生的借款費用計入當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Borrowing costs (continued)

During capitalisation, interest of each accounting period is recognised using the following methods: for specific borrowings, the borrowing costs eligible for capitalisation are the actual interest costs incurred during the current period deducted by any temporary interest or investment income; for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the excess amounts of cumulative expenditures on the asset over the weighted average of cumulative expenditures on the asset of specific borrowings multiplying the weight average rate of general borrowings.

Except for expected suspension under normal situation of qualifying assets, capitalisation should be suspended during periods in which abnormal interruption has lasted for more than three months during the process of acquisition, construction or production. The borrowing cost incurred during interruption should be recognised as expenses and recorded in profit or loss until the acquisition, construction or production activities of assets resume.

17. Intangible assets

(1) Useful life of intangible assets

Intangible assets formed by new energy vehicle R&D expenditures are amortised by the output method, and other intangible assets are amortised over the useful life on the straight-line basis, the useful life is as follows:

Category 類別	Estimated useful life 使用壽命	Basis of determination 確定依據
Land use rights 土地使用權	30-99 years 30-99年	Term of land use rights 土地使用權期限
Industrial property rights and proprietary technologies 工業產權及專有技術	2-10 years 2-10年	The shorter of patent term and estimated useful life 專利權期限與預計使用期限孰短
Non-patented technologies and software 非專利技術及軟件	1-5 years 1-5年	The shorter of useful lives and estimated useful lives of non-patented technologies and software 非專利技術及軟件使用年限與預計使用年限孰短
Customer relationships 客戶關係	5 years 5年	Expected beneficial lives of customer relationships 預計客戶關係受益年限

三、重要會計政策及會計估計(續)

16. 借款費用(續)

在資本化期間內，每一會計期間的利息資本化金額，按照下列方法確定：專門借款以當期實際發生的利息費用，減去暫時性的存款利息收入或投資收益後的金額確定；佔用的一般借款，根據累計資產支出超過專門借款部分的資產支出加權平均數乘以所佔用一般借款的加權平均利率計算確定。

符合資本化條件的資產在購建或者生產過程中，發生除達到預定可使用或者可銷售狀態必要的程序之外的非正常中斷、且中斷時間連續超過3個月的，暫停借款費用的資本化。在中斷期間發生的借款費用確認為費用，計入當期損益，直至資產的購建或者生產活動重新開始。

17. 無形資產

(1) 無形資產使用壽命

除新能源汽車研發支出所形成的無形資產按照生產總量法計算攤銷之外，其餘無形資產在使用壽命內採用直線法攤銷，其使用壽命如下：

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財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Intangible assets (continued)

(2) Development expenditures

The Group classifies the expenses for in-house research and development as research costs and development costs. All research costs are charged to the profit or loss as incurred. Development costs are capitalised only when all the following conditions are met: the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete and its ability to use or sell the asset; how the asset will generate economic benefits (including demonstration that the product derived from the intangible asset or the intangible asset itself will be marketable or, in the case of internal use, the usefulness of the intangible asset as such); the availability of technical and financial resources to complete the project and procure the use or sale of the intangible asset; and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are recorded in profit or loss when incurred.

Where the conditions stated above are satisfied, the works of the research stage have been completed, and it is certain that the intangible assets arising from the development of the project cater to market demands and the technical solutions are developed, to generate economic benefits, the Group may advance the corresponding project to the development stage after assessment, capitalise the expenses of the development stage when the capitalisation conditions are satisfied and transfer the capitalised expenses to intangible assets when the project passes the completion acceptance to become ready for the intended use.

三、重要會計政策及會計估計(續)

17. 無形資產(續)

(2) 研發支出

本集團將內部研究開發項目的支出，區分為研究階段支出和開發階段支出。研究階段的支出，於發生時計入當期損益。開發階段的支出，只有在同時滿足下列條件時，才能予以資本化，即：完成該無形資產以使其能夠使用或出售在技術上具有可行性；具有完成該無形資產並使用或出售的意圖；無形資產產生經濟利益的方式，包括能夠證明運用該無形資產生產的產品存在市場或無形資產自身存在市場，無形資產將在內部使用的，能夠證明其有用性；有足夠的技術、財務資源和其他資源支持，以完成該無形資產的開發，並有能力使用或出售該無形資產；歸屬於該無形資產開發階段的支出能夠可靠地計量。不滿足上述條件的開發支出，於發生時計入當期損益。

本集團相應項目在滿足上述條件，在研究階段的工作已完成，預計該項目開發形成的無形資產滿足市場需求已明確、技術方案已確定、能夠給企業帶來經濟利益等條件時，經本集團評審通過後進入開發階段，開發階段發生的支出在滿足上述資本化條件後開始資本化。在項目結題驗收達到預計可使用狀態時結轉無形資產。

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財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Impairment

The Group assesses impairment of assets other than inventories, contract assets and assets related to contract costs, deferred tax assets and financial assets, using the methods described below:

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount and performs a test of impairment for the asset. For goodwill generated from business combination, intangible assets with indefinite useful lives and intangible assets not yet available for use, tests for impairment are performed at least annually regardless of whether there are indications of impairment.

Recoverable amount is the higher of the asset's fair value less costs to sell and the present value of its estimated future cash flows. The Group estimates the recoverable amount of individual assets on item-by-item basis. When it is difficult to estimate individually, the recoverable amount of the cash generating unit which the assets belong to will be estimated. The definition of a cash generating unit (CGU) is determined on the basis of whether the primary cash inflows generated by that group are independent of those from other assets or CGUs.

When the carrying amount of an asset or a CGU exceeds its recoverable amount, the carrying amount is written down to the recoverable amount, and the amount of write-down is recognised in profit or loss, with provision for impairment provided accordingly.

In connection with impairment tests for goodwill, the carrying amount of goodwill is allocated to relevant CGUs or CGU group from the date of acquisition on a reasonable basis. A relevant CGU or CGU group is defined as one which can benefit from the synergies of the business combination and is not larger than the operating segments determined by the Group.

三、重要會計政策及會計估計(續)

18. 資產減值

對除存貨、合同資產及與合同成本有關的資產、遞延所得稅、金融資產外的資產減值，按以下方法確定：

於資產負債表日判斷資產是否存在可能發生減值的跡象，存在減值跡象的，本集團將估計其可收回金額，進行減值測試；對因企業合併所形成的商譽、使用壽命不確定的無形資產和尚未達到可使用狀態的無形資產，無論是否存在減值跡象，至少於每年末進行減值測試。

可收回金額根據資產的公允價值減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間較高者確定。本集團以單項資產為基礎估計其可收回金額；難以對單項資產的可收回金額進行估計的，以該資產所屬的資產組為基礎確定資產組的可收回金額。資產組的認定，以資產組產生的主要現金流入是否獨立於其他資產或者資產組的現金流入為依據。

當資產或資產組的可收回金額低於其賬面價值時，本集團將其賬面價值減記至可收回金額，減記的金額計入當期損益，同時計提相應的資產減值準備。

就商譽的減值測試而言，對於商譽的賬面價值，自購買日起按照合理的方法分攤至相關的資產組或者資產組組合。相關的資產組或資產組組合，是能夠從企業合併的協同效應中受益的資產組或者資產組組合，且不大於本集團確定的經營分部。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Impairment (continued)

The carrying amount and recoverable amount of CGU or CGU group that comprise goodwill should be compared. Where the recoverable amount is lower than the carrying amount, the impairment loss should first be offset against the carrying amount of the goodwill allocated to CGUs or CGU groups and then against the carrying amount of other assets in the CGUs or CGU groups other than goodwill in proportion to the weighting of these assets.

Previously recognised impairment losses are not reversed in subsequent periods.

19. Long-term deferred expenditures

Long-term deferred expenditures are expenses which the Company has paid and carries a term of more than one year. Long-term deferred expenditures are amortised on straight-line basis.

Category 類別

三、重要會計政策及會計估計(續)

18. 資產減值(續)

比較包含商譽的資產組或者資產組組合的賬面價值與可收回金額，如可收回金額低於賬面價值的，減值損失金額首先抵減分攤至資產組或資產組組合中商譽的賬面價值，再根據資產組或資產組組合中除商譽之外的其他各項資產的賬面價值所佔比重，按比例抵減其他各項資產的賬面價值。

上述資產減值損失一經確認，在以後會計期間不再轉回。

19. 長期待攤費用

長期待攤費用是指本公司已經支出、期限在1年以上的各項費用。長期待攤費用按直線法攤銷。

Amortisation Period 攤銷期

Improvement costs of right-of-use assets
使用權資產的改良支出

Lease term or expected useful life whichever is shorter
租賃期與預計可使用壽命孰短

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Employee remuneration

Employee remuneration includes all kinds of rewards or compensation other than share-based payments incurred by the Group in exchange for service rendered by employees or in the termination of employment. Employee remuneration includes short-term remuneration, post-employment benefits, termination benefits and other long-term employees' benefits.

(1) *Short-term remuneration*

For accounting periods during which services are rendered by employees, short-term remuneration incurred is recognised as liability and included in profit or loss or related asset costs.

(2) *Post-employment benefits (defined contribution scheme)*

The Group's employees are participants of the pension and unemployment insurance schemes managed by local governments, and the relevant expenses are recorded in related asset costs or profit or loss when incurred.

(3) *Termination benefits*

Where termination benefits are provided to employees, liabilities in employee remuneration are recognised in profit or loss when: the company is not in a position to withdraw termination benefits provided under termination plans or redundancy plans, or costs or expenses relating to the restructuring exercise which involves the payment of termination benefits are recognised, whichever is earlier.

三、重要會計政策及會計估計(續)

20. 職工薪酬

職工薪酬，指本集團為獲得職工提供的服務或解除勞動關係而給予的，除股份支付以外的各種形式的報酬或補償。職工薪酬包括短期薪酬、離職後福利、辭退福利和其他長期職工福利。

(1) *短期薪酬*

在職工提供服務的會計期間，將實際發生的短期薪酬確認為負債，並計入當期損益或相關資產成本。

(2) *離職後福利(設定提存計劃)*

本集團的職工參加由當地政府管理的養老保險和失業保險，相應支出在發生時計入相關資產成本或當期損益。

(3) *辭退福利*

本集團向職工提供辭退福利的，在下列兩者孰早日確認辭退福利產生的職工薪酬負債，並計入當期損益：企業不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利時；企業確認與涉及支付辭退福利的重組相關的成本或費用時。

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財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Provisions

Other than contingent consideration and assumed contingent liabilities in a business combination involving parties not under common control, the Group recognises as provision when an obligation is a present obligation assumed by the Group and it is probable that an outflow of economic benefits will result from the performance of the obligation and the obligation can be reliably measured.

Provisions are initially valued according to the best estimate of expenses for performance of present obligations, taking account of the risk, uncertainty and time value of the currency that are associated with contingent matters. The carrying amount of the provisions would be reassessed and adjusted to reflect the best estimate on balance sheet date.

A contingent liability of the acquiree gained in a business combination not involving entities under common control is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised on the basis of estimated liabilities, or the balance of cumulative amortization amount determined in the principle of the amount initially recognised less revenue.

三、重要會計政策及會計估計(續)

21. 預計負債

除了非同一控制下企業合併中的或有對價及承擔的或有負債之外，與或有事項相關的義務是本集團承擔的現時義務且該義務的履行很可能會導致經濟利益流出本集團，同時有關金額能夠可靠地計量的，本集團將其確認為預計負債。

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量，並綜合考慮與或有事項有關的風險、不確定性和貨幣時間價值等因素。於資產負債表日對預計負債的賬面價值進行覆核並進行適當調整以反映當前最佳估計數。

非同一控制下企業合併中取得的被購買方或有負債在初始確認時按照公允價值計量，在初始確認後，按照預計負債確認的金額，和初始確認金額扣除收入確認原則確定的累計攤銷額後的餘額，以兩者之中的較高者進行後續計量。

Notes to Financial Statements

財務報表附註

RMB'000
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III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Share-based payments

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments. Equity-settled share-based payments are transactions of the Group settled through the payment of shares or other equity instruments in consideration for receiving services.

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognising services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at each balance sheet date during the vesting period, based on the best estimate of the quantity of equity instruments that are exercisable and the fair value at the grant date. The fair value of equity instruments is determined by the binomial pricing model.

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognised as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instrument granted or is beneficial to the employee as measured at the date of modification is recognised as increment of services obtained.

Where an equity-settled award is cancelled, it is treated as if it had been vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled such conditions during the vesting period, equity-settled share-based payments are deemed cancelled. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date when it is granted, the new award is treated as if it was a modification of the original award.

三、重要會計政策及會計估計(續)

22. 股份支付

股份支付，分為以權益結算的股份支付和以現金結算的股份支付。以權益結算的股份支付，是指本集團為獲取服務以股份或其他權益工具作為對價進行結算的交易。

以權益結算的股份支付換取職工提供服務的，以授予職工權益工具的公允價值計量。授予後立即可行權的，在授予日按照公允價值計入相關成本或費用，相應增加資本公積；完成等待期內的服務或達到規定業績條件才可行權的，在等待期內每個資產負債表日，以對可行權權益工具數量的最佳估計為基礎，按照授予日的公允價值，將當期取得的服務計入相關成本或費用，相應增加資本公積。權益工具的公允價值採用二項式模型確定。

如果修改了以權益結算的股份支付的條款，至少按照未修改條款的情況確認取得的服務。此外，增加所授予權益工具公允價值的修改，或在修改日對職工有利的變更，均確認取得服務的增加。

如果取消了以權益結算的股份支付，則於取消日作為加速行權處理，立即確認尚未確認的金額。職工或其他方能夠選擇滿足非可行權條件但在等待期內未滿足的，作為取消以權益結算的股份支付處理。但是，如果授予新的權益工具，並在新權益工具授予日認定所授予的新權益工具是用於替代被取消的權益工具的，則以與處理原權益工具條款和條件修改相同的方式，對所授予的替代權益工具進行處理。

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RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Other equity instruments

Perpetual bonds issued by the Group are classified as equity instrument if there is no expiration date or if the Group has the right to extend for unlimited number of times, or has no contractual obligation to pay cash or other financial assets after the expiration thereof.

24. Revenue from contracts with customers

The Group recognises its revenue upon the fulfilment of performance obligations under a contract, namely, when the customer obtains control over the relevant products or services. The acquisition of control over relevant products or services shall mean the ability to direct the use of the products or the provision of the services and receive substantially all economic benefits derived therefrom.

(1) *Contract for the sales of products*

The product sales contract between the Group and its customers typically includes contractual performance obligations for the transfer of products. The Group recognises its revenue at the time of delivery and customers' acceptance of the products, taking into account the following factors: the acquisition of the current right to receive payments for the products, the transfer of major risks and rewards pertaining to the ownership of the products, the transfer of the legal title of the products, the transfer of the physical assets of the products, and customers' acceptance of the products.

三、重要會計政策及會計估計(續)

23. 其他權益工具

本集團發行的永續債沒有到期日或到期後本集團有權不限次數展期，本集團並無合同義務支付現金或其他金融資產，分類為權益工具。

24. 與客戶之間的合同產生的收入

本集團在履行了合同中的履約義務，即在客戶取得相關商品或服務控制權時確認收入。取得相關商品或服務的控制權，是指能夠主導該商品的使用或該服務的提供並從中獲得幾乎全部的經濟利益。

(1) *銷售商品合同*

本集團與客戶之間的銷售商品合同通常僅包含轉讓商品的履約義務。本集團在綜合考慮了下列因素的基礎上，在交付且客戶接受商品的時點確認收入：取得商品的現時收款權利、商品所有權上的主要風險和報酬的轉移、商品的法定所有權的轉移、商品實物資產的轉移、客戶接受該商品。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (continued)

(1) *Contract for the sales of products (continued)*

The transaction price refers to the amount of consideration that the Group is entitled to receive as a result of its transfer of goods to customers and is determined in accordance with the terms of contract, taking into account historical business practices. The Group determines the best estimates of discounts based on the expected value or the most probable amount, and recognises the transaction prices provided that the transaction prices after estimated discount shall not exceed the cumulative amount of recognised revenue upon the removal of relevant uncertainties, in connection with which a significant reversal is highly unlikely, and is re-estimated at each balance sheet date.

Where a contract contains a significant financing component, the Group determines the transaction price based on amounts payable assumed to be settled in cash by customers immediately upon the acquisition of control over the products. The difference between such transaction price and contract consideration is amortised over the contract period using the effective interest rate method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products. The Group shall not give consideration to any significant financing component in a contract if the gap between the customer's acquisition of control over the products and payment of consideration is expected to be less than one year.

三、重要會計政策及會計估計(續)

24. 與客戶之間的合同產生的收入(續)

(1) *銷售商品合同(續)*

本集團將因向客戶轉讓商品而預期有權收取的對價金額作為交易價格，並根據合同條款，結合以往的商業慣例予以確定。本集團按照期望值或最有可能發生金額對折扣做出最佳估計，以估計折扣後的交易價格不超過在相關不確定性消除時累計已確認收入極可能不會發生重大轉回的金額為限計入交易價格，並在每一個資產負債表日進行重新估計。

對於合同中存在重大融資成分的，本集團按照假定客戶在取得商品控制權時即以現金支付的應付金額確定交易價格，使用將合同對價的名義金額折現為商品現銷價格的折現率，將確定的交易價格與合同承諾的對價金額之間的差額在合同期間內採用實際利率法攤銷。對於預計客戶取得商品控制權與客戶支付價款間隔未超過一年的，本集團未考慮合同中存在的重大融資成分。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (continued)

(1) Contract for the sales of products (continued)

Customers who sell products under some of the Group's contracts for the sales of products are also the suppliers of key materials used in the manufacturing of the products. The Group needs to determine whether they are principals or agents in these transactions by ascertaining whether they have control over the above key materials before they transfer products to customers. If the Group acquires control of the aforesaid key materials, the Group is the principal and recognises revenue by total considerations received or receivable. Otherwise, the Group is an agent and recognises revenue by the amounts of commissions or service charges expected to receive.

The Group provides quality assurance for products sold in accordance with contract terms and laws and regulations. The accounting treatment of quality assurance in the form of warranty assuring customers that products sold are in compliance with required standards is set out in Note III.21. The Group provides warranty to customers beyond the statutory period or scope, which is a standalone service in addition to the assurance of compliance of products with required standards, such warranty is treated as a standalone contractual performance obligation. The Group allocates a portion of the transaction price to the service warranty based on a percentage of the standalone price for the provision of product and service warranty, with the revenue recognised when the customer acquires control of the service.

三、重要會計政策及會計估計(續)

24. 與客戶之間的合同產生的收入(續)

(1) 銷售商品合同(續)

本集團的部分銷售商品合同中銷售商品的客戶同時也是該商品製造中關鍵材料的供應商。本集團判斷其是主要責任人還是代理人時，需要對在向客戶轉讓商品前是否擁有對上述關鍵材料的控制權進行分析。如果本集團獲取上述關鍵材料的控制權，那麼本集團為主要責任人，並按照已收或應收對價總額確認收入。否則，本集團為代理人，按照預期有權收取的佣金或手續費的金額確認收入。

根據合同約定、法律規定等，本集團為所銷售的商品提供質量保證，屬於為向客戶保證所銷售的商品符合既定標準的保證類質量保證，本集團按照附註三、21進行會計處理。本集團為客戶提供了超過法定質保期限或範圍的質量保證，屬於對所銷售的商品符合既定標準之外提供了一項單獨服務，本集團將其作為一項單項履約義務。本集團按照提供商品和服務類質量保證的單獨售價的相對比例，將部分交易價格分攤至服務類質量保證，並在客戶取得服務控制權時確認收入。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (continued)

(2) Contract for the rendering of services

For the performance obligations under the contracts for rendering of services between the Group and its customers, which usually include maintenance services, transportation services, technological services, platform services, etc., the Group considers them as performance obligations to be fulfilled over a period of time and recognises the revenue according to the progress of performance (except when the performance progress cannot be reasonably determined), if customers are able to obtain and consume the economic benefits brought by the Group's contractual performance when the Group performs the contracts. The Group determines the performance progress for the services provided in accordance with the input method. When the performance progress cannot be reasonably determined, the revenue will be recognised based on the amount of costs incurred if such costs incurred by the Group are expected to be compensated, until the performance progress can be reasonably determined. For service contracts whose performance obligations cannot be fulfilled over a period of time, the Group recognises revenue at the time when services are provided.

三、重要會計政策及會計估計(續)

24. 與客戶之間的合同產生的收入(續)

(2) 提供服務合同

本集團與客戶之間的提供服務合同通常包含維修服務、運輸服務、技術服務、平台服務等履約義務，如果本集團履約的同時客戶即取得並消耗本集團履約所帶來的經濟利益，本集團將其作為在某一時段內履行的履約義務，按照履約進度確認收入，履約進度不能合理確定的除外。本集團按照投入法確定提供服務的履約進度。對於履約進度不能合理確定時，本集團已經發生的成本預計能夠得到補償的，按照已經發生的成本金額確認收入，直到履約進度能夠合理確定為止。對於不能滿足在某一時段內履行履約義務的服務合同，本集團在服務完成時點確認收入。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (continued)

(3) Construction contract

The Group fulfils the performance obligations by providing construction services to customers. As the customers have control over the assets under construction during the Group's performance of contracts, the Group considers these obligations as performance obligations to be fulfilled over a period of time and recognises the revenue according to the progress of performance (except when the performance progress cannot be reasonably determined). The Group determines the performance progress for the construction services in accordance with the output method and on the basis of completion stage measured practically. When the performance progress cannot be reasonably determined, the revenue will be recognised based on the amount of costs incurred if such costs incurred by the Group are expected to be compensated, until the performance progress can be reasonably determined.

25. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities on the balance sheet according to the relationship between contractual performance obligations and customer payments. Contract assets and contract liabilities under the same contract are presented on a net basis after set-off.

(1) Contract assets

A contract asset is recognised when goods or services are transferred to a customer and the customer has a right to receive the consideration, which are dependent on factors other than the passage of time, before the customer actually pays the contract consideration or such consideration becomes due. It is transferred to a receivable when the unconditional right to receive payment is subsequently obtained.

For details of the Group's determination and accounting treatment of expected credit losses from contract assets, please refer to Note III. 10.

三、重要會計政策及會計估計(續)

24. 與客戶之間的合同產生的收入(續)

(3) 建造合同

本集團通過向客戶提供建造服務履行履約義務，由於客戶能夠控制本集團履約過程中的在建資產，本集團將其作為在某一時段內履行的履約義務，按照履約進度確認收入，履約進度不能合理確定的除外。本集團按照產出法，根據實際測量的完工進度確定建造服務的履約進度。對於履約進度不能合理確定時，本集團已經發生的成本預計能夠得到補償的，按照已經發生的成本金額確認收入，直到履約進度能夠合理確定為止。

25. 合同資產與合同負債

本集團根據履行履約義務與客戶付款之間的關係在資產負債表中列示合同資產或合同負債。本集團將同一合同下的合同資產和合同負債相互抵銷後以淨額列示。

(1) 合同資產

在客戶實際支付合同對價或在該對價到期應付之前，已向客戶轉讓商品或服務而有權收取對價的權利(且該權利取決於時間流逝之外的其他因素)，確認為合同資產；後續取得無條件收款權時，轉為應收款項。

本集團對合同資產的預期信用損失的確定方法及會計處理方法詳見附註三、10。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Contract assets and contract liabilities (continued)

(2) Contract liabilities

Obligations to transfer goods or services to customers for which consideration has been received from the customer or for which an unconditional right to receive consideration has been acquired before the transfer of the goods or services to the customer are recognised as contract liabilities.

26. Assets relating to contract costs

The Group's assets relating to contract costs include contract acquisition costs and contract performance costs, presented respectively under inventories, other current assets and other non-current assets according to their liquidity.

Where the Group expects the incremental costs for acquiring a contract to be recoverable, such contract acquisition costs are recognised as an asset (unless the amortisation period of the asset is not more than one year).

Costs incurred by the Group for the performance of a contract are recognised as an asset as contract performance costs if they do not fall under the scope of the relevant standards for inventories, fixed assets or intangible assets but meet all the following conditions:

- 1) they are directly related to a current or anticipated contract, including direct labour, direct materials, manufacturing expenses (or similar expenses), to be borne by customers as specifically stipulated, and otherwise incurred solely in connection with the contract;
- 2) they increase the resources to be utilised in the Company's future performance of its contractual obligations;
- 3) they are expected to be recoverable.

三、重要會計政策及會計估計(續)

25. 合同資產與合同負債(續)

(2) 合同負債

在向客戶轉讓商品或服務之前，已收客戶對價或取得無條件收取對價權利而應向客戶轉讓商品或服務的義務，確認為合同負債。

26. 與合同成本有關的資產

本集團與合同成本有關的資產包括合同取得成本和合同履約成本。根據其流動性，分別列報在存貨、其他流動資產和其他非流動資產中。

本集團為取得合同發生的增量成本預期能夠收回的，作為合同取得成本確認為一項資產，除非該資產攤銷期限不超過一年。

本集團為履行合同發生的成本，不適用存貨、固定資產或無形資產等相關準則的規範範圍的，且同時滿足下列條件的，作為合同履約成本確認為一項資產：

- 1) 該成本與一份當前或預期取得的合同直接相關，包括直接人工、直接材料、製造費用(或類似費用)、明確由客戶承擔的成本以及僅因該合同而發生的其他成本；
- 2) 該成本增加了企業未來用於履行履約義務的資源；
- 3) 該成本預期能夠收回。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Assets relating to contract costs (continued)

The Group amortises assets relating to contract costs on the same basis as that for the recognition of revenue relating to such assets and recognises the amortised assets in profit or loss.

For assets relating to contract costs whose carrying amount is higher than the difference between the following two items, the Group makes provision for impairment for the excess to be recognised as asset impairment losses:

- (1) the remaining consideration expected to be obtained as a result of the transfer of goods or services relating to such assets;
- (2) estimated costs to be incurred in connection with the transfer of relevant goods or services.

27. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The grant is measured as the amount received or receivable where it takes the form of a cash asset, or at fair value where it is not a cash asset. Where the fair value cannot be reliably obtained, it should be measured at the nominal value.

Government grants are accounted for using the gross method.

In accordance with the stipulations of the government instruments, government grants applied towards acquisition or the formation of long-term assets in other manners are asset-related government grants; grants with unspecific reference in government instruments and requiring the exercise of judgement based on the basic conditions for receiving such grants are treated as asset-related government grants that take acquisition of long-term assets or formation in other manners as essential condition; otherwise, grants are recognised as income-related government grants.

三、重要會計政策及會計估計(續)

26. 與合同成本有關的資產(續)

本集團對與合同成本有關的資產採用與該資產相關的收入確認相同的基礎進行攤銷，計入當期損益。

與合同成本有關的資產，其賬面價值高於下列兩項差額的，本集團將超出部分計提減值準備，並確認為資產減值損失：

- (1) 因轉讓與該資產相關的商品或服務預期能夠取得的剩餘對價；
- (2) 為轉讓該相關商品或服務估計將要發生的成本。

27. 政府補助

政府補助在能夠滿足其所附的條件並且能夠收到時，予以確認。政府補助為貨幣性資產的，按照收到或應收的金額計量。政府補助為非貨幣性資產的，按照公允價值計量；公允價值不能可靠取得的，按照名義金額計量。

政府補助採用總額法核算。

政府文件規定用於購建或以其他方式形成長期資產的，作為與資產相關的政府補助；政府文件不明確的，以取得該補助必須具備的基本條件為基礎進行判斷，以購建或以其他方式形成長期資產為基本條件的作為與資產相關的政府補助，除此之外的作為與收益相關的政府補助。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Government grants (continued)

Income-related government grants, if applied to make up for related costs or losses in future periods, are recognised as deferred income and recorded in profit or loss in the period when relevant costs or losses are recognised; if applied to make up for related costs or losses that have been incurred, recognised directly in profit or loss. Asset-related government grants are recognised as deferred income and included in profit or loss over the useful life of relevant assets by reasonable and systematic instalments. Government grants measured at nominal value are directly recognised in profit or loss. Where the assets concerned are disposed of, transferred, retired or damaged prior to the end of the useful life, the balance of the deferred income yet to be allocated is transferred to the profit or loss for the period when the assets are disposed of.

For loans provided to the Group at policy-based favorable interest rates by banks, which are supported by the financial authorities with discount interest rate funds, the fair value of borrowings is recognised as the carrying amount, and the borrowing costs are calculated by the effective rate method, with the difference between the amount actually received and the fair value of borrowing recognised as deferred income and the effective rate method adopted for amortisation during the loan term to write off borrowing costs. If discount interest rate funds are directly offered to the Group, the Group shall adopt the corresponding discount interest to write off relevant borrowing costs.

三、重要會計政策及會計估計(續)

27. 政府補助(續)

與收益相關的政府補助，用於補償以後期間的相關成本費用或損失的，確認為遞延收益，並在確認相關成本費用或損失的期間計入當期損益；用於補償已發生的相關成本費用或損失的，直接計入當期損益。與資產相關的政府補助，確認為遞延收益，在相關資產使用壽命內按照合理、系統的方法分期計入損益。但按照名義金額計量的政府補助，直接計入當期損益。相關資產在使用壽命結束前被出售、轉讓、報廢或發生毀損的，尚未分配的相關遞延收益餘額轉入資產處置當期的損益。

財政將貼息資金撥付給貸款銀行，由貸款銀行以政策性優惠利率向本集團提供貸款的，以借款的公允價值作為借款的入賬價值並按照實際利率法計算借款費用，實際收到的金額與借款公允價值之間的差額確認為遞延收益，在借款存續期內採用實際利率法攤銷，沖減相關借款費用。財政將貼息資金直接撥付給本集團的，將對應的貼息沖減相關借款費用。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Deferred tax

The Group recognises deferred taxes by balance sheet liability method and according to the temporary difference between the carrying amount of assets and liabilities as at the balance sheet date and the tax base, and the temporary difference between the carrying amount of items that have not been recognised as assets and liabilities but of which the tax base can be determined and the tax base.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- 1) where the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and the assets and liabilities initially recognised do not result in equal amounts of taxable temporary differences and deductible temporary differences;
- 2) in respect of the taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

三、重要會計政策及會計估計(續)

28. 遞延所得稅

本集團根據資產與負債於資產負債表日的賬面價值與計稅基礎之間的暫時性差異，以及未作為資產和負債確認但按照稅法規定可以確定其計稅基礎的項目的賬面價值與計稅基礎之間的差額產生的暫時性差異，採用資產負債表債務法計提遞延所得稅。

各種應納稅暫時性差異均據以確認遞延所得稅負債，除非：

- 1) 應納稅暫時性差異是在以下交易中產生的：商譽的初始確認，或者具有以下特徵的單項交易中產生的資產或負債的初始確認：該交易不是企業合併、交易發生時既不影響會計利潤也不影響應納稅所得額或可抵扣虧損、且初始確認的資產和負債未導致產生等額應納稅暫時性差異和可抵扣暫時性差異；
- 2) 對於與子公司及合營企業及聯營企業投資相關的應納稅暫時性差異，該暫時性差異轉回的時間能夠控制並且該暫時性差異在可預見的未來很可能不會轉回。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- 1) where the deductible temporary difference arises from transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and the assets and liabilities initially recognised do not result in equal amounts of taxable temporary differences and deductible temporary differences;
- 2) where deductible temporary differences associated with investments in subsidiaries, it is probable that the temporary differences will be reversed in the foreseeable future, and it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at the balance sheet date, deferred tax assets and liabilities are measured in accordance with relevant tax laws at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, and the Group reports the tax consequences that would follow the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets are reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

三、重要會計政策及會計估計(續)

28. 遞延所得稅(續)

對於可抵扣暫時性差異、能夠結轉以後年度的可抵扣虧損和稅款抵減，本集團以很可能取得用來抵扣可抵扣暫時性差異、可抵扣虧損和稅款抵減的未來應納稅所得額為限，確認由此產生的遞延所得稅資產，除非：

- 1) 可抵扣暫時性差異是在以下單項交易中產生的：該交易不是企業合併、交易發生時既不影響會計利潤也不影響應納稅所得額或可抵扣虧損、且初始確認的資產和負債未導致產生等額應納稅暫時性差異和可抵扣暫時性差異；
- 2) 對於與子公司及合營企業投資及聯營企業相關的可抵扣暫時性差異，暫時性差異在可預見的未來很可能轉回且未來很可能獲得用來抵扣該暫時性差異的應納稅所得額。

本集團於資產負債表日，對於遞延所得稅資產和遞延所得稅負債，依據稅法規定，按照預期收回該資產或清償該負債期間的適用稅率計量，並反映資產負債表日預期收回資產或清償負債方式的所得稅影響。

於資產負債表日，本集團對遞延所得稅資產的賬面價值進行覆核，如果未來期間很可能無法獲得足夠的應納稅所得額用以抵扣遞延所得稅資產的利益，減記遞延所得稅資產的賬面價值。於資產負債表日，本集團重新評估未確認的遞延所得稅資產，在很可能獲得足夠的應納稅所得額可供所有或部分遞延所得稅資產轉回的限度內，確認遞延所得稅資產。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Deferred tax (continued)

Deferred tax assets and deferred tax liabilities are offset and presented as a net amount if the Group has the legal right to set off deferred tax assets and deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority, but the taxable entity concerned intends to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

29. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. If one party to the contract conveys a right to control the use of one or more identified assets for a period of time in exchange for consideration, such contract is, or contains, a lease.

(1) As a lessee

The Group recognized right-of-use assets and lease liabilities for leases except for short-term leases and leases of low-value assets.

If a contract contains lease components and non-lease components at the same time, the Group will allocate the consideration in the contract to each component on the basis of their respective relative stand-alone price.

三、重要會計政策及會計估計(續)

28. 遞延所得稅(續)

如果擁有以淨額結算遞延所得稅資產及遞延所得稅負債的法定權利，且遞延所得稅與同一應納稅主體和同一稅收徵管部門相關，但在未來每一具有重要性的遞延所得稅資產和遞延所得稅負債轉回的期間內，涉及的納稅主體意圖以淨額結算當期所得稅資產及當期所得稅負債或是同時取得資產、清償債務，則將遞延所得稅資產和遞延所得稅負債以抵銷後的淨額列示。

29. 租賃

在合同開始日，本集團評估合同是否為租賃或者包含租賃，如果合同中一方讓渡了在一定期間內控制一項或多項已識別資產使用的權利以換取對價，則該合同為租賃或者包含租賃。

(1) 作為承租人

除了短期租賃和低價值資產租賃，本集團對租賃確認使用權資產和租賃負債。

合同中同時包含租賃和非租賃部分的，本集團按照各部分單獨價格的相對比例分攤合同對價。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Leases (continued)

(1) *As a lessee (continued)*

At the inception of a lease term, the rights to use lease assets during the lease term is recognised as right-of-use assets, initially measured at cost. The costs of right-of-use assets include: the initially measured amount of lease liabilities; the lease payment incurred at or prior to the lease inception date, less the lease incentive amount received; initial direct expenses incurred by the lessee; estimated cost to be incurred by the lessee for demolishing and removing lease assets, restoring the premises at which the lease assets are located or restoring the lease assets to the agreed state under the lease terms. If the Group remeasures lease liabilities due to changes in lease payments, the carrying amount of the right-of-use asset is adjusted accordingly. In subsequent measurement, the Group provides depreciation of the right-of-use assets using the averaging method over the lease term. Where it can be reasonably ascertained that the ownership over the lease assets can be obtained upon the conclusion of the lease term, depreciation is provided over the remaining useful life of the lease assets. Where the acquisition of the ownership over the lease assets upon the conclusion of the lease term cannot be reasonably ascertained, depreciation is provided over the lease term or the remaining useful life of the lease assets, whichever is shorter.

At the inception of a lease term, outstanding lease payments are recognised as lease liabilities at their present value, with the exception of short-term leases and low-value asset leases. The lease payments comprises fixed payments and in-substance fixed payments less any lease incentives, variable lease payment that depends on an index or a rate, amounts expected to be paid under residual value guarantees, and it also comprises exercise price of a purchase option or payments required to be made under an option to terminate the lease, provided that the Group is reasonably certain to exercise that option or the lease term reflects the Group is going to exercise an option to terminate the lease.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(1) *作為承租人(續)*

在租賃期開始日，本集團將其可在租賃期內使用租賃資產的權利確認為使用權資產，按照成本進行初始計量。使用權資產成本包括：租賃負債的初始計量金額；在租賃期開始日或之前支付的租賃付款額扣除已享受的租賃激勵相關金額；承租人發生的初始直接費用；承租人為拆卸及移除租賃資產、復原租賃資產所在場地或將租賃資產恢復至租賃條款約定狀態預計將發生的成本。本集團因租賃付款額變動重新計量租賃負債的，相應調整使用權資產的賬面價值。本集團後續採用年限平均法對使用權資產計提折舊。能夠合理確定租賃期屆滿時取得租賃資產所有權的，本集團在租賃資產剩餘使用壽命內計提折舊。無法合理確定租賃期屆滿時能夠取得租賃資產所有權的，本集團在租賃期與租賃資產剩餘使用壽命兩者孰短的期間內計提折舊。

在租賃期開始日，本集團將尚未支付的租賃付款額的現值確認為租賃負債，短期租賃和低價值資產租賃除外。租賃付款額包括固定付款額及實質固定付款額扣除租賃激勵後的金額、取決於指數或比率的可變租賃付款額、根據擔保餘值預計應支付的款項，還包括購買選擇權的行權價格或行使終止租賃選擇權需支付的款項，前提是本集團合理確定將行使該選擇權或租賃期反映出本集團將行使終止租賃選擇權。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Leases (continued)

(1) *As a lessee (continued)*

Variable lease payments not included in lease liabilities are charged to profit or loss as and when incurred, except the presentation in related asset costs required by other standards.

Where there are changes in the substantial fixed payment amount, changes in amounts payable expected of the remaining value of guarantees, changes in the index or ratio used to determine lease payment amounts, and changes in the assessment outcome relating to or actual exercise of the call option, renewal option and termination option, the Group re-measures the lease liabilities based on present value of the modified lease payment.

A lease with a term of not more than 12 months at the inception of the lease term and without any call option is recognised as a short-term lease; lease comprising an individual lease asset in brand new conditions and with low value is recognised as a low-value asset lease. If the Group sub-leases or expects to sub-lease such leased assets, the original lease shall not be recognised as a low-value asset lease. For short-term leases and low-value asset leases, the Group elects not to recognise right-of-use assets and lease liabilities, which are instead charged to relevant asset costs or profit or loss over the respective periods during the lease term on a straight-line basis.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(1) *作為承租人(續)*

未納入租賃負債計量的可變租賃付款額於實際發生時計入當期損益，但另有規定計入相關資產成本的除外。

當實質固定付款額發生變動、擔保餘值預計的應付金額發生變化、用於確定租賃付款額的指數或比率發生變動、購買選擇權、續租選擇權或終止選擇權的評估結果或實際行權情況發生變化時，本集團按照變動後的租賃付款額的現值重新計量租賃負債。

本集團將在租賃期開始日，租賃期不超過12個月，且不包含購買選擇權的租賃認定為短期租賃；將單項租賃資產為全新資產時價值較低的租賃認定為低價值資產租賃。本集團轉租或預期轉租租賃資產的，原租賃不認定為低價值資產租賃。本集團對短期租賃和低價值資產租賃選擇不確認使用權資產和租賃負債，在租賃期內各個期間按照直線法計入相關的資產成本或當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Leases (continued)

(2) As a lessor

Other than leases that transfer substantially all risks and rewards relating to the ownership of leased assets at inception which are recognised as finance leases, all leases are recognised as operating leases.

(For operating leases) Rental income under an operating lease is recognised as profit or loss over the respective periods of the lease term on a straight-line basis, and variable lease payments not included in lease receivables are charged to profit or loss as and when incurred. Initial direct costs are capitalised and amortised on the same basis as the recognition of rental income over the lease term, and are included in the profit or loss by instalments.

(For finance leases) At the commencement date of the lease term, the Group recognises finance lease receivables and derecognises financial leased assets. The Group initially measures finance lease receivables in the amount of net investment in the lease. Net investment in the lease is the sum of unguaranteed residual value and the present value of lease payments not received at the commencement date being discounted at the interest rate contained in the lease, including initial direct costs. The Group calculates and recognises interest income in each period during the lease term based on a constant periodic rate of interest. The variable lease payments that are not included in the measurement of the net investment in the lease are recognised in profit or loss when incurred.

三、重要會計政策及會計估計(續)

29. 租賃(續)

(2) 作為出租人

租賃開始日實質上轉移了與租賃資產所有權有關的幾乎全部風險和報酬的租賃為融資租賃，除此之外的均為經營租賃。

*(適用於經營租賃)*經營租賃的租金收入在租賃期內各個期間按直線法確認為當期損益，未計入租賃收款額的可變租賃付款額在實際發生時計入當期損益。初始直接費用資本化，在租賃期內按照與租金收入確認相同的基礎進行分攤，分期計入當期損益。

*(適用於融資租賃)*在租賃期開始日，本集團對融資租賃確認應收融資租賃款，並終止確認融資租賃資產。本集團對應收融資租賃款進行初始計量時，以租賃投資淨額作為應收融資租賃款的入賬價值。租賃投資淨額為未擔保餘值和租賃期開始日尚未收到的租賃收款額按照租賃內含利率折現的現值之和，包括初始直接費用。本集團按照固定的週期性利率計算並確認租賃期內各個期間的利息收入。本集團取得的未納入租賃投資淨額計量的可變租賃付款額在實際發生時計入當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Hedge accounting

For the purpose of hedge accounting, the Group classifies hedges as cash flow hedges which hedge the exposure to variability in cash flows risk that is either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, or the foreign exchange risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates the hedge relationship and prepares documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements. Hedging effectiveness is the extent to which the changes in fair value or cash flows of hedging instruments can offset the changes in fair value or cash flows of hedged items. Such hedge items should be assessed at the inception of the hedging relationship, and on an ongoing basis, whether a hedging relationship meets the hedge effectiveness requirements.

The Group discontinues hedge accounting prospectively when the hedging instrument expires or is sold, terminated or exercised (the placement or rollover of a hedging instrument which is part of hedging strategies into another hedging instrument is not an expiration or termination), or the hedging relationship ceases to meet the documented risk management objective due to a change in risk management objectives, or if the hedge no longer meets other qualifying criteria for hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group rebalances the hedging relationship.

三、重要會計政策及會計估計(續)

30. 套期會計

就套期會計方法而言，本集團的套期分類為現金流量套期，是指對現金流量變動風險進行的套期，此現金流量變動源於與已確認資產或負債、很可能發生的預期交易有關的某類特定風險，或一項未確認的確定承諾包含的匯率風險。

在套期關係開始時，本集團對套期關係有正式指定，並準備了關於套期關係、風險管理目標和風險管理策略的正式書面文件。該文件載明瞭套期工具、被套期項目、被套期風險的性質，以及本集團對套期有效性評估方法。套期有效性，是指套期工具的公允價值或現金流量變動能夠抵銷被套期風險引起的被套期項目公允價值或現金流量的程度。此類套期在初始指定日及以後期間被持續評價符合套期有效性要求。

如果套期工具已到期、被出售、合同終止或已行使(但作為套期策略組成部分的展期或替換不作為已到期或合同終止處理)，或因風險管理目標發生變化，導致套期關係不再滿足風險管理目標，或者該套期不再滿足套期會計方法的其他條件時，本集團終止運用套期會計。

套期關係由於套期比率的原因不再符合套期有效性要求的，但指定該套期關係的風險管理目標沒有改變的，本集團對套期關係進行再平衡。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Hedge accounting (continued)

Hedges which meet the criteria of hedge accounting are treated in the following ways:

(1) *Cash flow hedge*

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income directly, while any ineffective portion is recognised immediately in the statement of profit or loss.

When the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, or a firm commitment created by the forecast transaction for a non-financial asset or a non-financial liability for which fair value hedge accounting is applied, the gains and losses previously recognised in other comprehensive income and accumulated in cash flow hedge reserve are removed and included in the initial measurement of the cost of the non-financial asset or non-financial liability. For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss, such as when sales are expected to occur.

If the Group discontinues cash flow hedges, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur, until the transaction is expected to actually occur or performance of the commitment is determined. If the hedged future cash flows are no longer expected to occur, the amount of hedge reserve will be immediately reclassified to the statement of profit or loss as a reclassification adjustment.

三、重要會計政策及會計估計(續)

30. 套期會計(續)

滿足套期會計方法條件的，按如下方法進行處理：

(1) *現金流量套期*

套期工具利得或損失中屬於套期有效的部分，直接確認為其他綜合收益，屬於套期無效的部分，計入當期損益。

如果被套期的預期交易隨後確認為非金融資產或非金融負債，或非金融資產或非金融負債的預期交易形成適用公允價值套期的確定承諾時，則原在其他綜合收益中確認的現金流量套期儲備金額轉出，計入該資產或負債的初始確認金額。其餘現金流量套期在被套期的預期現金流量影響損益的相同期間，如預期銷售發生時，將其他綜合收益中確認的現金流量套期儲備轉出，計入當期損益。

本集團對現金流量套期終止運用套期會計時，如果被套期的未來現金流量預期仍然會發生的，則以前計入其他綜合收益的金額不轉出，直至預期交易實際發生或確定承諾履行；如果被套期的未來現金流量預期不再發生的，則累計現金流量套期儲備的金額應當從其他綜合收益中轉出，計入當期損益。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Hedge accounting (continued)

(2) Cost of hedging reserve

The Group separates the forward element and spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of a forward contract. The change in fair value of the forward element of a forward contract that hedges a transaction related hedged item shall be recognised in other comprehensive income. If the nature of the hedged item is associated with the transaction, the same accounting treatment with the cash flow hedge reserve shall be applied. If the nature of the hedged item is associated with time-period, such the changes of fair value are amortised on a systematic and rational basis over the period during which the hedged item affects the profit or loss or other comprehensive income, and reclassified from other comprehensive income to profit or loss.

31. Share repurchase

Considerations and transaction fees paid for repurchase of equity instruments of the Group result in decrease of shareholders' equity. Other than share-based payments, issuance (including re-financing), repurchase, selling or cancellation of equity instruments of the Group are treated as changes of equity.

32. Fair value measurement

The fair value hierarchy to which an asset or liability measured or disclosed in the financial statements at fair value will be determined on the basis of the lowest level of input which is significant for the fair value measurement as a whole. Input at the first level represents unadjusted quoted prices in an active market for the acquisition of the same asset or liability on the measurement date. Input at the second level represents input that is directly or indirectly observable for related assets or liabilities apart from input at the first level. Input at the third level represents unobservable input for the asset or liability.

At each balance sheet date, the Group reassesses the assets and liabilities measured at fair value on an ongoing basis recognised in the financial statements to determine whether the level of fair value measurement should be changed.

三、重要會計政策及會計估計(續)

30. 套期會計(續)

(2) 套期成本

本集團將遠期合同的遠期要素和即期要素分開，只將即期要素的價值變動指定為套期工具，本集團將遠期合同的遠期要素公允價值變動中與被套期項目相關的部分計入其他綜合收益，如果被套期項目的性質與交易相關，則按照與現金流量套期儲備的金額相同的會計方法進行處理，如果被套期項目的性質與時間段相關，則將上述公允價值變動按照系統、合理的方法在被套期項目影響損益或其他綜合收益的期間內攤銷，從其他綜合收益轉出，計入當期損益。

31. 回購股份

回購自身權益工具支付的對價和交易費用，減少股東權益。除股份支付之外，發行(含再融資)、回購、出售或註銷自身權益工具，作為權益的變動處理。

32. 公允價值計量

在財務報表中以公允價值計量或披露的資產和負債，根據對公允價值計量整體而言具有重要意義的最低層次輸入值，確定所屬的公允價值層次：第一層次輸入值，在計量日能夠取得的相同資產或負債在活躍市場上未經調整的報價；第二層次輸入值，除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值；第三層次輸入值，相關資產或負債的不可觀察輸入值。

每個資產負債表日，本集團對在財務報表中確認的持續以公允價值計量的資產和負債進行重新評估，以確定是否在公允價值計量層次之間發生轉換。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimations and assumption that affect the reported amounts and disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. The uncertain nature of these assumptions and estimations could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(1) Judgements

In the process of applying the Group's accounting policies, the management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Business model

The classification of financial assets at initial recognition depends on the business model the Group adopts to manage financial assets. In judging the business model, the Group considers, among others, the methods by which it assesses and the way by which it reports to the key managers about the results of financial assets, the risks confronted by the results of financial assets and relevant risks management methods, and the way determining the compensation of business operators. When determining whether the business model maintained for the purpose of receiving contractual cash flows, the Group needs to analyse the reasons for selling financial assets before expiry dates, the time, frequency and consideration of the selling.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow, etc.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計

編製財務報表要求管理層作出判斷、估計和假設，這些判斷、估計和假設會影響收入、費用、資產和負債的列報金額及其披露以及資產負債表日或有負債的披露。這些假設和估計的不確定性所導致的結果可能造成對未來受影響的資產或負債的賬面價值進行重大調整。

(1) 判斷

在應用本集團的會計政策的過程中，管理層作出了以下對財務報表所確認的金額具有重大影響的判斷：

業務模式

金融資產於初始確認時的分類取決於本集團管理金融資產的業務模式，在判斷業務模式時，本集團考慮包括企業評價和向關鍵管理人員報告金融資產業績的方式、影響金融資產業績的風險及其管理方式以及相關業務管理人員獲得報酬的方式等。在評估是否以收取合同現金流量為目標時，本集團需要對金融資產到期日前的出售原因、時間、頻率和價值等進行分析判斷。

合同現金流量特徵

金融資產於初始確認時的分類取決於金融資產的合同現金流量特徵，需要判斷合同現金流量是否僅為對本金和以未償付本金為基礎的利息的支付時，包含對貨幣時間價值的修正進行評估時，需要判斷與基準現金流量相比是否具有顯著差異等。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (continued)

(1) Judgements (continued)

Principal versus agent

The Group sells products to a customer who is also the supplier of key materials used in the manufacturing of products. The Group needs to determine whether it is a principal or an agent in these transactions by ascertaining whether it has control over the above key materials before it transfers products to the customer. If it acquires control of the aforesaid key materials, the Group is the principal and recognises revenue by total considerations received or receivable. Otherwise, the Group is an agent and recognises revenue by the amounts of commissions or service charges expected to receive. The determination of the Group on whether it has controls over goods before they are transferred to customers not only depends on legal contracts, but also takes into consideration of all relevant facts and conditions.

Deferred tax liabilities in relation to withholding income taxes for dividend payment

Whether the Group's overseas subsidiaries need to pay withholding income taxes for the dividends paid by their subsidiaries based in Mainland China is associated with the timing of dividend payment. If the Group estimates that the profit will not be distributed in the foreseeable future and the time of writing back the temporary difference arising from dividend payment made by such subsidiaries can be controlled, then it is not necessary to recognise deferred tax liabilities for the aforesaid withholding income taxes. For details, please refer to Note V.20.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計(續)

(1) 判斷(續)

主要責任人與代理人

本集團向客戶銷售商品，客戶同時也是該商品製造中關鍵材料的供應商。本集團判斷其是主要責任人還是代理人時，需要對在向客戶轉讓商品前是否擁有對上述關鍵材料的控制權進行分析。如果本集團獲取上述關鍵材料的控制權，那麼本集團為主要責任人，並按照已收或應收對價總額確認收入。否則，本集團為代理人，按照預期有權收取的佣金或手續費的金額確認收入。本集團在判斷向客戶轉讓商品前是否擁有對該商品的控制權時，不僅局限於合同的法律形式而且應綜合考慮所有相關事實和情況。

股利分配引起的代扣代繳所得稅之遞延所得稅負債

本集團對於其境外子公司來源於其中國境內子公司分派的股利是否需要計提代扣代繳所得稅取決於股利實際支付時點。本集團若預計該盈利不會在可預見的未來予以分派，且能控制該等子公司由股利分派產生的暫時性差異的轉回時間，則不需計提上述代扣代繳所得稅產生的遞延所得稅負債。詳見附註五、20。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (continued)

(2) *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments and contract assets

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgement and estimates, the Group estimates the changes of the debtor's credit risk according to past repayment records, taking into account economic policies, macro-economic indicators, industry risks and other factors. Differences in estimates may have an impact on the provision for impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計(續)

(2) *估計的不確定性*

以下為於資產負債表日有關未來的關鍵假設以及估計不確定性的其他關鍵來源，可能會導致未來會計期間資產和負債賬面價值重大調整。

金融工具和合同資產減值

本集團採用預期信用損失模型對金融工具和合同資產的減值進行評估，應用預期信用損失模型需要做出重大判斷和估計，需考慮所有合理且有依據的信息，包括前瞻性信息。在做出這些判斷和估計時，本集團根據歷史還款數據結合經濟政策、宏觀經濟指標、行業風險等因素推斷債務人信用風險的預期變動。不同的估計可能會影響減值準備的計提，已計提的減值準備可能並不等於未來實際的減值損失金額。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (continued)

(2) Estimation uncertainty (continued)

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indications of impairment for non-current assets other than financial assets at the balance sheet date. Impairment tests are performed every year for intangible assets with indefinite useful life and those that are not ready for intended use; these assets are also tested when indications show that they may be impaired. Non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of the fair value less cost to sell and the present value of its future cash flows. The net amount of the fair value less cost to sell is based on agreed selling prices of similar assets in fair trades or observable market prices less incremental costs for disposing of the asset. When estimating the present value of future cash flows, the management must estimate the expected future cash flows of the asset or CGU and adopts the appropriate discount rate to calculate the present value of future cash flows. For details, please refer to Note V.11, 14-17, 19 and 21.

Goodwill impairment

The Company tests the goodwill for impairment at least annually. This requires making an estimate of the current value of the future cash flow of the CGU or CGU group that have distributed goodwill. When making an estimate of the current value of future cash flows, the Group needs to make an estimate of the future cash flows generated by the CGU or CGU group, and simultaneously adopts the appropriate discount rate to calculate the present value of future cash flows. For details, please refer to Note V.18.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計(續)

(2) 估計的不確定性(續)

除金融資產之外的非流動資產減值(除商譽外)

本集團於資產負債表日對除金融資產之外的非流動資產判斷是否存在可能發生減值的跡象。對使用壽命不確定和尚未達到可使用狀態的無形資產，除每年進行的減值測試外，當其存在減值跡象時，也進行減值測試。其他除金融資產之外的非流動資產，當存在跡象表明其賬面價值不可收回時，進行減值測試。當資產或資產組的賬面價值高於可收回金額，即公允價值減去處置費用後的淨額和預計未來現金流量的現值中的較高者，表明發生了減值。公允價值減去處置費用後的淨額，參考公平交易中類似資產的銷售協議價格或可觀察到的市場價格，減去可直接歸屬於該資產處置的增量成本確定。預計未來現金流量現值時，管理層必須估計該項資產或資產組的預計未來現金流量，並選擇恰當的折現率確定未來現金流量的現值。詳見附註五、11、14-17、19、21。

商譽減值

本集團至少每年測試商譽是否發生減值。這要求對分配了商譽的資產組或者資產組組合的未來現金流量的現值進行預計。對未來現金流量的現值進行預計時，本集團需要預計未來資產組或者資產組組合產生的現金流量，同時選擇恰當的折現率確定未來現金流量的現值。詳見附註五、18。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (continued)

(2) *Estimation uncertainty (continued)*

Development expenditures

In determining the amount of capitalisation, the management must make assumptions concerning the expected future cash flows of assets, applicable discount rates and expected beneficial periods.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, to the extent that it is likely that taxable profit will be available against which the losses can be utilised. Significant judgments are needed from the management to estimate the timing and amount of taxable profit in the future and the corresponding tax rate, with consideration of tax planning strategies, to determine the amount of the deferred tax assets that should be recognised.

Variable consideration involving sales discounts

The Group makes reasonable estimates on discount rates in respect of contract groups with similar characteristics based on the historic data and current conditions of sales, taking into consideration all relevant information such as customer changes and market changes, among others. The estimate of the discount rates may not be equal to the actual discount rates in the future. The Group reassesses the discount rates at least annually at least on each balance sheet date and determines its accounting method based on the reassessed discount rates.

Provisions for warranty

The Group makes reasonable estimates on warranty fee rates in respect of contract groups with similar characteristics based on the historic data and current conditions of warranty, taking into consideration all relevant information such as product improvements and market changes, among others. The estimate of the warranty fee rate may not be equal to the actual warranty fee rate in the future. The Group reassesses the warranty fee rates at least annually at least on each balance sheet date and determines its estimated liabilities based on the reassessed warranty fee rates.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計(續)

(2) *估計的不確定性(續)*

開發支出

確定資本化的金額時，管理層必須做出有關資產的預計未來現金流量，適用的折現率以及預計受益期間的假設。

遞延所得稅資產

在很可能有足夠的應納稅所得額用以抵扣可抵扣虧損的限度內，應就所有尚未利用的可抵扣虧損確認遞延所得稅資產。這需要管理層運用大量的判斷來估計未來取得應納稅所得額的時間、金額以及相應的稅率，結合納稅籌劃策略，以決定應確認的遞延所得稅資產的金額。

涉及銷售折扣的可變對價

本集團對具有類似特徵的合同組合，根據銷售歷史數據、當前銷售情況，考慮客戶變動、市場變化等全部相關信息後，對折扣率予以合理估計。估計的折扣率可能並不等於未來實際的折扣率，本集團至少於每一資產負債表日對折扣率進行重新評估，並根據重新評估後的折扣率確定會計處理。

產品質量保證的預計負債

本集團對具有類似特徵的合同組合，根據歷史保修數據、當前保修情況，考慮產品改進、市場變化等全部相關信息後，對保修費率予以合理估計。估計的保修費率可能並不等於未來實際的保修費率，本集團至少於每一資產負債表日對保修費率進行重新評估，並根據重新評估後的保修費率確定預計負債。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (continued)

(2) *Estimation uncertainty (continued)*

Provision for inventory impairment based on net realisable value

The Group measures inventories by cost or net realisable value, whichever is lower. The determination of the net realisable value requires the acquisition of conclusive evidence by the management, who should also take into account factors such as the purpose of stocking the inventory and the impact of post-balance sheet date events before making judgments and estimates. The difference between the actual outcome and the original estimates shall affect the carrying amount of the inventory and charge or reversal of impairment provision for the period during which the estimates were revised.

Depreciation and amortisation

When assets are ready for intended use, the Group provides depreciation of fixed assets and amortisation of intangible assets by the straight-line method or the output method, based on the estimated useful life and the net residual value, which reflects the management's estimate for the periods in which the Group expects to receive economic benefits from the use of such fixed assets and intangible assets.

Incremental loan interest rate for the lessee

Where the implied interest rate cannot be available, the Group adopts the incremental loan interest rate for the lessee as the discount rate for calculating the present value of lease payment. In determining the incremental loan interest rate, the Group considers the economic environment, refers to the observable interest rate as the basis, and adjusts the reference rate to the applicable extent by considering its own conditions, the conditions of target assets, the lease term, the amount of lease liabilities and other factors that are specific to the lease.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計(續)

(2) *估計的不確定性(續)*

以可變現淨值為基礎計提存貨跌價準備

本集團存貨按成本和可變現淨值孰低計量。估計存貨可變現淨值要求在取得確鑿證據，並且考慮持有存貨的目的、資產負債表日後事項的影響等因素的基礎上作出判斷和估計。實際的結果與原先估計的差異將在估計被改變的期間影響存貨的賬面價值及存貨跌價準備的計提或轉回。

折舊及攤銷

本集團於資產達到預定可使用狀態起按有關的估計使用壽命及淨殘值以年限平均法或生產總量法計算固定資產的折舊及無形資產的攤銷，反映了管理層就本集團擬從使用該固定資產及無形資產獲得未來經濟利益的期間的估計。

承租人增量借款利率

對於無法確定租賃內含利率的租賃，本集團採用承租人增量借款利率作為折現率計算租賃付款額的現值。確定增量借款利率時，本集團根據所處經濟環境，以可觀察的利率作為確定增量借款利率的參考基礎，在此基礎上，根據自身情況、標的資產情況、租賃期和租賃負債金額等租賃業務具體情況對參考利率進行調整以得出適用的增量借款利率。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (continued)

(2) *Estimation uncertainty (continued)*

Fair value of unlisted equity investments

The Group applies the quoted market prices to determine the fair value of listed equity instrument investments. For investments in restricted shares and unlisted equity instruments, the Group adopts the recent transaction method or applies valuation techniques to determine their fair value, while valuation techniques include market multiplier method, option pricing models, etc. The measurement of fair value uses significant unobservable parameters, including enterprise value-to-revenue ("EV/Revenue") ratio, liquidity discount, etc. This requires the Group to determine comparable listed companies, selection of market multiplier method, option pricing models, credit risk, fluctuations, discount rate, etc. which are of uncertainties. For details, please refer to Note XI.

三、重要會計政策及會計估計(續)

33. 重大會計判斷和估計(續)

(2) *估計的不確定性(續)*

非上市股權投資之公允價值

本集團對於上市的權益工具投資，以市場報價確定公允價值。對於限售股票、非上市的權益工具投資，利用近期交易法或者採用估值技術來確定其公允價值，估值技術包括市場乘數法、期權定價模型等。其公允價值的計量採用了重要的不可觀察參數，比如企業價值/收入(「EV/Revenue」)比率、流動性折扣等。這要求本集團確定可比上市公司、選擇市場乘數法、期權定價模型、信用風險、波動和折現率等，因此具有不確定性。詳情載於附註十一。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Changes in accounting policies and accounting estimates

(1) *Changes in accounting policies*

Financial statements presentation

According to the “Interpretation of Accounting Standards for Business Enterprises No. 18”, the Group has reclassified the assurance-type warranty expenses previously presented under “selling expenses” to “operating costs”, with corresponding retrospective adjustments made to comparative financial statement data. According to the Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024, the Group has reclassified derivative financial instruments previously presented under “financial assets held for trading” or “financial liabilities held for trading” to separate line items, with corresponding retrospective adjustments made to comparative financial statement data.

The main effects of the retrospective adjustments arising from the above changes in accounting policies on the Group’s financial statements are set out below:

The Group

2024

三、重要會計政策及會計估計(續)

34. 會計政策和會計估計變更

(1) *會計政策變更*

財務報表列報

根據《企業會計準則解釋第18號》，本集團將原列示於「銷售費用」的保證類質量保證改為列示於「營業成本」，相應追溯調整財務報表比較數據；按照《企業會計準則應用指南彙編2024》，本集團將原列示於「交易性金融資產」或「交易性金融負債」的衍生金融工具改為單獨列報，相應追溯調整財務報表比較數據。

上述會計政策變更引起的追溯調整對財務報表的主要影響如下：

本集團

二零二四年

		Before changes in accounting policies 會計政策 變更前 Amounts incurred for the year 本年發生額	Changes in accounting policies 會計政策 變更 Amounts incurred for the year 本年發生額	After changes in accounting policies 會計政策 變更後 Amounts incurred for the year 本年發生額
Operating costs	營業成本	613,675,679	12,370,937	626,046,616
Selling expenses	銷售費用	36,456,254	(12,370,937)	24,085,317

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

III. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Changes in accounting policies and accounting estimates (continued)

(1) *Changes in accounting policies (continued)*

Financial statements presentation (continued)

2023

三、重要會計政策及會計估計(續)

34. 會計政策和會計估計變更(續)

(1) *會計政策變更(續)*

財務報表列報(續)

二零二三年

		Before changes in accounting policies 會計政策 變更前 Amounts incurred for the year 本年發生額	Changes in accounting policies 會計政策 變更 Amounts incurred for the year 本年發生額	After changes in accounting policies 會計政策 變更後 Amounts incurred for the year 本年發生額
Operating costs	營業成本	480,558,350	9,840,595	490,398,945
Selling expenses	銷售費用	25,211,395	(9,840,595)	15,370,800

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

IV. TAXATION

四、稅項

1. Principal tax items and tax rates

1. 主要稅種及稅率

	Tax base 計稅依據	Tax rate 稅率
Value-added tax ("VAT") 增值稅	Difference arising from the deduction of deductible input VAT from sales revenue and output VAT based on applicable tax rate 銷售額和適用稅率計算的銷項稅額，扣除准予抵扣的進項稅額後的差額	3%, 6%, 9% or 13% 3%、6%、9%或13%
Consumption tax 消費稅	Ad valorem collection for sales revenue of taxable consumer goods 從價計徵應稅消費品銷售額	Vehicles: 1%-9% 汽車1%-9%
City maintenance and construction tax 城市維護建設稅	Actual payment of VAT and consumption tax 實際繳納的增值稅、消費稅稅額	1%-7% 1%-7%
Enterprise income tax 企業所得稅	Taxable income 應納稅所得額	note 1 註1
Education surcharge 教育費附加	Actual payment of VAT and consumption tax 實際繳納的增值稅、消費稅稅額	3% 3%
Local education surcharge 地方教育附加	Actual payment of VAT and consumption tax 實際繳納的增值稅、消費稅稅額	2% 2%
Overseas tax 海外稅項	Calculation based on the tax laws and regulations of other countries and regions 根據境外各國家和地區的稅收法規計算	

Note 1: Save the subsidiaries that enjoy tax concessions as stated in Note IV. 2, the Company's branches and subsidiaries based in Mainland China are subject to the statutory enterprise income tax rate of 25%.

註1：除附註四、2所述享受企業所得稅優惠的子公司外，本公司主要境內分、子司法定企業所得稅稅率為25%。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

IV. TAXATION (CONTINUED)

四、稅項(續)

2. Tax concessions and relevant documents

2. 稅收優惠及批文

Enterprise income tax

企業所得稅

Company name 公司名稱	Preferential tax rate 優惠稅率	Duration 適用年份
BYD (Shanwei) Company Limited 汕尾比亞迪實業有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Shenzhen BYD Auto Industrial Co., Ltd. 深圳比亞迪汽車實業有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Jinan BYD Auto Co., Ltd. 濟南比亞迪汽車有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Jinan FinDreams Battery Co., Ltd. 濟南弗迪電池有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Zhengzhou BYD Auto Co., Ltd. 鄭州比亞迪汽車有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
BYD Auto Industry Company Limited 比亞迪汽車工業有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
BYD Lithium Battery Co., Ltd. 深圳市比亞迪鋰電池有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Huizhou BYD Electronics Co., Ltd. 惠州比亞迪電子有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Beijing BYD Mould Co., Ltd. 北京比亞迪模具有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
BYD Precision Manufacture Co., Ltd. 比亞迪精密製造有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Guangdong BYD Energy-Saving Technology Co., Ltd. 廣東比亞迪節能科技有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2024-2026
Huizhou BYD Battery Co., Ltd. 惠州比亞迪電池有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2022-2024
BYD (Shaoguan) Co., Ltd. 韶關比亞迪實業有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2022-2024
Ningbo BYD Semiconductor Co., Ltd. 寧波比亞迪半導體有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2022-2024
CHANGSHA BYD AUTO CO., LTD. 長沙市比亞迪汽車有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2022-2024
Changzhou BYD Auto Co., Ltd. 常州比亞迪汽車有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
BYD Signal & Communication Company Limited 比亞迪通信信號有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025

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IV. TAXATION (CONTINUED)

四、稅項(續)

2. Tax concessions and relevant documents (continued)

2. 稅收優惠及批文(續)

Enterprise income tax (continued)

企業所得稅(續)

Company name 公司名稱	Preferential tax rate 優惠稅率	Duration 適用年份
Hefei BYD Auto Co., Ltd. 合肥比亞迪汽車有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
Changsha FinDreams Battery Co. Ltd. 長沙弗迪電池有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
FAW-FINDREAMS New Energy Technology Co., Ltd. 一汽弗迪新能源科技有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
SHANGHAI BYD COMPANY LIMITED 上海比亞迪有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
Shantou BYD Electronics Co., Ltd. 汕頭比亞迪電子有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
Shanwei BYD Auto Co., Ltd. 汕尾比亞迪汽車有限公司	15% (national high-tech enterprise) 15%(國家級高新技術企業)	2023-2025
BYD Auto Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
比亞迪汽車有限公司	15%(西部大開發優惠政策)	2024
Xi'an FinDreams Battery Co. Ltd.	15% (Preferential Policies for the Development of Western China)	2024
西安弗迪電池有限公司	15%(西部大開發優惠政策)	2024
Xi'an BYD Electronics Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
西安比亞迪電子有限公司	15%(西部大開發優惠政策)	2024
Guilin BYD Industrial Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
桂林比亞迪實業有限公司	15%(西部大開發優惠政策)	2024
Qinghai FinDreams Industry Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
青海弗迪實業有限公司	15%(西部大開發優惠政策)	2024
Chongqing FinDreams Battery Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
重慶弗迪電池有限公司	15%(西部大開發優惠政策)	2024
Guiyang FinDreams Battery Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
貴陽弗迪電池有限公司	15%(西部大開發優惠政策)	2024

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IV. TAXATION (CONTINUED)

四、稅項(續)

2. Tax concessions and relevant documents (continued)

2. 稅收優惠及批文(續)

Enterprise income tax (continued)

企業所得稅(續)

Company name 公司名稱	Preferential tax rate 優惠稅率	Duration 適用年份
Guang'an BYD Industrial Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
廣安比亞迪實業有限公司	15%(西部大開發優惠政策)	2024
FinDreams Battery Gui'an Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
貴安新區弗迪電池有限公司	15%(西部大開發優惠政策)	2024
FinDreams Powertrain Guiyang Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
貴陽弗迪動力有限公司	15%(西部大開發優惠政策)	2024
Chongqing FinDreams Battery R&D Institute Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
重慶弗迪電池研究院有限公司	15%(西部大開發優惠政策)	2024
Qinghai FinDreams Battery Co. Ltd.	15% (Preferential Policies for the Development of Western China)	2024
青海弗迪電池有限公司	15%(西部大開發優惠政策)	2024
Shangluo BYD Industrial Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
商洛比亞迪實業有限公司	15%(西部大開發優惠政策)	2024
Baoji BYD Industrial Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
寶雞比亞迪實業有限公司	15%(西部大開發優惠政策)	2024
Chengdu BYD Electronics Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
成都比亞迪電子有限公司	15%(西部大開發優惠政策)	2024
Chongqing BYD Battery Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
重慶比亞迪鋰電池有限公司	15%(西部大開發優惠政策)	2024
Golmud BYD Lithium Battery Materials Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
格爾木比亞迪鋰電材料有限公司	15%(西部大開發優惠政策)	2024
Xi'an BYD Auto Parts Co., Ltd.	15% (Preferential Policies for the Development of Western China)	2024
西安比亞迪汽車零部件有限公司	15%(西部大開發優惠政策)	2024
BYD Semiconductor Company Limited	10% (national key integrated circuit design enterprise)	2024
比亞迪半導體股份有限公司	10%(國家級重點集成電路企業)	2024

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元**IV. TAXATION (CONTINUED)****四、稅項(續)****2. Tax concessions and relevant documents (continued)****2. 稅收優惠及批文(續)***Enterprise income tax (continued)**企業所得稅(續)*

Company name 公司名稱	Preferential tax rate 優惠稅率	Duration 適用年份
BYD (Shenzhen) Supply Chain Management Co., Ltd.	15% (enterprise classified into the category of encouraged industries in Hengqin in Guangdong Province, Pingtan in Fujian Province and Qianhai in Shenzhen)	2024
深圳市比亞迪供應鏈管理有限公司	15%(廣東橫琴、福建平潭、深圳前海等地區的鼓勵類產業企業)	2024
Shenzhen Di Lian Technology Co., Ltd.	15% (enterprise classified into the category of encouraged industries in Hengqin in Guangdong Province, Pingtan in Fujian Province and Qianhai in Shenzhen)	2024
深圳迪鏈科技有限公司	15%(廣東橫琴、福建平潭、深圳前海等地區的鼓勵類產業企業)	2024
Shenzhen FinDreams Financial Leasing Co., Ltd.	15% (enterprise classified into the category of encouraged industries in Hengqin in Guangdong Province, Pingtan in Fujian Province and Qianhai in Shenzhen)	2024
深圳弗迪融資租賃有限公司	15%(廣東橫琴、福建平潭、深圳前海等地區的鼓勵類產業企業)	2024
Nanning BYD New Materials Co., Ltd.	9% (Preferential Policies for the Development of Western China + Tax Incentives for the Beibu Gulf Economic Zone, Guangxi)	2024
南寧比亞迪新材料有限公司	9%(西部大開發優惠政策+廣西北部灣經濟區稅收優惠政策)	2024
FinDreams Battery Guangxi ASEAN Co., Ltd.	9% (Preferential Policies for the Development of Western China + Tax Incentives for the Beibu Gulf Economic Zone, Guangxi)	2024
廣西東盟弗迪電池有限公司	9%(西部大開發優惠政策+廣西北部灣經濟區稅收優惠政策)	2024
FinDreams Battery Nanning Co., Ltd.	9% (Preferential Policies for the Development of Western China + Tax Incentives for the Beibu Gulf Economic Zone, Guangxi)	2024
南寧弗迪電池有限公司	9%(西部大開發優惠政策+廣西北部灣經濟區稅收優惠政策)	2024
Guangxi FinDreams Battery Co., Ltd.	9% (Preferential Policies for the Development of Western China + Tax Incentives for the Beibu Gulf Economic Zone, Guangxi)	2024
廣西弗迪電池有限公司	9%(西部大開發優惠政策+廣西北部灣經濟區稅收優惠政策)	2024

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

IV. TAXATION (CONTINUED)

2. Tax concessions and relevant documents (continued)

Other tax concessions

According to the Announcement No. 43 [2023] of the Ministry of Finance and the State Taxation Administration "Notice on the Additional Value-Added Tax (VAT) Deduction Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值稅加計抵減政策的公告》)", from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to deduct an additional 5% of the input VAT that can be credited in the current period from the output VAT payable (hereinafter referred to as the "Additional Deduction Policy"). BYD Auto Industry Company Limited, BYD Lithium Battery Co., Ltd., Huizhou BYD Electronics Co., Ltd., Beijing BYD Mould Co., Ltd., Guangdong BYD Energy-Saving Technology Co., Ltd., Huizhou BYD Battery Co., Ltd., BYD (Shaoguan) Co., Ltd., Ningbo BYD Semiconductor Co., Ltd., Changzhou BYD Auto Co., Ltd., CHANGSHA BYD AUTO CO., LTD., Shantou BYD Electronics Co., Ltd., Shanwei BYD Auto Co., Ltd., SHANGHAI BYD COMPANY LIMITED, Changsha FinDreams Battery Co. Ltd., Hefei BYD Auto Co., Ltd. and FAW-FINDREAMS New Energy Technology Co., Ltd. are applicable to the Additional Deduction Policy.

According to the Announcement No. 17 [2023] of the Ministry of Finance and the State Taxation Administration "Notice on the Additional Value-Added Tax Deduction Policy for Integrated Circuit Enterprises (《關於集成電路企業增值稅加計抵減政策的公告》)", from 1 January 2023 to 31 December 2027, integrated circuit design, production, packaging and testing, equipment, and material enterprises (hereinafter referred to as the "Integrated Circuit Enterprises") are allowed to deduct an additional 15% of the input VAT that can be credited in the current period from the output VAT payable (hereinafter referred to as the "Additional Deduction Policy"). BYD Semiconductor Company Limited is applicable to the Additional Deduction Policy.

四、稅項(續)

2. 稅收優惠及批文(續)

其他稅收優惠

根據財政部、稅務總局公告二零二三年第43號《關於先進製造業企業增值稅加計抵減政策的公告》，自二零二三年一月一日至二零二七年十二月三十一日，允許先進製造業企業按照當期可抵扣進項稅額加計5%抵減應納增值稅稅額(以下稱加計抵減政策)，比亞迪汽車工業有限公司、深圳市比亞迪鋰電池有限公司、惠州比亞迪電子有限公司、北京比亞迪模具有限公司、廣東比亞迪節能科技有限公司、惠州比亞迪電池有限公司、韶關比亞迪實業有限公司、寧波比亞迪半導體有限公司、常州比亞迪汽車有限公司、長沙市比亞迪汽車有限公司、汕頭比亞迪電子有限公司、汕尾比亞迪汽車有限公司、上海比亞迪有限公司、長沙弗迪電池有限公司、合肥比亞迪汽車有限公司、一汽弗迪新能源科技有限公司適用該加計抵減政策。

根據財政部、稅務總局公告二零二三年第17號《關於集成電路企業增值稅加計抵減政策的公告》，自二零二三年一月一日至二零二七年十二月三十一日，允許集成電路設計、生產、封測、裝備、材料企業(以下稱集成電路企業)，按照當期可抵扣進項稅額加計15%抵減應納增值稅稅額(以下稱加計抵減政策)，比亞迪半導體股份有限公司適用該加計抵減政策。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

五、合併財務報表主要項目註釋

1. Cash and bank balances

1. 貨幣資金

		2024 二零二四年	2023 二零二三年
Cash	庫存現金	952	12,139
Bank deposit	銀行存款	60,528,123	105,318,355
Other cash and bank balances	其他貨幣資金	42,209,659	3,763,914
Total	合計	102,738,734	109,094,408
Including: Aggregate of funds deposited overseas	其中：存放在境外的款項總額	10,382,455	16,435,513

As at 31 December 2024, cash and bank balances which the Group placed overseas and were subject to restrictions on fund repatriation amounted to RMB8,561,000 (31 December 2023: RMB16,181,000).

於二零二四年十二月三十一日，本集團存放在境外且資金匯回受到限制的貨幣資金為人民幣8,561千元(二零二三年十二月三十一日：人民幣16,181千元)。

2. Financial assets held for trading

2. 交易性金融資產

		2024 二零二四年	2023 二零二三年
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產		
Certificate of deposit and other products*	大額存單及其他產品*	28,728,349	9,542,789
Wealth management products	理財產品	11,783,147	-
Total	合計	40,511,496	9,542,789

* The transferable certificates of deposit held by the Group, which bear fixed returns, are classified as financial assets measured at fair value through profit or loss by the management as the business model for managing these financial assets is not for collecting contractual cash flows or for collecting contractual cash flows and selling the financial assets.

* 本集團持有的固定收益的可轉讓大額存單，由於管理該金融資產的業務模式既不是以收取合同現金流量為目標，也不是既以收取合同現金流量為目標又以出售該金融資產為目標，管理層將其分類為以公允價值計量且其變動計入當期損益的金融資產。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Trade receivables

(1) *Disclosure by aging*

The aging of trade receivables is recognised based on the time of revenue recognition. The aging analysis of trade receivables is as follows:

		2024 二零二四年	2023 二零二三年
Within 1 year	1年以內	53,521,437	55,779,350
1 to 2 years	1年至2年	7,054,299	2,063,458
2 to 3 years	2年至3年	1,193,105	3,139,994
Over 3 years	3年以上	4,987,183	4,466,834
		66,756,024	65,449,636
Less: Provision for bad debt of trade receivables	減：應收賬款壞賬準備	4,457,036	3,583,617
Total	合計	62,298,988	61,866,019

The subsidies for new energy vehicle sales are included in the above trade receivables.

五、 合併財務報表主要項目註釋(續)

3. 應收賬款

(1) *按賬齡披露*

應收賬款賬齡按收入確認的時間予以確認，應收賬款的賬齡分析如下：

上述應收賬款含應收新能源汽車補貼款。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

3. Trade receivables (continued)

3. 應收賬款(續)

(2) Disclosure by the method of provision for bad debt

(2) 按壞賬計提方法分類披露

2024

二零二四年

		Book balance		Provision for bad debt		Carrying amount
		賬面餘額		壞賬準備		
		Amount	Percentage (%)	Amount	Provision rate (%)	
		金額	比例 (%)	金額	計提比例 (%)	賬面價值
Provision for bad debt based on individual assessment	單項計提壞賬準備	1,005,795	1.51	1,005,795	100.00	—
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	65,750,229	98.49	3,451,241	5.25	62,298,988
Total	合計	66,756,024	100.00	4,457,036		62,298,988

2023

二零二三年

		Book balance		Provision for bad debt		Carrying amount
		賬面餘額		壞賬準備		
		Amount	Percentage (%)	Amount	Provision rate (%)	
		金額	比例 (%)	金額	計提比例 (%)	賬面價值
Provision for bad debt based on individual assessment	單項計提壞賬準備	1,021,450	1.56	1,005,380	98.43	16,070
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	64,428,186	98.44	2,578,237	4.00	61,849,949
Total	合計	65,449,636	100.00	3,583,617		61,866,019

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Trade receivables (continued)

(2) *Disclosure by the method of provision for bad debt (continued)*

Trade receivables with provision for bad debt based on individual assessment are shown as follows:

五、合併財務報表主要項目註釋(續)

3. 應收賬款(續)

(2) 按壞賬計提方法分類披露(續)

單項計提壞賬準備的應收賬款情況如下：

		Book balance	Provision for bad debt	2024 二零二四年 Provision rate (%) 計提比例 (%)	Reason of provision 計提理由
		賬面餘額	壞賬準備		
Customer 1	客戶一	156,202	156,202	100.00	Expected to be unrecoverable 預計無法收回
Customer 2	客戶二	110,377	110,377	100.00	Expected to be unrecoverable 預計無法收回
Customer 3	客戶三	84,616	84,616	100.00	Expected to be unrecoverable 預計無法收回
Customer 4	客戶四	80,034	80,034	100.00	Expected to be unrecoverable 預計無法收回
Customer 5	客戶五	74,601	74,601	100.00	Expected to be unrecoverable 預計無法收回
Others	其他	499,965	499,965	100.00	
Total	合計	1,005,795	1,005,795		

Notes to Financial Statements

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Trade receivables (continued)

(2) *Disclosure by the method of provision for bad debt (continued)*

As at 31 December 2024, trade receivables with provision for bad debt based on collective assessment are shown as follows:

五、 合併財務報表主要項目註釋(續)

3. 應收賬款(續)

(2) *按壞賬計提方法分類披露(續)*

於二零二四年十二月三十一日，組合計提壞賬準備的應收賬款情況如下：

		Book balance 賬面餘額	Provision for impairment 減值準備	Provision rate (%) 計提比例(%)
Within 1 year (inclusive)	1年以內(含1年)	53,514,942	684,342	1.28
1-2 years (inclusive)	1-2年(含2年)	6,966,459	752,057	10.80
2-3 years (inclusive)	2-3年(含3年)	1,145,020	322,356	28.15
Over 3 years (inclusive)	3年以上	4,123,808	1,692,486	41.04
Total	合計	65,750,229	3,451,241	

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財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Trade receivables (continued)

(2) *Disclosure by the method of provision for bad debt (continued)*

As at 31 December 2023, trade receivables with provision for bad debt based on collective assessment are shown as follows:

		Book balance 賬面餘額	Provision for impairment 減值準備	Provision rate (%) 計提比例(%)
Within 1 year (inclusive)	1年以內(含1年)	55,717,119	726,642	1.30
1-2 years (inclusive)	1-2年(含2年)	2,062,784	99,861	4.84
2-3 years (inclusive)	2-3年(含3年)	3,074,633	208,900	6.79
Over 3 years (inclusive)	3年以上	3,573,650	1,542,834	43.17
Total	合計	64,428,186	2,578,237	

(3) *Details of provision for bad debt*

The movements of provision for bad debt of trade receivables are as follows:

		Opening balance 年初餘額	Provision for the year 本年計提	Reversal in the year 本年轉回	Write-off in the year 本年核銷	Exchange difference on foreign currency translation 外幣報表 折算差額	Closing balance 年末餘額
2024	二零二四年	3,583,617	1,871,790	(933,484)	(47,269)	(17,618)	4,457,036
2023	二零二三年	2,789,698	1,328,105	(444,490)	(93,220)	3,524	3,583,617

In 2024, there was no recovery of provision for bad debt or reversal of significant amounts or write-off of significant trade receivables.

五、 合併財務報表主要項目註釋(續)

3. 應收賬款(續)

(2) *按壞賬計提方法分類披露(續)*

於二零二三年十二月三十一日，組合計提壞賬準備的應收賬款情況如下：

		Book balance 賬面餘額	Provision for impairment 減值準備	Provision rate (%) 計提比例(%)
Within 1 year (inclusive)	1年以內(含1年)	55,717,119	726,642	1.30
1-2 years (inclusive)	1-2年(含2年)	2,062,784	99,861	4.84
2-3 years (inclusive)	2-3年(含3年)	3,074,633	208,900	6.79
Over 3 years (inclusive)	3年以上	3,573,650	1,542,834	43.17
Total	合計	64,428,186	2,578,237	

(3) *壞賬準備的情況*

應收賬款壞賬準備的變動如下：

		Opening balance 年初餘額	Provision for the year 本年計提	Reversal in the year 本年轉回	Write-off in the year 本年核銷	Exchange difference on foreign currency translation 外幣報表 折算差額	Closing balance 年末餘額
2024	二零二四年	3,583,617	1,871,790	(933,484)	(47,269)	(17,618)	4,457,036
2023	二零二三年	2,789,698	1,328,105	(444,490)	(93,220)	3,524	3,583,617

於二零二四年度，無壞賬準備收回或轉回金額重要的款項，無重要的應收賬款核銷款項。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Trade receivables (continued)

(4) *Details of top five trade receivables and contract assets with the closing balances classified by debtors*

As at 31 December 2024, the total trade receivables and contract assets of the five greatest amounts were RMB22,259,351,000, accounting for 32.43% of the aggregate closing balance of trade receivables and contract assets. The aggregate closing balance of the provision impairment on assets for the total trade receivables and contract assets of the five greatest amounts were RMB73,582,000.

For details of the transfer of trade receivables, please refer to Note X.4.

五、 合併財務報表主要項目註釋(續)

3. 應收賬款(續)

(4) *按欠款方歸集的年末餘額前五名的應收賬款和合同資產情況*

於2024年12月31日，應收賬款和合同資產合計金額前五名共計人民幣22,259,351千元，佔應收賬款和合同資產期末餘額合計數的32.43%，應收賬款和合同資產合計金額前五名的資產減值準備期末餘額共計人民幣73,582千元。

關於應收賬款轉移，參見附註十、4。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables financing

(1) Classification of receivables financing

		2024 二零二四年	2023 二零二三年
Bank acceptance bills	銀行承兌匯票	6,841,475	5,596,369
Trade receivables	應收賬款	3,652,031	-
Original carrying amount at the end of the year	年末賬面原值	10,493,506	5,596,369
Less: Other comprehensive income – change in fair value	減：其他綜合收益 — 公允價值變動	43,540	31,445
Fair value at the end of the year	年末公允價值	10,449,966	5,564,924

The business model of the Company for the management of notes receivable is for the purposes of receiving contractual cash flows and trading. Financial assets classified as fair value through other comprehensive income are presented as receivables financing.

Endorsed or discounted notes receivable which have not become due at the balance sheet date are as follows:

		2024 二零二四年		2023 二零二三年	
		Derecognised 終止確認	Not derecognised 未終止確認	Derecognised 終止確認	Not derecognised 未終止確認
Bank acceptance bills	銀行承兌匯票	154,983,146	-	91,841,294	-

Details of transfer of financial assets related to notes receivable are set out in Note X.4.

五、 合併財務報表主要項目註釋(續)

4. 應收款項融資

(1) 應收款項融資分類列示

企業對應收票據管理的業務模式既以收取合同現金流為目標又以出售為目標，分類為以公允價值計量且其變動計入其他綜合收益的金融資產，列報為應收款項融資。

已背書或貼現但在資產負債表日尚未到期的應收票據如下：

與應收票據相關的金融資產轉移詳見附註十、4。

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

5. Other receivables

5. 其他應收款

		2024 二零二四年	2023 二零二三年
Other receivables	其他應收款	3,616,030	2,757,912

(1) Disclosure by aging

(1) 按賬齡披露

		2024 二零二四年	2023 二零二三年
Within 1 year	1年以內	2,633,552	2,167,608
1 to 2 years	1年至2年	504,828	377,098
2 to 3 years	2年至3年	294,290	46,331
Over 3 years	3年以上	360,306	343,383
		3,792,976	2,934,420
Less: Bad debt provision for other receivables	減：其他應收款壞賬準備	176,946	176,508
Total	合計	3,616,030	2,757,912

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

(2) Analysed by nature

		2024 二零二四年	2023 二零二三年
Deposit and security	保證金及押金	979,368	923,249
Export rebates and taxes	出口退稅及稅金	335,164	75,609
Transfer from prepayments before shipment	未發貨預付款轉入	174,793	174,793
Social security contribution on behalf of employees	代扣代繳員工社保	982,689	706,350
Advance for equipment	設備款	386,442	-
Others	其他	934,520	1,054,419
Total	合計	3,792,976	2,934,420

(3) Details of provision for bad debt

2024

五、 合併財務報表主要項目註釋(續)

5. 其他應收款(續)

(2) 按款項性質分類情況

(3) 壞賬準備計提情況

二零二四年

		Book balance 賬面餘額		Bad debt provision 壞賬準備		Carrying amount 賬面價值
		Amount	Percentage (%)	Amount	Provision rate (%)	
		金額	比例 (%)	金額	計提比例 (%)	
Provision for bad debt based on individual assessment	單項計提壞賬準備	174,793	4.61	174,793	100.00	-
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	3,618,183	95.39	2,153	0.06	3,616,030
Total	合計	3,792,976	100.00	176,946		3,616,030

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

5. Other receivables (continued)

5. 其他應收款(續)

(3) Details of provision for bad debt (continued)
2023

(3) 壞賬準備計提情況(續)
二零二三年

		Book balance		Bad debt provision		Carrying amount
		賬面餘額	Percentage	壞賬準備	Provision rate (%)	
		Amount	(%)	Amount	計提比例	賬面價值
		金額	(%)	金額	(%)	
Provision for bad debt based on individual assessment	單項計提壞賬準備	174,793	5.96	174,793	100.00	-
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	2,759,627	94.04	1,715	0.06	2,757,912
Total	合計	2,934,420	100.00	176,508		2,757,912

Other receivables with provision for bad debt based on individual assessment are shown as follows:

單項計提壞賬準備的其他應收款情況如下：

		2024 二零二四年			Reason of provision 計提理由
		Book balance	Provision for bad debt	Provision rate (%)	
		賬面餘額	壞賬準備	計提比例 (%)	
Customer 1	客戶一	94,616	94,616	100.00	Expected to be unrecoverable 預計無法收回
Customer 2	客戶二	78,790	78,790	100.00	Expected to be unrecoverable 預計無法收回
Customer 3	客戶三	1,387	1,387	100.00	Expected to be unrecoverable 預計無法收回
Total	合計	174,793	174,793		

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

(3) Details of provision for bad debt (continued)

Changes of provision for bad debt of other receivables based on 12-month expected credit loss and lifetime expected credit loss are as follows:

		Stage 1 第一階段	Stage 2 第二階段	Stage 3 第三階段	Total 合計
		12-month expected credit loss	Lifetime expected credit loss (no credit impairment incurred)	Lifetime expected credit loss (credit impairment incurred)	
		未來12個月 預期信用 損失	整個 存續期預期 信用損失 (未發生信用 減值)	整個 存續期預期 信用損失 (已發生信用 減值)	
Opening balance	年初餘額	1,133	582	174,793	176,508
Changes in the year	年初餘額在本年階段 轉換	(497)	497	-	-
Provision for the year	本年計提	541	-	-	541
Reversal in the year	本年轉回	-	(103)	-	(103)
Offset in the year	本年轉銷	-	-	-	-
Write-off in the year	本年核銷	-	-	-	-
Other changes	其他變動	-	-	-	-
Closing balance	年末餘額	1,177	976	174,793	176,946

五、 合併財務報表主要項目註釋(續)

5. 其他應收款(續)

(3) 壞賬準備計提情況(續)

其他應收款按照12個月預期信用損失及整個存續期預期信用損失分別計提的壞賬準備的變動如下：

Notes to Financial Statements

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人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

(4) Details of bad debt

Changes of provision for bad debt of other receivables are as follows:

	Opening balance	Provision for the year	Recovery or reversal in the year	Write-off in the year	Closing balance
	年初餘額	本年計提	本年收回或轉回	本年核銷	年末餘額
Provision for bad debt of other receivables					
其他應收款壞賬準備	176,508	541	(103)	-	176,946

In 2024, there was no recovery of provision for bad debt or reversal of significant amounts or write off of significant trade receivables.

於二零二四年度，無壞賬準備收回或轉回金額重要的款項，無重要的其他應收款核銷款項。

五、 合併財務報表主要項目註釋(續)

5. 其他應收款(續)

(4) 壞賬準備的情況

其他應收款壞賬準備的變動如下：

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

(5) Top five other receivables amounts with the closing balance classified by the debtors

五、合併財務報表主要項目註釋(續)

5. 其他應收款(續)

(5) 按欠款方歸集的年末餘額其他應收款金額前五名

	Closing balance	Proportion to total other receivables (%)	Nature	Aging	Provision for bad debt at the end of the year
	年末餘額	佔其他應收款餘額合計數的比例(%)	性質	賬齡	壞賬準備年末餘額
Customer with the greatest amount 其他應收款餘額第一大客戶	386,442	10.19	Advance for equipment 設備款	Within 1 year 一年以內	386
Customer with the second greatest amount 其他應收款餘額第二大客戶	155,458	4.10	Export rebates and taxes 出口退稅及稅金	Within 1 year 一年以內	—
Customer with the third greatest amount 其他應收款餘額第三大客戶	124,921	3.29	Equity transfer 股權轉讓	Over 3 years 三年以上	125
Customer with the fourth greatest amount 其他應收款餘額第四大客戶	94,616	2.49	Transfer from prepayments before shipment 未發貨預付款轉入	Over 3 years 三年以上	94,616
Customer with the fifth greatest amount 其他應收款餘額第五大客戶	80,000	2.11	Deposits and security 保證金及押金	2 to 3 years 兩到三年	80
Total 合計	841,437	22.18			95,207

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

6. Prepayments

6. 預付款項

(1) *Prepayments by aging*

(1) 預付款項按賬齡列示

		2024 二零二四年		2023 二零二三年	
		Book balance 賬面餘額	Percentage 比例	Book balance 賬面餘額	Percentage 比例
Within 1 year	1年以內	3,584,288	90.20%	1,936,358	87.41%
1 to 2 years	1年至2年	213,975	5.38%	161,155	7.27%
2 to 3 years	2年至3年	74,863	1.88%	93,240	4.21%
Over 3 years	3年以上	100,897	2.54%	24,660	1.11%
Total	合計	3,974,023	100.00%	2,215,413	100.00%

As at 31 December 2024, prepayments of five greatest amounts total RMB1,045,864,000, accounting for 26.31% of the total closing balance of prepayments (31 December 2023: RMB360,458,000, accounting for 16.27% of total prepayments).

於二零二四年十二月三十一日，預付款項前五名共計人民幣1,045,864千元，佔預付款項期末餘額合計數的比例為26.31%。(二零二三年十二月三十一日人民幣360,458千元，佔預付款項總額的16.27%)。

7. Inventories

7. 存貨

(1) *Classification of inventories*

(1) 存貨分類

		2024 二零二四年			2023 二零二三年		
		Book balance 賬面餘額	Provision for impairment 跌價準備/ 減值準備	Carrying amount 賬面價值	Book balance 賬面餘額	Provision for impairment 跌價準備/ 減值準備	Carrying amount 賬面價值
Raw materials	原材料	21,483,662	1,138,785	20,344,877	15,395,809	583,550	14,812,259
Work in progress	在產品	38,166,867	989,613	37,177,254	30,520,428	284,427	30,236,001
Finished goods	庫存商品	57,667,094	2,915,597	54,751,497	41,183,761	2,471,301	38,712,460
Circulating materials	週轉材料	3,767,696	5,087	3,762,609	3,930,745	14,717	3,916,028
Total	合計	121,085,319	5,049,082	116,036,237	91,030,743	3,353,995	87,676,748

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (continued)

(2) Provision for inventory impairment

2024

五、 合併財務報表主要項目註釋(續)

7. 存貨(續)

(2) 存貨跌價準備

二零二四年

		Opening balance	Provision for the year	Decrease in the year	Closing balance
		年初餘額	本年計提	本年減少	年末餘額
				Reversal or write-off	
				轉回或轉銷	
Raw materials	原材料	583,550	857,139	(301,904)	1,138,785
Work in progress	在產品	284,427	905,321	(200,135)	989,613
Finished goods	庫存商品	2,471,301	1,261,216	(816,920)	2,915,597
Circulating materials	週轉材料	14,717	1,976	(11,606)	5,087
Total	合計	3,353,995	3,025,652	(1,330,565)	5,049,082

The provision for inventory impairment based on collective assessment by portfolio is shown as follows:

按組合計提存貨跌價準備的情況如下：

		2024			2023		
		二零二四年			二零二三年		
		Book balance	Provision for inventory impairment	Provision rate (%)	Book balance	Provision for inventory impairment	Provision rate (%)
		賬面餘額	跌價準備	計提比例 (%)	賬面餘額	跌價準備	計提比例 (%)
Automobiles and related products, and other products	汽車、汽車相關產品及其他產品	102,820,706	4,500,112	4.38	72,550,178	3,193,731	4.40
Raw materials	原材料	18,532,166	1,058,411	5.71	12,790,158	522,749	4.09
Work in progress	在產品	32,876,488	958,808	2.92	26,421,256	278,631	1.05
Finished goods	庫存商品	48,420,926	2,479,190	5.12	30,188,518	2,378,365	7.88
Circulating materials	週轉材料	2,991,126	3,703	0.12	3,150,246	13,986	0.44
Mobile handset components, assembly service and other products	手機部件、組裝及其他產品	18,264,613	548,970	3.01	18,480,565	160,264	0.87
Total	合計	121,085,319	5,049,082	4.17	91,030,743	3,353,995	3.68

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (continued)

(2) Provision for inventory impairment (continued)

The provision for impairment of major goods in the segment of automobiles and related products is recognised on the item-by-item basis, and the net realisable value is determined on the basis of estimated selling price. The net realisable value of other inventories in the segment of automobiles and related products and of the inventories of the segment of mobile handset is estimated based on historical losses and business risks, taking into account the risk of slow-moving inventory and obsolete inventory, future market demands and the risk of product iteration and project change as well as aging profile. Based on the principle of prudence, the provision for inventory impairment is recognised in full for inventories of the segment of mobile handset aged over one year.

The reversal or write-off of provision for inventory impairment in the year is attributable to rebound of prices of products or sales of products.

8. Contract assets

(1) Details of contract assets

		2024 二零二四年			2023 二零二三年		
		Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
		賬面餘額	減值準備	賬面價值	賬面餘額	減值準備	賬面價值
Contract assets	合同資產	1,886,300	475,759	1,410,541	3,088,083	427,764	2,660,319

The main reason for the significant change in the carrying amount of contract assets during the year: the rights to the contract considerations to become unconditional (which means that the contract assets are reclassified as trade receivables).

Contract assets represent the rights to receive considerations for the transfer of goods to customers. Contract assets arise when the fulfillment of performance obligations is earlier than the progress payments agreed in the contract, which would be transferred to trade receivables when the contract meets the conditions for unconditional rights to receive payments.

五、 合併財務報表主要項目註釋(續)

7. 存貨(續)

(2) 存貨跌價準備(續)

汽車及汽車相關業務中的庫存商品按單個存貨項目計提，以估計售價為基礎確定可變現淨值。汽車及汽車相關業務中的其他存貨以及手機業務存貨以歷史損失情況與業務風險為基礎，考慮不同類型存貨呆滯過時風險及未來市場需求、產品迭代及項目變更風險，結合庫齡分別評估相關存貨的可變現淨值。同時基於謹慎性原則，對手機業務1年以上庫齡的存貨全額計提跌價準備。

本年轉回或轉銷存貨跌價準備的原因為產品價格回升或因產品銷售相應轉銷存貨跌價準備。

8. 合同資產

(1) 合同資產情況

本年合同資產賬面價值發生重大變動的主要原因：對合同對價的權利成為無條件權利(即，合同資產重分類為應收款項)。

合同資產，是指企業已向客戶轉讓商品而有權收取對價的權利。履約義務的履行早於合同中約定的付款進度則會出現合同資產，在合同達到無條件收款權條件時，轉入應收賬款。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (continued)

(2) Disclosure of classification based on the method of provision for impairment of contract asset

2024

		Book balance		Provision for impairment		Carrying amount
		賬面餘額		減值準備		
		Amount	Percentage (%)	Amount	Provision rate (%)	
		金額	比例 (%)	金額	計提比例 (%)	賬面價值
Provision for impairment based on individual assessment	單項計提減值準備	242,810	12.87	242,810	100.00	-
Provision for impairment based on collective assessment by credit risk portfolio	按信用風險特徵組合計提減值準備	1,643,490	87.13	232,949	14.17	1,410,541
Total	合計	1,886,300	100.00	475,759		1,410,541

2023

二零二三年

		Book balance		Provision for impairment		Carrying amount
		賬面餘額		減值準備		
		Amount	Percentage (%)	Amount	Provision rate (%)	
		金額	比例 (%)	金額	計提比例 (%)	賬面價值
Provision for impairment based on individual assessment	單項計提減值準備	304,603	9.86	304,603	100.00	-
Provision for impairment based on collective assessment by credit risk portfolio	按信用風險特徵組合計提減值準備	2,783,480	90.14	123,161	4.42	2,660,319
Total	合計	3,088,083	100.00	427,764		2,660,319

五、 合併財務報表主要項目註釋(續)

8. 合同資產(續)

(2) 按合同資產減值準備計提方法分類披露

二零二四年

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

8. Contract assets (continued)

8. 合同資產(續)

(2) Disclosure of classification based on the method of provision for impairment of contract asset (continued)

(2) 按合同資產減值準備計提方法分類披露(續)

Contract assets with provision for impairment based on individual assessment are as follows:

單項計提減值準備的合同資產情況如下：

		2024 二零二四年			
		Book balance 賬面餘額	Provision for impairment 減值準備	Provision rate (%) 計提比例(%)	Reason of provision 計提理由
Customer 1	客戶一	242,810	242,810	100.00	Expected to be unrecoverable 預計無法收回

(3) Details of provision for impairment of contract assets

(3) 合同資產減值準備的情況

		Opening balance 年初餘額	Provision for the year 本年計提	Reversal in the year 本年轉回	Write-off during the year 本年核銷	Exchange difference on foreign currency translation 外幣報表折算差額	Closing balance 年末餘額
2024	二零二四年	427,764	183,556	(73,768)	-	(61,793)	475,759
2023	二零二三年	484,398	354,490	(411,124)	-	-	427,764

In 2024 and 2023, there were no significant reversal, write-off or recovery of provision for impairment of contract assets.

於二零二四年度及二零二三年度，無重大合同資產減值準備轉回、核銷或收回情況。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Other current assets

		2024 二零二四年	2023 二零二三年
Deductible VAT	待抵扣增值稅	16,392,714	12,034,922
Costs of property held for sale (Note 1)	待出售房產成本(註1)	1,065,831	1,131,047
Others	其他	270,639	48,833
Total	合計	17,729,184	13,214,802

Note 1: In 2017, the Group acquired the entire property that has been completely developed, Yadi Sancun, from a third-party developer. Some parts of the property have been delivered in the year and generate revenue of RMB89,721,000 (2023: RMB271,476,000).

註1：二零一七年本集團向第三方開發商整體購入已完成開發的房產(亞迪三村)。本年部分完成交付，確認營業收入金額為人民幣89,721千元(二零二三年：人民幣271,476千元)。

10. Long-term receivables

(1) Details of long-term receivables

		2024 二零二四年			2023 二零二三年			
		Book balance 賬面餘額	Provision for bad debt 壞賬準備	Carrying amount 賬面價值	Book balance 賬面餘額	Provision for bad debt 壞賬準備	Carrying amount 賬面價值	Range of discount rate 折現率區間
Long-term receivables	長期應收款	23,161,224	1,575,610	21,585,614	16,891,529	1,144,988	15,746,541	
Including: Long-term receivables due within one year	其中：一年內到期的長期應收款	12,719,820	1,340,340	11,379,480	8,503,329	994,978	7,508,351	
		10,441,404	235,270	10,206,134	8,388,200	150,010	8,238,190	4.75%-11.06%

五、 合併財務報表主要項目註釋(續)

9. 其他流動資產

10. 長期應收款

(1) 長期應收款情況

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

10. Long-term receivables (continued)

10. 長期應收款(續)

(1) Details of long-term receivables (continued)

(1) 長期應收款情況(續)

2024

二零二四年

		Book balance		Provision for bad debt		Carrying amount
		賬面餘額		壞賬準備		
		Amount	Percentage	Amount	Provision rate (%)	
		金額	(%)	金額	計提比例	
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	23,161,224	100.00	1,575,610	6.80	21,585,614

2023

二零二三年

		Book balance		Provision for bad debt		Carrying amount
		賬面餘額		壞賬準備		
		Amount	Percentage	Amount	Provision rate (%)	
		金額	(%)	金額	計提比例	
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	16,891,529	100.00	1,144,988	6.78	15,746,541

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Long-term receivables (continued)

(1) Details of long-term receivables (continued)

As at 31 December 2024, long-term receivables with provision for bad debt based on collective assessment are shown as follows:

		Book balance 賬面餘額	Provision for impairment 減值準備	Provision rate (%) 計提比例(%)
Portfolio 1	組合1	21,574,399	379,819	1.76
Portfolio 2	組合2	1,586,825	1,195,791	75.36
Total	合計	23,161,224	1,575,610	

Changes of provision for bad debt of long-term receivables are as follows:

		Opening balance 年初餘額	Provision for the year 本年計提	Reversal in the year 本年轉回	Write-off in the year 本年轉銷	Exchange difference on foreign currency translation 外幣報表 折算差額	Closing balance 年末餘額
2024	二零二四年	150,010	114,940	(29,680)	-	-	235,270
2023	二零二三年	33,052	131,946	(14,988)	-	-	150,010

五、 合併財務報表主要項目註釋(續)

10. 長期應收款(續)

(1) 長期應收款情況(續)

於二零二四年十二月三十一日，組合計提壞賬準備的長期應收款情況如下：

長期應收款壞賬準備的變動如下：

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

11. Long-term equity investments

11. 長期股權投資

(1) Details of long-term equity investments

(1) 長期股權投資情況

31 December 2024

二零二四年十二月三十一日

	Movement during the year 本年變動										Provision for impairment as at the end of the year 年末減值 準備
	Opening balance 年初餘額	Increase of investment 追加投資	Decrease of investment 減少投資	Investment gains under equity method 權益法下 投資收益	Other comprehensive income 其他綜合 收益	Other equity movement 其他權益 變動	Cash dividend declared 宣告現金 股利	Provision for impairment 計提減值 準備	Others 其他	Closing balance 年末餘額	
Joint ventures											
合營企業											
BYD Auto Finance Company Limited 比亞迪汽車金融有限公司	9,930,743	-	-	1,312,573	-	-	-	-	-	11,243,316	-
Hengqin Hexie Dingjia Equity Investment LP 橫琴和謙鼎泰股權投資企業(有限合夥)	767,306	-	-	(69,095)	-	-	(15,193)	-	-	693,018	-
Community Fund LP	527,733	-	-	(25,056)	-	-	-	-	-	502,677	-
Community Fund LP											
Shenzhen Didi New Energy Vehicle Technology Co., Ltd 深圳市迪滴新能源汽車科技有限公司	451,854	-	-	42,248	-	-	-	-	-	494,102	-
Other joint ventures 其他合營企業	1,064,877	106,869	(13,898)	36,874	-	-	-	-	(502)	1,194,220	-
Sub-total 小計	12,742,513	106,869	(13,898)	1,307,544	-	-	(15,193)	-	(502)	14,127,333	-

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (continued)

(1) Details of long-term equity investments (continued)

31 December 2024

五、 合併財務報表主要項目註釋(續)

11. 長期股權投資(續)

(1) 長期股權投資情況(續)

二零二四年十二月三十一日

	Movement during the year 本年變動										Provision for impairment as at the end of the year 年末減值 準備
	Opening balance 年初餘額	Increase of investment 追加投資	Decrease of investment 減少投資	Investment gains under equity method 權益法下 投資收益	Other comprehensive income 其他綜合 收益	Other equity movement 其他權益 變動	Cash dividend declared 宣告現金 股利	Provision for impairment 計提減值 準備	Others 其他	Closing balance 年末餘額	
Associates											
聯營企業											
Chengxin Lithium Group Co., Ltd. 盛新錳業集團股份有限公司	2,034,810	-	-	(33,789)	-	-	(11,191)	(638,157)	-	1,351,673	(638,157)
Tibet Zabuye Lithium Industry Co., Ltd. 西藏日喀則扎布耶錳業高科技有限公司	484,504	-	-	(5,932)	-	-	-	-	-	478,572	-
Shenzhen Faurecia Auto Parts Co., Ltd. 深圳佛吉亞汽車部件有限公司	469,732	-	-	173,279	-	-	-	-	-	643,011	-
Other associates 其他聯營企業	1,915,653	597,815	-	(17,256)	-	-	(11,278)	-	(3,027)	2,461,907	-
Sub-total 小計	4,904,699	597,815	-	116,302	-	-	(22,469)	(638,157)	(3,027)	4,955,163	(638,157)
Total 合計	17,647,212	704,684	(13,898)	1,423,846	-	-	(37,662)	(638,157)	(3,529)	19,082,496	(638,157)

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

12. Other equity instrument investments

12. 其他權益工具投資

(1) Details of other equity instrument investments

(1) 其他權益工具投資情況

		2024 二零二四年	2023 二零二三年
Listed equity instrument investments	上市權益工具投資	3,284,471	2,347,727
Unlisted equity instrument investments	非上市權益工具投資	5,216,622	2,979,556
Total	合計	8,501,093	5,327,283

	Gains included in other comprehensive income during the year	Losses included in other comprehensive income during the year	Accumulative gains included in other comprehensive income	Accumulative losses included in other comprehensive income	Dividend income during the year	Reason for being designated as measured at fair value through other comprehensive income
	本年計入其他 綜合收益的利得	本年計入其他 綜合收益的損失	累計計入其他 綜合收益的利得	累計計入其他 綜合收益的損失	本年股利收入	指定為以公允價值計量且 其變動計入其他綜合收益 的原因
Listed equity instrument investment	381,187	(174,330)	1,422,963	(875,288)	18,911	Strategic holding 戰略持有
Unlisted equity instrument investments	493,533	(292,015)	1,232,736	(13,630)	44,956	Strategic holding 戰略持有
Total	874,720	(466,345)	2,655,699	(888,918)	63,867	

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

13. Other non-current financial assets

13. 其他非流動金融資產

		2024 二零二四年	2023 二零二三年
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	2,655,245	2,696,374

The financial assets above include fund investments and other equity investments.

上述金融資產包括基金投資和其他股權投資。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

14. Fixed assets

14. 固定資產

(1) Details of fixed assets

(1) 固定資產情況

2024

二零二四年

		Freehold land 永久 業權土地	Buildings 房屋及 建築物	Machinery and equipment 機器設備	Motor vehicles 運輸工具	Office and other equipment 辦公及 其他設備	Total 合計
Cost	原價						
Opening balance	年初餘額	427,672	83,953,599	207,313,830	5,124,395	28,254,514	325,074,010
Acquisitions	購置	961,699	3,724,904	14,856,235	2,564,430	6,257,179	28,364,447
Transfer from investment property	投資性房地產轉入	-	25,500	-	-	-	25,500
Transfer from construction in progress	在建工程轉入	-	25,830,185	34,420,592	13,836	2,269,660	62,534,273
Disposal or retirement	處置或報廢	-	(368,555)	(6,907,358)	(1,576,781)	(1,400,683)	(10,253,377)
Exchange difference on foreign currency translation	外幣報表折算差額	6,927	(12,894)	(46,169)	(61,672)	(5,217)	(119,025)
Closing balance	年末餘額	1,396,298	113,152,739	249,637,130	6,064,208	35,375,453	405,625,828
Accumulated depreciation	累計折舊						
Opening balance	年初餘額	-	8,386,308	70,456,707	1,639,918	13,573,887	94,056,820
Provision	計提	-	3,608,658	43,825,633	1,214,367	8,271,404	56,920,062
Transfer from investment properties	投資性房地產轉入	-	4,925	-	-	-	4,925
Disposal or retirement	處置或報廢	-	(130,928)	(5,935,052)	(646,308)	(1,141,208)	(7,853,496)
Exchange difference on foreign currency translation	外幣報表折算差額	-	(7,601)	(13,534)	(28,775)	(2,982)	(52,892)
Closing balance	年末餘額	-	11,861,362	108,333,754	2,179,202	20,701,101	143,075,419
Provision for impairment	減值準備						
Opening balance	年初餘額	-	42,353	71,017	-	-	113,370
Provision	計提	-	129,149	19,703	2,386	210	151,448
Disposal	處置	-	-	(1,711)	-	-	(1,711)
Closing balance	年末餘額	-	171,502	89,009	2,386	210	263,107
Carrying amount	賬面價值						
As at the end of the year	年末	1,396,298	101,119,875	141,214,367	3,882,620	14,674,142	262,287,302
As at the beginning of the year	年初	427,672	75,524,938	136,786,106	3,484,477	14,680,627	230,903,820

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

14. Fixed assets (continued)

14. 固定資產(續)

(1) Details of fixed assets (continued)

(1) 固定資產情況(續)

2023

二零二三年

		Freehold land 永久 業權土地	Buildings 房屋及 建築物	Machinery and equipment 機器設備	Motor vehicles 運輸工具	Office and other equipment 辦公及 其他設備	Total 合計
Cost	原價						
Opening balance	年初餘額	369,873	42,950,462	128,609,415	2,885,741	19,219,159	194,034,650
Acquisitions	購置	47,558	1,472,228	48,115,450	2,808,406	6,250,995	58,694,637
Business combinations not involving entities under common control	非同一控制下企業合併	-	-	3,215,996	7,382	129,366	3,352,744
Transfer from construction in progress	在建工程轉入	-	39,611,447	33,541,394	-	3,046,045	76,198,886
Disposal or retirement	處置或報廢	-	(98,076)	(6,190,093)	(609,095)	(396,600)	(7,293,864)
Exchange difference on foreign currency translation	外幣報表折算差額	10,241	17,538	21,668	31,961	5,549	86,957
Closing balance	年末餘額	427,672	83,953,599	207,313,830	5,124,395	28,254,514	325,074,010
Accumulated depreciation	累計折舊						
Opening balance	年初餘額	-	6,038,464	45,563,276	1,271,329	9,161,879	62,034,948
Provision	計提	-	2,358,059	29,993,488	597,024	4,766,833	37,715,404
Disposal or retirement	處置或報廢	-	(14,835)	(5,108,036)	(246,243)	(357,164)	(5,726,278)
Exchange difference on foreign currency translation	外幣報表折算差額	-	4,620	7,979	17,808	2,339	32,746
Closing balance	年末餘額	-	8,386,308	70,456,707	1,639,918	13,573,887	94,056,820
Provision for impairment	減值準備						
Opening balance	年初餘額	-	42,353	76,980	-	-	119,333
Write-off	轉銷	-	-	(5,963)	-	-	(5,963)
Closing balance	年末餘額	-	42,353	71,017	-	-	113,370
Carrying amount	賬面價值						
As at the end of the year	年末	427,672	75,524,938	136,786,106	3,484,477	14,680,627	230,903,820
As at the beginning of the year	年初	369,873	36,869,645	82,969,159	1,614,412	10,057,280	131,880,369

As at 31 December 2024 and 31 December 2023, the Group had no fixed assets that were temporarily idle.

於二零二四年十二月三十一日及二零二三年十二月三十一日，本集團無暫時閒置的固定資產。

Notes to Financial Statements

財務報表附註

RMB'000
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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

14. Fixed assets (continued)

14. 固定資產(續)

(2) Fixed assets leased out through operating leases

(2) 經營性租出固定資產

		Initial asset value 資產原值	Accumulated depreciation 累計折舊	Net carrying amount 賬面淨值
Buildings	房屋及建築物	300,821	(70,457)	230,364
Motor vehicles	運輸工具	40,848	(30,129)	10,719
Total	合計	341,669	(100,586)	241,083

(3) Fixed assets with outstanding certificates of title

(3) 未辦妥產權證書的固定資產

	Carrying amount 賬面價值	Reasons for outstanding certificates of title 未辦妥產權證書的原因
Buildings 房屋及建築物	36,167,962	All procedures yet to be completed 尚未辦完所有手續

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財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

15. Construction in progress

15. 在建工程

		2024 二零二四年	2023 二零二三年
Construction in progress	在建工程	13,170,384	30,360,803
Materials for construction	工程物資	6,783,959	4,365,393
Total	合計	19,954,343	34,726,196

Construction in progress

在建工程

(1) Details of construction in progress

(1) 在建工程情況

		2024 二零二四年 Provision			2023 二零二三年 Provision		
		Book balance	for impairment	Carrying amount	Book balance	for impairment	Carrying amount
		賬面餘額	減值準備	賬面價值	賬面餘額	減值準備	賬面價值
Southern China Industrial Park	華南工業園	5,961,134	-	5,961,134	8,200,424	-	8,200,424
Eastern China Industrial Park	華東工業園	3,388,297	-	3,388,297	7,639,814	-	7,639,814
Northwest Industrial Park	西北工業園	683,373	37,752	645,621	4,335,564	-	4,335,564
Central China Industrial Park	華中工業園	607,081	-	607,081	4,196,112	-	4,196,112
Southwest Industrial Park	西南工業園	502,311	-	502,311	3,915,351	-	3,915,351
Other industrial parks	其他工業園	2,129,015	63,075	2,065,940	2,073,538	-	2,073,538
Total	合計	13,271,211	100,827	13,170,384	30,360,803	-	30,360,803

Note: The projects above consist of certain related sub-projects.

註： 以上工程項目均由若干相關的分項目組成。

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Construction in progress (continued)

Construction in progress (continued)

(2) Changes in major construction in progress

五、合併財務報表主要項目註釋(續)

15. 在建工程(續)

在建工程(續)

(2) 重要的在建工程變動情況

Item	Budget	Opening balance	Increases during the year	Transfer to fixed assets during the year	Other reduction	Closing balance	Source of funds	Construction contribution as a percentage of budget (%)
								工程投入佔預算比例 (%)
項目名稱	預算數	年初餘額	本年增加	本年轉入固定資產	其他減少	年末餘額	資金來源	(%)
Southern China Industrial Park 華南工業園	31,156,700	8,200,424	7,827,650	(9,956,653)	(110,287)	5,961,134	Self-raised funds 自籌資金	51%
Eastern China Industrial Park 華東工業園	37,682,436	7,639,814	15,012,920	(19,263,426)	(1,011)	3,388,297	Self-raised funds 自籌資金	60%
Northwest Industrial Park 西北工業園	17,788,869	4,335,564	8,460,669	(12,061,029)	(51,831)	683,373	Self-raised funds 自籌資金	72%
Central China Industrial Park 華中工業園	12,814,816	4,196,112	4,588,298	(8,175,679)	(1,650)	607,081	Self-raised funds 自籌資金	69%
Southwest Industrial Park 西南工業園	12,560,995	3,915,351	6,802,397	(10,214,626)	(811)	502,311	Self-raised funds 自籌資金	85%
Other industrial parks 其他工業園	7,332,638	2,073,538	2,918,337	(2,862,860)	-	2,129,015	Self-raised funds 自籌資金	68%
Total 合計	119,336,454	30,360,803	45,610,271	(62,534,273)	(165,590)	13,271,211		

As at 31 December 2024, there was no capitalised interests on borrowings for the construction in progress of the Group.

於二零二四年十二月三十一日，本集團在建工程中無借款費用利息資本化金額。

Notes to Financial Statements

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

15. Construction in progress (continued)

15. 在建工程(續)

Materials for construction

工程物資

Item	項目	2024 二零二四年			2023 二零二三年		
		Book balance 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值	Book balance 賬面餘額	Provision for impairment 減值準備	Carrying amount 賬面價值
Equipment and engineering	設備及工程類	6,783,959	-	6,783,959	4,365,393	-	4,365,393

16. Right-of-use assets

16. 使用權資產

(1) Details of right-of-use assets

(1) 使用權資產情況

31 December 2024

二零二四年十二月三十一日

		Buildings 房屋及 建築物	Other equipment 其他設備	Total 合計
Cost		原價		
Opening balance	年初餘額	8,220,720	3,610,591	11,831,311
Increase during the year	本年新增	2,340,756	1,571,508	3,912,264
Disposal or retirement	處置或報廢	(685,252)	(22,071)	(707,323)
Exchange difference on foreign currency translation	外幣報表折算差額	(20,577)	(507)	(21,084)
Closing balance	年末餘額	9,855,647	5,159,521	15,015,168
Accumulated depreciation		累計折舊		
Opening balance	年初餘額	2,003,058	149,297	2,152,355
Provision	計提	2,114,412	528,829	2,643,241
Disposal or retirement	處置或報廢	(320,609)	(19,500)	(340,109)
Exchange difference on foreign currency translation	外幣報表折算差額	(15,057)	(334)	(15,391)
Closing balance	年末餘額	3,781,804	658,292	4,440,096
Carrying amount		賬面價值		
As at the end of the year	年末	6,073,843	4,501,229	10,575,072
As at the beginning of the year	年初	6,217,662	3,461,294	9,678,956

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

16. Right-of-use assets (continued)

16. 使用權資產(續)

(1) Details of right-of-use assets (continued)

(1) 使用權資產情況(續)

31 December 2023

二零二三年十二月三十一日

		Buildings 房屋及 建築物	Other equipment 其他設備	Total 合計
Cost	原價			
Opening balance	年初餘額	4,069,667	40,877	4,110,544
Increase during the year	本年新增	3,567,422	3,567,499	7,134,921
Business combinations not involving entities under common control	非同一控制下企業合併	981,590	10,175	991,765
Disposal or retirement	處置或報廢	(413,265)	(8,414)	(421,679)
Exchange difference on foreign currency translation	外幣報表折算差額	15,306	454	15,760
Closing balance	年末餘額	8,220,720	3,610,591	11,831,311
Accumulated depreciation	累計折舊			
Opening balance	年初餘額	955,397	17,820	973,217
Provision	計提	1,252,140	138,358	1,390,498
Disposal or retirement	處置或報廢	(223,090)	(7,219)	(230,309)
Exchange difference on foreign currency translation	外幣報表折算差額	18,611	338	18,949
Closing balance	年末餘額	2,003,058	149,297	2,152,355
Carrying amount	賬面價值			
As at the end of the year	年末	6,217,662	3,461,294	9,678,956
As at the beginning of the year	年初	3,114,270	23,057	3,137,327

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

17. Intangible assets

17. 無形資產

(1) Details of intangible assets

(1) 無形資產情況

31 December 2024

二零二四年十二月三十一日

		Land use rights 土地使用權	Industrial proprietary rights and know-how 工業產權及 專有技術	Non-patentable technologies and software 非專利 技術及軟件	Customer relations 客戶關係	Total 合計
Cost	原價					
Opening balance	年初餘額	31,034,498	23,342,314	2,412,750	4,608,955	61,398,517
Acquisitions	購置	3,679,103	16,389	2,012,709	-	5,708,201
In-house R&D	內部研發	-	999,181	-	-	999,181
Business combinations	企業合併	-	-	-	-	-
Disposal	處置	-	(548,581)	(17,625)	-	(566,206)
Exchange difference on foreign currency translation	外幣報表折算差額	6	(1,578)	(2,106)	-	(3,678)
Closing balance	年末餘額	34,713,607	23,807,725	4,405,728	4,608,955	67,536,015
Accumulated amortisation	累計攤銷					
Opening balance	年初餘額	2,385,599	20,106,935	1,283,253	-	23,775,787
Provision for the year	本年計提	713,726	2,993,383	885,139	921,791	5,514,039
Decrease during the year	本年減少	-	(520,586)	(15,064)	-	(535,650)
Exchange difference on foreign currency translation	外幣報表折算差額	31	(5)	(585)	-	(559)
Closing balance	年末餘額	3,099,356	22,579,727	2,152,743	921,791	28,753,617
Impairment provision	減值準備					
Opening balance	年初餘額	-	386,469	-	-	386,469
Provision for the year	本年計提	-	-	-	-	-
Decrease during the year	本年減少	-	(27,996)	-	-	(27,996)
Closing balance	年末餘額	-	358,473	-	-	358,473
Carrying amount	賬面價值					
As at the end of the year	年末	31,614,251	869,525	2,252,985	3,687,164	38,423,925
As at the beginning of the year	年初	28,648,899	2,848,910	1,129,497	4,608,955	37,236,261

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財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

17. Intangible assets (continued)

17. 無形資產(續)

(1) Details of intangible assets (continued)

(1) 無形資產情況(續)

31 December 2023

二零二三年十二月三十一日

		Land use rights 土地使用權	Industrial proprietary rights and know-how 工業產權及專有技術	Non-patentable technologies and software 非專利技術及軟件	Customer relations 客戶關係	Total 合計
Cost	原價					
Opening balance	年初餘額	19,766,634	22,272,893	1,608,693	–	43,648,220
Acquisitions	購置	11,262,234	3,056	805,782	–	12,071,072
In-house R&D	內部研發	–	1,484,798	–	–	1,484,798
Business combinations not involving entities under common control	非同一控制下企業合併	3,664	–	17,359	4,608,955	4,629,978
Disposal	處置	–	(418,854)	(19,386)	–	(438,240)
Exchange difference on foreign currency translation	外幣報表折算差額	1,966	421	302	–	2,689
Closing balance	年末餘額	31,034,498	23,342,314	2,412,750	4,608,955	61,398,517
Accumulated amortisation	累計攤銷					
Opening balance	年初餘額	1,776,782	17,308,702	952,078	–	20,037,562
Provision for the year	本年計提	608,873	3,215,093	350,209	–	4,174,175
Decrease during the year	本年減少	–	(416,862)	(19,287)	–	(436,149)
Exchange difference on foreign currency translation	外幣報表折算差額	(56)	2	253	–	199
Closing balance	年末餘額	2,385,599	20,106,935	1,283,253	–	23,775,787
Impairment provision	減值準備					
Opening balance	年初餘額	–	387,161	–	–	387,161
Provision for the year	本年計提	–	–	–	–	–
Decrease during the year	本年減少	–	(692)	–	–	(692)
Closing balance	年末餘額	–	386,469	–	–	386,469
Carrying amount	賬面價值					
As at the end of the year	年末	28,648,899	2,848,910	1,129,497	4,608,955	37,236,261
As at the beginning of the year	年初	17,989,852	4,577,030	656,615	–	23,223,497

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RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets (continued)

(1) *Details of intangible assets (continued)*

As at 31 December 2024, intangible assets formed through in-house R&D accounted for 2.26% (2023: 7.59%) of the carrying amount of intangible assets as at the end of the period.

(2) *Intangible assets with outstanding certificates of title*

五、 合併財務報表主要項目註釋(續)

17. 無形資產(續)

(1) *無形資產情況(續)*

於二零二四年十二月三十一日，通過內部研發形成的無形資產佔無形資產年末餘額的比例為2.26%(2023年：7.59%)。

(2) *未辦妥產權證書的無形資產*

Item 項目	31 December 2024 二零二四年 十二月三十一日 Carrying amount 賬面價值	Reasons for outstanding certificates of title 未辦妥產權證書的原因
Land use rights 土地使用權	399,743	In progress 正在辦理中

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

18. Goodwill

18. 商譽

(1) Cost of goodwill

(1) 商譽原值

		Opening balance 年初餘額	Increase during the year 本年增加 Business combinations 企業合併	Decrease during the year 本年減少	Closing balance 年末餘額
BYD Auto Co., Ltd.	比亞迪汽車有限公司	63,399	—	—	63,399
BYD Electric Buses & Trucks Hungary Co., Ltd.	比亞迪電動大巴&卡車匈牙利有限公司	4,875	—	—	4,875
TATEBAYASHI MOULDING CO., LTD.	館林模具株式會社	7,311	—	—	7,311
Juno Newco	Juno Newco	4,361,657	—	—	4,361,657
Total	合計	4,437,242	—	—	4,437,242

(2) Impairment provision for goodwill

(2) 商譽減值準備

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
BYD Auto Co., Ltd.	比亞迪汽車有限公司	4,796	—	—	4,796
BYD Electric Buses & Trucks Hungary Co., Ltd.	比亞迪電動大巴&卡車匈牙利有限公司	4,875	—	—	4,875
Total	合計	9,671	—	—	9,671

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Goodwill (continued)

(3) Relevant information of the CGU or the CGU group to which goodwill belongs

	Composition and basis of the CGU or the CGU group	Business segment and basis	Whether consistent with previous year
	所屬資產組或資產組組合的構成及依據	所屬經營分部及依據	是否與以前年度保持一致
Juno Newco	The mobility business which manufactures precision structural components for mobile intelligent terminals, the cash inflows from which are basically independent of those from other assets or asset groups	The asset group is allocated to the mobile handset components, assembly service and other products segment based on its principal business and the management planning of the Group	Yes
Juno Newco	移動智能終端精密結構件的移動電子製造業務，產生的現金流入基本上獨立於其他資產或者資產組產生的現金流入	基於其主營業務及集團管理規劃，該資產組歸屬於手機部件、組裝機其他產品分部	是
(4)	Specific determination methods for recoverable amount	(4) 可收回金額的具體確定方法	
	The recoverable amount is determined by the present value of expected future cash flows:	可收回金額按預計未來現金流量的現值確定的：	
	Term of estimate/ forecast period 預算/預測期的年限	Key parameters of estimate/forecast period 預算/預測期的關鍵參數	Basis for determination of key parameters of stable period 穩定期的關鍵參數的確定依據
Juno Newco	5	The recoverable amount is determined using the present value of the future cash flows 可回收金額按照未來現金流量的現值計算	Estimated cash flow is based on the 5-year cash flow projection approved by the management of the Company 預計現金流量根據經公司管理層審批的5年現金流量預測為基礎
		Forecast period growth rate of 2%~5% Discount rate of 14.67% Terminal growth rate of 2.0% 預測期增長率2%~5% 折現率14.67% 永續增長率2.0%	

* The recoverable amount calculated based on the present value of expected future cash flows of CGU group is higher than the carrying amount of CGU group. Reasonable changes in the above parameters would not result in goodwill impairment.

五、 合併財務報表主要項目註釋(續)

18. 商譽(續)

(3) 商譽所在資產組或資產組組合的相關信息

Whether consistent with previous year
是否與以前年度保持一致
Yes
是
(4) 可收回金額的具體確定方法
可收回金額按預計未來現金流量的現值確定的：

Basis for determination of key parameters of stable period 穩定期的關鍵參數的確定依據
Estimated cash flow is based on the 5-year cash flow projection approved by the management of the Company 預計現金流量根據經公司管理層審批的5年現金流量預測為基礎

* 採用資產組組合的預計未來現金流量現值計算的可收回金額高於資產組賬面價值，上述參數的合理變化不會導致商譽出現減值。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Goodwill (continued)

(4) *Specific determination methods for recoverable amount (continued)*

Other Goodwill acquired as a result of corporate merger has been allocated to the following asset groups for the purpose of impairment testing:

As the synergistic benefits of the acquisitions of BYD Auto Co., Ltd., BYD Electric Buses & Trucks Hungary Co., Ltd. (比亞迪電動大巴&卡車匈牙利有限公司) and TATEBAYASHI MOULDING CO., LTD. (館林模具株式會社) are for the entire automobile and related products segment and are difficult to apportion to each asset group, so goodwill is apportioned to the automobile and related products asset group, and the composition of the asset group remains consistent with that in previous years. The carrying amount of goodwill of the automobile and related products asset group is RMB65,914,000 (2023: RMB65,914,000). The recoverable amount is determined using the present value of the estimated future cash flows of the asset group mix based on cash flow projections based on the financial budget approved by management for a five-year period. The growth rate of cash flows over the period is 4%. The discount rate used for the cash flow projections is 13% (2023: 13%) and the growth rate used to extrapolate the steady-period cash flows for automobiles and related products beyond the five-year period is 3% (2023: 3%). Such growth rate is lower than the long-term average growth rate for the automotive industry.

五、 合併財務報表主要項目註釋(續)

18. 商譽(續)

(4) *可收回金額的具體確定方法(續)*

企業合併取得的其他商譽已經分配至下列資產組以進行減值測試：

由於比亞迪汽車有限公司、比亞迪電動大巴&卡車匈牙利有限公司、館林模具株式會社收購的協同效應受益對象是整個汽車及相關產品分部，且難以分攤至各資產組，所以將商譽分攤至汽車及相關產品資產組，該資產組構成與以前年度保持一致。汽車及相關產品資產組商譽的賬面金額為人民幣65,914千元(二零二三年：人民幣65,914千元)。可收回金額採用資產組組合的預計未來現金流量的現值，根據管理層批准的5年期的財務預算基礎上的現金流量預測來確定。該期間內現金流量的增長率均為4%。現金流量預測所用的折現率是13%(二零二三年：13%)，用於推斷5年以後的汽車及相關產品的穩定期現金流量的增長率是3%(二零二三年：3%)。該增長率低於汽車行業長期平均增長率。

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RMB'000
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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Goodwill (continued)

(4) *Specific determination methods for recoverable amount (continued)*

The following illustrates the key assumptions made by management in determining the cash flow projections for the purpose of impairment testing of goodwill:

Revenue growth rate – Management determined the revenue growth rate for the five-year detailed forecast period based on historical experience and projections of market developments.

Budgeted gross margins – The basis of determination is based on the average gross margins achieved in the year prior to the budget year, with an appropriate increase in that average gross margins based on expected efficiency improvements and expected market development.

Discount rate – The discount rate used is a pre-tax discount rate that reflects specific risks of the relevant asset groups.

The amounts allocated to the key assumptions for the above asset groups are consistent with the Group's historical experience and external information.

五、 合併財務報表主要項目註釋(續)

18. 商譽(續)

(4) *可收回金額的具體確定方法(續)*

以下說明了管理層為進行商譽減值測試，在確定現金流量預測時作出的關鍵假設：

收入增長率－管理層根據歷史經驗及對市場發展的預測確定五年詳細預測期收入增長率。

預算毛利率－確定基礎是在預算年度前一年實現的平均毛利率基礎上，根據預計效率的提高及預計市場開發情況適當提高該平均毛利率。

折現率－採用的折現率是反映相關資產組特定風險的稅前折現率。

分配至上述資產組的關鍵假設的金額與本集團歷史經驗及外部信息一致。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

19. Long-term deferred expenditures

19. 長期待攤費用

	Opening balance 年初餘額	Increase during the year 本年增加	Amortisation for the year 本年攤銷	Other reduction 其他減少	Closing balance 年末餘額
Improvement costs of right-of-use assets 使用權資產的改良支出	4,062,529	2,985,852	(1,827,327)	(214,337)	5,006,717

20. Deferred tax assets/liabilities

20. 遞延所得稅資產／負債

(1) *Deferred tax assets not offset*(1) *未經抵銷的遞延所得稅資產*

		2024 二零二四年		2023 二零二三年	
		Deductible temporary differences 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產	Deductible differences 可抵扣暫時性差異	Deferred tax assets 遞延所得稅資產
Impairment provision 減值準備		6,165,840	1,011,779	4,710,969	731,296
Depreciation of fixed assets and amortisation of intangible assets 固定資產折舊、無形資產攤銷		23,748,690	3,964,930	14,665,192	2,455,294
Lease liabilities 租賃負債		11,875,571	2,216,535	10,341,223	2,291,609
Accruals and provisions 預提費用和預計負債		34,005,846	5,713,632	26,767,001	4,582,623
Deferred income 遞延收益		3,989,080	751,141	1,943,028	332,343
Deductible tax losses 可抵扣虧損		2,547,277	407,763	5,314,928	930,754
Unrealised gains from intra-group transactions 來自集團內交易的未實現盈利		11,998,827	1,969,008	9,352,061	1,485,358
Share-based payments 股份支付		765,118	116,504	766,968	116,574
Others 其他		75,003	11,251	69,158	7,272
Total 合計		95,171,252	16,162,543	73,930,528	12,933,123

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred tax assets/liabilities (continued)

(2) *Deferred tax liabilities not offset*

		2024 二零二四年		2023 二零二三年	
		Taxable temporary differences 應納稅 暫時性差異	Deferred tax liabilities 遞延 所得稅負債	Taxable temporary differences 應納稅 暫時性差異	Deferred tax liabilities 遞延 所得稅負債
Other equity instrument investments	其他權益工具投資	1,491,953	372,736	1,329,878	331,913
Depreciation of fixed assets	固定資產折舊	36,298,143	6,582,834	34,255,562	6,641,157
Right-of-use assets	使用權資產	10,575,072	2,122,626	9,678,956	2,274,947
Financial assets at fair value through profit or loss	公允價值變動計入當期損益的金融資產	1,342,865	273,218	688,770	149,240
Appreciation in asset value arising from business combinations not involving entities under common control	非同一控制下企業合併引起的資產增值	3,725,263	614,097	4,656,579	767,621
Others	其他	2,972,020	425,024	1,301,397	134,659
Total	合計	56,405,316	10,390,535	51,911,142	10,299,537

(3) *The net amount of deferred tax assets or liabilities after set-off*

		2024 二零二四年		2023 二零二三年	
		Amount of set-off 抵銷金額	Balance after set-off 抵銷後餘額	Amount of set-off 抵銷金額	Balance after set-off 抵銷後餘額
Deferred tax assets	遞延所得稅資產	7,603,051	8,559,492	6,348,701	6,584,422
Deferred tax liabilities	遞延所得稅負債	7,603,051	2,787,484	6,348,701	3,950,836

五、 合併財務報表主要項目註釋(續)

20. 遞延所得稅資產/負債(續)

(2) *未經抵銷的遞延所得稅負債*

(3) *以抵銷後淨額列示的遞延所得稅資產或負債*

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

20. Deferred tax assets/liabilities (continued)

20. 遞延所得稅資產／負債(續)

(4) Breakdown of unrecognised deferred tax assets

(4) 未確認遞延所得稅資產明細

		2024 二零二四年	2023 二零二三年
Deductible temporary differences	可抵扣暫時性差異	39,802,622	23,444,590
Deductible tax losses	可抵扣虧損	34,020,733	21,003,128
Total	合計	73,823,355	44,447,718

(5) Analysis on maturity dates of the deductible tax losses for which deferred tax assets have not been recognised

(5) 未確認遞延所得稅資產的可抵扣虧損的到期日分析

		2024 二零二四年	2023 二零二三年
2024	二零二四年	-	532,375
2025	二零二五年	314,088	662,170
2026	二零二六年	548,193	430,659
2027	二零二七年	2,194,063	3,079,920
2028 and afterwards	二零二八年及以後	30,964,389	16,298,004
Total	合計	34,020,733	21,003,128

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Deferred tax assets/liabilities (continued)

The Group does not recognise deferred tax assets for the above tax losses as there exists great uncertainty that the relevant companies generating the above losses will be profitable in the future and there are no gains sufficient to offset the losses.

The Group recognises deferred tax assets arising from deductible temporary differences to the extent that it is probable that taxable income will be available against which deductible temporary differences and deductible tax losses can be utilized in future periods, calculated at the tax rates applicable to the periods during which the assets are expected to be recovered or the liabilities are expected to be settled.

According to the provisions of the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations, dividends received by foreign investors from foreign-invested enterprises established in Mainland China will be subject to withholding income tax at a rate of 10% from 1 January 2008. The provision applies to profits received from 1 January 2008 onwards. A lower rate of withholding income tax may be applied if a tax treaty is in place between the PRC and the jurisdiction of such foreign investor. The Group is subject to withholding income tax on dividends paid on profits derived from certain subsidiaries established in Mainland China from 1 January 2008.

As at 31 December 2024, the Group has recognised RMB121,662,000 of deferred tax liabilities (2023: RMB121,662,000) in respect of the earning expected to be remitted by certain subsidiaries in the foreseeable future. Based on a number of factors including the management's estimation of the need for funds outside the PRC, the Group has not provided for withholding income tax in respect of earnings that were expected to be retained by the PRC subsidiaries and would not be remitted to foreign investors in the foreseeable future.

五、 合併財務報表主要項目註釋(續)

20. 遞延所得稅資產／負債(續)

由於產生上述虧損的相關公司預計在未來盈利具有較大不確定性，不存在可足以抵扣虧損的盈利，本集團並未對上述稅務虧損確認遞延所得稅資產。

本集團以未來期間很可能取得的用以抵扣可抵扣暫時性差異和可抵扣虧損的應納稅所得額為限，按照預期收回該資產或清償該負債期間的適用稅率，計算確認由可抵扣暫時性差異產生的遞延所得稅資產。

根據《中華人民共和國企業所得稅法》及其實施條例的規定，二零零八年一月一日起，境外投資者從中國大陸成立的外商投資企業獲得的股息將按照10%的稅率徵收預提所得稅。該規定適用於自二零零八年一月一日起取得的利潤。倘若中國與該境外投資者的司法管轄區簽訂了稅收協定，則可能採用較低預提所得稅稅率。本集團須就中國大陸成立的某些子公司自二零零八年一月一日起產生的利潤而派發的股息預提所得稅。

於二零二四年十二月三十一日，本集團就預計若干附屬公司於可預見未來將匯出的盈利確認相關的遞延所得稅負債人民幣121,662千元(二零二三年：人民幣121,662千元)。根據包括管理層對境外資金需求估計在內的多項因素，本集團並未就預期由中國附屬公司保留且不會於可預見未來匯給境外投資者的盈利撥備預提所得稅。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

21. Other non-current assets

21. 其他非流動資產

		2024 二零二四年			2023 二零二三年		
		Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
		賬面餘額	減值準備	賬面價值	賬面餘額	減值準備	賬面價值
Guarantee deposits receivable	應收保證金	149,246	-	149,246	179,639	-	179,639
Prepayments for intangible assets	預付無形資產款	1,336,029	-	1,336,029	563,166	-	563,166
Prepayments for engineering equipment	預付工程設備款	19,033,450	-	19,033,450	13,325,756	-	13,325,756
Others	其他	2,017,230	-	2,017,230	1,205,339	-	1,205,339
Total	合計	22,535,955	-	22,535,955	15,273,900	-	15,273,900

22. Assets with restrictive ownership title or right of use 2024

22. 所有權或使用權受到限制的資產 二零二四年

		Book balance	Carrying amount	Restricted Types	Restrictions
		賬面餘額	賬面價值	受限類型	受限情況
Monetary funds	貨幣資金	204,057	204,057	Deposit and special account	Restricted 使用受限
Other non-current assets	其他非流動資產	844,495	844,495	Restricted statutory deposits and interests	Restricted (note) 使用受限(註)
Total	合計	1,048,552	1,048,552		

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Assets with restrictive ownership title or right of use (continued)

2023

		Book balance 賬面餘額	Carrying amount 賬面價值	Restricted Types 受限類型	Restrictions 受限情況
Monetary funds	貨幣資金	124,124	124,124	Deposit and special account 保證金及 專款專用	Restricted 使用受限
Other non-current assets	其他非流動資產	816,417	816,417	Restricted statutory deposits and interests 存出資本 保證金 及利息	Restricted (note) 使用受限(註)
Total	合計	940,541	940,541		

Note: Statutory deposits for insurance operations are placed with PRC national commercial banks in accordance with the Insurance Law and relevant regulations issued by regulatory authorities based on 20% of the registered capital for subsidiaries engaged in insurance business within the Group. Statutory deposits for insurance operations can only be utilized to settle liabilities during liquidation of insurance companies.

註：根據《保險法》等有關規定，本集團從事保險業務的子公司按其註冊資本的20%提取資本保證金，存放於符合監管機構規定條件的全國性中資商業銀行。資本保證金僅當保險公司清算時用於清償債務。

五、 合併財務報表主要項目註釋(續)

22. 所有權或使用權受到限制的資產(續)

二零二三年

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

23. Short-term borrowings

23. 短期借款

(1) Classification of short-term borrowings

(1) 短期借款分類

		2024 二零二四年	2023 二零二三年
Credit borrowings	信用借款	12,103,272	18,323,216

As at 31 December 2024 and 31 December 2023, the Group had no short-term borrowings that were due but outstanding.

於二零二四年十二月三十一日及二零二三年十二月三十一日，本集團無已到期但尚未償還的短期借款。

24. Bills payables

24. 應付票據

		2024 二零二四年	2023 二零二三年
Commercial acceptance bills	商業承兌匯票	1,257,930	3,555,967
Bank acceptance bills	銀行承兌匯票	1,126,066	497,347
Total	合計	2,383,996	4,053,314

As at 31 December 2024, the outstanding balance of bills payables due of the Group was RMB7,107,000 (2023: RMB27,119,000) due to the fact that the bearer did not make collection at maturity.

於二零二四年十二月三十一日，由於持票人未發起到期托收，本集團尚有餘額為人民幣7,107千元(2023年：人民幣27,119千元)的應付票據到期未付。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Trade payables

		2024 二零二四年	2023 二零二三年
Within one year	1年以內	240,418,157	193,266,994
1 to 2 years	1年至2年	667,782	551,922
2 to 3 years	2年至3年	199,805	264,242
Over 3 years	3年以上	357,680	346,659
Total	合計	241,643,424	194,429,817

Trade payables are non-interest-bearing and are normally settled within one year. The aging of trade payables is based on the time of recognising the purchase of materials and goods or accepting services.

As at 31 December 2024 and 31 December 2023, the Group had no significant trade payables that were aged over one year or overdue.

26. Contract liabilities

		2024 二零二四年	2023 二零二三年
Advance receipts from the sale of housing (Note V. 9)	預收購房款(附註五、9)	604,661	629,252
Advance receipts from goods	預收貨款	43,124,924	34,069,258
Total	合計	43,729,585	34,698,510

As at 31 December 2024 and 31 December 2023, the Group had no significant contract liabilities aged over one year.

Contract liabilities refer to the obligation to transfer goods to customers in consideration of payments received or receivable from customers. Contract liabilities are incurred when the payment schedule agreed under the contract is ahead of the performance of contract obligations.

五、 合併財務報表主要項目註釋(續)

25. 應付賬款

應付賬款不計息，並通常在一年以內清償。應付賬款的賬齡是以購買材料、商品或接受勞務等確認的時間為基準。

於二零二四年十二月三十一日及二零二三年十二月三十一日，本集團無賬齡超過1年或逾期的重要應付賬款。

26. 合同負債

於二零二四年十二月三十一日及二零二三年十二月三十一日，本集團無賬齡超過一年的重要合同負債。

合同負債，是指企業已收或應收客戶對價而應向客戶轉讓商品的義務。合同中約定的付款進度早於履約義務的履行則會出現合同負債。

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

27. Employee benefits payables

27. 應付職工薪酬

(1) *Disaggregation of employee benefits payables*

(1) 應付職工薪酬列示

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Short-term remuneration	短期薪酬	17,133,433	112,034,260	(107,338,064)	21,829,629
Retirement benefits (Defined contribution scheme)	離職後福利 (設定提存計劃)	5,403	10,850,139	(10,841,975)	13,567
Termination benefits	辭退福利	—	105,333	(105,333)	—
Total	合計	17,138,836	122,989,732	(118,285,372)	21,843,196

(2) *Disaggregation of short-term remuneration*

(2) 短期薪酬列示

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Salary, bonus, allowance and subsidy	工資、獎金、津貼和補貼	12,722,377	98,625,271	(93,668,396)	17,679,252
Staff welfare	職工福利費	59,332	1,579,382	(1,630,202)	8,512
Labor dispatch fee	勞務派遣費	365,089	2,570,036	(2,909,071)	26,054
Social insurance	社會保險費	3,653	4,643,107	(4,634,492)	12,268
Including: Medical	其中：醫療保險費	908	3,899,650	(3,895,370)	5,188
Work injuries	工傷保險費	338	441,573	(441,277)	634
Maternity	生育保險費	53	187,498	(186,985)	566
Others	其他	2,354	114,386	(110,860)	5,880
Housing fund	住房公積金	37,007	2,965,710	(2,993,975)	8,742
Labour union fund and employee education fund	工會經費和職工教育經費	3,945,975	1,650,754	(1,501,928)	4,094,801
Total	合計	17,133,433	112,034,260	(107,338,064)	21,829,629

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Employee benefits payables (continued)

(3) Disaggregation of defined contribution schemes

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Basic pension premium	基本養老保險費	5,302	10,390,876	(10,382,965)	13,213
Unemployment insurance premium	失業保險費	101	459,263	(459,010)	354
Total	合計	5,403	10,850,139	(10,841,975)	13,567

The Group makes contributions towards defined contribution schemes based on a certain percentage of employees' salaries in accordance with the requirements of local government policies and regulations.

本集團的設定提存計劃是按照當地政府政策和法規要求，以員工工資為繳費基數，按一定比例計提和繳納。

28. Tax payables

		2024 二零二四年	2023 二零二三年
Enterprise income tax	企業所得稅	6,844,315	4,760,644
Value-added tax	增值稅	779,656	1,295,168
Consumption tax	消費稅	1,042,792	560,257
Housing property tax	房產稅	172,990	132,611
Individual income tax	個人所得稅	390,712	285,436
Others	其他	866,447	818,208
Total	合計	10,096,912	7,852,324

Please refer to Note IV Taxation for the basis and tax rates for the payment of various tax payables.

應交各項稅金繳納基礎及稅率參見附註四、稅項。

五、 合併財務報表主要項目註釋(續)

27. 應付職工薪酬(續)

(3) 設定提存計劃列示

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

29. Other payables

29. 其他應付款

		2024 二零二四年	2023 二零二三年
Other external current accounts	外部往來款	142,518,138	163,606,487
Guarantee deposits	保證金	2,239,873	1,149,822
Medical fund	醫療基金	231,186	216,540
Total	合計	144,989,197	164,972,849

Notes to Financial Statements

財務報表附註

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人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

30. Provisions

30. 預計負債

		2024 二零二四年	2023 二零二三年
After-sales service fee	售後服務費		
Opening balance	年初餘額	14,590,710	7,552,861
Net increase during the year	本年淨增加	8,129,671	7,037,849
Total	合計	22,720,381	14,590,710
Including: Current portion	其中：流動部分	3,547,165	2,620,325
Non-current portion (Note V. 36)	非流動部分(附註五、36)	19,173,216	11,970,385

The Group undertakes to repair or replace the product components that fail to perform satisfactorily for automobiles and other products with warranty. Provisions are the estimated amount of warranties based on sales volume as well as the past maintenance level and return and replacement records. The Group reviews the basis for estimating its provisions arising from the amount of warranties on an ongoing basis and revises the same when necessary.

本集團對汽車以及其他提供保修的產品承諾維修或更換運行不良的產品部件。預計負債為基於銷售量以及過往維修程度及退換記錄而作出的保用金額預計。本集團持續對保用金額而產生的預計負債的估計標準進行覆核，並在必要時進行調整。

31. Non-current liabilities due within one year

31. 一年內到期的非流動負債

		2024 二零二四年	2023 二零二三年
Long-term borrowings due within one year (Note V. 33)	一年內到期的長期借款(附註五、33)	7,031,370	6,246,454
Bond payables due within one year (Note V. 34)	一年內到期的應付債券(附註五、34)	1,191,601	-
Lease liabilities due within one year (Note V. 35)	一年內到期的租賃負債(附註五、35)	1,999,604	1,494,037
Total	合計	10,222,575	7,740,491

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

32. Other current liabilities

32. 其他流動負債

		2024 二零二四年	2023 二零二三年
Taxes to be written off	待轉銷項稅	3,071,548	1,621,505
Unearned premium reserve	未到期責任準備金	1,215,998	-
Repurchase right on Shareholders' investment (Note V. 36)	股東投資回購權(附註五、36)	621,362	-
Others	其他	514,953	207,771
Total	合計	5,423,861	1,829,276

33. Long-term borrowings

33. 長期借款

		2024 二零二四年	2023 二零二三年
Credit borrowings	信用借款	15,289,156	18,221,593
Less: Long-term borrowings due within one year	減：一年內到期的長期借款	15,289,156 7,031,370	18,221,593 6,246,454
		8,257,786	11,975,139

As at 31 December 2024, the annual interest rate of the above borrowings ranged from 1.85%-2.98% (31 December 2023: 2.05%-2.98%).

於二零二四年十二月三十一日，上述借款的年利率為1.85%-2.98%(二零二三年十二月三十一日：2.05%-2.98%)。

As at 31 December 2024 and 31 December 2023, the Group has no long-term borrowings matured but not yet repaid.

於二零二四年十二月三十一日及二零二三年十二月三十一日，本集團無已到期但尚未償還的長期借款。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Long-term borrowings (continued)

#Aging profile of long-/short-term bank borrowings

五、 合併財務報表主要項目註釋(續)

33. 長期借款(續)

#長/短期銀行借款賬齡

		2024 二零二四年	2023 二零二三年
Listed as:	列示為：		
Bank loan repayables	應償付的銀行貸款		
In one year	一年之內	19,134,642	24,569,670
In the second year	第二年內	6,979,176	5,885,936
In the third to fifth years, inclusive	第三至第五年內，包括首尾兩年	1,278,610	6,089,203
		27,392,428	36,544,809
Bond payables	應付債券		
In one year	一年之內	1,191,601	-
In the second to fifth years, inclusive	第二至第五年內，包括首尾兩年	-	-
		1,191,601	-
		28,584,029	36,544,809

34. Bonds payable

(1) Bonds payable

34. 應付債券

(1) 應付債券

		2024 二零二四年	2023 二零二三年
Bonds payable	應付債券	1,191,601	-
Less: Bond payable due within one year	減：一年內到期的應付債券	1,191,601	-
		-	-

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

34. Bonds payable (continued)

34. 應付債券(續)

(2) Increase/decrease in bonds payable

(2) 應付債券的增減變動

	Nominal value	Coupon rate (%)	Date of issue	Term of bonds	Issue amount	Opening balance	Interests				Closing balance	Default or not	
							Issued during the year	provided during the year	Amortisation of discount and premium	Repaid during the year			
	面值	(%)	票面利率	發行日期	債券期限	發行金額	年初餘額	本年發行	本年計提利息	折溢價攤銷	本年償還	年末餘額	是否違約
2024 first tranche of green asset-backed senior notes	2024年度第一期綠色資產支持票據優先級	2,960,000	1.7%	12 July 2024 2024年7月12日	336 days 336天	2,960,000	-	2,956,962	26,762	1,519	1,766,880	1,191,601	No 否
Total	合計					2,960,000	-	2,956,962	26,762	1,519	1,766,880	1,191,601	

As at 31 December 2024 and 31 December 2023, the Group didn't have any bonds past due.

於二零二四年十二月三十一日及二零二三年十二月三十一日，本集團無逾期的債券。

35. Lease liabilities

35. 租賃負債

		2024 二零二四年	2023 二零二三年
Opening balance	年初餘額	10,341,223	3,311,335
Addition for the year	本年新增	3,927,776	7,146,732
Business combinations not involving entities under common control	非同一控制下企業合併	-	1,086,356
Disposal for the year	本年處置	(390,192)	(205,299)
Interest expenses	利息費用	567,329	282,733
Payment for the year	本年支付	(2,570,565)	(1,280,634)
Closing balance	年末餘額	11,875,571	10,341,223
Less: Lease liabilities due within one year (Note V. 31)	減：一年以內到期的租賃負債 (附註五、31)	1,999,604	1,494,037
		9,875,967	8,847,186

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

36. Other non-current liabilities

36. 其他非流動負債

		2024	2023
		二零二四年	二零二三年
Deferred income	遞延收益	39,717,206	25,890,036
Provisions (Note V. 30)	預計負債(附註五、30)	19,173,216	11,970,385
Other external current accounts	外部往來款	8,861,588	9,477,880
Repurchase right on Shareholders' investment (Note 1)	股東投資回購權(註1)	—	3,245,440
Long-term financial guarantee contracts (Note XIV. 2)	長期財務擔保合同(附註十四、2)	9,223	61,984
		67,761,233	50,645,725

Note 1 : On 26 May 2020, BYD held the 38th Meeting of the Sixth Session of the Board and the "Resolution on the Introduction of Strategic Investors by the Controlled Subsidiary" was considered and approved. It agreed that the Company and BYD Semiconductor, a subsidiary of the Group, entered into the Shareholders' Agreement with other investors. Pursuant to the above agreement, the Company shall repurchase the equity interests of BYD Semiconductor held by these strategic investors at a fixed amount under some specific agreed circumstances. In 2024, the repurchase from some minority shareholders of BYD Semiconductor has been completed. As at 31 December 2024, the present value of such repurchase obligation was RMB621,362,000, which was accounted for under other current liabilities (31 December 2023: RMB3,245,440,000).

註1 : 二零二零年五月二十六日，比亞迪召開第六屆董事會第三十八次會議，審議通過了《關於控股子公司引入戰略投資者的議案》，同意本公司及本集團之子公司比亞迪半導體與第三方投資者簽署《股東協議》。協議約定在一定條件下，比亞迪需承擔以固定金額回購戰略投資者對比亞迪半導體所投資股權的義務。於二零二四年度，部分比亞迪半導體少數股東完成回購，截至二零二四年十二月三十一日，該義務的現值金額為人民幣621,362千元，於其他流動負債科目核算。(二零二三年十二月三十一日：人民幣3,245,440千元)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

36. Other non-current liabilities (continued)

36. 其他非流動負債(續)

Deferred income

遞延收益

	Opening balance 年初餘額	Addition during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Automobiles and automobiles related 汽車及汽車相關	25,357,646	23,883,502	(9,764,084)	39,477,064
Mobile handset related 手機相關	290,954	317,800	(368,612)	240,142
Industrial support fund 產業扶持資金	84,720	—	(84,720)	—
R&D-related subsidies 研發相關補貼	16,127	19,117	(35,244)	—
Staff-related subsidies 員工相關補貼	2,407	7,399	(9,806)	—
Others 其他	138,182	5,939	(144,121)	—
Total 合計	25,890,036	24,233,757	(10,406,587)	39,717,206

37. Share capital

37. 股本

		2024 二零二四年	2023 二零二三年
Registered and paid-in capital 註冊及實收股本		2,909,266	2,911,143

For details of the changes in the registered and paid-in capital of the Company, please refer to Note V. 39.

本年註冊及實收股本變動詳見附註五、39。

The shares of the Company have a par value of RMB1 per share.

本公司每股面值人民幣1元。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Other equity instrument

五、 合併財務報表主要項目註釋(續)

38. 其他權益工具

		As at the beginning of the year 年初		Addition during the year 本年增加		Decrease during the year 本年減少		As at the end of the year 年末	
		Quantity 數量	Carrying amount 賬面價值	Quantity 數量	Carrying amount 賬面價值	Quantity 數量	Carrying amount 賬面價值	Quantity 數量	Carrying amount 賬面價值
Perpetual bonds 1	永續債1	-	-	Note 1 註1	9,929,334	-	-	Note 1 註1	9,929,334
Perpetual bonds 2	永續債2	-	-	Note 2 註2	4,965,108	-	-	Note 2 註2	4,965,108
Total	合計	-	-		14,894,442	-	-		14,894,442

Note 1: In December 2024, the Company entered into a perpetual bond investment contract with Guotong Trust Co., Ltd. ("Guotong Trust") with a principal amount of RMB10 billion. Both parties confirmed that the perpetual bond investment has no fixed term. The initial investment period for each tranche of the perpetual bond investment shall not exceed 6 months, and each subsequent interest rate reset period shall be one year after the initial investment period expires. The Company has the right to exercise the redemption right at any time after the funds for any tranche of the perpetual bond investment are deployed and before the expiration of the initial investment period, or on the expiration date of the initial investment period and any day thereafter. If the Company decides to exercise the redemption right, it shall notify Guotong Trust one month in advance.

Reset interest rate: During the initial investment period, the initial investment interest rate for the first tranche of perpetual bonds is 3.18%. If the Company does not exercise the redemption right upon the expiration of the initial investment period and the perpetual bonds enter the interest rate reset period, the investment interest rate for each tranche of perpetual bonds from the expiration date of the initial investment period to the expiration date of the first interest rate reset period shall be calculated based on the higher of the following two items, with a maximum cap of 6% per annum: (1) investment interest rate = initial investment interest rate of the perpetual bonds + 300 BP; (2) investment interest rate = benchmark interest rate on the expiration date of the initial investment period of the perpetual bonds + initial spread + 300 BP.

註1: 本公司於二零二四年十二月與國通信託有限責任公司(「國通信託」)簽訂本金金額人民幣100億元的永續債券投資合同，雙方確認該永續債權投資期限為無固定期限。各期永續債權投資的初始投資週期不超過6個月，初始投資週期屆滿後每一年為一個利率重置期。本公司有權在任何一期永續債權投資資金投放後且初始投資週期屆滿前任何一天或初始投資週期屆滿日及之後任何一天行使贖回權。如本公司決定行使贖回權，應提前一個月通知國通信託。

重置利率：初始投資週期內，第一期永續債權初始投資利率為3.18%，如初始投資週期屆滿本公司不行使贖回權，且該期永續債權進入利率重置期，初始投資週期屆滿日起至第一個利率重置期屆滿日的期間，各期永續債權投資利率按以下兩項孰高計算，且最高設定為6%/年：(1)投資利率=該期永續債權初始投資利率+300BP；(2)投資利率=該期永續債權初始投資週期屆滿日的基準利率+初始利差+300BP。

Notes to Financial Statements

財務報表附註

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人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Other equity instrument (continued)

Unless a mandatory interest payment event as stipulated in the contract occurs, the Company may, at its discretion, choose to defer the payment of the current interest and all previously deferred interest and its accrued interest to the next interest payment date, without being subject to any limit on the number of interest deferrals. Such deferral of interest shall not be considered a default event under the contract for failure to pay interest as agreed. If the Company decides to defer the payment of interest, it shall provide written notice to Guotong Trust 30 working days prior to the current interest payment date. Within 12 months prior to each interest payment date, if any of the following events occurs, the Company shall not defer the payment of the current interest and all previously deferred interest and its accrued interest: (1) the Company distributes dividends to its ordinary shareholders; (2) the Company reduces its registered capital; or (3) the Company declares liquidation.

Since the Company distributed dividends to its ordinary shareholders within the 12 months prior to the first interest payment date, the interest for the first tranche cannot be deferred. The principal amount is RMB10,000,000,000, of which RMB70,666,000 is classified as a debt instrument, while the remaining RMB9,929,334,000 is classified as an equity instrument because the Company has the right to avoid paying interest and principal to the lender by delivering cash or other financial assets.

五、 合併財務報表主要項目註釋(續)

38. 其他權益工具(續)

除非發生合同約定的強制付息事件，本公司可自行選擇將當期利息以及按照本條款已經遞延的所有利息及其孳息推遲至下一個付息日支付，且不受任何遞延支付利息次數的限制，前述利息遞延不應視為本公司未按照合同約定支付利息的違約事件。本公司決定遞延支付利息的，本公司需在當個計息日前30個工作日書面通知國通信託。在每個付息日前12個月內，發生以下事件之一，本公司不得遞延當期利息以及按照本條款已經遞延的所有利息及其孳息：(1)本公司向普通股股東分紅；(2)本公司減少註冊資本；(3)本公司宣佈清算。

由於本公司在第一個付息日的前12個月內向普通股股東進行了分紅，因此第一期利息無法遞延支付，本金人民幣10,000,000千元，其中人民幣70,666千元計入債務工具，剩餘部分人民幣9,929,334千元。由於本公司有權利避免以交付現金或其他金融資產的方式向出借人支付利息和本金，故將其劃分為權益類工具。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Other equity instrument (continued)

Note 2: In December 2024, the Company entered into a renewable trust loan agreement with Bohai International Trust Co., Ltd. ("Bohai Trust") with a principal amount of RMB5 billion. Both parties confirmed that the trust loan is renewable, with an initial loan term of one year. Thirty days prior to the expiration of each loan term (including the initial loan term and any extended loan terms), the Company has the right to either extend the loan term under this agreement by one year or choose to repay the full outstanding principal balance of the trust loan, along with all accrued but unpaid interest, accrued interest, and penalty interest, to the lender on the expiration date of each loan term. If the Company chooses to extend the loan term, it shall provide written notice to Bohai Trust thirty days prior to the expiration of each loan term.

Reset loan interest rate: Starting from the day after the expiration of each loan term, the loan interest rate shall be reset. The annualised loan interest rate after each reset shall increase by 3% based on the annual interest rate applicable on the expiration date of the previous loan term. The reset loan interest rate shall be capped at a maximum of 6% per annum.

If a mandatory interest payment event occurs, or if no such event occurs but the Company fails to provide written notice to Bohai Trust ten days prior to any agreed interest settlement date choosing to defer the interest payment for that interest period, the Company shall pay the current loan interest and all previously deferred interest and its accrued interest to Bohai Trust on the day following the interest settlement date. Within 12 months prior to each interest settlement date, if any of the following events occurs, the Company shall not defer the payment of interest and its accrued interest: (1) the Company reduces its registered capital; or (2) the Company distributes bonuses or dividends to its shareholders.

Since the Company distributed dividends to its ordinary shareholders within the 12 months prior to the first interest payment date, the interest for the first tranche cannot be deferred. The principal amount is RMB5,000,000,000, of which RMB34,892,000 is classified as a debt instrument, while the remaining RMB4,965,108,000 is classified as an equity instrument because the Company has the right to avoid paying interest and principal to the lender by delivering cash or other financial assets.

五、 合併財務報表主要項目註釋(續)

38. 其他權益工具(續)

註2: 本公司於二零二四年十二月與渤海國際信託有限責任公司(「渤海信託」)簽訂本金金額人民幣50億元的可續期信託貸款合同，雙方確認該信託貸款為可續期信託貸款，初始貸款期限為一年，在每個貸款期限(包括初始貸款期限及延續貸款期限)屆滿前三十日，本公司有權選擇將本合同項下貸款期限延續一年，或者選擇在每個貸款期限屆滿之日向貸款人全額歸還全部信託貸款本金餘額及所有應支付但尚未支付的利息、孳息、罰息。如本公司選擇延續貸款期限的，應於每個貸款期限屆滿前三十日書面通知渤海信託。

重置借款利率：每個貸款期限屆滿後的次日起，借款利率發生重置，每次重置後的年化借款利率應在前一個貸款期限屆滿之日所適用的年利率的基礎上躍升3%，重置後的借款利率以最高6%/年為限。

若發生了強制付息事件，或雖未發生強制付息事件，本公司如果未在約定的任一結息日前十日書面通知渤海信託選擇將該計息週期的利息遞延支付的，則本公司應在結息日次日向渤海信託支付當期借款利息和已經遞延支付的所有利息及其孳息。在每個結息日前12個月內，發生以下事件之一，本公司不得進行利息及其孳息的遞延支付：(1)本公司減少註冊資本；(2)本公司向其股東支付紅利或股息。

由於本公司在第一個付息日的前12個月內向普通股股東進行了分紅，因此第一期利息無法遞延支付，本金人民幣5,000,000千元，其中人民幣34,892千元計入債務工具，剩餘部分人民幣4,965,108千元。由於本公司有權利避免以交付現金或其他金融資產的方式向借入人支付利息和本金，故將其劃分為權益類工具。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

39. Capital reserve

39. 資本公積

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Share premium	股本溢價	60,322,994	14,167	(398,151)	59,939,010
Others	其他	1,718,780	1,283,743	(2,262,127)	740,396
Total	合計	62,041,774	1,297,910	(2,660,278)	60,679,406

In 2024, the increase in the Group's capital reserve was mainly due to the provision for share-based payment expenses, and the change in capital reserve – others and the increase in capital reserve – share premium were mainly due to the vesting of restricted shares, which transferred the treasury shares and capital reserve – other related to the vesting of restricted shares to share premium. For details, please refer to note XIII. The decrease in capital reserve – share premium was mainly due to the completion of the repurchase and cancellation of 1,877,000 A shares of RMB1 each by the Group during the period, which led to a decrease in share capital of RMB1,877,000 and a decrease in share premium of RMB398,151,000 during the period.

2024年本集團資本公積增加主要是由於計提股份支付費用，資本公積－其他的變動和資本公積－股本溢價的增加主要是由於限制性股票解鎖，將與解鎖限制性股票有關的庫存股及資本公積－其他結轉至股本溢價。詳見附註十三。資本公積－股本溢價的減少主要是由於本集團於本期完成回購併註銷A股股份1,877,000股，每股面值人民幣1元，導致本期股本減少人民幣1,877千元，股本溢價減少人民幣398,151千元。

40. Treasury shares

40. 庫存股

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Repurchase by equity incentive	實行股權激勵回購	1,266,944	400,028	(943,004)	723,968

The decrease in treasury shares was due to the vesting of restricted shares during the period.

庫存股本期減少為本期限制性股票解鎖所致。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other comprehensive income

The balance of other comprehensive income attributable to the parent company in the balance sheet:

2024

	1 January 2024 二零二四年 一月一日	Increase/ decrease 增減變動	31 December 2024 二零二四年 十二月三十一日
Changes in fair value of other equity instrument investments	1,028,216	367,552	1,395,768
Changes in fair value of receivables financing	(31,445)	(12,095)	(43,540)
Exchange difference on foreign currency translation	(393,108)	481,496	88,388
	603,663	836,953	1,440,616

2023

	1 January 2023 二零二三年 一月一日	Increase/ decrease 增減變動	31 December 2023 二零二三年 十二月三十一日
Changes in fair value of other equity instrument investments	861,367	166,849	1,028,216
Changes in fair value of receivables financing	(69,924)	38,479	(31,445)
Provision for credit impairment of receivables financing	10,453	(10,453)	-
Exchange difference on foreign currency translation	(373,564)	(19,544)	(393,108)
	428,332	175,331	603,663

五、 合併財務報表主要項目註釋(續)

41. 其他綜合收益

資產負債表中歸屬於母公司的其他綜合收益餘額：

二零二四年

	1 January 2024 二零二四年 一月一日	Increase/ decrease 增減變動	31 December 2024 二零二四年 十二月三十一日
Changes in fair value of other equity instrument investments	1,028,216	367,552	1,395,768
Changes in fair value of receivables financing	(31,445)	(12,095)	(43,540)
Exchange difference on foreign currency translation	(393,108)	481,496	88,388
	603,663	836,953	1,440,616

二零二三年

	1 January 2023 二零二三年 一月一日	Increase/ decrease 增減變動	31 December 2023 二零二三年 十二月三十一日
Changes in fair value of other equity instrument investments	861,367	166,849	1,028,216
Changes in fair value of receivables financing	(69,924)	38,479	(31,445)
Provision for credit impairment of receivables financing	10,453	(10,453)	-
Exchange difference on foreign currency translation	(373,564)	(19,544)	(393,108)
	428,332	175,331	603,663

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other comprehensive income (continued)

Amount of other comprehensive income:

2024

五、 合併財務報表主要項目註釋(續)

41. 其他綜合收益(續)

其他綜合收益發生額：

二零二四年

		Pretax amount	Income tax	Attributable to shareholders of the parent company 歸屬於母公司股東	Attributable to the minority 歸屬於少數股東
		稅前發生額	所得稅		
Other comprehensive income that cannot be reclassified to profit or loss	不能重分類進損益的其他綜合收益				
Changes in fair value of other equity instrument investments	其他權益工具投資公允價值變動	408,375	(40,823)	367,552	—
Other comprehensive income that will be reclassified to profit or loss	將重分類進損益的其他綜合收益				
Changes in fair value of receivables financing	應收款項融資公允價值變動	(12,095)	—	(12,095)	—
Provision for credit impairment of receivables financing	應收款項融資信用減值準備	—	—	—	—
Exchange difference on foreign currency translation	外幣報表折算差額	487,941	—	481,496	6,445
		884,221	(40,823)	836,953	6,445

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other comprehensive income (continued)

Amount of other comprehensive income: (continued)

2023

五、 合併財務報表主要項目註釋(續)

41. 其他綜合收益(續)

其他綜合收益發生額：(續)

二零二三年

		Pretax amount	Income tax	Attributable to shareholders of the parent company 歸屬於母公司股東	Attributable to the minority 歸屬於少數股東
		稅前發生額	所得稅		
Other comprehensive income that cannot be reclassified to profit or loss	不能重分類進損益的其他綜合收益				
Changes in fair value of other equity instrument investments	其他權益工具投資公允價值變動	220,896	(54,047)	166,849	-
Other comprehensive income that will be reclassified to profit or loss	將重分類進損益的其他綜合收益				
Changes in fair value of receivables financing	應收款項融資公允價值變動	38,479	-	38,479	-
Provision for credit impairment of receivables financing	應收款項融資信用減值準備	(10,453)	-	(10,453)	-
Exchange difference on foreign currency translation	外幣報表折算差額	(10,847)	-	(19,544)	8,697
		238,075	(54,047)	175,331	8,697

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

42. Surplus reserve

42. 盈餘公積

		Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Statutory surplus reserve	法定盈餘公積	7,374,087	—	—	7,374,087
		7,374,087	—	—	7,374,087

In accordance with the Company Law and the Articles of Association, the Company is required to allocate 10% of its net profit to the statutory surplus reserve, until the accumulated statutory surplus reserve has reached 50% of the registered capital of the Company.

根據公司法、本公司章程的規定，本公司按淨利潤的10%提取法定盈餘公積金，法定盈餘公積金累計額為本公司註冊資本50%以上的，可以不再提取。

43. Retained profits

43. 未分配利潤

		2024 二零二四年	2023 二零二三年
Retained profits at the beginning of the year	年初未分配利潤	67,123,972	40,943,232
Net profit attributable to shareholders of the parent for the year	本年歸屬於母公司股東的淨利潤	40,254,346	30,040,811
Less: Appropriation to statutory surplus reserve	減：提取法定盈餘公積	—	535,546
Cash dividend payable for ordinary shares	支付普通股現金股利	9,012,493	3,324,525
Add: Disposal of other equity instruments	加：處置其他權益工具	281,969	—
Retained profits at the end of the year	年末未分配利潤	98,647,794	67,123,972

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Operating revenue and operating costs

(1) Operating revenue and operating costs

五、合併財務報表主要項目註釋(續)

44. 營業收入和營業成本

(1) 營業收入和營業成本情況

		2024 二零二四年		2023 二零二三年	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本 (Restated) (經重述)
Revenue from principal operations	主營業務收入	761,135,162	614,031,918	590,468,270	481,196,444
Other operating revenue	其他業務收入	15,967,293	12,014,698	11,847,084	9,202,501
Total	合計	777,102,455	626,046,616	602,315,354	490,398,945

Disaggregation of operating revenue is as follows:

營業收入列示如下：

		2024 二零二四年	2023 二零二三年
Revenue from contracts with customers	與客戶之間合同產生的收入		
Handset components, assembly service and other products	手機部件、組裝及其他產品	159,568,013	118,538,732
Automobiles and related products and other products	汽車、汽車相關產品及其他產品	617,147,559	483,262,974
Others	其他	110,375	283,754
		776,825,947	602,085,460
Rental income	租賃收入	276,508	229,894
Total	合計	777,102,455	602,315,354

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

44. Operating revenue and operating costs (continued)

44. 營業收入和營業成本(續)

(2) Disaggregation of revenue

(2) 營業收入分解信息

2024

二零二四年

Reportable segments	報告分部	Handset components, assembly service and other products 手機部件、組裝及其他產品	Automobiles and related products and other products 汽車、汽車相關產品及其他產品	Others 其他	Total 合計
Place of operation	經營地區				
PRC (including Hong Kong, Macau and Taiwan)	中國(包括港澳台地區)	37,503,823	517,409,835	110,375	555,024,033
Overseas	境外	122,064,190	99,737,724	-	221,801,914
		159,568,013	617,147,559	110,375	776,825,947
Timing of goods transferred	商品轉讓的時間				
At a point in time	在某一時點轉讓	159,248,360	614,622,917	110,375	773,981,652
Over time	在某一時段內轉讓	319,653	2,524,642	-	2,844,295
		159,568,013	617,147,559	110,375	776,825,947

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Operating revenue and operating costs (continued)

(2) Disaggregation of revenue (continued)

2023

五、 合併財務報表主要項目註釋(續)

44. 營業收入和營業成本(續)

(2) 營業收入分解信息(續)

二零二三年

Reportable segments	報告分部	Handset components, assembly service and other products 手機部件、組裝及其他產品	Automobiles and related products and other products 汽車、汽車相關產品及其他產品	Others 其他	Total 合計
Place of operation	經營地區				
PRC (including Hong Kong, Macau and Taiwan)	中國(包括港澳台地區)	30,816,853	410,831,456	283,754	441,932,063
Overseas	境外	87,721,879	72,431,518	-	160,153,397
		118,538,732	483,262,974	283,754	602,085,460
Timing of goods transferred	商品轉讓的時間				
At a point in time	在某一時點轉讓	118,528,137	480,597,109	283,754	599,409,000
Over time	在某一時段內轉讓	10,595	2,665,865	-	2,676,460
		118,538,732	483,262,974	283,754	602,085,460

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

44. Operating revenue and operating costs (continued)

44. 營業收入和營業成本(續)

(3) Disaggregation of cost

(3) 營業成本分解信息

2024

二零二四年

Reportable segments	報告分部	Handset components, assembly service and other products 手機部件、組裝及其他產品	Automobiles and related products and other products 汽車、汽車相關產品及其他產品	Others 其他	Total 合計
Place of operation	經營地區				
PRC (including Hong Kong, Macau and Taiwan)	中國(包括港澳台地區)	34,571,596	408,403,934	96,368	443,071,898
Overseas	境外	111,678,864	71,129,251	-	182,808,115
		146,250,460	479,533,185	96,368	625,880,013
Timing of goods transferred	商品轉讓的時間				
At a point in time	在某一時點轉讓	145,931,843	477,227,033	96,368	623,255,244
Over time	在某一時段內轉讓	318,617	2,306,152	-	2,624,769
		146,250,460	479,533,185	96,368	625,880,013

(4) Performance obligations

(4) 履約義務

The recognised revenue is sourced from:

確認的收入來源於：

		2024 二零二四年	2023 二零二三年
Opening carrying amount of contract liabilities – sales of goods and provision of services	合同負債年初賬面價值 – 銷售商品及提供服務	31,922,629	32,675,245
		31,922,629	32,675,245

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Operating revenue and operating costs (continued)

(4) Performance obligations (continued)

Information about the Group's performance obligations is summarised below:

		Time of fulfilling performance obligations	Important payment terms	Nature of goods transferred	Principal or not	Committed refunds to customers	Type of warranty and related obligations
		履行履約義務的時間	重要的支付條款	承諾轉讓商品的性質	是否為主要責任人	承擔的預期將退還給客戶的款項	提供的質量保證類型及相關義務
Sales of goods	銷售商品	Time of delivery and acceptance by customers	Advance/payment upon delivery	Sales of automobiles, related products, mobile handset components, assembly service and other products	Yes	Yes	Assurance-type warranty
		交付且客戶接受時	預收/到貨收款	主要銷售汽車、汽車相關產品、手機部件、組裝及其他產品	是	有	保證類質保
Rendering of services	提供服務	Term of service/ time of delivery	Service progress payment/ payment upon completion of services	Rendering of maintenance, transportation, platform and technological services	Yes	Nil	Nil
		服務期間/交付時	服務進度收款/服務完成收款	主要提供維修、運輸、平台服務及技術服務等	是	無	無
Construction services	建造服務	Term of service	Progress payment	Construction of rail transport infrastructure	Yes	Nil	Assurance-type warranty
		服務期間	完工進度收款	軌道交通建造	是	無	保證類質保

As at 31 December 2024, the main performance obligations that have signed the contract but have not been fulfilled or not yet fulfilled are expected to be recognized within one year.

五、 合併財務報表主要項目註釋(續)

44. 營業收入和營業成本(續)

(4) 履約義務(續)

本集團與履約義務相關的信息如下：

於二零二四年十二月三十一日，主要的已簽訂合同、但尚未履行或尚未履行完畢的履約義務預計於1年以內確認為收入。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

45. Tax and surcharge

45. 税金及附加

		2024 二零二四年	2023 二零二三年
Consumption tax	消費稅	8,377,348	5,723,178
City maintenance and construction tax	城市維護建設稅	1,732,104	1,284,896
Education surcharge	教育費附加	1,312,280	936,302
Property tax	房產稅	898,438	582,177
Land use tax	土地使用稅	418,929	380,217
Others	其他	2,013,303	1,442,858
Total	合計	14,752,402	10,349,628

46. Selling expenses

46. 銷售費用

		2024 二零二四年	2023 二零二三年 (Restated) (經重述)
Advertising and exhibition expenses	廣告展覽費	7,847,450	4,267,364
Employee benefits	職工薪酬	7,436,708	5,433,859
Depreciation and amortization	折舊及攤銷	3,600,415	1,578,596
Material consumption	物料消耗	1,242,761	809,608
Office expenses	辦公費用	816,451	474,386
Travelling expenses	差旅費	595,326	387,396
Share-based payment	股份支付	38,345	84,166
Others	其他	2,507,861	2,335,425
Total	合計	24,085,317	15,370,800

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

47. Administrative expenses

47. 管理費用

		2024 二零二四年	2023 二零二三年
Employee benefits	職工薪酬	12,627,537	9,314,402
Depreciation and amortization	折舊及攤銷	3,161,948	1,797,347
Material consumption	物料消耗	1,291,159	929,802
Share-based payment	股份支付	121,769	247,643
Others	其他	1,442,248	1,172,514
Including: Audit expenses#	其中：審計費#	6,350	6,350
Total	合計	18,644,661	13,461,708

48. Research and development expenses

48. 研發費用

		2024 二零二四年	2023 二零二三年
Employee benefits	職工薪酬	31,772,136	21,739,370
Material consumption	物料消耗	12,281,826	11,083,658
Depreciation and amortization	折舊及攤銷	3,527,974	2,586,540
Inspection expenses	檢測費	2,224,632	1,098,465
Share-based payment	股份支付	179,543	398,844
Others	其他	3,208,634	2,668,068
Total	合計	53,194,745	39,574,945

49. Finance expenses

49. 財務費用

		2024 二零二四年	2023 二零二三年
Interest expenses	利息支出	2,093,781	1,827,605
Including: Interest expenses on lease liabilities	其中：租賃負債利息支出	567,329	282,733
Less: Interest income	減：利息收入	2,483,756	2,796,195
Foreign exchange loss/(gain)	匯兌損失/(收益)	1,531,645	(638,785)
Others	其他	74,536	132,481
Total	合計	1,216,206	(1,474,894)

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

50. Other income

50. 其他收益

		2024 二零二四年	2023 二零二三年
Government subsidy related to daily activities	與日常活動相關的政府補助	10,406,200	4,619,187
Others	其他	3,645,450	634,272
Total	合計	14,051,650	5,253,459

51. Investment income

51. 投資收益

		2024 二零二四年	2023 二零二三年
Long-term equity investment income accounted for under the equity method	按權益法核算的長期股權投資收益	1,468,954	1,277,455
Investment income/(loss) from disposal of financial assets or liabilities held for trading	處置交易性金融資產或負債的投資收益/(損失)	380,019	(23,586)
Investment income from investing in wealth management products and debt investment	投資理財產品與債權投資產生的投資收益	271,779	326,469
Investment income from the disposal of long-term equity interests	處置長期股權投資產生的投資收益	108,138	6,082
Dividend income on other equity instrument investments held	仍持有的其他權益工具投資的股利收入	63,867	19,545
Investment income from holding other non-current financial assets	其他非流動金融資產在持有期間取得的投資收益	4,869	4,001
Investment income from the disposal of subsidiaries	處置子公司的投資收益	1,260	25,175
Loss on derecognition of financial assets measured at amortised cost	以攤餘成本計量的金融資產終止確認損失	(7,411)	-
Total	合計	2,291,475	1,635,141

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

52. Gains from changes in fair value

52. 公允價值變動收益

		2024 二零二四年	2023 二零二三年
Financial assets held for trading	交易性金融資產	366,222	83,104
Including: Structured deposits and certificate of deposit	其中：結構性存款及大額存單	338,592	83,104
Funds and wealth management products	基金及理財產品	27,630	-
Derivative financial instruments	衍生金融工具	33,100	53,736
Other non-current financial assets	其他非流動金融資產	132,611	120,900
Total	合計	531,933	257,740

53. Impairment loss on credit

53. 信用減值損失

		2024 二零二四年	2023 二零二三年
Loss of bad debts for accounts receivable	應收款項類壞賬損失	1,606,076	1,596,422
Impairment loss on financial guarantee contracts	財務擔保合同相關減值損失	(52,761)	(16,810)
Total	合計	1,553,315	1,579,612

54. Impairment loss on asset

54. 資產減值損失

		2024 二零二四年	2023 二零二三年
Impairment loss on inventory	存貨跌價損失	2,899,021	2,244,853
Impairment loss on fixed assets	固定資產減值損失	132,200	-
Impairment loss on construction in progress	在建工程減值損失	92,511	-
Impairment loss on contract assets	合同資產減值損失	109,788	(56,634)
Impairment loss on long-term equity investments	長期股權投資減值損失	638,157	-
Total	合計	3,871,677	2,188,219

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

55. Gains from disposal of assets

55. 資產處置收益

		2024 二零二四年	2023 二零二三年
Gains/(losses) from disposal of fixed assets	固定資產處置收益/(損失)	(126,527)	90,364

56. Non-operating income

56. 營業外收入

		2024 二零二四年	2023 二零二三年	Included in non-recurring profit or loss for 2024 計入 二零二四年度 非經常性 損益
Government subsidy	政府補助	387	1,646	387
Liquidated damages and compensation for loss	違約金及損失賠款	786,690	542,597	786,690
Others	其他	464,499	167,127	464,499
Total	合計	1,251,576	711,370	1,251,576

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Non-operating expenses

		2024	2023	Included in non-recurring profit or loss for 2024 計入 二零二四年度 非經常性 損益
		二零二四年	二零二三年	
Losses on disposal of non-current assets	非流動資產清理損失	1,632,109	1,144,068	1,632,109
Donations	捐贈支出	29,965	36,448	29,965
Others	其他	394,872	365,312	394,872
Total	合計	2,056,946	1,545,828	2,056,946

五、 合併財務報表主要項目註釋(續)

57. 營業外支出

58. Income tax expenses

		2024	2023
		二零二四年	二零二三年
Current income tax expense	當期所得稅費用	11,262,547	7,319,831
Pillar Two income tax – current tax	支柱二所得稅 – 當期稅	9,435	-
Deferred income tax expenses	遞延所得稅費用	(3,179,245)	(1,395,264)
Total	合計	8,092,737	5,924,567

58. 所得稅費用

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

58. Income tax expenses (continued)

58. 所得稅費用(續)

The reconciliation between income tax expenses and total profit is as follows:

所得稅費用與利潤總額的關係列示如下：

		2024 二零二四年	2023 二零二三年
Total profit	利潤總額	49,680,677	37,268,637
Income tax at the statutory tax rate (Note 1)	按法定稅率計算的所得稅(註1)	12,420,103	9,315,215
Effect of different tax rates applicable to subsidiaries	子公司適用不同稅率的影響	(6,000,834)	(2,823,029)
Profit or loss attributable to joint ventures and associates	歸屬於合營企業和聯營企業的損益	(350,323)	(306,237)
Tax impact of non-deductible cost, expenses and losses	不可抵扣的成本、費用和損失的影響	230,034	148,296
Pillar Two income tax – current tax (Note 2)	支柱二所得稅 – 當期稅(註2)	9,435	–
Effect on deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the period	本期未確認遞延所得稅資產的可抵扣暫時性差異的影響或可抵扣虧損的影響	8,169,879	3,864,428
Effect of use of deductible losses on previously unrecognised deferred tax assets	使用前期未確認遞延所得稅資產的可抵扣虧損的影響	(646,074)	(485,569)
Effect of changes in tax rate on the balance of deferred income tax at the beginning of the period	稅率變動對期初遞延所得稅餘額的影響	(400,271)	38,339
Research and development expenses and other additional deduction as required by taxation laws	研發費用及其他稅法規定的加計扣除	(5,339,212)	(3,826,876)
Income tax expenses at the Group's effective tax rate	按本集團實際稅率計算的所得稅費用	8,092,737	5,924,567

Notes to Financial Statements

財務報表附註

RMB'000
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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Income tax expenses (continued)

Note 1: The Group's income tax has been provided at the statutory rate based on the estimated taxable profits arising in the PRC.

Note 2: The Group falls within the scope of the Global Anti-Base Erosion (GloBE) Model Rules (the "Pillar Two Model Rules"). The Group is temporarily exempt from recognising and disclosing information about deferred tax assets or liabilities arising from the implementation of the Pillar Two Model Rules and will accounted for the Pillar Two income tax as current tax when incurred. In 2024, a jurisdiction where the Group operates has implemented relevant Pillar Two regulations. Based on currently available information, the Group has assessed the potential risk exposure related to the financial performance for the current year, the results of which may not fully reflect the actual situation in the future. According to the assessment results, the Group has made a provision of RMB9,435,000 for the Pillar Two tax in the jurisdiction where, due to certain tax incentives, the effective Pillar Two tax rate is below 15%. Given that more countries are expected to enact Pillar Two legislation, the Group will continue to monitor the legislative developments in the jurisdictions where it operates to assess their potential impact on the financial statements in the future.

五、 合併財務報表主要項目註釋(續)

58. 所得稅費用(續)

註1: 本集團所得稅按在中國境內取得的估計應納稅所得額及法定稅率計提。

註2: 本集團屬於全球算稅基侵蝕(GloBE)規則立法模板(以下簡稱支柱二立法模板)的使用範圍內。本集團暫時豁免因實施支柱二立法模板產生的遞延所得稅資產或負債的確認以及相關信息的披露,並將在支柱二所得稅產生時核算於當期所得稅中。2024年度,本集團經營所涉及的特定司法轄區已實施支柱二相關法規。基於現有可得信息,本集團已對本年度財務業績相關的潛在風險敞口進行了評估,該評估結果可能無法完全反映未來實際情況。根據評估結果,本集團針對在特定司法管轄區計提了人民幣9,435千元的支柱二稅收準備金,因為在該特定司法轄區,由於特定的稅收激勵措施,支柱二有效稅率低於15%。鑒於更多國家即將頒佈支柱二立法,本集團將持續跟進經營所涉司法轄區的相關立法動態,以評估其未來對財務報表的潛在影響。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

59. Earnings per share

59. 每股收益

		2024 二零二四年 RMB/share 元/股	2023 二零二三年 RMB/share 元/股
Basic earnings per share	基本每股收益		
Continuing operations	持續經營	13.84	10.32
Diluted earnings per share	稀釋每股收益		
Continuing operations	持續經營	13.84	10.32

The numerator of basic earnings per share is determined based on the net profit for the Period attributable to ordinary shareholders of the Company, less net profit attributable to the restricted shares expected to be vested in the future.

基本每股收益的分子以歸屬於本公司普通股股東的當期淨利潤，扣除歸屬於預計未來可解鎖限制性股票的淨利潤確定。

The denominator of basic earnings per share is the weighted average number of ordinary shares outstanding.

基本每股收益分母為發行在外的普通股的加權平均數。

The numerator of diluted earnings per share is determined based on the net profit for the Period attributable to ordinary shareholders of the Company, which means that when calculating the numerator, net profit attributable to the restricted shares expected to be vested in the future which are deducted in calculating the basic earnings per share are added back.

稀釋每股收益的分子以歸屬於本公司普通股股東的當期淨利潤確定，即分子在計算的時候加回計算基本每股收益分子時已扣除的歸屬於預計未來可解鎖限制性股票的淨利潤。

The denominator of diluted earnings per share is equal to the sum of: the weighted average number of ordinary shares in issue of the parent company in basic earnings per share; and increase in the weighted average number of ordinary shares assuming conversion of dilutive potential ordinary shares into ordinary shares.

稀釋每股收益的分母等於下列兩項之和：基本每股收益中母公司已發行普通股的加權平均數；及假定稀釋性潛在普通股轉換為普通股而增加的普通股的加權平均數。

In calculating the weighted average number of ordinary shares increased upon conversion of dilutive potential ordinary shares into ordinary shares in issue, the dilutive potential ordinary shares issued in previous periods are assumed to be converted at the beginning of the Period; the dilutive potential ordinary shares issued in the Period are assumed to be converted on the issue date.

在計算稀釋性潛在普通股轉換為已發行普通股而增加的普通股股數的加權平均數時，以前期間發行的稀釋性潛在普通股，假設在當期期初轉換；當期發行的稀釋性潛在普通股，假設在發行日轉換。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

59. Earnings per share (continued)

59. 每股收益(續)

The calculations of basic and diluted earnings per share are based on:

基本與稀釋每股收益的具體計算如下：

		2024 二零二四年	2023 二零二三年
Revenue	收益		
Net profit for the Period attributable to ordinary shareholders of the Company	歸屬於本公司普通股股東的當期淨利潤	40,254,346	30,040,811
Less: Deductible net profit attributable to restricted shares which are expected to be vested in the future	減去：應扣除歸屬於預計未來可解鎖限制性股票的淨利潤	30,502	39,809
Adjusted net profit for the Period attributable to ordinary shareholders of the Company	調整後歸屬於本公司普通股股東的當期淨利潤	40,223,844	30,001,002
Shares	股份		
Weighted average number of outstanding ordinary shares of the Company (thousands)	本公司發行在外普通股的加權平均數(千股)	2,906,847	2,906,402
Diluted effect – weighted average number of ordinary shares restricted shares (thousands)	稀釋效應－普通股的加權平均數限制性股票(千股)	1,605	1,720
Adjusted weighted average number of outstanding ordinary shares of the Company	調整後本公司發行在外普通股的加權平均股數	2,908,452	2,908,122

In 2024, the restricted shares of the Company did not have any diluted effect on earnings per share. Therefore, the diluted earnings per share are identical to the basic earnings per share.

2024年，本公司的限制性股票對每股收益無稀釋影響，因此稀釋每股收益與基本每股收益金額相同。

Notes to Financial Statements

財務報表附註

RMB'000
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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

60. Notes to cash flow statement

60. 現金流量表項目註釋

Cash related to operating activities

與經營活動有關的現金

		2024 二零二四年	2023 二零二三年
Significant cash inflows received from other activities relating to operations are presented as follows:	收到其他與經營活動有關的大額現金流入列示如下：		
Interest income	利息收入	2,256,777	2,430,367
Liquidated damages and compensation	違約金及損失賠款	786,690	542,597
Government subsidy	政府補助	19,600,017	10,367,182
Significant cash outflows paid for other activities relating to operations are presented as follows:	支付其他與經營活動有關的大額現金流出列示如下：		
Selling and promoting expenses	銷售及推廣費用	9,425,061	5,765,861
Administrative expenses	行政及管理相關費用	1,437,080	1,173,208
Research and development expenses	研發及開發費用	5,441,533	3,772,356

Cash related to investing activities

與投資活動有關的現金

		2024 二零二四年	2023 二零二三年
Significant cash inflows received from other activities relating to investments are presented as follows:	收到其他與投資活動有關的大額現金流入列示如下：		
Recovery of wealth management products and other investments	收回理財產品及其他投資款	12,495,370	21,750,000
Significant cash outflows paid for other activities relating to investments are presented as follows:	支付其他與投資活動有關的大額現金流出列示如下：		
Purchase of wealth management products and other investments	購買理財產品及其他投資款	43,323,278	10,500,000

Notes to Financial Statements

財務報表附註

RMB'000
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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Notes to cash flow statement (continued)

Cash related to financing activities

五、 合併財務報表主要項目註釋(續)

60. 現金流量表項目註釋(續)

與籌資活動有關的現金

		2024 二零二四年	2023 二零二三年
Significant cash outflows paid for other activities relating to financing are presented as follows:	支付其他與籌資活動有關的大額現金流出列示如下：		
Repurchase right on Shareholders' investment	股東投資回購權	2,863,844	-
Repurchase of ordinary shares	回購普通股	400,028	-
Payment of lease liabilities	支付租賃負債	2,570,565	1,280,633

The movements in each of the liabilities arising from financing activities are as follows:

籌資活動產生的各項負債的變動如下：

		Increases during the year 本年增加			Decrease during the year 本年減少		Closing balance 年末餘額
		Opening balance 年初餘額	Cash changes 現金變動	Non-cash changes 非現金變動	Cash changes 現金變動	Non-cash changes 非現金變動	
Short-term borrowings	短期借款	18,323,216	33,634,125	(33,143)	39,820,926	-	12,103,272
Long-term borrowings	長期借款	18,221,592	4,029,541	4,479	6,966,456	-	15,289,156
Bond payables	應付債券	-	2,960,000	-	1,768,399	-	1,191,601
Lease liabilities	租賃負債	10,341,223	-	4,495,105	2,570,565	390,192	11,875,571
Other non-current liabilities	其他非流動負債	28,233	-	-	28,233	-	-
Total	合計	46,914,264	40,623,666	4,466,441	51,154,579	390,192	40,459,600

Notes to Financial Statements

財務報表附註

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V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

61. Supplemental information on cash flow statement

61. 現金流量表補充資料

(1) Supplemental information on cash flow statement

(1) 現金流量表補充資料

Reconciliation of net profit to cash flows from operating activities:

將淨利潤調節為經營活動現金流量：

		2024 二零二四年	2023 二零二三年
Net profit	淨利潤	41,587,940	31,344,070
Add: Provision for credit impairment	加：信用減值準備	1,553,315	1,579,612
Provision impairment on assets	資產減值準備	3,871,677	2,188,219
Depreciation of fixed assets	固定資產折舊	56,920,062	37,715,404
Depreciation of right-of-use assets	使用權資產折舊	2,643,241	1,390,498
Depreciation of investment properties	投資性房地產折舊	1,707	2,495
Amortisation of intangible assets	無形資產攤銷	5,514,039	4,174,175
Amortisation of long-term deferred expenditures	長期待攤費用攤銷	1,827,327	270,147
Loss on disposal of fixed assets and other long-term assets	處置固定資產和其他長期資產的損失	1,758,636	1,053,704
Gain from changes in fair value	公允價值變動收益	(531,933)	(257,740)
Finance costs	財務費用	1,907,942	529,606
Investment income	投資收益	(2,298,886)	(1,635,141)
Decrease in deferred tax assets	遞延所得稅資產減少	(1,975,070)	(2,174,984)
(Decrease)/increase in deferred tax liabilities	遞延所得稅負債(減少)/增加	(1,204,175)	774,851
Increase in inventories	存貨的增加	(31,248,137)	(7,602,102)
Increase in operating receivables	經營性應收項目的增加	(14,841,203)	(12,641,191)
Increase in operating payables	經營性應付項目的增加	67,559,896	112,737,462
Others	其他	407,495	275,940
Net cash flow from operating activities	經營活動產生的現金流量淨額	133,453,873	169,725,025

Major non-cash investing and financing activities:

不涉及現金的重大投資和籌資活動：

		2024 二零二四年	2023 二零二三年
New right-of-use assets	新增使用權資產	3,912,264	7,134,921

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

61. Supplemental information on cash flow statement (continued)

61. 現金流量表補充資料(續)

(1) Supplemental information on cash flow statement (continued)

(1) 現金流量表補充資料(續)

Net movements in cash and cash equivalents:

現金及現金等價物淨變動：

		2024 二零二四年	2023 二零二三年
Closing balance of cash and cash equivalents	現金及現金等價物的年末餘額	102,256,542	108,511,745
Less: Opening balance of cash and cash equivalents	減：現金及現金等價物的年初餘額	108,511,745	51,182,457
Net increase in cash and cash equivalents	現金及現金等價物淨增加額	(6,255,203)	57,329,288

(2) Net cash paid for acquisitions of subsidiaries and other operating entities

(2) 取得子公司及其他營業單位的現金淨額

		2024 二零二四年	2023 二零二三年
Cash and cash equivalents paid in the year for acquisitions of subsidiaries and other operating entities during the year	本年取得子公司及其他營業單位於本年支付的現金和現金等價物	142,684	14,347,070
Less: Cash and cash equivalents held by subsidiaries and other operating entities at the acquisition date	減：購置日子公司及其他營業單位持有的現金和現金等價物	17,247	269,301
Add: Cash and cash equivalents paid in the year for acquisitions of subsidiaries and other operating entities during the previous years	加：以前年度取得子公司及其他營業單位於本年支付的現金和現金等價物	-	-
Net cash paid for acquisitions of subsidiaries and other operating entities	取得子公司及其他營業單位支付的現金淨額	125,437	14,077,769

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

61. Supplemental information on cash flow statement (continued)

61. 現金流量表補充資料(續)

(3) Net cash received from disposals of subsidiaries and other operating entities

(3) 處置子公司及其他營業單位的現金淨額

		2024 二零二四年	2023 二零二三年
Cash and cash equivalents received in the year for disposals of subsidiaries and other operating entities during the year	本年處置子公司及其他營業單位於本年收到的現金和現金等價物	7,779	81,200
Less: Cash and cash equivalents held by subsidiaries and other operating entities at the date of losing control rights	減：喪失控制權日子公司及其他營業單位持有的現金和現金等價物	3	7,360
Add: Cash and cash equivalents paid in the year for disposals of subsidiaries and other operating entities during the previous years	加：以前年度處置子公司及其他營業單位於本年支付的現金和現金等價物	-	-
Net cash received from disposals of subsidiaries and other operating entities	處置子公司及其他營業單位收到的現金淨額	7,776	73,840

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

61. Supplemental information on cash flow statement (continued)

61. 現金流量表補充資料(續)

(4) Composition of cash and cash equivalents

(4) 現金及現金等價物的構成

		2024 二零二四年	2023 二零二三年
Cash	現金	102,256,542	108,511,745
Including: Cash on hand	其中：庫存現金	952	12,139
Bank deposits on demand	可隨時用於支付的銀行存款	60,004,283	104,865,672
Other monetary funds on demand	可隨時用於支付的其他貨幣資金	41,858,835	3,633,934
Financial assets purchased under resale agreements due within three months	三個月以內到期的買入返售金融資產	392,472	-
Closing balance of cash and cash equivalents	年末現金及現金等價物餘額	102,256,542	108,511,745

(5) Monetary funds that are not cash and cash equivalents

(5) 不屬於現金及現金等價物的貨幣資金

		2024 二零二四年	2023 二零二三年	Reason
Deposit and special account	保證金、專款專用	204,057	124,124	Restricted use
Interest accrued	應計利息	670,607	458,539	Cannot be withdrawn at any time
				不可隨時支取
Total	合計	874,664	582,663	

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

62. Foreign currency monetary items

62. 外幣貨幣性項目

		2024 二零二四年		
		Original currency 原幣	Exchange rate 匯率	Translated RMB 折合人民幣
Cash	現金			
JPY	日元	3,310	0.0462	153
USD	美元	6	7.1884	40
Other currencies	其他幣種	—	—	37
Sub-total	小計			230
Bank deposit	銀行存款			
USD	美元	2,665,478	7.1884	19,160,521
EUR	歐元	355,103	7.5257	2,672,398
BRL	巴西雷亞爾	1,266,550	1.1635	1,473,669
GBP	英鎊	32,034	9.0765	290,760
MXN	墨西哥比索	669,794	0.3498	234,274
JPY	日元	1,788,536	0.0462	82,684
Other currencies	其他幣種	—	—	1,131,441
Sub-total	小計			25,045,747
Other monetary funds	其他貨幣資金			
USD	美元	1,067	7.1884	7,669
EUR	歐元	674	7.5257	5,069
Other currencies	其他幣種	—	—	834
Sub-total	小計			13,572
Total	合計			25,059,549

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、合併財務報表主要項目註釋(續)

62. Foreign currency monetary items (continued)

62. 外幣貨幣性項目(續)

		2024 二零二四年		
		Original currency 原幣	Exchange rate 匯率	Translated RMB 折合人民幣
Trade receivables	應收賬款			
USD	美元	3,245,033	7.1884	23,326,595
BRL	巴西雷亞爾	3,836,774	1.1635	4,464,202
EUR	歐元	358,661	7.5257	2,699,175
INR	印度盧比	19,147,147	0.0840	1,609,126
GBP	英鎊	113,434	9.0765	1,029,584
Other currencies	其他幣種	—	—	932,155
Total				34,060,837
Other receivables	其他應收款			
USD	美元	67,029	7.1884	481,831
EUR	歐元	27,846	7.5257	209,561
JPY	日元	787,119	0.0462	36,389
BRL	巴西雷亞爾	21,121	1.1635	24,575
SGD	新加坡元	3,215	5.3214	17,108
GBP	英鎊	259	9.0765	2,351
Other currencies	其他幣種	—	—	54,335
Total				826,150

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

五、 合併財務報表主要項目註釋(續)

62. Foreign currency monetary items (continued)

62. 外幣貨幣性項目(續)

		2024 二零二四年		
		Original currency 原幣	Exchange rate 匯率	Translated RMB 折合人民幣
Trade payables	應付賬款			
USD	美元	1,725,625	7.1884	12,404,483
BRL	巴西雷亞爾	1,264,622	1.1635	1,471,426
INR	印度盧比	18,623,468	0.0840	1,565,116
EUR	歐元	71,429	7.5257	537,553
JPY	日元	3,853,607	0.0462	178,152
GBP	英鎊	14,226	9.0765	129,122
Other currencies	其他幣種	—	—	1,266,697
Total	合計			17,552,549
Other payables	其他應付款			
USD	美元	76,968	7.1884	553,280
JPY	日元	8,764,689	0.0462	405,192
EUR	歐元	34,235	7.5257	257,641
HUF	匈牙利福林	1,493,127	0.0183	27,324
GBP	英鎊	1,233	9.0765	11,193
Other currencies	其他幣種	—	—	660,272
Total	合計			1,914,902

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Lease

(1) As a lessee

		2024 二零二四年	2023 二零二三年
Interest expense on lease liabilities	租賃負債利息費用	567,329	282,733
Short-term lease expenses and lease expenses of low-value assets through profit or loss using simplified approach	計入當期損益的採用簡化處理的短期租賃費用和低價值資產租賃費用	1,545,926	966,252
Total cash outflow related to leases	與租賃相關的總現金流出	4,116,491	2,246,886

Lease assets rented by the Group included buildings, machinery and equipment required in the course of business. Buildings are typically leased for terms of 1–20 years, machinery and equipment is typically leased for terms of 1–5 years. The lease contract usually stipulates that the Group shall not sublease the leased assets.

(2) As a lessor

The Group leases part of buildings, equipment for a lease term of 1–20 years, which constitutes operating leases. According to the lease contracts, the rental is required to be adjusted annually based on the market conditions. In light of the expected secondhand market, the residual risk of lease assets is not significant.

Operating lease

Profit or loss related to operating lease is shown as follows:

		2024 二零二四年	2023 二零二三年
Rental income	租賃收入	276,508	229,894

五、 合併財務報表主要項目註釋(續)

63. 租賃

(1) 作為承租人

本集團承租的租賃資產包括經營過程中使用的房屋及建築物和機器設備，房屋及建築物的租賃期通常為1–20年，機器設備的租賃期通常為1–5年。租賃合同通常約定本集團不能將租賃資產進行轉租。

(2) 作為出租人

本集團將部分房屋建築物、設備用於出租，租賃期為1–20年，形成經營租賃。根據租賃合同，每年需根據市場租金狀況對租金進行調整。因預計存在二手市場，租賃資產餘值風險不重大。

經營租賃

與經營租賃有關的損益列示如下：

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VI. DEVELOPMENT EXPENDITURES

六、研發支出

1. Classification by nature

1. 按性質列示

		2024 二零二四年	2023 二零二三年
Employee benefits	職工薪酬	32,449,433	21,803,760
Material consumption	物料消耗	12,407,888	11,276,698
Depreciation and amortization	折舊及攤銷	3,551,939	2,588,333
Inspection expenses	檢測費	2,264,419	1,114,636
Share-based payment	股份支付	185,029	400,381
Others	其他	3,302,256	2,733,935
Total	合計	54,160,964	39,917,743
Including: Expensed development expenditures	其中：費用化研發支出	53,194,745	39,574,945
Capitalised development expenditures	資本化研發支出	966,219	342,798

2. Development expenditures of R&D projects qualified for capitalisation

2. 符合資本化條件的研發項目開發支出

	Increase during the year 本年增加			Decrease during the year 本年減少		Closing balance 年末餘額
	Opening balance 年初金額	In-house development 內部開發	Others 其他	Recognition as intangible assets 確認無形資產	Charged to Profit or loss 計入當期損益	
Automobile projects 汽車項目	541,000	966,219	-	999,181	-	508,038

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VII. CHANGES TO THE SCOPE OF CONSOLIDATION

Disposal of subsidiaries

In 2024, the Group recorded 2 disposals of subsidiaries (2023: 1).

Changes to the scope of consolidation for other reasons

In 2024, the Group added 55 subsidiaries (2023: 285).

In 2024, the Group reduced 1 subsidiary through absorption merger (2023: Nil).

(1) *New major subsidiaries*

In 2024, the Group had no new major subsidiaries (2023: nil).

(2) *Deregistration of subsidiaries*

In 2024, the Group deregistered 9 subsidiaries (2023: 21).

七、 合併範圍的變更

處置子公司

二零二四年度，本集團處置2家子公司(二零二三年：1家)。

其他原因的合併範圍變動

二零二四年度，本集團新增55家子公司(二零二三年：285家)。

二零二四年度，本集團吸收合併減少1家子公司(二零二三年：無)。

(1) *新設重要子公司*

二零二四年度，本集團無重要的新設子公司(二零二三年：無)。

(2) *註銷子公司*

二零二四年度，本集團註銷9家子公司(二零二三年：21家)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VIII. INTERESTS IN OTHER ENTITIES

八、在其他主體中的權益

1. Interests in subsidiaries

1. 在子公司中的權益

(1) Composition of the Group

(1) 企業集團的構成

Full name of subsidiary 子公司全稱	Principal places of business 主要經營地	Place of registration 註冊地	Business nature 業務性質	Registered capital 註冊資本/股本	Percentage of shareholding (%) 持股比例(%)	
					Direct 直接	Indirect 間接
Major subsidiaries acquired by way of establishment or investment 通過設立或投資等方式取得的重要子公司						
BYD Auto Industry Company Limited 比亞迪汽車工業有限公司	Shenzhen 深圳	Shenzhen 深圳	Manufacture 製造	USD3,757,654,524 美元3,757,654,524	96.79	3.21
CHANGSHA BYD AUTO CO., LTD. 長沙比亞迪汽車有限公司	Changsha 長沙	Changsha 長沙	Manufacture 製造	RMB1,000,000,000 人民幣1,000,000,000元	-	99.88
Zhengzhou BYD Auto Co., Ltd. 鄭州比亞迪汽車有限公司	Zhengzhou 鄭州	Zhengzhou 鄭州	Manufacture 製造	RMB50,000,000 人民幣50,000,000元	-	100.00
Hefei BYD Auto Co., Ltd. 合肥比亞迪汽車有限公司	Hefei 合肥	Hefei 合肥	Manufacture 製造	RMB2,000,000,000 人民幣2,000,000,000元	-	100.00
Guangxi FinDreams Battery Co., Ltd. 廣西弗迪電池有限公司	Nanning 南寧	Nanning 南寧	Manufacture 製造	RMB50,000,000 人民幣50,000,000元	-	100.00
BYD Electronic (International) Company Limited 比亞迪電子(國際)有限公司	Hong Kong 香港	Hong Kong 香港	Investment holding 投資控股	HKD440,000,000 港元440,000,000	-	65.76 Note 2 註2
BYD Precision Manufacture Co., Ltd. 比亞迪精密製造有限公司	Shenzhen 深圳	Shenzhen 深圳	Manufacture 製造	USD145,000,000 美元145,000,000	-	65.76 Note 1 註1
Huizhou BYD Electronics Co., Ltd. 惠州比亞迪電子有限公司	Huizhou 惠州	Huizhou 惠州	Manufacture 製造	USD110,000,000 美元110,000,000	-	65.76 Note 1 註1

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Full name of subsidiary 子公司全稱	Principal places of business 主要經營地	Place of registration 註冊地	Business nature 業務性質	Registered capital 註冊資本/股本	Percentage of shareholding (%) 持股比例(%)	
					Direct 直接	Indirect 間接
Changzhou BYD Auto Co., Ltd. 常州比亞迪汽車有限公司	Changzhou 常州	Changzhou 常州	Manufacture 製造	RMB50,000,000 人民幣50,000,000元	-	100.00
BYD (H.K.) CO., LIMITED 比亞迪(香港)有限公司	Hong Kong 香港	Hong Kong 香港	Investment holding 投資控股	HKD6,638,164,673 港元6,638,164,673	100.00	-
Subsidiaries acquired by business combinations not involving entities under common control 非同一控制下企業合併取得的子公司						
BYD Auto Co., Ltd. 比亞迪汽車有限公司	Xi'an 西安	Xi'an 西安	Manufacture 製造	RMB4,381,313,131 人民幣4,381,313,131元	99.00	-

八、在其他主體中的權益(續)

1. 在子公司中的權益(續)

(1) 企業集團的構成(續)

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (continued)

(1) *Composition of the Group (continued)*

Note 1: These major subsidiaries are wholly owned by BYD Electronic (International) Company Limited and the corresponding non-controlling interests have been reflected in BYD Electronic (International) Company Limited.

Note 2: BYD Electronic (International) Company Limited is a company listed on the Hong Kong Stock Exchange with a share capital of HKD440 million. As at 31 December 2024, Golden Link Worldwide Limited accounted for 65.76% interest of the company and was therefore included in the scope of consolidation as a subsidiary.

(2) *Major subsidiaries with non-controlling interests*

31 December 2024

八、在其他主體中的權益(續)

1. 在子公司中的權益(續)

(1) *企業集團的構成(續)*

註1: 該等重要子公司是通過比亞迪電子(國際)有限公司全資持有，相應的少數股東權益已在比亞迪電子(國際)有限公司反映。

註2: 比亞迪電子(國際)有限公司為香港聯交所上市公司，股本為4.4億港幣。截至2024年12月31日，金菱環球有限公司佔該公司65.76%權益，故將其作為子公司納入合併範圍。

(2) *存在重要少數股東權益的子公司*

二零二四年十二月三十一日

	Ratio of non-controlling interests	Profit or loss attributable to non-controlling interests	Dividend payment to non-controlling interests	Accumulated non-controlling interests at the end of the year
	少數股東持股比例	歸屬於少數股東的損益	向少數股東支付股利	年末累計少數股東權益
BYD Electronic (International) Company Limited 比亞迪電子(國際)有限公司	34.24%	1,460,554	415,066	11,094,328

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (continued)

(3) *Key financial information of the major subsidiaries with non-controlling interests*

The key financial information of the consolidated financial statements of the above subsidiaries is as follows. The amounts listed below are the amounts before group intra-eliminations.

		2024 二零二四年	2023 二零二三年
Current assets	流動資產	60,415,511	54,606,964
Non-current assets	非流動資產	29,931,693	32,611,656
Total assets	資產合計	90,347,204	87,218,620
Current liabilities	流動負債	50,823,330	54,750,533
Non-current liabilities	非流動負債	7,122,210	3,137,698
Total liabilities	負債合計	57,945,540	57,888,231
Operating revenue	營業收入	178,938,029	131,094,271
Net profit	淨利潤	4,265,638	4,041,374
Total comprehensive income	綜合收益總額	4,283,499	4,067,099
Net cash flows from operating activities	經營活動產生的現金流量淨額	6,713,671	10,242,918

Transactions resulting in changes of equity held in subsidiaries with no effect on the right of control:

There were no transactions in 2024 in which some equity investments in subsidiaries were disposed of without loss of control over the subsidiaries.

八、 在其他主體中的權益(續)

1. 在子公司中的權益(續)

(3) *存在重要少數股東權益的子公司的主要財務信息*

下表列示了上述子公司合併財務報表的主要財務信息。這些信息為本集團內各企業之間相互抵銷前的金額：

在子公司的股東權益份額發生變化且未影響控制權的交易：

二零二四年無處置部分子公司的股權投資，但未喪失對子公司的控制權的交易。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

VIII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates

(1) *Material joint ventures and associates*

There are no material joint ventures and associates of the Group during the year.

(2) *Summarised financial information of insignificant joint ventures and associates*

The following table sets out summarised financial information of insignificant joint ventures and associates of the Group:

八、在其他主體中的權益(續)

2. 在合營企業和聯營企業中的權益

(1) *重要的合營企業或聯營企業*

本集團本年無重要合營企業及聯營企業。

(2) *不重要的合營企業和聯營企業的匯總財務信息*

下表列示了對本集團單項不重要的合營企業和聯營企業的匯總財務信息：

		2024 二零二四年	2023 二零二三年
Joint ventures	合營企業		
Aggregate carrying amount of investments	投資賬面價值合計	14,127,333	12,742,513
Net profit	淨利潤	1,349,075	949,477
Total comprehensive income	綜合收益總額	1,349,075	949,477
Adjustments	調整事項	(41,531)	43,350
Associates	聯營企業		
Aggregate carrying amount of investments	投資賬面價值合計	4,955,163	4,904,699
Net profit	淨利潤	119,876	301,246
Total comprehensive income	綜合收益總額	119,876	301,246
Adjustments	調整事項	(3,574)	1,854
Unconfirmed commitments related to investments in joint ventures:	與對合營企業投資相關的未確認承諾：		
		2024 二零二四年	2023 二零二三年
The Group's capital contribution commitments to joint ventures	本集團對合營企業的出資承諾	223,691	247,411
Total	合計	223,691	247,411

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

IX. GOVERNMENT GRANTS

九、政府補助

1. Liability items related to government grants

1. 涉及政府補助的負債項目

	Opening balance 年初餘額	Increase during the year 本年增加	Decrease during the year 本年減少	Closing balance 年末餘額
Deferred income 遞延收益	25,890,036	24,233,757	(10,406,587)	39,717,206

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元**IX. GOVERNMENT GRANTS (CONTINUED)****九、政府補助(續)****2. Government grants included in profit or loss****2. 計入當期損益的政府補助**

		2024 二零二四年	2023 二零二三年
Government grants related to assets	與資產相關的政府補助		
Included in other income	計入其他收益	6,625,463	3,287,277
Included in non-operating income	計入營業外收入	387	1,646
Government grants related to income	與收益相關的政府補助		
Included in other income	計入其他收益	3,780,737	1,331,910
Write-down of financial expenses	沖減財務費用	253,291	-
Total	合計	10,659,878	4,620,833

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Offsetting of financial instruments

The Group has entered into a netting agreement on trade receivables. According to the agreement, the Group has the legal right to offset all or part of the amount due to creditors with the amount due from such creditors.

Financial assets that are offset and financial assets subject to the enforceable master netting agreement or similar agreements are as follows:

2024

		Total recognised financial assets 已確認金融資產的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade receivables	應收賬款	19,079,551	(18,850,783)	228,768

2023

		Total recognised financial assets 已確認金融資產的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade receivables	應收賬款	3,830,919	(3,666,775)	164,144

十、與金融工具相關的風險

1. 金融工具抵銷

本集團就應收賬款簽訂了淨額結算協議。根據該協議，本集團具有應收債權人的金額全部或部分抵銷應付債權人的金額的法定權利。

抵銷的金融資產以及遵循可執行的總互抵協議或類似協議下的金融資產如下：

二零二四年

		Total recognised financial assets 已確認金融資產的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade receivables	應收賬款	19,079,551	(18,850,783)	228,768

二零二三年

		Total recognised financial assets 已確認金融資產的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade receivables	應收賬款	3,830,919	(3,666,775)	164,144

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Offsetting of financial instruments (continued)

Financial liabilities that are offset and financial liabilities subject to the enforceable master netting agreement or similar agreements are as follows:

2024

		Total recognised financial liabilities 已確認金融負債的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade payables	應付賬款	18,978,209	(18,850,783)	127,426

2023

		Total recognised financial liabilities 已確認金融負債的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade payables	應付賬款	3,666,775	(3,666,775)	-

十、與金融工具相關的風險(續)

1. 金融工具抵銷(續)

抵銷的金融負債以及遵循可執行的總互抵協議或類似協議下的金融負債如下：

二零二四年

		Total recognised financial liabilities 已確認金融負債的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade payables	應付賬款	18,978,209	(18,850,783)	127,426

二零二三年

		Total recognised financial liabilities 已確認金融負債的總額	Total recognised financial assets that are offset 抵銷的已確認金融資產的總額	Net amount listed in the balance sheet 資產負債表中列示的淨額
Trade payables	應付賬款	3,666,775	(3,666,775)	-

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments

Financial risk management objectives and policies

The Group's daily activities expose it to the risks of a variety of financial instruments, mainly including credit risk, liquidity risk and market risk. The Group's accounting policies on derivatives are set out in Note III.10 to the financial statements.

(1) *Credit risk*

The Group only trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances and contract assets are monitored on an ongoing basis to ensure that the Group is not exposed to significant bad debt risk. For transactions that are not denominated in the bookkeeping base currency of the relevant operating unit, the Group does not offer credit terms without the special approval of its credit control department.

Since monetary funds, receivables financing and derivative financial instruments are placed with creditworthy banks with high credit ratings, the credit risk of these financial instruments is relatively low.

The Group's other financial assets comprise monetary funds, trade receivables, other receivables and long-term receivables. The credit risk of such financial assets and contract assets arises from default of the counterparty, with a maximum exposure equalling to the carrying amounts of these instruments. The Group also faces credit risk due to the provision of financial guarantees, details of which are disclosed in Note XIV.2.

十、與金融工具相關的風險(續)

2. 金融工具風險

金融風險管理目標及政策

本集團在日常活動中面臨各種金融工具的風險，主要包括信用風險、流動性風險及市場風險。本集團有關衍生工具的會計政策載於財務報表附註三、10。

(1) *信用風險*

本集團僅與經認可的、信譽良好的第三方進行交易。按照本集團的政策，需對所有要求採用信用方式進行交易的客戶進行信用審核。另外，本集團對應收賬款以及合同資產餘額進行持續監控，以確保本集團不致面臨重大壞賬風險。對於未採用相關經營單位的記賬本位幣結算的交易，除非本集團信用控制部門特別批准，否則本集團不提供信用交易條件。

由於貨幣資金、應收款項融資和衍生金融工具的交易對手是聲譽良好並擁有較高信用評級的銀行，這些金融工具信用風險較低。

本集團其他金融資產包括貨幣資金、應收賬款、其他應收款及長期應收款，這些金融資產以及合同資產的信用風險源自交易對方違約，最大風險敞口等於這些工具的賬面價值。本集團還因提供財務擔保而面臨信用風險，詳見附註十四、2中披露。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (continued)

(1) Credit risk (continued)

Since the Group only trades with recognised and creditworthy third parties, there is no requirement for collateral. Credit risk management is centralized according to customers/counterparties, geographic regions and industries. As at 31 December 2024, the Group had certain concentrations of credit risk as 23% (31 December 2023: 15%) and 32% (31 December 2023: 26%) of the total balance of the Group's trade receivables and contract assets were due from the Group's customer and five customers with the largest book value of trade receivables and contract assets, respectively. The Group did not hold any collateral or credit enhancements for the balance of trade receivables or contract assets.

Criteria for judging significant increase in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. The Group adopts overdue period of more than 30 days or significant changes in one or more of the following indicators as the principal criterion for judging whether the credit risk has increased significantly: material adverse changes in the business environment which the debtor is subject to and the debtor's internal and external credit ratings, actual or expected operating results.

十、與金融工具相關的風險(續)

2. 金融工具風險(續)

(1) 信用風險(續)

由於本集團僅與經認可的且信譽良好的第三方進行交易，所以無需擔保物。信用風險集中按照客戶／交易對手、地理區域和行業進行管理。於二零二四年十二月三十一日，本集團具有特定信用風險集中，本集團應收賬款和合同資產合計餘額的23%（二零二三年十二月三十一日：15%）及32%（二零二三年十二月三十一日：26%）分別來源於應收賬款和合同資產合計餘額最大客戶及前五大客戶。本集團對應收賬款或合同資產餘額未持有任何擔保物或其他信用增級。

信用風險顯著增加判斷標準

本集團在每個資產負債表日評估相關金融工具的信用風險自初始確認後是否已顯著增加。本集團判斷信用風險顯著增加的主要標準為逾期天數超過三十日，或者以下一個或多個指標發生顯著變化：債務人所處的經營環境、內外部信用評級、實際或預期經營成果出現重大不利變化等。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (continued)

(1) *Credit risk (continued)*

Definition of credit-impaired assets

The Group adopts overdue period of more than 90 days as the principal criterion for judging whether credit impairment has incurred. But the Group would also recognise credit impairment in some circumstances where internal or external information indicates that the contract value cannot be fully recovered without considering any credit enhancement held.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single identifiable event.

Credit risk exposures

For the credit risk exposures to trade receivables, other receivables, contract assets and long-term receivables, please refer to the disclosure in Note V.3, Note V.5, Note V.8 and Note V.10.

十、與金融工具相關的風險(續)

2. 金融工具風險(續)

(1) *信用風險(續)*

已發生信用減值資產的定義

本集團判斷已發生信用減值的主要標準為逾期天數超過90日，但在某些情況下，如果內部或外部信息顯示，在考慮所持有的任何信用增級之前，可能無法全額收回合同金額，本集團也會將其視為已發生信用減值。

金融資產發生信用減值，有可能是多個事件的共同作用所致，未必是可單獨識別的事件所致。

信用風險敞口

應收賬款、其他應收款、合同資產、長期應收款的信用風險敞口詳見附註五、3，附註五、5，附註五、8，附註五、10的披露。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (continued)

(2) Liquidity risk

The Group's objective is to maintain balance between sustainability and flexibility of financing through the use of multiple financing channels. The Group finances business operation by funds acquired by operating activities and borrowings.

The maturity analysis of financial liabilities based on undiscounted contractual cash flow is summarised as follows:

31 December 2024

Financial liabilities	金融負債	Within 1 year 1年以內	1 to 5 years 1年至5年	Over 5 years 5年以上	Total 合計
Bank borrowings and other secured borrowings	銀行借款及其他抵押借款	19,260,222	8,286,593	—	27,546,815
Trade payables	應付賬款	241,643,424	—	—	241,643,424
Bills payables	應付票據	2,383,996	—	—	2,383,996
Lease liabilities	租賃負債	2,480,451	8,045,753	3,280,085	13,806,289
Other payables	其他應付款	144,989,197	—	—	144,989,197
Bond payables	應付債券	1,193,120	—	—	1,193,120
Other current liabilities	其他流動負債	2,352,313	—	—	2,352,313
Other non-current liabilities	其他非流動負債	—	8,861,588	—	8,861,588
		414,302,723	25,193,934	3,280,085	442,776,742

31 December 2023

二零二三年十二月三十一日

Financial liabilities	金融負債	Within 1 year 1年以內	1 to 5 years 1年至5年	Over 5 years 5年以上	Total 合計
Bank borrowings and other secured borrowings	銀行借款及其他抵押借款	24,772,220	12,129,666	—	36,901,886
Trade payables	應付賬款	194,429,817	—	—	194,429,817
Bills payables	應付票據	4,053,314	—	—	4,053,314
Lease liabilities	租賃負債	1,921,148	6,364,240	4,034,976	12,320,364
Other payables	其他應付款	164,972,849	—	—	164,972,849
Other non-current liabilities	其他非流動負債	—	12,785,304	—	12,785,304
		390,149,348	31,279,210	4,034,976	425,463,534

十、與金融工具相關的風險(續)

2. 金融工具風險(續)

(2) 流動性風險

本集團的目標是運用多種融資手段、以保持融資的持續性與靈活性的平衡。本集團通過經營和借款等產生的資金為經營融資。

下表概括了金融負債按未折現的合同現金流量所作的到期期限分析：

二零二四年十二月三十一日

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (continued)

(3) *Market risk*

Exchange rate risk

The Group is exposed to trading exchange rate risks. Such exposures arise from sales or purchases by operating units in currencies other than the units' bookkeeping base currency.

The Group adopts foreign exchange forward contracts to reduce its exchange rate risk exposure.

The following table is the sensitivity analysis of exchange rate risk, reflecting the impact on net profit (due to changes in the fair value of monetary assets and liabilities) and shareholders' equity when RMB fluctuates against USD within a reasonable range under the assumption that other variables remain unchanged.

十、與金融工具相關的風險(續)

2. 金融工具風險(續)

(3) *市場風險*

匯率風險

本集團面臨交易性的匯率風險。此類風險由於經營單位以其記賬本位幣以外的貨幣進行的銷售或採購所致。

本集團採用外匯遠期合同減少匯率風險敞口。

下表為匯率風險的敏感性分析，反映了在其他變量不變的假設下，人民幣對美元在合理的範圍內波動時，將對淨利潤(由於貨幣性資產和貨幣性負債的公允價值變化)和股東權益產生的影響。

		Increase/ (decrease) in basis points	Increase/ (decrease) in total profit	Increase/ (decrease) in other comprehensive income net of tax 其他綜合收益 的稅後淨額	Increase/ (decrease) in total shareholders' equity*
		基點的 增加/(減少)	利潤總額的 增加/(減少) RMB'000 人民幣千元	增加/(減少) RMB'000 人民幣千元	股東權益合計 增加/(減少)* RMB'000 人民幣千元
31 December 2024	二零二四年十二月三十一日				
RMB weakens against USD	人民幣對美元貶值	5%	1,206,285	-	1,206,285
RMB strengthens against USD	人民幣對美元升值	(5%)	(1,206,285)	-	(1,206,285)
31 December 2023	二零二三年十二月三十一日				
RMB weakens against USD	人民幣對美元貶值	5%	1,108,938	-	1,108,938
RMB strengthens against USD	人民幣對美元升值	(5%)	(1,108,938)	-	(1,108,938)

* Excluding retained income and exchange differences on translation of foreign operations

* 不包括留存收益和外幣報表折算差額

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

Price risk of equity instrument investments

Price risk of equity instrument investments is the risk that the fair values of equity investments decrease as a result of changes in the levels of share indexes, the value of individual securities and the equity value. As at 31 December 2024, the Group was exposed to the price risk of equity instrument investments arising from the individual equity instrument investment classified as equity instrument investment at fair value through other comprehensive income and equity instrument investment at fair value through profit or loss. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The following table demonstrates the sensitivity of the Group's net profit or loss and other comprehensive income net of tax to every 5% change (based on the carrying amounts at the balance sheet date) in the fair values of equity instrument investments under the assumption that all other variables remain unchanged.

31 December 2024

Financial assets	金融資產	Carrying amounts of equity instrument investments 權益工具 投資 賬面價值	Increase/ (decrease) in net profit or loss 淨損益 增加/(減少)	Increase/ (decrease) in other comprehensive income net of tax 其他綜合收益 的稅後淨額 增加/(減少)	Increase/ (decrease) in total shareholders' equity 股東權益 合計 增加/(減少)
Equity instrument investments	權益工具投資				
Equity instrument investments at fair value through profit or loss	以公允價值計量且其變動計入當期損益的權益工具投資	2,123,977	79,649/(79,649)	-	79,649/(79,649)
Equity instrument investments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的權益工具投資	8,501,093	-	318,791/(318,791)	318,791/(318,791)

十、與金融工具相關的風險(續)

2. 金融工具風險(續)

(3) 市場風險(續)

權益工具投資價格風險

權益工具投資價格風險，是指權益性投資的公允價值因股票指數水平和個別證券價值、股權價值的變化而降低的風險。於二零二四年十二月三十一日，本集團暴露於因分類為以公允價值計量且其變動計入其他綜合收益的權益工具投資和以公允價值計量且其變動計入當期損益的權益工具投資的個別權益工具投資而產生的權益工具投資價格風險之下。本集團通過持有不同風險的投資組合來管理風險。

下表說明了，在所有其他變量保持不變的假設下，本集團的淨損益和其他綜合收益的稅後淨額對權益工具投資的公允價值的每5%的變動(以資產負債表日的賬面價值為基礎)的敏感性。

二零二四年十二月三十一日

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (continued)

(3) *Market risk (continued)*

Price risk of equity instrument investments (continued)

31 December 2023

十、與金融工具相關的風險(續)

2. 金融工具風險(續)

(3) *市場風險(續)*

權益工具投資價格風險(續)

二零二三年十二月三十一日

Financial assets	金融資產	Carrying amounts of equity instrument investments 權益工具 投資 賬面價值	Increase/(decrease) in net profit or loss 淨損益 增加/(減少)	Increase/(decrease)	
				in other comprehensive income net of tax 其他綜合收益 的稅後淨額 增加/(減少)	Increase/(decrease) in total shareholders' equity 股東權益 合計 增加/(減少)
Equity instrument investments	權益工具投資	5,327,283	-	199,773/(199,773)	199,773/(199,773)

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain a healthy capital ratio in order to support its business development and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and in the risk profiles of relevant assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. In 2024 and 2023, there were no changes in the objectives, policies or processes of the Group's capital management.

The Group manages its capital using a gearing ratio, which is the ratio of net debt to net capital. The Group's policy is to maintain the gearing ratio as low as possible. Net debt includes debt capital less the net value of monetary funds. Debt capital includes short-term borrowings, non-current liabilities due within one year, long-term borrowings, bond payables and lease liabilities. Net capital represents shareholders' equity attributable to the parent company. The Group's gearing ratio as at the balance sheet date was as follows:

十、與金融工具相關的風險(續)

3. 資本管理

本集團資本管理的主要目標是確保本集團持續經營的能力，並保持健康的資本比率，以支持業務發展並使股東價值最大化。

本集團根據經濟形勢以及相關資產的風險特徵的變化管理資本結構並對其進行調整。為維持或調整資本結構，本集團可以調整對股東的利潤分配、向股東歸還資本或發行新股。本集團不受外部強制性資本要求約束。二零二四年度和二零二三年度，資本管理目標、政策或程序未發生變化。

本集團採用槓桿比率來管理資本，槓桿比率是指淨負債和淨資本的比率。本集團的政策為使該槓桿比率保持在盡量低的水平。淨負債包括債務資本減去貨幣資金的淨值，債務資本包括短期借款、一年內到期的非流動負債、長期借款、應付債券和租賃負債，淨資產為歸屬於母公司股東權益。本集團於資產負債表日的槓桿比率如下：

		2024 二零二四年	2023 二零二三年
Gearing ratio	資本負債率	(36%)	(44%)

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

4. Transfers of financial assets

The transferred financial assets that have been derecognised as a whole but continue to be involved

In 2024, the Group carried out several discounting operations for notes receivable with multiple banks and endorsed and transferred certain bank acceptance bills to other parties to settle equivalent amounts of payables. The Group believes that the relevant notes receivable has transferred almost all of their risks and rewards upon discounting or endorsement, meeting the conditions for the derecognition of financial assets. Therefore, on the discounting or endorsement date, the relevant notes receivable was fully derecognised at their carrying amount. In 2024, the carrying amount of notes receivable transferred through discounting and endorsement by the Group was RMB340,540,607,000 (2023: RMB283,634,593,000). As of 31 December 2024, the notes receivable that was derecognised but not yet fallen due as the discounting and endorsement amounted to RMB154,983,146,000.

In the ordinary course of business, the Group, due to short-term financing needs, transferred part of its trade receivables to financial institutions on a non-recourse basis, entering into non-recourse trade receivable factoring agreements (hereinafter referred to as "Trade Receivable Factoring"). Under certain trade receivable factoring agreements, the Group is not required to bear the risks of debtor default, delayed repayment, or any risks and rewards associated with the ownership of the transferred receivables after the transfer. These agreements meet the criteria for derecognition of financial assets, and the Group derecognises the trade receivables under these factoring agreements at their carrying value. In 2024, the Group entered into trade receivable factoring agreements totaling RMB1,757,852,000 (2023: RMB0). As at 31 December 2024, the trade receivable that was derecognised but not yet fallen due were RMB1,757,852,000, and the loss related to derecognition was RMB7,411,000 (31 December 2023: RMB0), which is recorded as an investment loss.

As at 31 December 2024, there were no financial assets derecognised with the continuous involvement status (31 December 2023: Nil).

十、與金融工具相關的風險(續)

4. 金融資產轉移

已整體終止確認但繼續涉入的已轉移金融資產

於二零二四年度，本集團於多家銀行操作若干應收票據貼現業務，並將若干銀行承兌匯票背書轉移給其他方以支付同等金額的應付款項，本集團認為相關應收票據於貼現或背書時已經轉移了其幾乎所有的風險與報酬，符合金融資產終止確認條件，因此於貼現日或背書日按照賬面價值全部終止確認相關應收票據。二零二四年度，本集團通過貼現和背書轉移的應收票據賬面價值為人民幣340,540,607千元(2023年：人民幣283,634,593千元)。於二零二四年十二月三十一日，因票據貼現和背書而終止確認但尚未到期的應收票據為人民幣154,983,146千元。

本集團在日常業務中因短期融資需求將部分應收賬款以無追索權方式轉讓予金融機構，與金融機構訂立無追索權的應收賬款保理協議(以下簡稱「應收賬款保理」)。在若干應收賬款保理協議下，本集團不需要承擔應收賬款轉讓後的債務人違約風險和延遲還款風險以及已轉移應收賬款所有權之所有的風險和報酬，符合金融資產終止確認條件，本集團對該保理協議下的應收賬款按照賬面價值終止確認。2024年度，本集團共簽訂應收賬款保理協議人民幣1,757,852千元(2023年度：人民幣0千元)，於2024年12月31日已終止確認但尚未到期的應收賬款金額為人民幣1,757,852千元，與終止確認相關的損失為人民幣7,411千元(2023年12月31日：人民幣0千元)，計入投資損失。

於二零二四年十二月三十一日，無繼續涉入的轉移金融資產(2023年12月31日：無)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE

十一、公允價值的披露

1. Assets and liabilities measured at fair value

1. 以公允價值計量的資產和負債

31 December 2024

二零二四年十二月三十一日

		Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		活躍市場報價	重要可觀察輸入值	重要不可觀察輸入值	合計
		Level 1	Level 2	Level 3	合計
		第一層次	第二層次	第三層次	合計
Financial assets held for trading	交易性金融資產	-	40,511,496	-	40,511,496
Derivative financial assets	衍生金融資產	-	35,093	-	35,093
Other equity instrument investments	其他權益工具投資	2,140,761	2,776,151	3,584,181	8,501,093
Other non-current financial assets	其他非流動金融資產	-	878,164	1,777,081	2,655,245
Receivables financing	應收款項融資	-	10,449,966	-	10,449,966
Total	合計	2,140,761	54,650,870	5,361,262	62,152,893
Derivative financial liabilities	衍生金融負債	-	1,993	-	1,993
Total	合計	-	1,993	-	1,993

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Assets and liabilities measured at fair value (continued)

31 December 2023

		Quoted prices in active markets 活躍 市場報價 Level 1 第一層次	Fair value measurement using 公允價值計量使用的輸入值		Total 合計
			Significant observable inputs 重要可觀察 輸入值 Level 2 第二層次	Significant unobservable inputs 重要不可觀察 輸入值 Level 3 第三層次	
Financial assets held for trading	交易性金融資產	-	9,542,789	-	9,542,789
Derivative financial assets	衍生金融資產	-	19,761	-	19,761
Other equity instrument investments	其他權益工具投資	1,014,460	1,297,415	3,015,408	5,327,283
Other non-current financial assets	其他非流動金融資產	-	1,225,113	1,471,261	2,696,374
Receivables financing	應收款項融資	-	5,564,924	-	5,564,924
Total	合計	1,014,460	17,650,002	4,486,669	23,151,131
Derivative financial liabilities	衍生金融負債	-	7,713	-	7,713
Total	合計	-	7,713	-	7,713

2. The fair value measurement in Level 1

The fair values of listed equity instrument investments are based on quoted market prices.

十一、公允價值的披露(續)

1. 以公允價值計量的資產和負債(續)

二零二三年十二月三十一日

		Quoted prices in active markets 活躍 市場報價 Level 1 第一層次	Fair value measurement using 公允價值計量使用的輸入值		Total 合計
			Significant observable inputs 重要可觀察 輸入值 Level 2 第二層次	Significant unobservable inputs 重要不可觀察 輸入值 Level 3 第三層次	
Financial assets held for trading	交易性金融資產	-	9,542,789	-	9,542,789
Derivative financial assets	衍生金融資產	-	19,761	-	19,761
Other equity instrument investments	其他權益工具投資	1,014,460	1,297,415	3,015,408	5,327,283
Other non-current financial assets	其他非流動金融資產	-	1,225,113	1,471,261	2,696,374
Receivables financing	應收款項融資	-	5,564,924	-	5,564,924
Total	合計	1,014,460	17,650,002	4,486,669	23,151,131
Derivative financial liabilities	衍生金融負債	-	7,713	-	7,713
Total	合計	-	7,713	-	7,713

2. 第一層次公允價值計量

上市的權益工具投資，以市場報價確定公允價值。

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財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

3. The fair value measurement in Level 2

The Group enters into derivative financial instruments contracts which are the foreign currency forward contracts with banks and adopts valuation techniques similar to forward pricing and present value methods for measurement. The model incorporates various market observable inputs including the credit quality of counterparties and foreign exchange spot and forward rates and yield curve. The carrying amounts of foreign currency forward contracts are the same as their fair values. The mark to market value of derivative financial assets is the net value after offsetting the credit valuation adjustment attributable to the default risk of derivative instrument counterparties. The change of counterparty credit risk has no significant impact on the evaluation of hedging effectiveness of designated derivatives in hedging relationship and other financial instruments measured at fair value.

For the wealth management products at fair value through profit or loss and receivables financing, the Group will estimate their fair values by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. For the equity instruments at fair value, the Group will estimate their fair values based on a combination of market information and valuation models.

4. The fair value measurement in Level 3

For investments in restricted shares and unlisted equity instruments, the Group adopts the recent transaction method or applies valuation techniques to determine their fair value, while valuation techniques include market multiplier method, option pricing models, etc. The measurement of fair value uses significant unobservable parameters, including enterprise value-to-revenue ("EV/Revenue") ratio, Average EV/EBITDA ratio, Average EV/Net profit margin, liquidity discount, volatility, investment underlying net value, etc. The financial instruments measured at the fair value in Level 3 on a recurring basis was not significantly sensitive to a reasonable change in these unobservable inputs. The Group believes that the estimated fair values resulting from the valuation technique and the related changes in fair values are reasonable, and they were the most appropriate values at the balance sheet date.

十一、公允價值的披露(續)

3. 第二層次公允價值計量

本集團與銀行訂立了衍生金融工具合同，為外匯遠期合同，採用類似於遠期定價以及現值方法的估值技術進行計量。模型涵蓋了多個市場可觀察到的輸入值，包括交易對手的信用質量、即期和遠期匯率和利率曲線。外匯遠期合同的賬面價值與公允價值相同。衍生金融資產的盯市價值，是抵銷了歸屬於衍生工具交易對手違約風險的信用估值調整之後的淨值。交易對手信用風險的變化，對於套期關係中指定衍生工具的套期有效性的評價和其他以公允價值計量的金融工具，均無重大影響。

以公允價值計量且其變動計入損益的理財產品、應收款項融資，本集團會利用條款及風險相類似的工具之市場利率按照貼現現金流量估值模型估算公允價值。以公允價值計量的權益工具，本集團以市場數據和估值模型相結合為基礎估算公允價值。

4. 第三層次公允價值計量

對於限售股票、非上市的權益工具投資，利用近期交易法或者採用估值技術來確定其公允價值，估值技術包括市場乘數法、期權定價模型等。其公允價值的計量採用了重要的不可觀察參數，比如企業價值／收入（「EV/Revenue」）比率、平均企業價值／息稅折舊前利潤比率、平均企業價值／淨利潤比率、流動性折扣、波動率、投資標的淨值等。持續第三層次公允價值計量的金融工具對這些不可觀察輸入值的合理變動無重大敏感性。本集團相信，以估值技術估計的公允價值及其變動，是合理的，並且亦是於資產負債表日最合適的價值。

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財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

4. The fair value measurement in Level 3 (continued)

Below is the summary of significant unobservable inputs for main fair value measurement in Level 3:

31 December 2024

十一、公允價值的披露(續)

4. 第三層次公允價值計量(續)

如下為主要的第三層次公允價值計量的重要不可觀察輸入值概述：

二零二四年十二月三十一日

	Fair value at the end of the year 年末公允價值	Valuation technique 估值技術	Unobservable inputs 不可觀察輸入值	Range (the weighted average value) 範圍區間(加權平均值)
Other equity instrument investments 其他權益工具投資	2,440,471	Market approach 市場法	P/E ratio 市盈率 P/S ratio 市銷率 P/B ratio 市淨率 Average EV/Revenue ratio 平均企業價值/收入比率 Average EV/ EBITDA ratio 平均企業價值/息稅折舊前利潤比率 Average EV/ R&D expense ratio 平均企業價值/研發費用比率	20.09-58.21 1.42-25.59 1.54 2.43-2.68 17.34-46.68 55.61
Other non-current financial assets 其他非流動金融資產	428,843	Market approach 市場法	P/E ratio 市盈率 P/S ratio 市銷率 Average EV/ R&D expense ratio 平均企業價值/研發費用比率	29.62-47.15 9.23-17.74 41.83
Other equity instrument investments 其他權益工具投資	1,143,711	Option pricing model 期權定價模型	Volatility of underlying asset price 標的資產價格的波動率	5.88%-56.82%
Other non-current financial assets 其他非流動金融資產	39,612	Option pricing model 期權定價模型	Volatility of underlying asset price 標的資產價格的波動率	33.82%
Other non-current financial assets 其他非流動金融資產	1,308,625	Investment underlying net value method 投資標的淨值法	Net value of underlying investment 投資標的的淨值	RMB654,576,000 – RMB41,933,687,000 人民幣654,576千元– 人民幣41,933,687千元

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財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

4. The fair value measurement in Level 3 (continued)

Below is the summary of significant unobservable inputs for main fair value measurement in Level 3: (continued)

31 December 2023

十一、公允價值的披露(續)

4. 第三層次公允價值計量(續)

如下為主要的第三層次公允價值計量的重要不可觀察輸入值概述：(續)

二零二三年十二月三十一日

	Fair value at the end of the year 年末公允價值	Valuation technique 估值技術	Unobservable inputs 不可觀察輸入值	Range (the weighted average value) 範圍區間(加權平均值)
Other equity instrument investments 其他權益工具投資	1,682,140	Market approach 市場法	Average EV/Revenue ratio 平均企業價值／收入比率	1.15-18.49
			Average EV/EBITDA ratio 平均企業價值／息稅折舊前利潤比率	2.22-21.67
			Average EV/Net profit margin 平均企業價值／淨利潤比率	51.72
Other equity instrument investments 其他權益工具投資	1,333,268	Option pricing model 期權定價模型	Volatility of underlying asset price 標的資產價格的波動率	27.60%-47.83%
Other non-current financial assets 其他非流動金融資產	99,216	Option pricing model 期權定價模型	Volatility of underlying asset price 標的資產價格的波動率	10.31%
Other non-current financial assets 其他非流動金融資產	1,372,045	Investment underlying net value method 投資標的淨值法	Net value of underlying investment 投資標的的淨值	RMB 64,453,000 – RMB35,884,267,000 人民幣64,453千元– 人民幣35,884,267千元

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財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

5. The adjustment information of continuous fair value measurement in Level 3

Below is the adjustment information of continuous fair value measurement in Level 3:

2024

十一、公允價值的披露(續)

5. 持續第三層次公允價值計量的調節信息

持續的第三層次公允價值計量的調節信息如下：

二零二四年

		Total gains or losses 當期利得或損失總額							Changes in unrealised gains or losses of assets held at the end of the year through profit or loss	
		Opening balance	Transfer to Level 3	Transfer out of level 3	Through profit or loss	Through other comprehensive income	Purchases	Disposals	Closing balance	年末持有的 資產計入損益 的當期未實現 利得或損失 的變動
		年初餘額	轉入第三層次	轉出第三層次	計入損益	計入其他 綜合收益	出售	購買	年末餘額	
Other equity instrument investments	其他權益工具 投資	3,015,408	898,938	(1,409,861)	-	369,482	710,214	-	3,584,181	-
Other non-current financial assets	其他非流動金融 資產	1,471,261	554,519	-	(207,660)	-	22,702	(63,741)	1,777,081	(207,660)
		4,486,669	1,453,457	(1,409,861)	(207,660)	369,482	732,916	(63,741)	5,361,262	(207,660)

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財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

5. The adjustment information of continuous fair value measurement in Level 3 (continued)

Below is the adjustment information of continuous fair value measurement in Level 3: (continued)

2023

十一、公允價值的披露(續)

5. 持續第三層次公允價值計量的調節信息(續)

持續的第三層次公允價值計量的調節信息如下：(續)

二零二三年

		Opening balance	Transfer to Level 3	Transfer out of level 3	Through profit or loss	Through other comprehensive income	Purchases	Closing balance	Changes in unrealised gains or losses of assets held at the end of the year through profit or loss
		年初餘額	轉入第三層次	轉出第三層次	計入損益	計入其他綜合收益	購買	年末餘額	年未持有的資產計入損益的當期末實現利得或損失的變動
Other equity instrument investments	其他權益工具投資	1,827,125	1,229,687	(24,670)	-	(66,736)	50,002	3,015,408	-
Other non-current financial assets	其他非流動金融資產	1,238,846	114,278	-	(100,458)	-	218,595	1,471,261	(100,458)
		3,065,971	1,343,965	(24,670)	(100,458)	(66,736)	268,597	4,486,669	(100,458)

Total gains or losses
當期利得或損失總額

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

6. Transfers among continuous fair value hierarchies

In 2024, the other equity instrument investment held by the Group had quotations in an active market due to the release of lockup period, and its fair value was transferred from Level 3 to Level 1, with a transfer amount of RMB1,224,836,000. Certain financial instruments held the Group were valued using Level 2 valuation techniques as there were quotations of identical or similar assets or liabilities in an inactive market due to the new financings of investees within the past year, and their fair values were transferred from Level 3 to Level 2, with a transfer amount of RMB185,025,000. Certain financial instruments of the Group were valued using Level 3 valuation techniques as there were no observable inputs available, and their fair values were transferred from Level 2 to Level 3, with a transfer amount of RMB1,453,457,000. In addition, there were no other significant transfers among fair value hierarchies of financial instruments of the Group in 2024.

In 2023, the other equity instrument investment held by the Group had quotations in an active market due to the release of lockup period, and its fair value was transferred from Level 3 to Level 1, with a transfer amount of RMB24,670,000. Certain financial instruments of the Group were valued using Level 3 valuation techniques as there were no observable inputs available, and their fair values were transferred from Level 2 to Level 3, with a transfer amount of RMB1,343,965,000. In addition, there were no other significant transfers among fair value hierarchies of financial instruments of the Group in 2023.

7. The change of valuation techniques

There is no change of valuation techniques by the Group in 2024.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Related parties with controlling relationship

Name 名稱	Relationship with the Group 與本企業關係	Number of shares in the Company 佔本公司股份	Percentage of shareholdings 持股比例	Percentage of voting rights 表決權比例
Wang Chuan-fu 王傳福	The largest shareholder and chairman of the Company 公司第一大股東、董事長	518,351,550	17.82%	17.82%

Note: The total number and proportion of shares held by Mr. Wang Chuan-fu include 1,000,000 H shares held by him, as well as the 3,727,700 A shares held by Mr. Wang Chuan-fu in No.1 Assets Management Plan through E Fund BYD.

十一、公允價值的披露(續)

6. 持續公允價值計量的層次轉換

二零二四年度，本集團持有的其他權益工具投資因限售期解除，存在活躍市場報價，其公允價值從第三層次轉入第一層次，轉移金額為人民幣1,224,836千元。本集團持有的部分金融工具由於被投資公司近一年內新增融資，存在非活躍市場中相同或類似資產或負債的報價，因此採用第二層次估值技術予以估值，並將其公允價值從第三層次轉入第二層次，轉移金額為人民幣185,025千元。本集團部分金融工具因無法獲取可觀察輸入值而採用第三層次估值技術予以估值，並將其公允價值從第二層次轉移到第三層次，轉移金額為人民幣1,453,457千元。除此之外，二零二四年度本集團金融工具的公允價值層次之間無其他重大轉移。

二零二三年度，本集團持有的其他權益工具投資因限售期解除，存在活躍市場報價，其公允價值從第三層次轉入第一層次，轉移金額為人民幣24,670千元。本集團部分金融工具因無法獲取可觀察輸入值而採用第三層次估值技術予以估值，並將其公允價值從第二層次轉移到第三層次，轉移金額為人民幣1,343,965千元。除此之外，二零二三年度本集團金融工具的公允價值層次之間無其他重大轉移。

7. 估值技術變更

二零二四年度，本集團未發生變更估值技術的情況。

十二、關聯方關係及其交易

1. 存在控制關係的關聯方

註：王傳福先生持股總數及持股比例中均包括持有的1,000,000股H股股份，也包括王傳福先生通過易方達資產比亞迪增持1號資產管理計劃持有的3,727,700股A股股份。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

2. Subsidiaries

Details of the subsidiaries are set out in Note VIII.1.

2. 子公司

子公司詳見附註八、1。

3. Joint ventures and associates

Joint ventures and associates having transactions with the Group are as follows:

3. 合營企業和聯營企業

與本集團發生交易的合營企業和聯營企業如下：

Company's name 公司名稱

Relationship with related parties 關聯方關係

Tianjin BYD Auto Co., Ltd.
天津比亞迪汽車有限公司

Joint venture
合營企業

Shenzhen Shell BYD Electric Vehicle Investment Co., Ltd.
深圳殼牌比亞迪電動汽車投資有限公司

Associate
聯營企業

Shenzhen BYD International Financial Leasing Co., Ltd.
深圳比亞迪國際融資租賃有限公司

Joint venture
合營企業

BYD Auto Finance Co., Ltd.
比亞迪汽車金融有限公司

Joint venture
合營企業

Hangzhou BYD Xihu New Energy Auto Co., Ltd.
杭州西湖比亞迪新能源汽車有限公司

Joint venture
合營企業

Shenzhen Didi New Energy Vehicle Technology Co., Ltd.
深圳市迪滴新能源汽車科技有限公司

Joint venture
合營企業

Shenzhen Faurecia Auto Parts. Ltd.
深圳佛吉亞汽車部件有限公司

Associate
聯營企業

Beijing Hualin Loading Co., Ltd.
北京華林特裝車有限公司

Joint venture
合營企業

Yinchuan Sky Rail Operation Co., Ltd.
銀川雲軌運營有限公司

Associate
聯營企業

Tianjin Hongdi Financial Lease Co., Ltd.
天津宏迪融資租賃有限公司

Associate
聯營企業

Meihao Travel (Hangzhou) Automotive Technology Co., Ltd.
美好出行(杭州)汽車科技有限公司

Joint venture
合營企業

BYD TOYOTA EV Technology Co., Ltd.
比亞迪豐田電動車科技有限公司

Joint venture
合營企業

Shenzhen Micro Grid Digital Battery Technology Co., Ltd.
深圳市微網數電科技有限公司

Associate
聯營企業

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

3. Joint ventures and associates (continued)

3. 合營企業和聯營企業(續)

Company's name 公司名稱	Relationship with related parties 關聯方關係
Shenzhen Dipai Zhixing Technology Co., Ltd. 深圳市迪派智行科技有限公司	Joint venture 合營企業
LA SkyRail Express Holding LLC LA SkyRail Express Holding LLC	Joint venture 合營企業
Chengxin Lithium Group Co., Ltd. 盛新錳能集團股份有限公司	Associate 聯營企業
Zhejiang Chnbel Energy Technology Co., Ltd. 浙江中貝能源科技有限公司	Associate 聯營企業
Shangshui Smartech Ltd. 深圳市尚水智能股份有限公司	Associate 聯營企業
BYD UZBEKISTAN FACTORY LLC BYD UZBEKISTAN FACTORY LLC	Joint venture 合營企業
Tianjin Sanying Precision Instruments Co., Ltd. 天津三英精密儀器股份有限公司	Associate 聯營企業
Advanced Materials Technology & Engineering, Inc. 無錫邑文微電子科技股份有限公司	Associate 聯營企業
Shan Mei Ling Qiu Bi Xing Industry Development Co., Ltd. 山煤靈丘比星實業開發有限公司	Associate 聯營企業
Foshan Greifen New Energy Co., Ltd. 佛山市格瑞芬新能源有限公司	Associate 聯營企業
Carbon One New Energy Group Co., Ltd. 破一新能源集團有限公司	Associate 聯營企業
Xiamen VIA Intelligent Technology Co., Ltd. 廈門微亞智能科技股份有限公司	Associate 聯營企業
Allystar Technology (Shenzhen) Co., Ltd. 深圳華大北斗科技股份有限公司	Associate 聯營企業
Hebei Haiwei Electronic New Material Technology Co., Ltd. 河北海偉電子新材料科技股份有限公司	Associate 聯營企業
Shenzhen Xinyuan New Materials Co., Ltd. 深圳芯源新材料有限公司	Associate 聯營企業

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

4. Other related parties

4. 其他關聯方

Company's name 公司名稱	Relationship with related parties 關聯方關係
UBTECH ROBOTICS CORP LTD 深圳市優必選科技股份有限公司	A non-executive director of the Company is a director of this company 本公司一名非執行董事為該公司董事
Youngy Investment Holding Group Co., Ltd. 融捷投資控股集團有限公司	A non-executive director of the Company is a director of this company 本公司一名非執行董事為該公司董事
Sichuan Changhe Huali Technology Co., Ltd. 四川長和華鋰科技有限公司	This company is indirectly controlled by a non-executive director of the Company 該公司是本公司一名非執行董事間接控制的公司
Chengdu Youngy Lithium Technology Co., Ltd. 成都融捷鋰業科技有限公司	This company is indirectly controlled by a non-executive director of the Company 該公司是本公司一名非執行董事間接控制的公司
Dongguan Tec-Rich Engineering Co., Ltd. 東莞市德瑞精密設備有限公司	This company is indirectly controlled by a non-executive director of the Company 該公司是本公司一名非執行董事間接控制的公司
Sichuan Road & Bridge Group Co., Ltd. 四川路橋建設集團股份有限公司	A senior management of the Company is a director of this company 本公司一名高級管理人員為該公司董事

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) *Related party transactions of goods and services*

Purchase of goods and accepting service from related parties

十二、關聯方關係及其交易(續)

5. 關聯方交易

(1) *關聯方商品及勞務交易*

自關聯方購買商品和接受勞務

	Details of transactions	2024	Transaction limit approved	Excess of transaction limit	2023
	交易內容	二零二四年	獲批的交易額度	是否超過交易額度	二零二三年
Joint ventures	Purchase of goods and accepting service	761,775	2,138,615	No	1,165,970
合營企業	採購商品和接受勞務			否	
Associates	Purchase of goods and accepting service	9,453,770	9,026,209	No	11,270,006
聯營企業	採購商品和接受勞務			否	
Other related parties	Purchase of goods and accepting service	177,570	1,924,356	No	338,697
其他關聯方	採購商品和接受勞務			否	
Total		10,393,115	13,089,180		12,774,673
合計					

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

5. Related party transactions (continued)

5. 關聯方交易(續)

(1) *Related party transactions of goods and services (continued)*

(1) *關聯方商品及勞務交易(續)*

Sales of goods and rendering of services to related parties

向關聯方銷售商品及提供勞務

	Details of transactions 交易內容	2024 二零二四年	2023 二零二三年
Joint ventures 合營企業	Sales of goods and rendering of services 出售商品和提供勞務	2,494,111	2,268,738
Associates 聯營企業	Sales of goods and rendering of services 出售商品和提供勞務	455,939	443,317
Other related parties 其他關聯方	Sales of goods and rendering of services 出售商品和提供勞務	29,147	288,187
Total 合計		2,979,197	3,000,242

The prices of the above-mentioned related party transactions were determined through mutual negotiation based on market prices.

上述關聯方交易價格由雙方根據市場價格協商確定。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

5. Related party transactions (continued)

5. 關聯方交易(續)

(2) *Providing guarantees to related parties*

(2) *為關聯方提供擔保*

Loan guarantees

借款擔保

2024

二零二四年

	Guarantee amount	Commencement date of guarantee	Maturity date of guarantee	Whether guarantee has been performed
	擔保金額	擔保起始日	擔保到期日	擔保是否履行完畢
BYD Auto Finance Co., Ltd. 比亞迪汽車金融有限公司	2,541,000	18 January 2024-23 January 2024 二零二四年一月十八日 至二零二四年一月二十三日	18 January 2028-23 January 2028 二零二八年一月十八日 至二零二八年一月二十三日	No 否

(3) *Transfer of related parties assets*

(3) *關聯方資產轉讓*

	Details of transaction	2024	2023
	交易內容	二零二四年	二零二三年
Joint ventures 合營企業	Purchase of fixed assets 購買固定資產	4,163	9,156
Associates 聯營企業	Purchase of fixed assets 購買固定資產	125,960	587,310
Other related parties 其他關聯方	Purchase of fixed assets 購買固定資產	30,948	336,354
		161,071	932,820

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財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

5. Related party transactions (continued)

5. 關聯方交易(續)

(4) Others

(4) 其他

		2024 二零二四年	2023 二零二三年
Key Management Compensation	關鍵管理人員薪酬	139,925	123,371

The share-based payment expense recognised in 2024 for the 2022 Employee Share Ownership Plan granted to key management personnel of the Company was RMB20,621,000. The above compensation does not include this amount.

本公司關鍵管理人員獲授的二零二二年員工持股計劃於二零二四年確認的股份支付費用為人民幣20,621千元，上述薪酬未包含該項金額。

6. Balance of related parties receivables and payables

6. 關聯方應收應付款項餘額

(1) Receivables

(1) 應收款項

		2024 二零二四年		2023 二零二三年	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
		賬面餘額	壞賬準備	賬面餘額	壞賬準備
Joint ventures	合營企業	1,442,769	397,172	2,044,479	651,160
Associates	聯營企業	191,160	31,037	152,234	27,355
Other related parties	其他關聯方	49,996	29,184	48,045	83
Total	合計	1,683,925	457,393	2,244,758	678,598

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

十二、關聯方關係及其交易(續)

6. Balance of related parties receivables and payables (continued)

6. 關聯方應收應付款項餘額(續)

(2) Payables

(2) 應付款項

		2024 二零二四年	2023 二零二三年
Joint ventures	合營企業	1,012,796	379,093
Associates	聯營企業	4,216,545	3,857,503
Other related parties	其他關聯方	179,398	352,222
Total	合計	5,408,739	4,588,818

Except for lease liabilities, the amounts due from and due to related parties are interest-free and unsecured.

除租賃負債外，應收應付關聯方款項均不計利息、無擔保。

7. Monetary funds deposited with related parties

7. 存放關聯方的貨幣資金

		2024 二零二四年	2023 二零二三年
BYD Auto Finance Co., Ltd.	比亞迪汽車金融有限公司	22,146,767	3,505,856

The annual interest rate of the above deposits in 2024 is 3.0%-3.1% above the benchmark interest rate published by the People's Bank of China for deposits of the same period, and an interest income of RMB171,996,000 was recognised in 2024 (2023: 3.1%-3.2%, and an interest income of RMB174,280,000 was recognised).

二零二四年，上述存款年利率按照中國人民銀行公佈的同期存款基準利率上浮為3.0%-3.1%，二零二四年度確認利息收入人民幣171,996千元(二零二三年度：3.1%-3.2%，確認利息收入人民幣174,280千元)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIII. SHARE-BASED PAYMENTS

1. Equity instruments

(1) 2022 Employee Share Ownership Plan of the Group

On 22 April 2022, BYD Company Limited held the twenty-first meeting of the Seventh Session of the Board of Directors of BYD Company Limited (the "Company"), at which the resolution in relation to the 2022 Employee Share Ownership Plan (Draft) of BYD Company Limited and its summary was considered and approved. It was proposed to implement the 2022 Employee Share Ownership Plan of BYD Company Limited (the "Employee Share Ownership Plan") for the employee representative supervisors and senior management of BYD Company Limited and the mid-level management and core backbone employees of BYD Group. The Employee Share Ownership Plan was considered and approved at the 2022 First Extraordinary General Meeting of the Company held on 27 May 2022. The Company repurchased a total of 5,511,024 A shares through the designated securities account for repurchase by way of centralised bidding transactions, accounting for approximately 0.1813% of the issued share capital of the Company as at the date of this report. The repurchase was completed in June 2022 and the transfer registration was completed in July 2022. The subscription price of the Employee Share Ownership Plan is RMB0 per share, and no capital contribution is required to be made by the participants. The term of the Employee Share Ownership Plan shall be 48 months from the date on which the Employee Share Ownership Plan is considered and approved at the general meeting and the Company announces that the last batch of the underlying shares is transferred to the Employee Share Ownership Plan.

十三、股份支付

1. 各項權益工具

(1) 二零二二年本集團之員工持股計劃

二零二二年四月二十二日，比亞迪股份有限公司召開比亞迪股份有限公司（以下簡稱「公司」）第七屆董事會第二十一次會議，審議通過了《比亞迪股份有限公司二零二二年員工持股計劃（草案）》及其摘要的議案，擬對比亞迪股份有限公司職工代表監事、高級管理人員以及比亞迪集團的中層管理人員、核心骨幹員工實施《比亞迪股份有限公司二零二二年員工持股計劃》（以下簡稱「員工持股計劃」）。公司於二零二二年五月二十七日召開二零二二年第一次臨時股東大會，審議通過了員工持股計劃。公司通過回購專用證券賬戶以集中競價交易的方式累計回購A股股份的數量為5,511,024股，佔公司於本報告之日已發行股本的0.1813%，並於二零二二年六月完成回購，二零二二年七月完成過戶登記。本員工持股計劃認購價0元/股，參與對像無需出資。本員工持股計劃的存續期為48個月，自本員工持股計劃經股東大會審議通過且公司公告最後一筆標的股票過戶至本員工持股計劃名下之日起算。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIII. SHARE-BASED PAYMENTS (CONTINUED)

1. Equity instruments (continued)

(2) *2020 Share Option Incentive Scheme of the Group's subsidiary BYD Semiconductor*

On 10 May 2021 and 16 June 2021, the Company held the 11th Meeting of the Seventh Session of the Board and the extraordinary general meeting, respectively, during which the Company considered and approved the Resolution on Proposed Implementation of the Share Option Incentive Scheme by BYD Semiconductor Company Limited, and approved the adoption of the 2020 Share Option Incentive Scheme of BYD Semiconductor Company Limited (the "Subsidiary Share Option Scheme"). The Subsidiary Share Option Scheme granted 33,088,200 share options to 36 incentive grantees, including directors (excluding independent non-executive directors), senior management and core key personnel (but excluding supervisors) of BYD Semiconductor, representing 7.353% of the then registered capital of BYD Semiconductor.

The share options granted under the Subsidiary Share Option Scheme shall be exercised in three tranches, and the corresponding vesting periods shall be 24 months, 36 months and 48 months from the date of grant, respectively.

十三、股份支付(續)

1. 各項權益工具(續)

(2) 二零二零年本集團之子公司比亞迪半導體股權期權激勵計劃

二零二一年五月十日及二零二一年六月十六日，本公司分別召開第七屆董事會第十一次會議及臨時股東大會，審議通過了《關於比亞迪半導體股份有限公司擬實施股權激勵計劃的議案》，批准採納比亞迪半導體股份有限公司二零二零年股權期權激勵計劃(「子公司股權期權計劃」)。子公司股權期權激勵計劃向包括比亞迪半導體的董事(不包括獨立非執行董事)、高級管理人員、核心骨幹人員(但不包括監事)在內的36個激勵對象授予3,308.82萬份股權期權，佔比亞迪半導體當時註冊資本的比例為7.353%。

本次子公司股權期權計劃授予的股權期權分三次行權，對應的等待期分別為自授予日起24個月、36個月、48個月。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIII. SHARE-BASED PAYMENTS (CONTINUED)

1. Equity instruments (continued)

(2) 2020 Share Option Incentive Scheme of the Group's subsidiary BYD Semiconductor (continued)

On 11 May 2024, BYD Semiconductor Company Limited held the 2024 first extraordinary general meeting, at which the Resolution on the Cancellation of Outstanding Share Options Granted in the Second and Third Tranches of the 2020 Share Option Incentive Scheme of the Company was considered and approved. It agreed on the cancellation of all outstanding share options granted in the second and third tranches of the 2020 Share Option Incentive Scheme of the company, and cancelled a total of 22,928,300 share options.

The equity instruments are as follows:

十三、股份支付(續)

1. 各項權益工具(續)

(2) 二零二零年本集團之子公司比亞迪半導體股權期權激勵計劃(續)

比亞迪半導體股份有限公司於2024年5月11日召開2024年第一次臨時股東大會審議通過了《關於註銷公司2020年股權期權計劃的第二、三期已授予未行權股權期權的議案》，同意註銷公司2020年股權期權計劃的第二、三期已授予但尚未行權的全部股權期權，註銷股票期權共計2,292.83萬份。

各項權益工具如下：

		Vested for the year		Cancelled for the year	
		本年解鎖		本年註銷	
		Quantity (thousand)	Amount *	Quantity (thousand)	Amount *
		數量(千股)	金額*	數量(千股)	金額*
Sales personnel	銷售人員	149	39,083	11,820	122,217
Management personnel	管理人員	556	145,455	2,990	30,924
Research personnel	研發人員	771	201,820	8,118	83,937
Manufacturing and other personnel	製造及其他人員	177	46,329	-	-
Total	合計	1,653	432,687	22,928	237,078

* Vested for the year represents the vested quantity of the Employee Share Ownership Plan of the Group, and the vested equity instruments are calculated based on the fair value at the vesting date; cancelled for the year represents the cancelled quantity of Share Option Incentive Scheme of the subsidiary BYD Semiconductor, and the cancelled equity instruments are calculated based on the fair value at the grant date.

* 本年解鎖為本集團之員工持股計劃解鎖數量，解鎖的權益工具以在解鎖日的公允價值計算；本年註銷為子公司比亞迪半導體股權期權激勵計劃註銷數量，註銷的權益工具以在授予日公允價值計算。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIII. SHARE-BASED PAYMENTS (CONTINUED)

1. Equity instruments (continued)

(2) *2020 Share Option Incentive Scheme of the Group's subsidiary BYD Semiconductor (continued)*

The weighted average share price for share options vested in 2024 as at the vesting date was RMB261.71 per share (2023: RMB264.41 per share).

The exercise price of the equity instruments outstanding as at the end of the year was RMB0, with remaining contractual terms ranging from 7 to 19 months.

2. Equity-settled share-based payments

十三、股份支付(續)

1. 各項權益工具(續)

(2) 二零二零年本集團之子公司比亞迪半導體股權期權激勵計劃(續)

二零二四年解鎖的股份期權於解鎖日的加權平均股價為261.71元/股(2023年：264.41元/股)。

年末發行在外的各項權益工具行權價為0元,合同剩餘期限為7-19個月。

2. 以權益結算的股份支付情況

		2024 二零二四年
The basis for determining the quantity of equity instruments available for exercise	可行權權益工具數量的確定依據	Based on the best estimate of the management 管理層的最佳估計數
The reason for the significant difference between the current year's estimate and the previous year's estimate	本年估計與上年估計有重大差異的原因	Nil 無
The cumulative amount of equity-settled share-based payments credited to capital reserve	以權益結算的股份支付計入資本公積的累計金額	2,054,589

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元**XIII. SHARE-BASED PAYMENTS (CONTINUED)**

十三、股份支付(續)

3. The share-based payments incurred during the year**3. 本年發生的股份支付費用**

Equity-settled share-based payments

以權益結算的股份支付費用

**Equity-settled
share-based payments**
以權益結算的
股份支付費用

Research personnel	研發人員	179,543
Management personnel	管理人員	121,769
Sales personnel	銷售人員	38,345
Manufacturing and other personnel	製造及其他人員	60,747
Total	合計	400,404

XIV. COMMITMENTS AND CONTINGENT EVENTS

十四、承諾及或有事項

1. Material commitments**1. 重要承諾事項**

		2024 二零二四年	2023 二零二三年
Capital commitments	資本承諾	35,169,398	35,727,463
Investment commitments	投資承諾	568,455	535,527
Total	合計	35,737,853	36,262,990

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIV. COMMITMENTS AND CONTINGENT EVENTS (CONTINUED)

2. Contingent events

Contingent liabilities arising from pending litigation or arbitration and its financial impact

Action against Foxconn

On 11 June 2007, a Hong Kong High Court (the “Court”) action (the “June 2007 Action”) was commenced by a subsidiary of Foxconn International Holdings Limited and a company jointly controlled by its ultimate holding company (the “Plaintiffs”) against the Company and certain subsidiaries of the Group (the “Defendants”) for using confidential information alleged to have been obtained improperly from the Plaintiffs. The Plaintiffs discontinued the June 2007 Action on 5 October 2007 without any liability to the Defendants. On the same day, the plaintiffs initiated a new set of legal proceedings in the Hong Kong High Court (the “October 2007 Action”). The Defendants named in the October 2007 Action are the same as the Defendants in the June 2007 Action, and the claims made by the Plaintiffs in the October 2007 Action are based on the same facts and grounds in the June 2007 Action. The remedies sought by the Plaintiffs in the October 2007 Action include an injunction restraining the Defendants from using the alleged confidential information, an order for the disgorgement of profit made by the Defendants through the use of the confidential information, damages based on the loss suffered by the Plaintiffs and exemplary penalties. The total damages sought by the Plaintiffs in the October 2007 Action have not been quantified. On 2 October 2009, the Defendants instituted a counter-action against Foxconn International Holdings Limited and certain of its subsidiaries for their intervention, by means of illegal measures, in the operations involving the Company and certain of its subsidiaries, collusion, written and verbal defamation, and the economic loss as a result of the said activities since 2006.

十四、承諾及或有事項(續)

2. 或有事項

未決訴訟或仲裁形成的或有負債及其財務影響

富士康訴訟案件

於二零零七年六月十一日，富士康國際控股有限公司旗下一間下屬子公司及一間與其同受最終控股公司控制的公司(「原告」)向香港高等法院(「法院」)展開訴訟(「二零零七年六月訴訟」)，指控本公司及本集團若干下屬子公司(「被告」)使用指稱自原告處非法獲得的機密資料。原告已於二零零七年十月五日停止二零零七年六月訴訟，針對被告的二零零七年六月訴訟被全面撤銷，同時該訴訟未判令被告承擔任何責任。同日，原告向香港高等法院提起新一輪的法律程序(「二零零七年十月訴訟」)。二零零七年十月訴訟的被告與二零零七年六月訴訟的被告相同，且原告在二零零七年十月訴訟中提出的申索均基於二零零七年六月訴訟中的相同事實及理由。原告在二零零七年十月訴訟中提出的補救方法包括強令禁止被告使用有關機密資料、強令被告交出因使用機密資料所獲得的利潤以及賠償原告遭受的損失及支付懲罰性賠償金。原告在二零零七年十月訴訟中主張的賠償金總金額尚未確定。二零零九年十月二日，被告對富士康國際控股有限公司及其某些附屬子公司提起反訴，對該等公司自二零零六年以來利用不合法手段干涉本公司及控股子公司的經營、共謀行為、書面及口頭誹謗，導致經濟損失的行為提出訴訟請求。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIV. COMMITMENTS AND CONTINGENT EVENTS (CONTINUED)

2. Contingent events (continued)

Contingent liabilities arising from pending litigation or arbitration and its financial impact (continued)

Action against Foxconn (continued)

As of the date of the this report, the case is still in proceedings. With the assistance of the legal adviser responsible for the case on behalf of the Company, the Board believes that the final result of the proceeding and compensation obligations (if any) cannot be estimated reliably.

The contingent liabilities arising from the guarantee provided by the Group and its financial impact are as follows:

十四、承諾及或有事項(續)

2. 或有事項(續)

未決訴訟或仲裁形成的或有負債及其財務影響(續)

富士康訴訟案件(續)

截至本報告日，該案件仍在訴訟程序中。在代表本公司負責該案件的法律顧問協助下，董事會認為，該訴訟的最終結果及賠償義務(如有)不能可靠的估計。

本集團提供擔保形成的或有負債及其財務影響列示如下：

		2024 二零二四年	2023 二零二三年
Guarantees that the Company can provide to banks for financing granted to subsidiaries	就授予子公司的融資能夠向銀行提供的擔保額度	125,886,603	115,028,008

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XIV. COMMITMENTS AND CONTINGENT EVENTS (CONTINUED)

2. Contingent events (continued)

The contingent liabilities arising from the guarantee provided by the Group and its financial impact are as follows: (continued)

As at 31 December 2024, the actual guarantees provided by the Company for its subsidiaries and related parties were RMB37,826,863,000 and RMB2,541,000,000 (31 December 2023: RMB43,872,398,000 and RMB18,319,231,000).

The Group entered into cooperation contracts and documents with certain customers (including end customers) and third parties or related financial institutions. According to the arrangements of the relevant cooperation contracts and documents, the Company undertakes the repurchase obligations to these financial institutions. If a customer defaults or specific conditions stipulated in the contract occur, the Company inherits all the creditor's rights and related interests, and has the right to take relief measures such as recovery and sale of new energy vehicles to repay the remaining debts owed by the customer to the financing institution, and would reserve the right to pursue recourse for the balance of the creditor's rights. Management is of the opinion that the recovered assets will be able to be realised, and the proceeds from the sales will basically cover the remaining debts due to the financing institutions. As of 31 December 2024, the Group's maximum exposure to these obligations was RMB828,127,000 (31 December 2023: RMB1,615,016,000), and there was no customer default or specific conditions as stipulated in the contracts which the Company was required to make any payment.

The Group made an impairment on financial guarantee contracts and recognised a loss allowance of RMB9,223,000 (31 December 2023: RMB61,984,000) based on expected credit losses.

十四、承諾及或有事項(續)

2. 或有事項(續)

本集團提供擔保形成的或有負債及其財務影響列示如下：(續)

於二零二四年十二月三十一日，本公司為其子公司及關聯方實際提供的擔保為人民幣37,826,863千元及人民幣2,541,000千元(二零二三年十二月三十一日：人民幣43,872,398千元及人民幣18,319,231千元)。

本集團與某些客戶(含終端客戶)及第三方或關聯融資機構簽訂合作合同及文件，根據相關合作合同及文件的安排，本公司向該等融資機構承擔回購義務，若客戶違約或發生合同約定的特定條件，本公司繼承全部債權以及相關權益，並有權自行採取收回並變賣新能源汽車等救濟措施，以償付客戶對融資機構的剩餘欠款，並保留任何對剩餘欠款債權餘額進行追索的權利。管理層認為，收回的資產能夠變賣，而變賣收入基本能夠支付對融資機構的剩餘欠款。截至二零二四年十二月三十一日，本集團對該等義務的最大敞口為人民幣828,127千元(二零二三年十二月三十一日：人民幣1,615,016千元)，且未發生因客戶違約或合同約定的特定條件而令本公司需予以支付任何款項的情況。

本集團以預期信用損失為基礎，對財務擔保合同進行減值處理並確認損失準備人民幣9,223千元(二零二三年十二月三十一日：人民幣61,984千元)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. 2024 Profit Distribution Plan

The 2024 Profit Distribution Plan was approved at the 16th meeting of the 8th session of the Board on 24 March 2025. Based on the total share capital of 3,039,065,855 Shares as at 24 March 2025, cash dividends totalling RMB12,077,248,000 (i.e., a cash dividend of RMB3.974 per Share (tax inclusive)) will be distributed, which is subject to consideration and approval by the shareholders at the general meeting of the Company.

2. Placing of H Shares

On 11 March 2025, the Company successfully allotted and issued a total of 129,800,000 new H Shares (the "Placing Shares") to not less than six places who and whose ultimate beneficial owners are third parties independent of and not connected with the Company, connected persons of the Company and any of the directors, supervisors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates at a placing price of HK\$335.2 per Placing Share. The Placing Shares represented approximately 10.57% of the total number of issued H Shares as enlarged by the allotment and issue of the Placing Shares. The net proceeds (after deduction of the commissions and estimated expenses) from the placing were approximately HK\$43,383 million. For more details, please refer to the announcement of the Company dated 11 March 2025.

3. Employee Share Ownership Plan

(1) 2025 Employee Share Ownership Plan of the Group

On 17 March 2025, the Company convened the 15th meeting of the 8th session of the Board and the 9th meeting of the 8th session of the Supervisory Committee, at which the Resolution Regarding Review of the BYD Company Limited 2025 Employee Share Ownership Plan (Draft) and its Summary and the Resolution Regarding the Review of Management Measures for BYD Company Limited 2025 Employee Share Ownership Plan were considered and approved, but subject to submission to the general meeting of the Company for further consideration and approval.

十五、資產負債表日後事項

1. 2024年度利潤分配預案

經2025年3月24日本公司第八屆董事會第十六次會議批准2024年度利潤分配預案，以2025年3月24日總股本3,039,065,855股為基數，分配現金股利人民幣12,077,248千元(即每股現金股利人民幣3.974元(含稅))，該股利分配方案尚待股東大會審議批准。

2. 配售H股

於2025年3月11日，本公司成功按配售價335.2港元向不少於六名的承配人(彼等及其最終實益擁有人為獨立於本公司、本公司之關聯人士、本公司或其任何附屬公司之任何董事、監事、最高行政人員或主要股東或彼等各自之聯繫人並概無關聯的第三方)配發及發行合計129,800,000股新H股，佔經配發及發行配售股份後擴大的已發行H股總數的約10.57%。經扣除佣金和估計費用後的配售所得款項淨額約為43,383百萬港元。有關更多詳細信息，請參閱本公司2025年3月11日的公告。

3. 員工持股計劃

(1) 2025年本集團之員工持股計劃

本公司於2025年3月17日召開了第八屆董事會第十五次會議及第八屆監事會第九次會議，審議通過了《關於審議<比亞迪股份有限公司2025年員工持股計劃(草案)>及其摘要的議案》及《關於審議<比亞迪股份有限公司2025年員工持股計劃管理辦法>的議案》等相關議案，議案尚需提交公司股東會審議。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XV. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

3. Employee Share Ownership Plan (continued)

(1) *2025 Employee Share Ownership Plan of the Group
(continued)*

For the 2025 Employee Share Ownership Plan (“ESOP”), the participants of the ESOP include employee representative supervisors, Senior Management of the Company, and middle management and core employees of BYD Group. The total number of participants of the ESOP shall not exceed 25,000, with the final number and shares allocation subject to the actual implementation.

The total amount of subscription funds involved in the ESOP shall not exceed RMB4,100 million, which is estimated based on the closing price of RMB375.94/A Share on the trading day (14 March 2025) prior to the day when the Board considers the resolution of the ESOP. The number of Underlying Shares that may be purchased and held under the ESOP shall not exceed 10,905,995 A Shares, accounting for no more than 0.3589% of the total share capital of the Company at present. In view of the uncertainty of the actual purchase price and the total amount of funds to be involved in the purchase of the A Shares of the Company, the final number of Shares held by the ESOP will be subject to circumstances during actual implementation.

The Underlying Shares held under this ESOP will be unlocked in three tranches. These three tranches of Underlying Shares will be unlocked after 12 months, 24 months and 36 months commencing from the date on which the Company announces the completion of purchase of the last tranche of the Underlying Shares, respectively. The Underlying Shares to be unlocked under each tranche accounts for 30%, 30% and 40% of the total Underlying Shares under the ESOP respectively, with the specific unlocking proportion and number subject to the results of company-level and individual-level performance appraisal.

十五、資產負債表日後事項(續)

3. 員工持股計劃(續)

(1) *2025年本集團之員工持股計劃(續)*

本公司2025年員工持股計劃(以下簡稱「本次員工持股計劃」)參與對象包括公司職工代表監事、高級管理人員以及比亞迪集團的中層管理人員、核心骨幹員工。參與本次員工持股計劃的總人數不超過25,000人，本員工持股計劃的最終參與人數及分配份額以實際執行情況為準。

本次員工持股計劃涉及的資金總額不超過410,000萬元，按照董事會審議本員工持股計劃決議日的前一個交易日(2025年3月14日)公司A股股票收盤價375.94元/股測算，本員工持股計劃可購買並持有的標的A股股票數量不超過10,905,995股，佔公司當前股本總額的比例不超過0.3589%。鑒於實際購買公司股票的價格及資金總額仍存在不確定性，本員工持股計劃最終持有的股票數量以實際執行情況為準。

本次員工持股計劃持有的標的股票分三期解鎖，解鎖時點分別為自公司公告最後一筆標的股票購買完成之日起滿12個月、24個月、36個月，每期解鎖的標的股票比例分別為30%、30%、40%。每期具體解鎖比例和數量根據公司業績考核及個人業績考核結果確定。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XV. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

3. Employee Share Ownership Plan (continued)

(2) *2025 Share Award Scheme of the Group's subsidiary
BYD Electronic*

On 17 March 2025, the board of BYD Electronic approved the BYD Electronic (International) Company Limited 2025 Share Award Scheme (the "Share Award Scheme"). The Share Award Scheme does not constitute a scheme involving issue of new Shares within the meaning of Chapter 17 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the adoption of which will not be subject to the approval of shareholders of BYD Electronic.

The total number of persons who participate in the Share Award Scheme is intended to be not more than 3,000, and the participants include (i) executive directors and senior management of BYD Electronic; and (ii) mid-level management and core backbone employees of BYD Electronic. The employees who meet the above criteria in the Share Award Scheme may participate on the basis of BYD Electronic's independent discretion, voluntary participation by employees and self-assumed risk, with no instances of compulsory involvement through methods such as apportionment or forced allocation for employees. BYD Electronic will narrow down the final list of participants therefrom.

The total amount involved in the Share Award Scheme shall not exceed RMB250 million. The board of BYD Electronic or its authorised person(s) may purchase the shares of BYD Electronic through the secondary market with the aforesaid funds at the prevailing market price at such time as it thinks fit in accordance with the relevant provisions of the Share Award Scheme, which will be the source of the Underlying Shares under the Share Award Scheme.

十五、資產負債表日後事項(續)

3. 員工持股計劃(續)

(2) *2025年本集團之子公司比亞迪電子集團股份獎勵計劃*

比亞迪電子董事會於2025年3月17日通過比亞迪電子(國際)有限公司2025年股份獎勵計劃(以下簡稱:「本股份獎勵計劃」)。本股份獎勵計劃並不構成香港聯合交易所有限公司證券上市規則第十七章所指的涉及發行新股的計劃以至本股份獎勵計劃的採納將無須比亞迪電子股東批准。

本股份獎勵計劃的參與人數擬不超過3000人,本股份獎勵計劃參與對象包括(i)比亞迪電子的執行董事、管理人員;(ii)比亞迪電子集團的中層管理人員、核心骨幹員工。符合上述標準的員工參與本股份獎勵計劃遵循比亞迪電子自主決定,員工自願參與、風險自擔的原則,不存在以攤派、強制分配等方式強制員工參與的情形。比亞迪電子將從中選出最終名單。

本股份獎勵計劃所涉及的資金總額不超過人民幣25,000萬元。比亞迪電子董事會或其授權人士將可按本股份獎勵計劃的相關規定於其認為合適的時間用上述資金按當時的市價通過二級市場購買比亞迪電子股票,該股票為本股份獎勵計劃的標的股票來源。

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財務報表附註

RMB'000
人民幣千元

XV. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

3. Employee Share Ownership Plan (continued)

- (2) *2025 Share Award Scheme of the Group's subsidiary
BYD Electronic (continued)*

The Underlying Shares held under the Share Award Scheme will be unlocked in three phases. These three tranches of Shares will be unlocked after 12 months, 24 months and 36 months commencing from the next day upon the completion of the last purchase of the Underlying Shares, respectively. The ratio of each tranche of the Underlying Shares to be unlocked is 30%, 30% and 40%, respectively, with the specific unlocking proportion and number subject to the results of company-level and individual-level performance appraisal.

XVI. OTHER SIGNIFICANT MATTERS

1. Segment reporting

- (1) *Operating segment*

For management purposes, the Group is organised into business units based on their products and services. The Group currently has two reportable segments as follows:

- a) the mobile handset components, assembly service and other products segment comprises the manufacture and sale of mobile handset components such as housings and electronic components and the provision of assembly services;
- b) the automobiles and related products and other products segment comprises the manufacture and sale of automobiles and auto-related molds and components and automobile leasing and after sales services, automobile power batteries, lithium-ion batteries, photovoltaic products and iron battery products, rail transport and its related business.

十五、資產負債表日後事項(續)

3. 員工持股計劃(續)

- (2) *2025年本集團之子公司比亞迪電子集團股份獎勵計劃(續)*

本股份獎勵計劃的標的股票分三期解鎖，解鎖時點分別為自最後一筆標的股票購買完成之次日起滿12個月、24個月、36個月，每期解鎖的標的股票比例分別為30%、30%、40%。每期具體解鎖比例和數量根據公司業績考核及個人業績考核結果確定。

十六、其他重要事項

1. 分部報告

- (1) *經營分部*

出於管理目的，本集團根據產品和服務劃分業務單元。本集團目前有二個報告分部，分別如下：

- a) 手機部件、組裝及其他產品分部包括製造和銷售外殼等手機及電子產品部件並提供整機組裝服務；
- b) 汽車、汽車相關產品及其他產品分部包括製造和銷售汽車、汽車相關的模具及零部件、汽車租賃和汽車的售後服務、汽車動力電池、鋰離子電池、光伏產品以及鐵電池產品、軌道交通及其相關業務。

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財務報表附註

RMB'000
人民幣千元

XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment reporting (continued)

(1) Operating segment (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit. The adjusted profit before tax is measured consistently with the Group's profit before tax except that gains or losses arising from changes in fair value, finance costs (excluding interest expenses on lease liabilities and exchange gains or losses), non-operating income, other income, losses on disposal of assets, non-operating expenses, investment income (excluding investment income from associates and joint ventures), income from sales of properties, the corresponding costs and tax expenses, as well as administrative expenses incurred by the Company as the Group's headquarter are excluded from such measurement.

Segment assets exclude deferred tax assets, goodwill, financial assets held for trading, other equity instrument investments, other non-current financial assets, investment properties and assets occupied by the Company as the Group's headquarter as these assets are managed on a group basis.

Segment liabilities exclude deferred income tax liabilities, tax payable, other current liabilities, other non-current liabilities, short-term borrowings, long-term borrowings, bonds payable, interest payable and dividends payable in other payables, financial liabilities held for trading and liabilities assumed by the Company as the Group's headquarter as these liabilities are managed on a group basis.

Transfer pricing in operating segments is determined with reference to the agreed price among operating segments.

十六、其他重要事項(續)

1. 分部報告(續)

(1) 經營分部(續)

管理層出於配置資源和評價業績的決策目的，對各業務單元的經營成果分開進行管理。分部業績以報告的分部利潤為基礎進行評價。該指標系對利潤總額進行調整後的指標，除不包括公允價值變動損益、財務費用(除租賃負債利息支出和匯兌損益)、營業外收入、其他收益、資產處置損失、營業外支出、投資收益(除對聯營企業和合營企業的投資收益外)、銷售房產收入、對應的成本和稅費以及本公司作為集團總部發生的管理費用之外，該指標與本集團利潤總額是一致的。

分部資產不包括遞延所得稅資產、商譽、交易性金額資產、其他權益工具投資、其他非流動金融資產、投資性房地產和本公司作為集團總部佔用的資產，原因在於這些資產均由本集團統一管理。

分部負債不包括遞延所得稅負債、應交稅費、其他流動負債、其他非流動負債、短期借款、長期借款、應付債券、其他應付款中的應付利息和應付股利、交易性金融負債和本公司作為集團總部而負擔的負債，原因在於這些負債均由本集團統一管理。

經營分部間的轉移定價，按照經營分部間的協議價格制定。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

十六、其他重要事項(續)

1. Segment reporting (continued)

1. 分部報告(續)

(1) Operating segment (continued)

(1) 經營分部(續)

2024	二零二四年	Mobile handset	Automobiles	Adjustments	Total
		components, assembly service and other products	and related products and other products	and eliminations	
		手機部件、 組裝及 其他產品	汽車、汽車 相關產品及 其他產品	調整和抵銷	合計
Revenue from external trading	對外交易收入	159,608,577	617,381,933	111,945	777,102,455
Revenue from inter-segment trading	分部間交易收入	19,523,856	3,348,995	(22,872,851)	-
Total	合計	179,132,433	620,730,928	(22,760,906)	777,102,455
Share of investment income from joint ventures and associates	對合營和聯營企業的投資 收益	-	1,468,954	-	1,468,954
Depreciation and amortization	折舊及攤銷	5,751,722	57,820,157	691,257	64,263,136
Total profit	利潤總額	4,246,624	36,332,561	9,101,492	49,680,677
Income tax expense	所得稅費用	486,188	7,606,549	-	8,092,737
Capital expenditure (Note)	資本性支出(註)	2,984,340	87,970,727	1,579,048	92,534,115
Total assets	資產總額	84,730,119	639,641,360	58,984,376	783,355,855
Total liabilities	負債總額	55,863,180	498,882,921	29,921,545	584,667,646
Other disclosures	其他披露				
Long-term equity investments in joint ventures and associates	對合營和聯營企業的長期 股權投資	-	19,082,496	-	19,082,496

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元**XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)****十六、其他重要事項(續)****1. Segment reporting (continued)****1. 分部報告(續)**

(1) Operating segment (continued)

(1) 經營分部(續)

2023	二零二三年	Mobile handset components, assembly service and other products 手機部件、 組裝及 其他產品	Automobiles and related products and other products 汽車、汽車 相關產品及 其他產品	Adjustments and eliminations 調整和抵銷	Total 合計
Revenue from external trading	對外交易收入	118,576,910	483,453,318	285,126	602,315,354
Revenue from inter-segment trading	分部間交易收入	12,851,640	5,780,354	(18,631,994)	-
Total	合計	131,428,550	489,233,672	(18,346,868)	602,315,354
Share of investment income from joint ventures and associates	對合營和聯營企業的投資 收益	-	1,277,455	-	1,277,455
Depreciation and amortization	折舊及攤銷	3,135,373	40,417,346	-	43,552,719
Total profit	利潤總額	4,334,950	31,107,896	1,825,791	37,268,637
Income tax expense	所得稅費用	646,739	5,277,828	-	5,924,567
Capital expenditure (Note)	資本性支出(註)	4,013,630	136,729,178	-	140,742,808
Total assets	資產總額	81,841,877	591,428,013	6,277,780	679,547,670
Total liabilities	負債總額	36,028,854	449,129,096	43,927,607	529,085,557
Other disclosures	其他披露				
Long-term equity investments in joint ventures and associates	對合營和聯營企業的長期 股權投資	-	17,647,212	-	17,647,212

Note: Capital expenditure includes the acquisition of long-term assets such as fixed assets and intangible assets.

註：資本性支出包括固定資產、無形資產等長期資產的增加。

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財務報表附註

RMB'000
人民幣千元

XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment reporting (continued)

(2) Other information

Geographical information

Operating revenue

		2024 二零二四年	2023 二零二三年
PRC (including Hong Kong, Macau and Taiwan)	中國(包括港澳台地區)	555,217,682	442,093,854
Overseas	境外	221,884,773	160,221,500
Total	合計	777,102,455	602,315,354

Revenue from external trading is attributed to the location of customers.

對外交易收入按客戶所處區域統計。

Total non-current assets

非流動資產總額

		2024 二零二四年	2023 二零二三年
PRC (including Hong Kong, Macau and Taiwan)	中國(包括港澳台地區)	363,092,866	343,398,654
Overseas	境外	15,341,210	6,753,730
Total	合計	378,434,076	350,152,384

Non-current assets exclude goodwill, other equity instrument investments, other non-current financial assets, long-term receivables and deferred income tax assets attributed to the region where the assets are located.

非流動資產按該資產所處區域統計，不包括商譽、其他權益工具投資、其他非流動金融資產、長期應收款和遞延所得稅資產。

Information about major customers

主要客戶信息

In 2024, operating revenue of RMB98,561,168,000 (2023: RMB63,387,758,000) was derived from sales to a single customer.

二零二四年的營業收入人民幣98,561,168千元(二零二三年：人民幣63,387,758千元)為對某一單個客戶的收入。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

2. #Directors' and supervisors' remuneration

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

The remuneration of directors and supervisors is as follows:

		2024 二零二四年	2023 二零二三年
Fees	袍金	1,500	1,140
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits	工資、津貼及福利	16,013	13,842
Pension scheme contributions	養老金計劃	150	138
Total	合計	17,663	15,120

Note: The share-based payment expenses recognised in 2024 for the 2022 Employee Share Ownership Plan granted to the supervisors of the Company was RMB299,000, which is not included in the above remuneration (2023: RMB581,000).

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration and no emoluments paid by the Group to a director or a supervisor of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2023: nil).

十六、其他重要事項(續)

2. #董事及監事薪酬

按照上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條和公司(披露董事利益資料)規例第2部，本年度董事及監事的薪酬披露如下：

董事及監事薪酬如下：

		2024 二零二四年	2023 二零二三年
Fees	袍金	1,500	1,140
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits	工資、津貼及福利	16,013	13,842
Pension scheme contributions	養老金計劃	150	138
Total	合計	17,663	15,120

註： 本公司監事獲授的二零二二年員工持股計劃，於二零二四年確認的股份支付費用為人民幣299千元，未包含在上述薪酬中(二零二三年：人民幣581千元)。

本年度不存在董事或監事放棄或同意放棄任何酬金，本集團無向本公司董事或監事支付任何酬金，作為鼓勵加入或加入本集團的薪金，或作為離職補償(二零二三年：無)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

2. #Directors' and supervisors' remuneration (continued)

Independent non-executive directors:

		2024 二零二四年	2023 二零二三年
Mr. Cai Hong-ping	蔡洪平先生	300	228
Mr. Zhang Min	張敏先生	300	228
Ms. Yu Ling (Note 1)	喻玲女士(註1)	300	84
Mr. Jiang Yan-bo (Note 2)	蔣岩波先生(註2)	-	144
Total	合計	900	684

Note 1: Ms. Yu Ling was appointed as a director on 19 September 2023 and the amount of her remuneration in 2023 covered the period from 19 September to 31 December.

Note 2: Mr. Jiang Yan-bo resigned as a director on 19 September 2023 and the amount of his remuneration in 2023 covered the period from 1 January to 19 September.

Executive director, non-executive directors and supervisors:

2024

		Fees 袍金	Salaries, allowances and benefits 工資、津貼 及福利	Pension scheme contributions 養老金計劃	Total 總額
Executive director	執行董事				
Mr. Wang Chuan-fu	王傳福先生	-	7,605	50	7,655
Non-executive directors	非執行董事				
Mr. Lv Xiang-yang	呂向陽先生	300	-	-	300
Mr. Xia Zuo-quan	夏佐全先生	300	-	-	300
Supervisors	監事				
Mr. Li Yong-zhao	李永釗先生	-	200	-	200
Ms. Zhu Ai-yun	朱愛雲女士	-	200	-	200
Mr. Huang Jiang-feng	黃江鋒先生	-	200	-	200
Ms. Wang Zhen	王珍女士	-	5,695	50	5,745
Ms. Tang Mei	唐梅女士	-	2,113	50	2,163
Total	合計	600	16,013	150	16,763

十六、其他重要事項(續)

2. #董事及監事薪酬(續)

獨立非執行董事：

		2024 二零二四年	2023 二零二三年
Mr. Cai Hong-ping	蔡洪平先生	300	228
Mr. Zhang Min	張敏先生	300	228
Ms. Yu Ling (Note 1)	喻玲女士(註1)	300	84
Mr. Jiang Yan-bo (Note 2)	蔣岩波先生(註2)	-	144
Total	合計	900	684

註1：喻玲女士於2023年9月19日獲委任為董事，其於2023年的薪酬金額涵蓋9月19日至12月31日期間。

註2：蔣岩波先生於2023年9月19日辭任董事，其於2023年的薪酬金額涵蓋1月1日至9月19日期間。

執行董事、非執行董事及監事：

二零二四年

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財務報表附註

RMB'000
人民幣千元**XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)****十六、其他重要事項(續)****2. #Directors' and supervisors' remuneration (continued)****2. #董事及監事薪酬(續)**

2023

二零二三年

		Fees	Salaries, allowances and benefits	Pension scheme contributions	Total
		袍金	工資、津貼 及福利	養老金計劃	總額
Executive director	執行董事				
Mr. Wang Chuan-fu	王傳福先生	-	6,565	46	6,611
Non-executive directors	非執行董事				
Mr. Lv Xiang-yang	呂向陽先生	228	-	-	228
Mr. Xia Zuo-quan	夏佐全先生	228	-	-	228
Supervisors	監事				
Mr. Dong Jun-qing	董俊卿先生	-	72	-	72
Mr. Li Yong-zhao	李永釗先生	-	128	-	128
Ms. Wang Zhen	王珍女士	-	5,025	46	5,071
Ms. Zhu Ai-yun	朱愛雲女士	-	56	-	56
Mr. Huang Jiang-feng	黃江鋒先生	-	128	-	128
Ms. Tang Mei	唐梅女士	-	1,868	46	1,914
Total	合計	456	13,842	138	14,436

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)

3. #Five highest paid employees of the Group during the year

The five highest paid employees of the Group during the year were all non-director employees (2023: nil), details of the directors' remuneration in 2024 are set out above. Details of the remuneration for the remaining are as follows:

		2024 二零二四年	2023 二零二三年
Salaries, allowances and benefits	工資、津貼及福利	60,924	61,295
Pension scheme contributions	養老金計劃	216	230
		61,140	61,525

Note: The share-based payment expense recognised in 2024 for the 2022 Employee Share Ownership Plan granted to the five employees above was RMB2,069,000, which is not included in the above remuneration (2023: RMB4,287,000).

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

		2024 二零二四年	2023 二零二三年
RMB8,500,001 to RMB10,000,000	人民幣8,500,001元至人民幣10,000,000元	1	-
RMB10,000,001 to RMB11,500,000	人民幣10,000,001元至人民幣11,500,000元	-	2
RMB11,500,001 to RMB13,000,000	人民幣11,500,001元至人民幣13,000,000元	3	-
RMB13,000,001 to RMB14,500,000	人民幣13,000,001元至人民幣14,500,000元	1	3
		5	5

There were no emoluments paid by the Group to five highest paid employees during the year as an inducement to join the Group or as compensation for loss of office (2023: nil).

十六、其他重要事項(續)

3. #本集團本年度薪酬最高的前五名僱員

本集團本年度薪酬最高的前五名僱員均為非董事僱員(二零二三年：無)，二零二四年董事的薪酬詳見上文。其餘詳情如下：

註：上述前五名僱員獲授的二零二二年員工持股計劃，於二零二四年確認的股份支付費用為人民幣2,069千元，未包含在上述薪酬中(二零二三年：人民幣4,287千元)。

屬於以下薪酬範圍的非董事最高薪酬僱員人數如下：

本集團無向本年度薪酬最高的前五名僱員支付任何酬金，作為鼓勵加入本集團的薪金，或作為離職補償(二零二三年：無)。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元**XVI. OTHER SIGNIFICANT MATTERS (CONTINUED)**

十六、其他重要事項(續)

4. #Net current liabilities**4. #淨流動負債**

		2024 二零二四年	2023 二零二三年
Current assets	流動資產	370,572,244	302,121,446
Less: Current liabilities	減：流動負債	495,985,176	453,666,671
Net current liabilities	淨流動負債	(125,412,932)	(151,545,225)

5. #Total assets less current liabilities**5. #總資產減流動負債**

		2024 二零二四年	2023 二零二三年
Total assets	總資產	783,355,855	679,547,670
Less: Current liabilities	減：流動負債	495,985,176	453,666,671
Total assets less current liabilities	總資產減流動負債	287,370,679	225,880,999

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

十七、公司財務報表主要項目註釋

1. Trade receivables

(1) Disclosure by aging

The aging of trade receivables is recognized based on the time of revenue recognition. The aging analysis of trade receivables is as follows:

		2024 二零二四年	2023 二零二三年
Within 1 year	1年以內	2,370,224	1,642,764
1 to 2 years	1年至2年	2,920	2,678
2 to 3 years	2年至3年	76	1,725
		2,373,220	1,647,167
Less: Provision for bad debts of trade receivables	減：應收賬款壞賬準備	9,873	4,437
Total	合計	2,363,347	1,642,730

(2) Disclosure by the method of provision for bad debt 2024

		Book balance 賬面餘額		Provision for bad debt 壞賬準備		Carrying amount 賬面價值
		Amount 金額	Percentage 比例 (%)	Amount 金額	Percentage 計提比例 (%)	
Provision for bad debt based on individual assessment	單項計提壞賬準備	-	-	-	-	-
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	2,373,220	100.00	9,873	0.42	2,363,347
Total	合計	2,373,220		9,873		2,363,347

1. 應收賬款

(1) 按賬齡披露

應收賬款賬齡按收入確認的時間予以確認，應收賬款的賬齡分析如下：

(2) 按壞賬計提方法分類披露 二零二四年

Notes to Financial Statements

財務報表附註

RMB'000
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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

1. Trade receivables (continued)

(2) Disclosure by the method of provision for bad debt (continued)

2023

1. 應收賬款(續)

(2) 按壞賬計提方法分類披露(續)

二零二三年

		Book balance		Provision for bad debt		Carrying amount
		賬面餘額		壞賬準備		
		Amount	Percentage	Amount	Percentage	
		金額	比例	金額	計提比例	
			(%)		(%)	
Provision for bad debt based on individual assessment	單項計提壞賬準備	-	-	-	-	-
Provision for bad debt based on collective assessment by credit risk portfolio	按信用風險特徵組合計提壞賬準備	1,647,167	100.00	4,437	0.27	1,642,730
Total	合計	1,647,167		4,437		1,642,730

As at 31 December 2024, there were no trade receivables with provision for bad debt based on individual assessment (31 December 2023: Nil).

於2024年12月31日，無單項計提壞賬準備的應收賬款。(2023年12月31日：無)。

As at 31 December 2024, trade receivables with provision for bad debt based on collective assessment are shown as follows:

於二零二四年十二月三十一日，組合計提壞賬準備的應收賬款情況如下：

		Book balance	Provision for impairment	Provision rate (%)
		賬面餘額	減值準備	計提比例(%)
Within 1 year (inclusive)	1年以內(含1年)	2,370,225	6,881	0.29
Over 1 year	1年以上	2,995	2,992	99.90
		2,373,220	9,873	

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財務報表附註

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

1. Trade receivables (continued)

(2) *Disclosure by the method of provision for bad debt (continued)*

As at 31 December 2023, trade receivables with provision for bad debt based on collective assessment are shown as follows:

		Book balance 賬面餘額	Provision for impairment 減值準備	Provision rate (%) 計提比例(%)
Within 1 year (inclusive)	1年以內(含1年)	1,642,764	3,814	0.23
Over 1 year	1年以上	4,403	623	14.15
		1,647,167	4,437	

(3) *Provision for bad debt*

		Opening balance 年初餘額	Provision for the year 本年計提	Reversal for the year 本年轉回	Write-off during the year 本年核銷	Closing balance 年末餘額
31 December 2024	二零二四年十二月 三十一日	4,437	6,142	(706)		9,873
31 December 2023	二零二三年十二月 三十一日	6,277	1,093	(2,933)	-	4,437

In 2024 and 2023, there was no recovery of provision for bad debt or reversal of significant amounts or write-off of significant trade receivables.

於2024年度及2023年度，無壞賬準備收回或轉回金額重要的款項，無重要的應收賬款核銷款項。

(4) *Trade receivables from top five debtors by year-end balance*

As at 31 December 2024, the total trade receivables from the top five debtors amounted to RMB2,114,820,000, representing 89.11% of the year-end balance of trade receivables. The year-end balance of impairment provisions for the trade receivables from the top five debtors totalled RMB4,865,000.

(4) *按欠款方歸集的年末餘額前五名的應收賬款情況*

於2024年12月31日，應收賬款金額前五名共計人民幣2,114,820千元，佔應收賬款期末餘額的89.11%，應收賬款金額前五名的資產減值準備期末餘額共計人民幣4,865千元。

1. 應收賬款(續)

(2) *按壞賬計提方法分類披露(續)*

於二零二三年十二月三十一日，組合計提壞賬準備的應收賬款情況如下：

(3) *壞賬準備的情況*

Notes to Financial Statements

財務報表附註

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

2. Other receivables

2. 其他應收款

		2024 二零二四年	2023 二零二三年
Dividends receivables	應收股利	12,950,000	7,940,000
Other receivables	其他應收款	20,003,005	18,470,735
		32,953,005	26,410,735

Other receivables

其他應收款

(1) Analysed by nature:

(1) 按款項性質分類情況：

		2024 二零二四年	2023 二零二三年
Receivables from subsidiaries	應收子公司款項	19,966,462	18,448,786
Guarantee deposits and deposits	保證金及押金	-	200
Others	其他	56,513	40,203
		20,022,975	18,489,189
Less: Bad debt provision for other receivables	減：其他應收款壞賬準備	19,970	18,454
		20,003,005	18,470,735

(2) Disclosure by aging

(2) 按賬齡披露

		2024 二零二四年	2023 二零二三年
Within 1 year	1年以內	20,020,899	18,486,541
Over 1 year	1年以上	2,076	2,648
		20,022,975	18,489,189
Less: Bad debt provision for other receivables	減：其他應收款壞賬準備	19,970	18,454
		20,003,005	18,470,735

Notes to Financial Statements

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

2. Other receivables (continued)

Other receivables (continued)

(3) Details of provision for bad debt

The change of provision for bad debts for other receivables based on the 12-months expected credit losses and the lifetime expected credit losses are as follows:

2024

2. 其他應收款(續)

其他應收款(續)

(3) 壞賬準備計提情況

其他應收款按照12個月預期信用損失及整個存續期預期信用損失分別計提的壞賬準備的變動如下：

二零二四年

		Stage 1 第一階段 12-months expected credit losses 未來12個月 預期信用 損失	Stage 2 第二階段 Lifetime expected credit losses (no credit impairment incurred) 整個存續期 預期信用 損失(未發生 信用減值)	Stage 3 第三階段 Lifetime expected credit losses (credit impairment incurred) 整個存續期 預期信用 損失(已發生 信用減值)	Total 合計
Opening balance	年初餘額	18,454	-	-	18,454
Opening balance transfer during the year	年初餘額在本年階段轉換	-	-	-	-
Provision for the year	本年計提	1,516	-	-	1,516
Reversal for the year	本年轉回	-	-	-	-
Write-off during the year	本年轉銷	-	-	-	-
Charge-off during the year	本年核銷	-	-	-	-
Other changes	其他變動	-	-	-	-
Closing balance	年末餘額	19,970	-	-	19,970

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

2. Other receivables (continued)

Other receivables (continued)

(3) Details of provision for bad debt (continued)

2023

2. 其他應收款(續)

其他應收款(續)

(3) 壞賬準備計提情況(續)

二零二三年

		Stage 1 第一階段	Stage 2 第二階段 Lifetime expected credit losses (no credit impairment incurred) 整個存續期 預期信用 損失(未發生 信用減值)	Stage 3 第三階段 Lifetime expected credit losses (credit impairment incurred) 整個存續期 預期信用 損失(已發生 信用減值)	Total 合計
Opening balance	年初餘額	4,461	-	-	4,461
Opening balance transfer during the year	年初餘額在本年階段轉換				
Provision for the year	本年計提	13,993	-	-	13,993
Reversal for the year	本年轉回	-	-	-	-
Write-off during the year	本年轉銷	-	-	-	-
Charge-off during the year	本年核銷	-	-	-	-
Other changes	其他變動	-	-	-	-
Closing balance	年末餘額	18,454	-	-	18,454

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

2. Other receivables (continued)

Other receivables (continued)

- (4) Top five other receivables amounts with the closing balance classified by the debtors

2. 其他應收款(續)

其他應收款(續)

- (4) 按欠款方歸集的年末餘額其他應收款金額前五名

	Closing balance	Aging	Percentage of total other receivables (%) 佔其他應收款總額的比例 (%)	Provision for bad debts 壞賬準備
	年末餘額	賬齡		
The largest customer in balance of other receivables 其他應收款餘額第一大客戶	13,414,305	Within 1 year 一年以內	66.99	13,414
The second largest customer in balance of other receivables 其他應收款餘額第二大客戶	6,531,881	Within 1 year 一年以內	32.62	6,532
The third largest customer in balance of other receivables 其他應收款餘額第三大客戶	6,586	Within 1 year 一年以內	0.03	7
The fourth largest customer in balance of other receivables 其他應收款餘額第四大客戶	4,782	Within 1 year 一年以內	0.02	5
The fifth largest customer in balance of other receivables 其他應收款餘額第五大客戶	3,231	Within 1 year 一年以內	0.02	3
	19,960,785		99.68	19,961

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

3. Long-term equity investments

3. 長期股權投資

(1) Long-term equity investments

(1) 長期股權投資情況

		Changes for the year									
		本年變動									
Opening balance	Increase of investment	Other increase/ (decrease) (Note)	Decrease of investment	Investment gains under equity method	Other comprehensive income	Other equity movements	Cash dividend declared	Allowance for impairment provision	Closing balance	Impairment provision at the end of the year	
年初餘額	追加投資	其他增加/ (減少)/ 註	減少投資	權益法下 投資收益	其他 綜合收益	其他 權益變動	宣告 現金股利	減值準備 計提	年末 餘額	年末 減值準備	
Cost method:	成本法：										
BYD USA Co., Ltd.	比亞迪美國有限公司	248	0	0	-	-	-	-	248	-	
BYD Europe	比亞迪歐洲公司	755	0	0	-	-	-	-	755	-	
BYD Lithium Battery Co., Ltd.	深圳市比亞迪鋰電池有限公司	6,539,528	0	(8,820)	-	-	-	-	6,530,708	-	
SHANGHAI BYD COMPANY LIMITED	上海比亞迪有限公司	390,911	0	(1,896)	-	-	-	-	389,015	-	
BYD Auto Co., Ltd.	比亞迪汽車有限公司	4,253,907	0	(2,729)	-	-	-	-	4,251,178	-	
BYD (H.K.) Co., Limited	比亞迪(香港)有限公司	32,508	6,059,780	0	-	-	-	-	6,092,288	-	
Shanghai BYD Electric Vehicle Co., Ltd.	上海比亞迪電動車有限公司	9,000	0	0	-	-	-	-	9,000	-	
Beijing BYD Mould Co., Ltd.	北京比亞迪模具有限公司	70,902	0	(369)	-	-	-	-	70,533	-	
BYD Auto Sales Co., Ltd.	比亞迪汽車銷售有限公司	68,336	0	(1,925)	-	-	-	-	66,411	-	
BYD Semiconductor Company Limited	比亞迪半導體股份有限公司	544,141	2,863,845	(1,050)	-	-	-	-	3,406,936	-	
BYD JAPAN	BYD JAPAN株式會社	16,153	0	0	-	-	-	-	16,153	-	
BYD Auto Industry Company Limited	比亞迪汽車工業有限公司	24,122,825	0	(30,476)	-	-	-	-	24,092,349	-	

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

3. Long-term equity investments (continued)

3. 長期股權投資(續)

(1) Long-term equity investments (continued)

(1) 長期股權投資情況(續)

		Changes for the year										
		Opening balance	Increase of investment	Other increase/ (decrease) (Note)	Decrease of investment	Investment gains under equity method			Other comprehensive income	Other equity movements	Cash dividend declared	Allowance for impairment provision
其他增加/ (減少)(註)	減少投資					權益法下	其他	其他				
		年初餘額	追加投資			投資收益	綜合收益	權益變動	現金股利	減值準備	年未	減值準備
Huizhou BYD Industrial Co., Ltd.	惠州比亞迪實業有限公司	555,687	0	(45)	-	-	-	-	-	-	555,642	-
Huizhou BYD Battery Co., Ltd.	惠州比亞迪電池有限公司	118,236	0	(737)	-	-	-	-	-	-	117,499	-
Shenzhen Chuangxin Materials Co., Ltd.	深圳比亞迪創芯材料有限公司	11,820	0	0	-	-	-	-	-	-	11,820	-
Shangluo BYD Industrial Co., Ltd.	商洛比亞迪實業有限公司	1,002,132	0	(58)	-	-	-	-	-	-	1,002,074	-
BYD (Shenzhen) Supply Chain Management Co., Ltd.	深圳市比亞迪供應鏈管理有限公司	3,500,038	0	116	-	-	-	-	-	-	3,500,154	-
Shenzhen BYD Investment Management Co., Ltd.	深圳市比亞迪投資管理有限公司	20,000	0	0	-	-	-	-	-	-	20,000	-
BYD Construction Engineering Co., Ltd.	比亞迪建設工程有限公司	106,480	0	(479)	-	-	-	-	-	-	106,001	-
BYD Signal & Communication Company Limited	比亞迪通信信號有限公司	126,166	0	450	-	-	-	-	-	-	126,616	-
Shenzhen FinDreams Venture Capital Co., Ltd.	深圳市弗迪創業投資有限公司	3,000	0	0	-	-	-	-	-	-	3,000	-
Shenzhen FinDreams Financial Leasing Co., Ltd.	深圳弗迪融資租賃有限公司	3,750,110	0	6,082	-	-	-	-	-	-	3,756,192	-
FinDreams Technology Co., Ltd.	弗迪科技有限公司	100,689	0	48	-	-	-	-	-	-	100,737	-
FinDreams Battery Co., Ltd.	弗迪電池有限公司	300,088	0	2	-	-	-	-	-	-	300,090	-

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XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

3. Long-term equity investments (continued)

3. 長期股權投資(續)

(1) Long-term equity investments (continued)

(1) 長期股權投資情況(續)

		Changes for the year										
		本年變動										
		Opening balance	Increase of investment	Other increase/ (decrease) (Note)	Decrease of investment	Investment gains under equity method	Other comprehensive income	Other equity movements	Cash dividend declared	Allowance for impairment provision	Closing balance	Impairment provision at the end of the year
		年初餘額	追加投資	其他增加/ (減少)/註	減少投資	權益法下投資收益	其他綜合收益	其他權益變動	宣告現金股利	減值準備	年末餘額	年末減值準備
Yichun BYD Mining Co., Ltd.	宜春比亞迪礦業有限責任公司	65,000	0	0	-	-	-	-	-	-	65,000	-
Guangzhou Guang Qi BYD New Energy Bus Co., Ltd.	廣州廣汽比亞迪新能源客車有限公司	0	103,879	0	-	-	-	-	-	-	103,879	-
Others (share-based payment)	其他(股份支付)	106,938	0	(1,787)	-	-	-	-	-	-	105,151	-
Equity method	權益法											
BYD Auto Finance Co., Ltd.	比亞迪汽車金融有限公司	9,561,264	-	-	-	1,263,352	-	-	-	-	10,824,616	-
Other joint ventures	其他合營企業	272,372	-	-	-	43,087	-	-	-	-	315,459	-
Chengxin Lithium Group Co., Ltd.	盛新錳能集團股份有限公司	2,034,810	-	-	-	(33,789)	-	-	(11,191)	(638,157)	1,351,673	(638,157)
Tibet Zabuye Lithium Industry Co., Ltd.	西藏日喀則扎布耶鎳業高科技有限公司	484,504	-	-	-	(5,932)	-	-	-	-	478,572	-
Other associates	其他聯營企業	1,396,572	152,000	-	-	5,047	-	-	(11,280)	-	1,542,339	-
Total	合計	59,565,120	9,179,504	(43,673)	-	1,271,765	-	-	(22,471)	(638,157)	69,312,088	(638,157)

Note: Other increase represents the effect of equity-settled inter-company share-based payment arrangement between the Company and its subsidiaries within the Group.

註：其他增加為集團內本公司與子公司基於以自身權益結算的集團內股份支付安排的影響。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

4. Revenue and cost of operating

(1) Operating revenue and operating costs

4. 營業收入及成本

(1) 營業收入和營業成本情況

		2024 二零二四年		2023 二零二三年	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Revenue from principal operations	主營業務收入	2,963,250	2,927,810	1,705,800	1,692,277
Other operating revenue	其他業務收入	1,317,715	830,495	1,038,156	619,408
Total	合計	4,280,965	3,758,305	2,743,956	2,311,685

Operating revenue is as follows:

營業收入列示如下：

		2024 二零二四年	2023 二零二三年
Revenue from contracts with customers	與客戶之間合同產生的收入		
Automobiles and related products, and other products	汽車、汽車相關產品及其他產品	4,042,775	2,560,748
Rental income	租賃收入	238,190	183,208
Total	合計	4,280,965	2,743,956

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (CONTINUED)

十七、公司財務報表主要項目註釋(續)

5. Investment income

5. 投資收益

		2024 二零二四年	2023 二零二三年
Dividends of subsidiaries within the scope of consolidation	合併範圍內子公司股利	12,950,000	7,940,000
Income from long-term equity investments under equity method	按權益法核算的長期股權投資收益	1,271,765	1,160,891
Investment income from investing in wealth management products and debt investment	投資理財產品與債權投資產生的投資收益	59,606	10,676
Dividend income on other equity instrument investments held	仍持有的其他權益工具投資的股利收入	25,690	19,545
Investment income from holding other non-current financial assets	其他非流動金融資產在持有期間取得的投資收益	1,549	2,124
Investment income from disposal of financial assets or liabilities held for trading	處置交易性金融資產或負債的投資收益	200	13,796
Investment income generated from disposal of long-term equity investments	處置長期股權投資產生的投資收益	-	1,333
Investment loss on disposal of subsidiaries	處置子公司的投資損失	-	(3,976)
Total	合計	14,308,810	9,144,389

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVIII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

十八、補充資料

1. 非經常性損益明細表

	Amount 金額
Gains or losses from the disposal of non-current assets (including the written-off portion of provisions for asset impairment)	(1,691,127)
Government grants (except for government grants which are closely related to normal business operations of the Company, in compliance with national policies and regulations, and influence the profit and loss on an ongoing basis) charged to gains or losses for the period	3,780,737
Non-financial business's gains or losses from fair value change arising from trading financial assets and trading financial liabilities held and gains or losses from disposal of trading financial assets and trading financial liabilities, other than effective value protection hedges relating to the Company's ordinary course of business	1,294,357
Reversal of impairment provision for individually tested receivables	38,903
Other non-operating income and expenses other than the above	826,352
Effect on income tax	(802,702)
Effects of non-controlling interests (after tax)	(175,061)
Total	3,271,459

The Group recognises non-recurring profit or loss in accordance with the provisions of "Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits and Losses" (CSRC Announcement [2023] No. 65) (《公開發行證券的公司信息披露解釋性公告第1號-非經常性損益》(證監會公告[2023]65號)).

本集團對非經常性損益項目的確認按照《公開發行證券的公司信息披露解釋性公告第1號-非經常性損益》(證監會公告[2023]65號)的規定執行。

Notes to Financial Statements

財務報表附註

RMB'000
人民幣千元

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

十八、補充資料(續)

2. Return ratio on net assets and earnings per share

2. 淨資產收益率和每股收益

		Weighted average return ratio on net assets (%) 加權平均淨資產收益率 (%)	Earnings per share (RMB) 每股收益 (人民幣元)	
			Basic 基本	Diluted 稀釋
2024	二零二四年			
Net profit attributable to ordinary shareholders of the parent company	歸屬於母公司普通股股東的淨利潤	26.05	13.84	13.84
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent company	扣除非經常性損益後歸屬於母公司普通股股東的淨利潤	23.93	12.71	12.71

The Group did not have any dilutive potential ordinary shares.

本集團無稀釋性潛在普通股。

APPENDIX II

**REPRODUCTION OF
THE GUARANTOR'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The information set out below is a reproduction of the Guarantor's audited consolidated financial statements for the year ended 31 December 2024.

6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 CONSOLIDATED BALANCE SHEET - ASSETS

<i>(In EURm)</i>		31.12.2024	31.12.2023
Cash, due from central banks		201,680	223,048
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	526,048	495,882
Hedging derivatives	Notes 3.2 and 3.4	9,233	10,585
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	96,024	90,894
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	32,655	28,147
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	84,051	77,879
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	454,622	485,449
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(292)	(433)
Insurance and reinsurance contracts assets	Note 4.3	615	459
Tax assets	Note 6	4,687	4,717
Other assets	Note 4.4	70,903	69,765
Non-current assets held for sale	Note 2.5	26,426	1,763
Investments accounted for using the equity method		398	227
Tangible and intangible fixed assets	Note 8.3	61,409	60,714
Goodwill	Note 2.2	5,086	4,949
TOTAL		1,573,545	1,554,045

6.1.2 CONSOLIDATED BALANCE SHEET - LIABILITIES

<i>(In EURm)</i>		31.12.2024	31.12.2023
Due to central banks		11,364	9,718
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	396,614	375,584
Hedging derivatives	Notes 3.2 and 3.4	15,750	18,708
Debt securities issued	Notes 3.6 and 3.9	162,200	160,506
Due to banks	Notes 3.6 and 3.9	99,744	117,847
Customer deposits	Notes 3.6 and 3.9	531,675	541,677
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(5,277)	(5,857)
Tax liabilities	Note 6	2,237	2,402
Other liabilities	Note 4.4	90,786	93,658
Non-current liabilities held for sale	Note 2.5	17,079	1,703
Insurance and reinsurance contracts liabilities	Note 4.3	150,691	141,723
Provisions	Note 8.2	4,085	4,235
Subordinated debts	Note 3.9	17,009	15,894
TOTAL LIABILITIES		1,493,957	1,477,798
SHAREHOLDER'S EQUITY			
Shareholders' equity, Group share			
Issued common stocks and capital reserves	Note 7.1	21,281	21,186
Other equity instruments		9,873	8,924
Retained earnings		33,863	32,891
Net income		4,200	2,493
SUB-TOTAL		69,217	65,494
Unrealised or deferred capital gains and losses	Note 7.3	1,039	481
SUB-TOTAL EQUITY, GROUP SHARE		70,256	65,975
Non-controlling interests		9,332	10,272
TOTAL EQUITY		79,588	76,247
TOTAL		1,573,545	1,554,045

6.1.3 CONSOLIDATED INCOME STATEMENT

<i>(In EURm)</i>		2024	2023
Interest and similar income	Note 3.7	55,019	53,087
Interest and similar expense	Note 3.7	(45,127)	(42,777)
Fee income	Note 4.1	10,817	10,063
Fee expense	Note 4.1	(4,591)	(4,475)
Net gains and losses on financial transactions		10,975	10,290
<i>o/w net gains and losses on financial instruments at fair value through profit or loss</i>	Note 3.1	11,149	10,327
<i>o/w net gains and losses on financial instruments at fair value through other comprehensive income</i>		(89)	(9)
<i>o/w net gains and losses from the derecognition of financial assets at amortised cost</i>		(85)	(28)
Income from insurance contracts issued	Note 4.3	3,851	3,539
Expenses from insurance services	Note 4.3	(2,058)	(1,978)
Income and expenses from reinsurance contracts held	Note 4.3	(40)	17
Net finance income or expenses from insurance contracts issued	Note 4.3	(5,901)	(6,285)
Net finance income or expenses from reinsurance contracts held	Note 4.3	13	5
Cost of credit risk of financial assets from insurance activities	Note 3.8	0	7
Income from lease activities, mobility and other activities	Note 4.2	27,582	21,005
Expenses from lease activities, mobility and other activities	Note 4.2	(23,752)	(17,394)
Net banking income		26,788	25,104
Other operating expenses	Note 5	(16,821)	(16,849)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(1,651)	(1,675)
Gross operating income		8,316	6,580
Cost of credit risk	Note 3.8	(1,530)	(1,025)
Operating income		6,786	5,555
Net income from investments accounted for using the equity method		21	24
Net income or expenses from other assets		(77)	(113)
Value adjustments on goodwill		-	(338)
Earnings before tax		6,730	5,128
Income tax	Note 6	(1,601)	(1,679)
Consolidated net income		5,129	3,449
Non-controlling interests	Note 2.3	929	956
Net income, Group share		4,200	2,493
Earnings per ordinary share	Note 7.2	4.38	2.17
Diluted earnings per ordinary share	Note 7.2	4.38	2.17

6.1.4 STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In EURm)

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

6.1.5 CHANGES IN SHAREHOLDERS' EQUITY

(In EURm)	Shareholders' equity, Group share							
	Issued common stocks and capital reserves	Other equity instruments	Retained earnings	Net income, Group share	Unrealised and deferred gains and losses	Total	Non-controlling interests	Total consolidated shareholder's equity
At 1 January 2023	21,248	9,136	35,697	-	889	66,970	6,356	73,326
Increase in common stock and issuance/redemption and remuneration of equity instruments	(1,133)	(212)	(1,143)	-	-	(2,488)	(70)	(2,558)
Elimination of treasury stock	961	-	(62)	-	-	899	-	899
Equity component of share-based payment plans	110	-	-	-	-	110	-	110
2023 Dividends paid (see Note 7.2)	-	-	(1,362)	-	-	(1,362)	(499)	(1,861)
Effect of changes of the consolidation scope	-	-	(34)	-	-	(34)	3,523	3,489
Sub-total of changes linked to relations with shareholders	(62)	(212)	(2,601)	-	-	(2,875)	2,954	79
2023 Net income	-	-	-	2,493	-	2,493	956	3,449
Change in unrealised or deferred gains and losses	-	-	-	-	(408)	(408)	65	(343)
Other changes	-	-	(205)	-	-	(205)	(59)	(264)
Sub-total	-	-	(205)	2,493	(408)	1,880	962	2,842
At 31 December 2023	21,186	8,924	32,891	2,493	481	65,975	10,272	76,247
Allocation to retained earnings	2	-	2,508	(2,493)	(17)	-	-	-
Increase in common stock and issuance/redemption and remuneration of equity instruments (see Note 7.1)	(94)	949	(723)	-	-	132	(551)	(419)
Elimination of treasury stock (see Note 7.1)	119	-	(97)	-	-	22	-	22
Equity component of share-based payment plans (see Note 5.1.3)	68	-	-	-	-	68	1	69
2024 Dividends paid (see Note 7.2)	-	-	(719)	-	-	(719)	(604)	(1,323)
Effect of changes of the consolidation scope (see Note 7.1)	-	-	2	-	-	2	(692)	(690)
Sub-total of changes linked to relations with shareholders	93	949	(1,537)	-	-	(495)	(1,846)	(2,341)
2024 Net income	-	-	-	4,200	-	4,200	929	5,129
Change in unrealised or deferred gains and losses	-	-	-	-	575	575	(52)	523
Other changes	-	-	1	-	-	1	29	30
Sub-total	-	-	1	4,200	575	4,776	906	5,682
At 31 December 2024	21,281	9,873	33,863	4,200	1,039	70,256	9,332	79,588

6.1.6 CASH FLOW STATEMENT

(In EURm)

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

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6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 1 MAIN ACCOUNTING PRINCIPLES

NOTE 1.1 Introduction



ACCOUNTING STANDARDS

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

These standards are available on the European Commission website.

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



FINANCIAL STATEMENTS PRESENTATION

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

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

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



PRESENTATION CURRENCY

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

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



CONNECTIVITY
BETWEEN THE
FINANCIAL
STATEMENTS
AND THE
SUSTAINABILITY
STATEMENT

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

NOTE 1.2 New accounting standards applied by the SG Group as of 1 January 2024



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

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

These amendments provide clarifications on the subsequent measurement of leaseback transactions when the original sale of the asset meets the criteria of IFRS 15 “Revenue from contract with customers” for recognition as a sale. These amendments specify in particular how to subsequently measure the lease liability arising from

these leaseback transactions, made of variable lease payments that do not depend on an index or a rate.

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

NOTE 1.3 Accounting standards, amendments or interpretations to be subsequently applied by the SG Group

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

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

2025

- Amendment to IAS 21 “The Effects of Changes in Foreign Exchange Rates”

2026

- Amendments to IFRS 9 “Amendments to the classification and measurement of financial instruments”
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity” (PPA and VPPA)

2027

- IFRS 18 “Presentation and Disclosure in Financial Statements”

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

Published on 15 August 2023.

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

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

AMENDMENTS TO IFRS 9 “AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS”

Published on 30 May 2024.

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

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

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

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

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

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

Published on 18 December 2024.

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

The contracts concerned can be settled:

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

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

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

IFRS 18 “PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS”

Published on 9 April 2024.

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

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

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

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

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

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

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

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

NOTE 1.4 Use of estimates and judgement

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

In order to make these estimates and assumptions, the Management uses the information available on the date when the consolidated financial statements are prepared and may exercise its judgement.

Valuations based on estimates intrinsically involve risks and uncertainties relating to their materialisation in the future. Consequently, the actual final results may differ from these estimates and have a significant impact on the financial statements at that time.

The assumptions and estimates made for the preparation of these consolidated financial statements take account of the uncertainties regarding the economic consequences of the current geopolitical and macroeconomic context. The effects of these events on the assumptions and estimates used are specified in paragraph 5 of this note.

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

- the fair value on the balance sheet of the financial instruments that are not listed on an active market and are recognised as Financial assets and liabilities at fair value through profit or loss, Hedging derivatives, Financial assets at fair value through other comprehensive income (see Notes 3.1, 3.2, 3.3 and 3.4), as well as the fair value of the instruments measured at amortised cost for which this information is disclosed in the Notes to the financial statements (see Note 3.9);
- the impairment and provisions for credit risk related to financial assets measured at amortised cost (including the pricing of real estate guarantees), financial assets at fair value through other comprehensive income and loan commitments and guarantee commitments granted measured using models or internal assumptions based on historical, current and prospective data (see Note 3.8). The use of estimates and judgment relates in particular to the assessment of the deterioration in credit risk observed since the initial recognition of financial assets and the measurement of the amount of expected credit losses on these same financial assets;
- the amortisation assumptions and conventions used to determine the maturities of financial assets and liabilities as part of the measurement and monitoring of structural interest rate risk and of the documentation of the related macro fair value hedge accounting (see Note 3.2);
- the impairment of Goodwill (see Note 2.2);
- the provisions recorded as liabilities on the balance sheet (see Notes 5.1 and 8.2);
- the estimates related to the valuation of insurance contracts assets and liabilities (see Note 4.3);
- the tax assets and liabilities recognised on balance sheet (see Note 6);
- an analysis of the characteristics of the contractual cash flows of financial instruments in order to determine the appropriate accounting classification (see Note 3);
- the assessment of the degree of control for the determination of the scope of consolidated entities, especially in the case of structured entities (see Note 2.1, 2.3 and 2.4);
- the determination of the lease term to be applied for recognising the right-of-use assets and lease liabilities (see Note 8.3).

NOTE 1.5 Geopolitical and macroeconomic environments

2024 was marked by geopolitical uncertainties, with, in particular, the continuing conflict in Ukraine and the situation in the Middle-East. In the United States, economic growth was higher than expected, sustained by strong consumption. In the Eurozone, after a first half-year when business remained resilient especially in the services sector, economic growth slackened in the second half-year, in particular as a result of the weakness of the German economy and the political uncertainties in France. In China, the supporting measures merely prevented economic growth from further decline but without any actual economic upturn.

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

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

NOTE 1.5.1 MACROECONOMIC SCENARIOS

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

The assumptions selected to build these scenarios are described below:

- the central scenario ("SG Central") predicts a low growth level in the eurozone in a context of more restrictive fiscal policy than in 2024

and of persistent geopolitical concerns. Inflation should converge with the Central banks' targets and the monetary policy is expected to ease. In the USA, a rebound in economic growth is expected in 2025. The economic policy ushered by the new president of the United States should initially benefit American growth but could however have a negative impact later on. It would burden the other areas and increase global uncertainty;

- the favourable scenario ("SG Favourable") describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions. In both cases, stronger growth will have a positive impact on employment and the profitability of companies;
- the stressed scenario ("SG Stress") corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (2008 crisis, eurozone crisis...), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research department of Societe Generale for all Group entities, based, in particular, on the information published by statistical institutes in each country.

Forecasts by institutions (IMF, Global Bank, ECB, OECD...) and the consensus among market economists serve as a reference to challenge the Group's forecasts.

NOTE 1.5.2 FINANCIAL INSTRUMENTS: EXPECTED CREDIT LOSSES

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

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

Variables

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

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

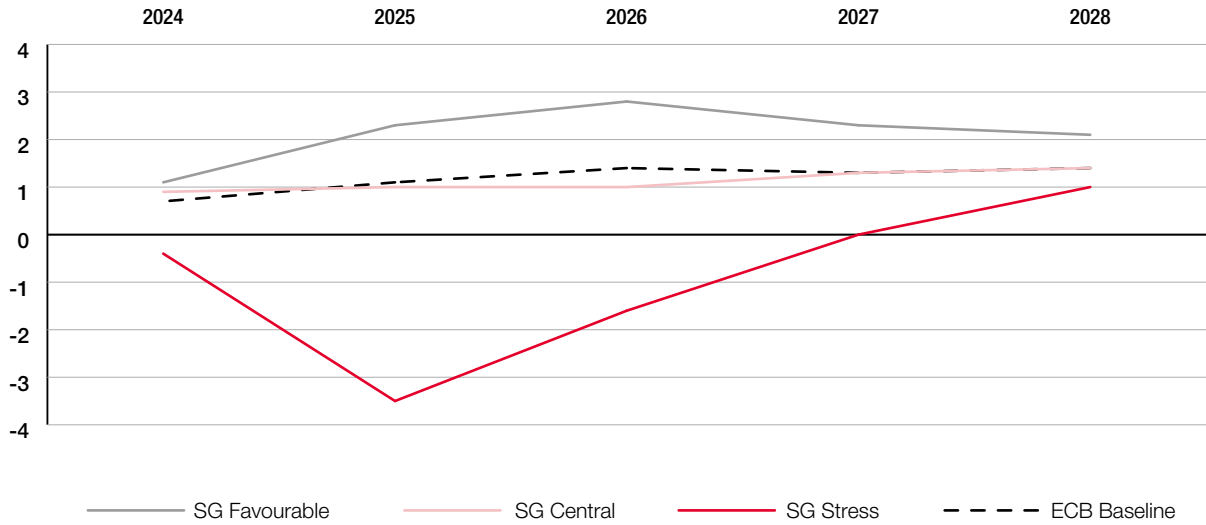
“SG Central” scenario	2025	2026	2027	2028	2029
France GDP	0.9	1.1	1.3	1.5	1.3
Disposable income of households in France	0.3	0.6	0.6	0.8	0.8
Eurozone GDP	1.0	1.0	1.3	1.4	1.2
United States GDP	1.5	1.8	2.0	2.2	2.0
Developed countries GDP ⁽¹⁾	1.3	1.5	1.6	1.8	1.6

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

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

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

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



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

WEIGHTING OF MACROECONOMIC SCENARIOS

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

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

PRESENTATION OF CHANGES IN WEIGHTS

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

CALCULATION OF EXPECTED CREDIT LOSSES AND SENSITIVITY ANALYSIS

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

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

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

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

COVID-19 CRISIS: STATE GUARANTEED LOANS (PGE)

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

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

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

CONSEQUENCES OF THE WAR IN UKRAINE

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

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

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

Exposures in Russia and Ukraine

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

The Group remains present in Ukraine through its Ayvens Ukraine Limited Liability Company subsidiary, the total balance sheet of which amounts to EUR 88 million as at 31 December 2024.

Offshore exposures

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

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

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

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

Other information

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

NOTE 1.6 Hyperinflation in Turkey and Ghana

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

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

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

Under IAS 29, the accounting value of some balance sheet items measured at cost is adjusted, as at the closing date, for the inflation effects observed over the period. In the financial statements of the

entities concerned, these adjustments are mainly applied to tangible assets (including in particular the rented car fleet, buildings), as well as to the different components of equity.

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

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

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

NOTE 2 CONSOLIDATION



MAKING IT
SIMPLE

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

Consolidation is based on a standardised accounting process so as to report in an aggregated format the accounts of Societe Generale's parent company and its subsidiaries, joint arrangements and associates as if they were a single entity.

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

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

ACCOUNTING PRINCIPLES

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

Consolidated entities

SUBSIDIARIES

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

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

Power

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

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

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

Exposure to variable returns

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

Link between power and variable returns

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

Special case of structured entities

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

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

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

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

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

JOINT ARRANGEMENTS

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

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

ASSOCIATES

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

Consolidation rules and methods

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

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

CONSOLIDATION METHODS

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

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

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

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

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

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

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

CONVERSION OF FOREIGN ENTITY FINANCIAL STATEMENTS

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

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

CHANGES IN THE GROUP'S OWNERSHIP INTERESTS IN A CONSOLIDATED ENTITY

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

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

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

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

Commitments to buy out minority shareholders in fully consolidated subsidiaries

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

The commitments are recorded as follows:

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

NOTE 2.1 Consolidation scope

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

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

SALE OF SOCIETE GENERALE TCHAD

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

CREATION OF A PARTNERSHIP BETWEEN SOCIETE GENERALE AND ALLIANCEBERNSTEIN

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

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

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

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

SANFORD C. BERNSTEIN HOLDINGS LIMITED (ENTITY FULLY CONSOLIDATED)

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

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

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

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

(In EURm)	Allocation as at 31 December 2024
Tangible and intangible fixed assets	4
Due from banks	246
Net tax assets	5
Customer deposits	(80)
Net other assets and liabilities	(14)
Fair value of assets and liabilities acquired (C)	161
Non-controlling interests ⁽¹⁾ (B)	79
Purchase price (A)	108
GOODWILL (A) + (B) - (C)	26

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

BERNSTEIN NORTH AMERICA HOLDINGS LLC (ENTITY CONSOLIDATED BY EQUITY METHOD)

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

DISPOSAL OF SHINE

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

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

On 3 December 2024, the Societe Generale group finalised the sale of SG Marocaine de Banques and its subsidiaries and the entity La Marocaine Vie to Saham group.

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

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

DISPOSAL OF SOCIETE GENERALE MADAGASCAR

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

NOTE 2.2 Goodwill



MAKING IT
SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

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

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

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

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

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

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

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

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

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

As of 31 December 2024, goodwill is split into the following nine CGUs:

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

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

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

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

(2) The other decreases include the reclassification of the entities held for sale's goodwill to Non-current assets held for sale (see Note 2.5).

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

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

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

As of 30 June 2024, the Group assessment of the earn out consideration at closing date of the transaction was EUR 142 million.

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

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

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

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

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

(2) Amount after elimination of intra-group transactions.

(3) Other equity instruments issued.

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

- a net increase of EUR 2 million in tangible and intangible assets, which breaks down into:
 - additional decrease of EUR 63 million in the value of LeasePlan's intangible assets (software) at the date of the acquisition due to a completion rate adjustment for ongoing IT developments, corrections of the scope of the software and confirmation of impairment items already existing at the acquisition date,
 - increase in leased assets of EUR 60 million and customer relationships intangible of EUR 4.6 million;
- a decrease of EUR 117 million in other net assets and liabilities mainly due to:
 - a decrease of EUR 23 million in the stake in the Please entity following an update of the valuation (the activity has been discontinued in 2022) and of the percentage of ownership by the Group,

- a decrease of EUR 18 million related to allowance for expected credit losses on trade receivables as a result of alignment to the methodology applied by the Group,
- a decrease of EUR 73 million related to the historical motor finance commission payments (DCA – Discretionary Commission Arrangement) to be accrued for Inula Holding UK Limited. The omission of a provision from the 2023 financial statements has been considered as a prior period error and adjusted against the Goodwill;
- an increase of EUR 35 million in net deferred tax asset arising from the adjustments above.

IMPAIRMENT TEST OF CGU

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

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

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

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

- for each CGU, estimates of future distributable dividends are determined over a five-year period, based on a on a five-year (from 2025 to 2029) budget trajectory (SG Central scenario) extrapolated to 2030, the latter year being used to calculate the terminal value;
- these estimates consider the equity target allocated to each CGU, in increase compared to 31 December 2023 (13% of the risk-weighted assets of each CGU for 2024 *versus* 12% for 2023);

- the growth rates used to calculate the terminal value are determined using forecasts on sustainable long-term economic growth and inflation. These rates are estimated using two main sources, namely the International Monetary Fund and the economic analyses produced by SG Cross Asset Research which provides 2028 or 2029 forecasts;

- the central scenario makes the working assumption that governments and corporates deliver on announced policy pledges in line with a Below 2°C (B2D) scenario but falling short of Net Zero 2050 (1.5°C). The scenario assumes no major public opinion push-back, and envisions that public policies will prioritise efficient green investment, with private sector financing playing a key role. This implies significant sectorial transformations, with some sectors, seeing declining demand;

- the projected dividends are then discounted based on a rate equal to the risk-free rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free rate available around monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued (mainly US dollar area or Euro area), in proportion with risk-weighted assets for CGUs covering several countries.

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

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

These budgets are based on the following main business and macroeconomic assumptions:

Pillars

French Retail, Private Banking and Insurances

French Retail and Private Banking	<ul style="list-style-type: none"> ■ Ongoing efforts to migrate operations and relationship banking at Societe Generale towards a digital model and merge the two retail banking networks ■ Consolidation of commercial and operational efficiency in Wealth Management and continued development of synergies with retail banking network ■ Confirmation of Boursorama's customer acquisition plan to reach more than 8 millions clients in 2026
Insurances	<ul style="list-style-type: none"> ■ Reinforcement of integrated bank insurance model and continued dynamic growth in France and abroad in synergy with the retail banking network, Private Banking and financial services to businesses

Global Banking and Investor Solutions

Global Markets and Investor Services	<ul style="list-style-type: none"> ■ Thanks to the restructuring initiated and integration of Bernstein, better balance of the portfolio of businesses securing future revenues and enabling an optimisation of the use of ressources in a standardised market context ■ Consolidation of market-leading franchises (equities) and growth mainly supported by financing and investment solutions activities ■ Continued of optimisation measures and investments in information systems
Financing and Advisory	<ul style="list-style-type: none"> ■ Consolidation of origination momentum of financing activities oriented towards capital consumption optimisation ■ Consolidation of market-leading franchises (commodity and structured financing) and continued RSE business development

Mobility, International Retail Banking and Financial Services⁽¹⁾

Europe	<ul style="list-style-type: none"> ■ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations ■ Strict discipline applied to operating expenses and normalisation of cost of risk
Africa, Mediterranean Basin and French Overseas Territories	<ul style="list-style-type: none"> ■ Consolidation of positions in a transforming perimeter ■ Continued focus on operating efficiency (automatisation, dematerialisation, digitalisation and mutualisation initiatives) and gradual reduction cost of risk
Auto Leasing Financial Services	<ul style="list-style-type: none"> ■ Creation of a leading global player in mobility with the integration of LeasePlan ■ New strategic plan articulated around four priorities: clients, operational efficiency, responsibility and profitability
Consumer Finance	<ul style="list-style-type: none"> ■ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations ■ Strict discipline applied to operating expenses and normalisation of cost of risk

(1) As of 31 December 2024, the assets of CGU Equipment and Vendor Finance were reclassified into Non-current Assets held for sale (see Note 2.5).

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

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

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

NOTE 2.3 Additional disclosures for consolidated entities and investments accounted for using the equity method

This note provides additional disclosures for entities included in the consolidation scope.

These disclosures concern entities over which Societe Generale exercises exclusive control, joint control or significant influence,

provided these entities have significant impact on the Group's consolidated financial statements. The significance of the impact is considered in particular regarding Group consolidated total assets and gross operating income.

NOTE 2.3.1 CONSOLIDATED STRUCTURED ENTITIES

Consolidated structured entities include:

- collective investment vehicles such as SICAVs (open-ended investment funds) and mutual funds managed by the Group's asset management subsidiaries;
- securitisation funds and conduits issuing financial instruments that can be subscribed for by investors and that generate credit risks inherent in an exposure or basket of exposures which can be divided into tranches; and
- asset financing vehicles (aircraft, rail, shipping or real estate finance facilities).

The Group has entered into contractual agreements with certain consolidated structured entities that may lead to financial support for these entities due to their exposure to credit, market or liquidity risks.

The Group did not provide any financial support to these entities outside of any binding contractual arrangement and, as of 31 December 2024, does not intend to provide such support.

Securities issued by structured debt vehicles carry an irrevocable and unconditional guarantee from Societe Generale for payment of amounts due by the issuer. These issuers also enter into hedging transactions with Societe Generale to enable them to meet their payment obligations. As at 31 December 2024, the amount of outstanding loans thus guaranteed is EUR 53.7 billion.

As part of its securitisation activities on behalf of its clients or investors, Societe Generale grants two liquidity lines to ABCP (Asset Back Commercial Paper) conduits for a total amount for EUR 27.2 billion as at 31 December 2024.

NOTE 2.3.2 NON-CONTROLLING INTERESTS

Non-controlling interests refer to equity holdings in fully consolidated subsidiaries that are neither directly nor indirectly attributable to the Group. They include equity instruments issued by these subsidiaries and not held by the Group, as well as the share of income and accumulated reserves, and of unrecognised or deferred gains and losses attributable to the holders of these instruments.

Non-controlling interests amount to EUR 9,332 million as at 31 December 2024 (EUR 10,272 million as at 31 December 2023) and account for 12% of total shareholders' equity as at 31 December 2024 (13% as at 31 December 2023).

INFORMATION ON SHAREHOLDER'S EQUITY OF NON-CONTROLLING INTERESTS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Capital and reserves	8,704	9,095
Other equity instruments issued by subsidiaries (see Note 7.1)	800	1,300
Unrealised or deferred gains and losses	(172)	(123)
TOTAL	9,332	10,272

The non-controlling interests, of significant amount in terms of contribution to the total shareholders' equity in the Group's consolidated balance sheet, relate to:

- Ayvens group;
- listed subsidiaries Komerčni Banka AS, BRD – Groupe Societe Generale SA and SG Marocaine de Banques⁽¹⁾;
- Sogécap, fully owned, with the subordinated notes issued in December 2014.

	31.12.2024				
(In EURm)	Group voting interest	Group ownership interest	Net income attributable to non-controlling interests	Total non-controlling interests	Dividends paid during the year to holders of non-controlling interests
Groupe Ayvens	68.97%	52.59%	320	4,934	(205)
Komerčni Banka AS	60.73%	60.73%	262	1,871	(243)
Sogécap	100.00%	100.00%	33	829	(33)
BRD – Groupe Societe Generale SA	60.17%	60.17%	119	729	(64)
SG Marocaine de Banques ⁽¹⁾	-	-	46	-	(13)
Other entities			149	969	(97)
TOTAL			929	9,332	(655)

(1) The Societe Generale group sold SG Marocaine de Banques to the Saham group on 3 December 2024 (see Note 2.1).

	31.12.2023				
(In EURm)	Group voting interest	Group ownership interest	Net income attributable to non-controlling interests	Total non-controlling interests	Dividends paid during the year to holders of non-controlling interests
Groupe Ayvens	68.97%	52.59%	353	5,324	(186)
Komerčni Banka AS	60.73%	60.73%	247	1,881	(185)
Sogécap	100.00%	100.00%	33	829	(33)
BRD – Groupe Societe Generale SA	60.17%	60.17%	126	681	(48)
SG Marocaine de Banques	57.67%	57.67%	49	545	(14)
Other entities			148	1,012	(103)
TOTAL			956	10,272	(569)

SUMMARY OF FINANCIAL INFORMATION ON MAIN NON-CONTROLLING INTERESTS

The information below concern entities or subgroups (excluding Sogécap) taken at 100% and before the elimination of intra-group operations.

	31.12.2024			
(In EURm)	Net banking income	Net income	Net income and unrealised or deferred gains and losses	Total balance sheet
Groupe Ayvens	2,940	623	825	172,396
Komerčni Banka AS	1,400	676	585	60,066
BRD – Groupe Societe Generale SA	783	296	277	17,285
SG Marocaine de Banques ⁽¹⁾	464	115	89	-

(1) The Societe Generale group sold SG Marocaine de Banques to the Saham group on 3 December 2024 (see Note 2.1).

	31.12.2023			
(In EURm)	Net banking income	Net income	Net income and unrealised or deferred gains and losses	Total balance sheet
Groupe Ayvens ⁽¹⁾	3,046	946	749	113,862
Komerčni Banka AS	1,448	640	489	60,369
BRD – Groupe Societe Generale SA	752	332	502	16,361
SG Marocaine de Banques	475	120	144	10,425

(1) Amounts restated compared to the published financial statements as at 31 December 2023.

NOTE 2.3.3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)**SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES**

(In EURm)	Joint ventures		Associates		Total investments accounted for using the equity method	
	2024	2023	2024	2023	2024	2023
Group share:						
Net income	-	7	21	16	21	24
Unrealised or deferred gains and losses (net of tax)	-	-	-	-	-	-
NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES	-	7	21	16	21	24

COMMITMENTS TO RELATED PARTIES FOR ASSOCIATES AND JOINT VENTURES

(In EURm)	31.12.2024	31.12.2023
Loan commitments granted	3	-
Guarantee commitments granted	-	-
Forward financial instrument commitments	-	-

NOTE 2.3.4 SIGNIFICANT RESTRICTIONS ON THE ABILITY TO ACCESS OR USE THE ASSETS OF THE GROUP

Legal, regulatory, statutory or contractual constraints or requirements may restrict the ability of the Group to transfer assets freely to or from entities within the Group.

The ability of consolidated entities to distribute dividends or to grant or repay loans and advances to entities within the Group depends on, among other things, local regulatory requirements, statutory reserves and financial and operating performance. Local regulatory requirements may concern regulatory capital, exchange controls or non-convertibility of the local currency (as it is the case in countries belonging to the West African Economic and Monetary Union or to the Economic and Monetary Community of Central Africa), liquidity ratios (as in the United States) or large exposures ratios that aim to cap the entity's exposure in relation to the Group (regulatory requirement to be fulfilled in most countries in Eastern and Central Europe, Maghreb and sub-Saharan Africa). Since May 2022, Russia published legislation providing for temporary restrictions and a special procedure on cash and capital movements initiated by Russian limited companies in favour of their foreign stakeholders related to "unfriendly countries".

The ability of the Group to use assets may also be restricted in the following cases:

- assets pledged as security for liabilities, notably guarantees provided to the central banks, or assets pledged as security for transactions in financial instruments, mainly through guarantee deposits with clearing houses;
- securities that are sold under repurchase agreements or that are lent;
- assets held by insurance subsidiaries in representation of unit-linked liabilities with life-insurance policyholders;
- assets held by consolidated structured entities for the benefit of the third-party investors that have bought the notes or securities issued by the entity;
- mandatory deposits placed with central banks.

NOTE 2.4 Unconsolidated structured entities

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

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

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

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

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

NOTE 2.4.1 INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

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

Such interests can be evidenced by:

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

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

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

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

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

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

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

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

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

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

NOTE 2.4.2 INFORMATION ON UNCONSOLIDATED STRUCTURED ENTITIES SPONSORED BY THE GROUP

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

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

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

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

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

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

NOTE 2.5 Non-current assets held for sale and related debt

ACCOUNTING PRINCIPLES

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

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

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

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

As part of the execution of Societe Generale presented its strategic roadmap on 18 September 2023. It aims to develop a simplified, more synergetic and efficient model, while strengthening its capital base. To achieve this, the Group is engaged in a disposal process of several subsidiaries.

The main subsidiaries are:

■ Societe Generale Equipment Finance (SGEF)

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

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

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

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

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

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

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

Mobility and Financial Services	French retail and Private Banking	International Retail Banking
Gefa Bank GmbH	SG Kleinwort Hambros Bank Limited	Societe Generale de Banques en Guinée Équatoriale ⁽¹⁾
Fraer Leasing SPA	SG Kleinwort Hambros Trust Company (UK) Limited	Societe Generale Mauritanie ⁽¹⁾
Societe Generale Equipment Finance Limited	Kleinwort Benson International Trustees Limited	Societe Generale Burkina Faso ⁽²⁾
SG Leasing SPA	SG Kleinwort Hambros Bank Limited Guernsey Branch	Societe Generale Bénin
SG Equipment Finance Iberia, EFC, SA	SG Kleinwort Hambros Bank Limited, Jersey Branch	Societe Generale Guinée
SG Equipment Finance USA Corp.	SG Kleinwort Hambros Bank Limited Gibraltar Branch	
SG Equipment Finance Italy SPA	J D Corporate Services Limited	
SG Equipment Finance Schweiz AG	SG Kleinwort Hambros Trust Company (CI) Limited	
SG Equipment Leasing Polska SP Z.O.O.	Hambros (Gibraltar Nominees) Limited	
SG Equipment Finance Benelux BV	Hambros (Guernsey Nominees) Ltd.	
Societe Generale Leasing and Renting Co. Ltd.	Elmford Limited	
SG Equipment Finance Hungary ZRT	Hanom I Limited	
Philips Medical Capital France	CDS International Limited	
Societe Generale Equipment Finance S/A – Arrendamento Mercantil	SGKH Trustees (CI) Limited	
SGEF SA	SG Kleinwort Hambros Nominees Limited	
Philips Medical Capital GmbH	Societe Generale Private Banking (Suisse) SA	
SG Equipment Finance Benelux BV Belgian Branch		
SG Equipment Finance (December) Limited		
GEFA Versicherungsdienst GmbH		

(1) The Group still intends to sell the subsidiaries Societe Generale de Banques in Equatorial Guinea and Societe Generale Mauritanie. The assets and liabilities of these entities are presented in the table of non-current assets and liabilities held for sale since 30 June 2023.

(2) The Group still intends to sell its subsidiary Societe Generale Burkina Faso. The assets and liabilities of this entity are presented in the table of non-current assets and liabilities held for sale since 31 December 2023.

NOTE 3 FINANCIAL INSTRUMENTS



MAKING IT
SIMPLE

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

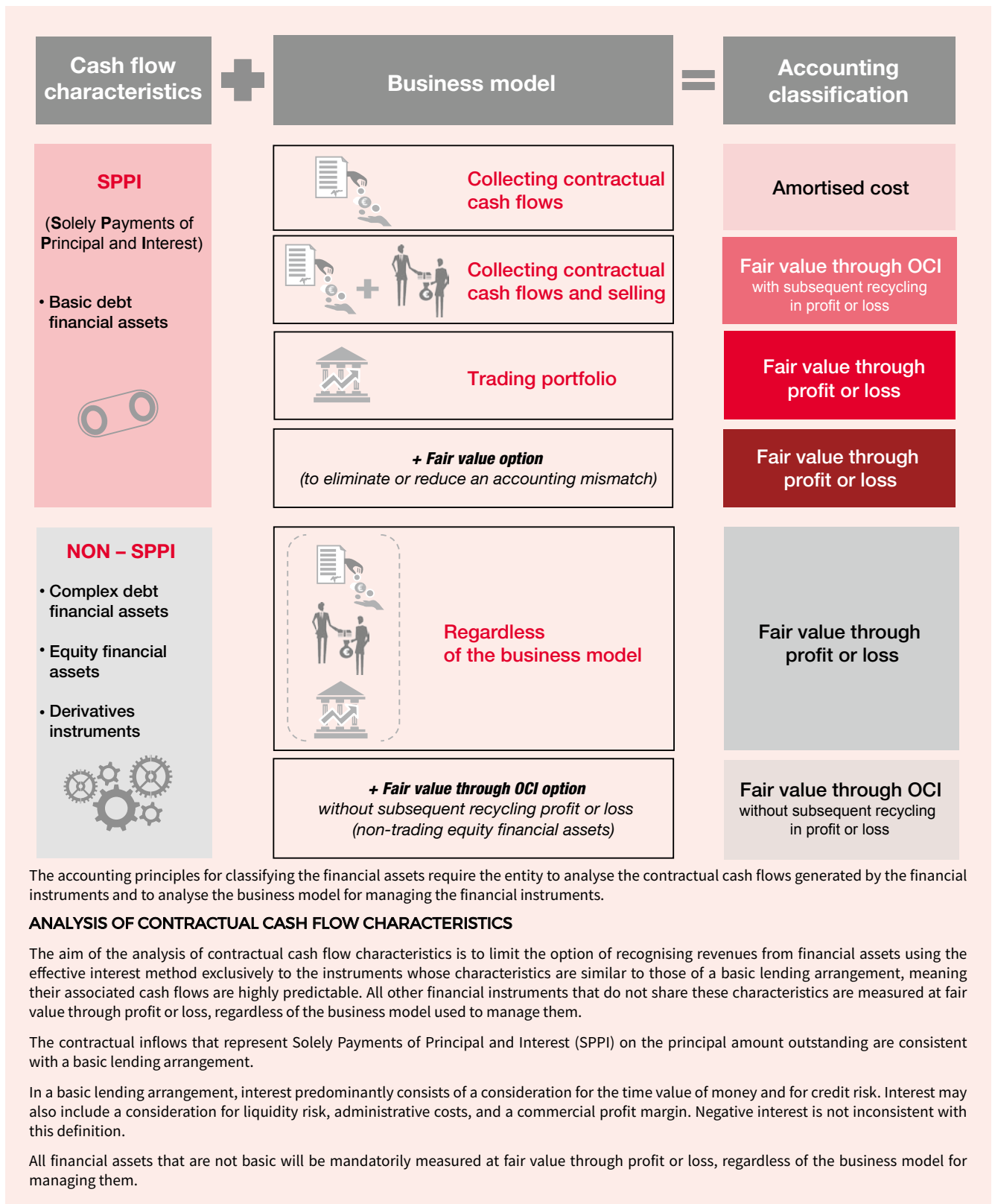
In the financial statements, the classification and valuation of financial assets and liabilities depend on their contractual characteristics and the way the entity manages those financial instruments.

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

ACCOUNTING PRINCIPLES

Classification of financial assets

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



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

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

ANALYSIS OF THE BUSINESS MODEL

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

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

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

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

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

FAIR VALUE OPTION

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

Classification of financial liabilities

Financial liabilities are classified into one of the following two categories:

- financial liabilities at fair value through profit or loss: these are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Group upon initial recognition to be measured at fair value through profit or loss using the fair value option;
- debts: these include the other non-derivative financial liabilities and are measured at amortised cost.

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

Reclassifications of financial assets

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

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

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.4.

Initial recognition

Financial assets are recognised on the balance sheet:

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

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

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

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

Derecognition of financial assets and liabilities

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

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

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

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

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

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

Foreign exchange transactions

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

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

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

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

METHOD OF ANALYSIS OF CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS

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

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

The prepayment compensation is considered as reasonable especially when:

- the amount is calculated as a percentage of the outstanding amount of the loan and is capped by regulations (in France, for example, compensation for the prepayment of mortgage loans by individuals is legally capped at an amount equal to six months of interest or 3% of the principal outstanding), or is limited by competitive market practices;
- the amount is equal to the difference between contractual interest that should have been received until the maturity of the loan and the interest that would be obtained by the reinvestment of the prepaid amount at a rate that reflects the relevant benchmark interest rate.

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



Basic financial assets (SPPI) are debt instruments which mainly include:

- fixed-rate loans;
- variable-rate loans that can include caps or floors;
- fixed or variable-rate debt securities (government or corporate bonds, other negotiable debt securities);
- securities purchased under resale agreements (reverse repos);
- guarantee deposits paid;
- trade receivables.

Contractual terms that would introduce exposure to risks or volatility in the contractual cash flows, unrelated to a basic lending arrangement (such as exposure to changes in equity prices or stock indexes for

instance, or leverage features), could not be considered as being SPPI, except if their effect on the contractual cash flows remains minimum (*de minimis* character of their variability).



Non-basic financial assets (non-SPPI) mainly include:

- derivative instruments;
- shares and other equity instruments held by the entity;
- equity instruments issued by mutual funds;
- debt financial assets that can be converted or redeemed into a fixed number of shares (convertible bonds, equity-linked securities, etc.);
- structured instruments whose cash flows are indexed, in part or in whole, to a benchmark index.



The Basic financial assets (SPPI) held by the Group include the financing of sustainable development projects (labelled Environment Social and Governance) in the form of Sustainability-linked bonds, social bonds and Green bonds with SPPI-compliant contractual cash flows.

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

Impact loans have been granted by the Group to support enterprises in their Sustainability approach through an incentive mechanism that reviews the margin according to ESG criteria specific to the borrower or

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

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

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

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

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

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

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

The information on the types of risks, the risk management linked to financial instruments as well as the information on capital management and compliance with regulatory ratios, required by IFRS as adopted by the European Union, are disclosed in Chapter 4 of the present Universal Registration Document (Risks and capital adequacy).

NOTE 3.1 Financial assets and liabilities at fair value through profit or loss

OVERVIEW

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

NOTE 3.1.1 TRADING PORTFOLIO

ACCOUNTING PRINCIPLES

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

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

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

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

TRADING ACTIVITIES

Financial assets held for trading are:

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



Global market activities

The trading business model is applied by Global Banking and Investor Solutions to manage its global market activities.

It is also applied for managing syndicated loan commitments and loans that are not intended to be kept by the Group and that have been identified since their origination as to be sold in the short term (within 6 to 12 months) on the secondary market, as well as for loans originated by the Group through originate-to-distribute activities and that are expected to be sold shortly.

Financial assets held in run-off portfolios are also monitored based on their fair value. Although those portfolios are not related to market activities, those assets are presented amongst trading portfolio and are measured at fair value through profit or loss.

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

ASSETS

(In EURm)

	31.12.2024	31.12.2023
Bonds and other debt securities	48,226	39,427
Shares and other equity securities	89,995	71,694
Securities purchased under resale agreements	148,207	159,073
Trading derivatives ⁽¹⁾	96,745	83,535
Loans, receivables and other trading assets	8,206	12,358
TOTAL	391,379	366,087
<i>o/w securities lent</i>	<i>23,081</i>	<i>14,509</i>

(1) See Note 3.2 Financial derivatives.

LIABILITIES

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

(1) See Note 3.2 Financial derivatives.

NOTE 3.1.2 FINANCIAL INSTRUMENTS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

ACCOUNTING PRINCIPLES

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

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

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

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

BREAKDOWN OF LOANS, RECEIVABLES AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

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

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

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

NOTE 3.1.3 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS USING FAIR VALUE OPTION

ACCOUNTING PRINCIPLES

In addition to the financial assets and liabilities held for trading, and the financial assets measured mandatorily at fair value through profit or loss, the same items in the financial statements include the non-derivative financial assets and liabilities that the Group has designated at fair value through profit or loss. Changes in the fair value of these instruments (including interest) are recorded in profit or loss under “Net gains or losses on financial instruments at fair value through profit or loss”, except the share related to the Group’s own credit risk on financial liabilities which is booked under “Unrealised or deferred gains and losses”.

Furthermore, in case of derecognition of a financial liability at fair value through profit or loss using the fair value option before its contractual maturity, any gains and losses, related to the Group’s own credit risk are booked under “Unrealised or deferred gains and losses” and then reclassified under “Retained earnings” at the beginning of the subsequent financial year.

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

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

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

ASSETS

(In EURm)

	31.12.2024	31.12.2023
Bonds and other debt securities	14,394	13,821
Loans, receivables and securities purchased under resale agreements	57	68
Separate assets for employee benefits plans ⁽¹⁾	1,290	1,255
TOTAL	15,741	15,144

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

LIABILITIES

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

The Group thus recognises structured bonds issued by Societe Generale Corporate and Investment Banking at fair value through profit

or loss. These issuances are purely commercial and the associated risks are hedged on the market using financial instruments managed in trading portfolios. By using the fair value option, the Group can ensure consistency between the accounting treatment of these bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

(In EURm)

	31.12.2024		31.12.2023	
	Fair value	Amount redeemable at maturity	Fair value	Amount redeemable at maturity
Financial instruments measured using fair value option through profit or loss	100,681	100,933	94,249	99,500

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

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

NOTE 3.1.4 NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

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

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

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

Insofar as income and expenses recorded in the income statement are classified by nature rather than by purpose, the net income generated by activities in financial instruments at fair value through profit or loss must be assessed as a whole. It should be noted that the income

shown here does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

NOTE 3.2 Financial derivatives

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

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

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

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

ACCOUNTING PRINCIPLES

Derivatives are financial instruments meeting the following three criteria:

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

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

Special case - derivatives having societe generale shares as their underlying instrument

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

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

Embedded derivatives

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

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

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

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

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

NOTE 3.2.1 TRADING DERIVATIVES

ACCOUNTING PRINCIPLES

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

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

FAIR VALUE

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

The Group uses credit derivatives in the management of its corporate credit portfolio, primarily to reduce individual, sectorial and geographical concentration and to implement a proactive risk and capital management approach. All credit derivatives, regardless of their

purpose, are measured at fair value through profit or loss and cannot be qualified as hedging instruments for accounting purposes. Accordingly, they are recognised at fair value among trading derivatives.

COMMITMENTS (NOTIONAL AMOUNTS)

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

NOTE 3.2.2 HEDGING DERIVATIVES

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

ACCOUNTING PRINCIPLES

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

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

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

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

Fair value hedges

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

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

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

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

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

Cash flow hedges

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

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

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

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

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

Hedging of a net investment in a foreign operation

The purpose of a hedging of a net investment in a foreign company is to protect against exchange rate risk.

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

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

Portfolio hedges (macro-hedge)

In this type of hedge, interest rate derivatives are used to globally hedge the structural interest rate risk resulting mainly from Retail Banking activities. In accounting for these transactions, are either documented as fair value hedges or as cash flow hedges, depending on the Group entities.

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

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

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

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

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

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

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

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

FAIR VALUE

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

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

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

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

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

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

COMMITMENTS (NOTIONAL AMOUNTS)

(In EURm)	31.12.2024	31.12.2023
Interest rate instruments	613,674	668,657
Firm instruments ⁽¹⁾	610,683	665,813
<i>Swaps</i>	438,681	520,808
<i>FRAs</i>	172,002	145,005
Options ⁽¹⁾	2,991	2,844
Foreign exchange instruments	11,056	8,355
Firm instruments	11,056	8,355
Equity and index instruments	338	226
Firm instruments	338	226
TOTAL	625,068	677,238

(1) Amounts restated compared to the published financial statements as at 31 December 2023.

MATURITIES OF HEDGING FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

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

<i>(In EURm)</i>	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	31.12.2024
Interest rate instruments	73,886	76,755	328,868	134,165	613,674
Foreign exchange instruments	3,562	6,660	834	-	11,056
Equity and index instruments	82	80	174	2	338
TOTAL	77,530	83,495	329,876	134,167	625,068

FAIR VALUE HEDGE: BREAKDOWN OF HEDGED ITEMS

<i>(In EURm)</i>	31.12.2024		
	Carrying amount	Cumulative change in the fair value ⁽²⁾	Change in the fair value booked during the period ⁽³⁾
Hedge of interest rate risk			(1,621)
Hedged assets	118,572	23	551
<i>Due from banks, at amortised cost</i>	1,466	(30)	30
<i>Customer loans, at amortised cost</i>	11,976	(73)	104
<i>Securities at amortised cost</i>	3,889	(106)	(47)
<i>Financial assets at fair value through other comprehensive income</i>	31,008	524	(19)
<i>Customer loans (macro hedged)⁽¹⁾</i>	70,233	(292)	483
Hedged liabilities	285,247	(9,108)	(2,172)
<i>Debt securities issued</i>	70,889	(1,881)	(814)
<i>Due to banks</i>	20,749	(678)	(398)
<i>Customer deposits</i>	13,365	31	(29)
<i>Subordinated debts</i>	15,238	(1,303)	142
<i>Customer deposits (macro hedged)⁽¹⁾</i>	165,006	(5,277)	(1 073)
Hedge of currency risk			(0)
Hedged liabilities	201	0	(0)
<i>Subordinated debts</i>	201	0	(0)
Hedge of equity risk			(1)
Hedged liabilities	47	24	(1)
<i>Other liabilities</i>	47	24	(1)
TOTAL			(1,622)

31.12.2023

(In EURm)	Carrying amount	Cumulative change in the fair value ⁽²⁾	Change in the fair value booked during the period ⁽³⁾
Hedge of interest rate risk			(2,973)
Hedged assets	97,107	(189)	3,111
<i>Due from banks, at amortised cost</i>	1,382	(56)	45
<i>Customer loans, at amortised cost</i>	8,016	(145)	160
<i>Securities at amortised cost</i>	2,391	(59)	202
<i>Financial assets at fair value through other comprehensive income</i>	26,455	504	971
<i>Customer loans (macro hedged)⁽¹⁾</i>	58,863	(433)	1,733
Hedged liabilities	166,359	(10,743)	(6,084)
<i>Debt securities issued</i>	41,632	(2,666)	(1,756)
<i>Due to banks</i>	20,426	(1,082)	(850)
<i>Customer deposits</i>	13,856	(3)	(83)
<i>Subordinated debts</i>	10,815	(1,135)	(280)
<i>Customer deposits (macro hedged)⁽¹⁾</i>	79,630	(5,857)	(3,115)
Hedge of currency risk			1
Hedged liabilities	195	1	1
<i>Subordinated debts</i>	195	1	1
Hedge of equity risk			(0)
Hedged liabilities	2	(0)	(0)
<i>Other liabilities</i>	2	(0)	(0)
TOTAL			(2,972)

(1) The carrying amount of the macro-hedged items represents the sum of the hedged outstanding and the revaluation differences on portfolios hedged against interest rate risk.

(2) The cumulative change in fair value is taken into account excluding accrued interest for the items hedged against interest rate risk. The amount shown also includes the fair value adjustment remaining to be amortised on the items for which the hedging relationship has been derecognised.

(3) Changes in fair value attributable to the hedged risk only and used to determine the ineffective portion of the fair value of the hedging instrument. This change is excluding accrued interests for the items hedged against interest rate risk.

As at 31 December 2024, EUR 2,180 million of cumulative fair value change remains to be amortised following the termination of hedging relationships.

BREAKDOWN OF HEDGING INSTRUMENTS

(In EURm)	31.12.2024				
	Commitments (notional amounts)	Fair value ⁽²⁾		Change in fair value booked during the period	Ineffectiveness recognised during the period
		Asset	Liabilities		
Hedge of interest rate risk	390,913	8,829	14,999	1,495	(126)
Firm instruments – Swaps	390,913	8,829	14,999	1,495	(126)
For hedged assets	49,625	1,766	2,083	(87)	(19)
For hedged portfolios of assets (macro hedge) ⁽¹⁾	69,019	1,160	1,127	(472)	11
For hedged liabilities	101,074	1,831	5,509	964	(135)
For hedged portfolios of liabilities (macro hedge) ⁽¹⁾	171,195	4,072	6,280	1,090	17
Hedge of currency risk	201	1	1	1	1
Firm instruments	201	1	1	1	1
For hedged liabilities	201	1	1	1	1
Hedge of equity risk	30	20	-	(2)	(3)
Options	30	20	-	(2)	(3)
For hedged liabilities	30	20	-	(2)	(3)
TOTAL	391,144	8,850	15,000	1,494	(128)

(In EURm)	31.12.2023				
	Commitments (notional amounts)	Fair value ⁽²⁾		Change in fair value booked during the period	Ineffectiveness recognised during the period
		Asset	Liabilities		
Hedge of interest rate risk	274,565	10,112	18,181	3,141	168
Firm instruments – Swaps	274,565	10,112	18,181	3,141	168
For hedged assets	36,665	1,538	1,794	(1,351)	27
For hedged portfolios of assets (macro hedge) ⁽¹⁾	56,723	1,585	1,041	(1,807)	(75)
For hedged liabilities	96,289	1,360	5,822	3,096	128
For hedged portfolios of liabilities (macro hedge) ⁽¹⁾	84,888	5,629	9,524	3,203	88
Options	-	-	-	-	-
For hedged portfolios of assets (macro hedge) ⁽¹⁾	-	-	-	-	-
Hedge of currency risk	195	1	1	(1)	-
Firm instruments	195	1	1	(1)	-
For hedged liabilities	195	1	1	(1)	-
Hedge of equity risk	4	0	0	0	(0)
Options	4	0	0	0	(0)
For hedged liabilities	4	0	0	0	(0)
TOTAL	274,764	10,113	18,182	3,140	168

(1) For macro fair value transactions, the commitment described above equals the net hedging derivatives position in order to represent the economic exposure from these instruments. This position should be linked with the carrying amount of the hedged items which represents the hedged exposure.

(2) The fair value of interest rate hedging derivatives includes accrued interests.

CASH FLOW HEDGE: BREAKDOWN OF HEDGED ITEMS

The following table describes the change of fair value of hedged items used to book the ineffective portion of the hedge during the current period. Regarding the cash flow hedges, the change in fair value of hedged items is assessed using the hypothetical derivative method described in the accounting principles above.

<i>(In EURm)</i>	31.12.2024	31.12.2023
	Change in the fair value	Change in the fair value
Hedge of interest rate risk	86	2
Hedged assets	56	33
<i>Due from banks, at amortised cost</i>	11	30
<i>Financial assets at fair value through other comprehensive income</i>	25	(22)
<i>Customer loans (macro hedged)</i>	20	25
Hedged liabilities	30	(31)
<i>Debt securities issued</i>	30	80
<i>Due to banks</i>	(39)	(20)
<i>Customer deposits</i>	39	(91)
Hedge of currency risk	(30)	40
Hedged assets	(5)	(16)
<i>Financial assets at fair value through other comprehensive income</i>	(5)	(16)
Hedged liabilities	(18)	41
<i>Debt securities issued</i>	(18)	41
<i>Subordinated debts</i>	-	-
Forecast transactions	(7)	15
Hedge of equity risk	(36)	6
Forecast transactions	(36)	6
TOTAL	20	48

BREAKDOWN OF HEDGING INSTRUMENTS

	31.12.2024					
	Commitments (notional amounts)	Fair value		Changes in fair value recorded during the period		Cumulative change in fair value recorded in unrealised or deferred gains and losses
		Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss	
<i>(In EURm)</i>						
Hedge of interest rate risk	15,805	199	527	(86)	7	(556)
Firm instruments – Swaps	15,803	199	527	(86)	7	(556)
<i>For hedged assets</i>	3,214	137	22	(35)	11	(156)
<i>For hedged portfolios of assets (macro hedge)⁽¹⁾</i>	460	18	-	(21)	(16)	2
<i>For hedged liabilities</i>	12,129	44	505	(30)	12	(402)
Firm instruments – FRAs	2	-	-	-	0	-
<i>For hedged liabilities</i>	2	-	-	-	0	-
Hedge of currency risk	1,672	57	27	30	5	27
Firm instruments	1,672	57	23	30	5	27
<i>For hedged assets</i>	-	-	-	5	-	(1)
<i>For hedged liabilities</i>	840	50	19	18	-	12
<i>For hedged future transactions</i>	832	7	4	7	5	16
Hedge of equity risk	308	22	2	36	-	10
Options	308	22	2	36	-	10
<i>For hedged future transactions</i>	308	22	2	36	-	10
TOTAL	17,785	278	556	(20)	12	(519)

31.12.2023

(In EURm)	Commitments (notional amounts)	Fair value		Changes in fair value recorded during the period		Cumulative change in fair value recorded in unrealised or deferred gains and losses
		Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss	
Hedge of interest rate risk	13,592	309	394	(2)	1	(432)
Firm instruments – Swaps	13,587	309	394	(2)	1	(432)
For hedged assets	1,726	156	10	(9)	16	(121)
For hedged portfolios of assets (macro hedge) ⁽¹⁾	1,120	57	1	(24)	(16)	24
For hedged liabilities	10,741	96	383	31	1	(335)
Firm instruments – FRAs	5	-	-	-	-	-
For hedged liabilities	5	-	-	-	-	-
Hedge of currency risk	2,356	5	56	(40)	-	(3)
Firm instruments	2,356	5	56	(40)	-	(3)
For hedged assets	-	-	-	-	-	-
For hedged liabilities	1,602	5	46	(25)	-	(5)
For hedged future transactions	754	-	10	(15)	-	2
Non-derivative financial instruments	-	-	-	-	-	-
For hedged future transactions	-	-	-	-	-	-
Hedge of equity risk	222	7	25	(6)	-	(8)
Options	222	7	25	(6)	-	(8)
For hedged future transactions	222	7	25	(6)	-	(8)
TOTAL	16,170	321	475	(48)	1	(443)

(1) For the macro hedge transactions, the commitment described above equals the net hedging derivatives position in order to represent the economic exposure from these instruments.

NET INVESTMENT HEDGE: BREAKDOWN OF HEDGED ITEMS

(In EURm)	31.12.2024		31.12.2023	
	Change in the fair value of the hedged item during the period ⁽¹⁾	Cumulative translations differences related to the hedged items	Change in the fair value of the hedged item during the period ⁽¹⁾	Cumulative translations differences related to the hedged items
Hedge of currency risk	175	(279)	(156)	(454)
Hedged net investment in GBP	151	(57)	60	(208)
Hedged net investment in CZK	(28)	265	(46)	293
Hedged net investment in RUB	-	-	-	-
Hedged net investment in RON	0	(71)	(4)	(71)
Hedged net investment in USD	95	78	(23)	(16)
Hedged net investment (other currencies)	(43)	(494)	(143)	(452)

(1) Changes in fair value attributable to the hedged risk only and used to determine the ineffective portion of the fair value of the hedged instruments. A positive amount corresponds to an unrealised gain recorded directly in shareholders' equity in respect of the foreign exchange variation recorded on the hedged item.

NET INVESTMENT HEDGE: BREAKDOWN OF HEDGE INSTRUMENTS

	31.12.2024					
	Commitments (notional amounts)	Carrying amount ⁽¹⁾		Changes in fair value recorded during the period ⁽²⁾		Cumulative change in fair value recorded in unrealised or deferred gains or losses
		Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss ⁽³⁾	
(In EURm)						
Hedge of currency risk	9,183	106	2,606	(175)	47	279
Firm instruments	9,183	106	199	(106)	47	163
Hedged net investment in GBP	2,025	16	33	(64)	3	(215)
Hedged net investment in CZK	1,710	7	8	14	17	(75)
Hedged net investment in RUB	-	-	-	-	-	-
Hedged net investment in RON	700	4	-	-	10	55
Hedged net investment in USD	2,087	15	115	(95)	(4)	(44)
Hedged net investment (other currencies)	2,661	64	43	39	21	442
Non derivatives instruments		-	2,407	(69)	-	116
Hedged net investment in GBP		-	1,783	(87)	-	272
Hedged net investment in CZK		-	478	14	-	(190)
Hedged net investment in RUB		-	-	-	-	-
Hedged net investment in RON		-	29	-	-	16
Hedged net investment in USD		-	-	-	-	(34)
Hedged net investment (other currencies)		-	117	4	-	52

31.12.2023						
	Commitments (notional amounts)	Carrying amount ⁽¹⁾		Changes in fair value recorded during the period ⁽²⁾		Cumulative change in fair value recorded in unrealised or deferred gains or losses
		Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss ⁽³⁾	
(In EURm)						
Hedge of currency risk	5,804	151	2,817	156	72	454
Firm instruments	5,804	151	51	166	72	265
Hedged net investment in GBP	1,149	18	10	(21)	5	(151)
Hedged net investment in CZK	1,258	43	6	29	30	(89)
Hedged net investment in RUB	-	-	-	-	-	-
Hedged net investment in RON	599	2	-	4	6	55
Hedged net investment in USD	249	14	7	23	11	50
Hedged net investment (other currencies)	2,549	74	28	131	20	400
Non derivatives instruments		-	2,766	(10)	-	189
Hedged net investment in GBP		-	1,867	(39)	-	359
Hedged net investment in CZK		-	720	17	-	(204)
Hedged net investment in RUB		-	-	-	-	-
Hedged net investment in RON		-	34	-	-	16
Hedged net investment in USD		-	-	-	-	(33)
Hedged net investment (other currencies)		-	145	12	-	51

(1) The carrying value equals fair value in the case of derivative instruments and equals amortised cost, translated at the closing date, in the case of loans and borrowings in foreign currencies.

(2) A positive change in value reflects a gain.

(3) In the case of foreign exchange risk hedging using derivative, the change in fair value attributable to the hedged foreign exchange risk is presented under the Portion booked in unrealised or deferred gains and losses heading and perfectly offsets the foreign exchange difference recognised on the hedged item. The amounts presented under Ineffective portion recognised in profit or loss correspond to the effects relating to risks other than foreign exchange risk.

NOTE 3.3 Financial assets at fair value through other comprehensive income

OVERVIEW

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

NOTE 3.3.1 DEBT INSTRUMENTS**ACCOUNTING PRINCIPLES**

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

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

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

BUSINESS MODEL “HOLD TO COLLECT AND SELL”

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

**Cash management**

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

CHANGES OF THE PERIOD

(In EURm)

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

CUMULATIVE UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

(In EURm)	31.12.2024	31.12.2023
Unrealised gains	752	993
Unrealised losses	(3,253)	(3,666)
TOTAL⁽¹⁾	(2,501)	(2,673)

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

NOTE 3.3.2 EQUITY INSTRUMENTS**ACCOUNTING PRINCIPLES**

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

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

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

NOTE 3.4 Fair value of financial instruments measured at fair value

MAKING IT
SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique which maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

Fair value hierarchy

For information purposes, in the notes to the consolidated financial statements, the fair value of the financial instruments is classified using a fair value hierarchy that reflects the observability level of the inputs used. The fair value hierarchy is composed of the following levels:

LEVEL 1 (L1): INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES

Level 1 instruments carried at fair value on the balance sheet include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the balance sheet date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and if they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in the trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Group has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question. Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

LEVEL 2 (L2): INSTRUMENTS VALUED USING INPUTS OTHER THAN THE QUOTED PRICES INCLUDED IN LEVEL 1 AND THAT ARE OBSERVABLE FOR THE ASSET OR LIABILITY CONCERNED, EITHER DIRECTLY (I.E. AS PRICES) OR INDIRECTLY (I.E. DERIVED FROM PRICES)

These are the instruments measured using a financial model based on market inputs. The inputs used shall be observable in active markets; using some unobservable inputs is possible only if the latter have only a minor impact on the fair value of the instrument. The prices published by an external source, derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular the non-derivative financial instruments carried at fair value on the balance sheet that are not directly quoted or do not have a quoted price on a sufficiently active market (e.g. corporate bonds, repos transactions, mortgage-backed securities, units of funds), and the firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining however limited. The valuation techniques used in this category are based on common methods shared by the main market participants.

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

LEVEL 3 (L3): INSTRUMENTS VALUED USING INPUTS A SIGNIFICANT PART OF WHICH ARE NOT BASED ON OBSERVABLE MARKET DATA (REFERRED TO AS UNOBSERVABLE INPUTS)

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

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

The main L3 complex derivatives are:

- equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as the correlations between the different underlying assets are generally unobservable;
- interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for *quanto* products (in which the instrument is settled in a currency different from the currency of the underlying asset); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation (“N to default” products in which the buyer of the hedge is compensated as of the Nth default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlyings).

NOTE 3.4.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE

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

NOTE 3.4.2 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

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

NOTE 3.4.3 VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

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

FINANCIAL LIABILITIES

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

NOTE 3.4.4 VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices may be adjusted, if they are not available at the balance sheet date in order to incorporate the events that have an impact on prices and occurred after the closing of the stock markets but before the measurement date or in the event of an inactive market.

However, due notably to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Group does not have quoted prices in the markets.

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for swaps or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions at the balance sheet date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

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

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

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

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

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

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

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For long maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of equity options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable inputs.

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

SHARES AND OTHER EQUITY SECURITIES

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

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

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

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

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

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

OTHER DEBTS

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

LOANS AND RECEIVABLES

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

NOTE 3.4.5 ESTIMATES OF MAIN UNOBSERVABLE INPUTS

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

(In EURm)

Cash instruments and derivatives	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs	
				min.	max.
Equities/funds	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	3.00%	166.00%
			Equity dividends	0.00%	11.00%
			Correlations	-200.00%	200.00%
			Hedge fund volatilities	N/A	N/A
			Mutual fund volatilities	1.70%	26.80%
Interest rates and Forex	Hybrid Forex/interest rate or credit/interest rate derivatives	Hybrid Forex interest rate or credit interest rate option pricing models	Correlations	-60.00%	90.00%
	Forex derivatives	Forex option pricing models	Forex volatilities	1.00%	25.00%
	Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayment modelling	Constant prepayment rates	0.00%	20.00%
	Inflation instruments and derivatives	Inflation pricing models	Correlations	81.00%	92.00%
Credit	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0.00%	100.00%
			Recovery rate variance for single name underlyings	0.00%	100.00%
	Other credit derivatives	Credit default models	Time to default correlations	0.00%	100.00%
			Quanto correlations	0.00%	100.00%
			Credit spreads	0.0 bps	90.78 bps
Commodities	Derivatives on commodities baskets	Option models on commodities	Correlations	NA	NA
Long term equity investments	Securities held for strategic purposes	Net Book Value/Recent transactions	Not applicable	-	-

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

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

NOTE 3.4.6 SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

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

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

assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

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

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

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

It should be noted that, given the already conservative valuation levels, this sensitivity is higher for a favourable impact on results than for an unfavourable impact. Moreover, the amounts shown above illustrate

the uncertainty of the valuation as at the computation date based on a “standardised” variation in inputs. Future variations in fair value cannot be deduced or forecast from these estimates.

NOTE 3.4.7 DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

At initial recognition, financial assets and liabilities are measured at fair value, that is to say the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When this fair value differs from transaction price and the instrument's valuation technique uses one or more unobservable inputs, this difference representative of a commercial margin is deferred in time to

be recorded in the income statement, from case to case, at maturity of the instrument, at the time of sell or transfer, over time, or when the inputs become observable.

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

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

NOTE 3.5 Loans, receivables and securities at amortised cost**ACCOUNTING PRINCIPLES**

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

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

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

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

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

BUSINESS MODEL “HOLD TO COLLECT”

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

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

- the financial asset is sold following an increase in the asset’s credit risk; or

- the sale of the financial asset occurs close to its maturity and the proceeds from the sale are similar to the amount to be collected from the remaining contractual cash flows.

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

**Financing activities**

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

OVERVIEW

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

NOTE 3.5.1 DUE FROM BANKS

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

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

NOTE 3.5.2 CUSTOMER LOANS

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

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

BREAKDOWN OF OTHER CUSTOMER LOANS

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

ADDITIONAL INFORMATION ON LEASE FINANCING AND SIMILAR AGREEMENTS

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

NOTE 3.5.3 SECURITIES

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

NOTE 3.6 Debts**ACCOUNTING PRINCIPLES**

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

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

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

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

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

NOTE 3.6.1 DUE TO BANKS

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

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

TLTRO

Between December 2019 and December 2021, the Group subscribed, *via* Societe Generale and Crédit du Nord, to TLTRO III loans (Targeted Longer-Term Refinancing Operations) offered by the European Central Bank. The purpose of these loan offers, with reduced interest rates and additional temporary subsidies, were to maintain credit conditions in the eurozone. The residual amount of TLTRO loans on the liabilities

side of the balance sheet, equal to EUR 24 billion as at 31 December 2023, was fully repaid by the Group in 2024.

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

NOTE 3.6.2 CUSTOMER DEPOSITS

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

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

BREAKDOWN OF OTHER DEMAND DEPOSITS BY CUSTOMER TYPE

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

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

NOTE 3.6.3 DEBT SECURITIES ISSUED

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

NOTE 3.7 Interest income and expense

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

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

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

ACCOUNTING PRINCIPLES

Interest income and expense are recorded in the income statement under “Interest and similar income” and “Interest and similar expense” for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income) and for all financial instruments mandatorily measured at fair value through profit and loss and interest rate risk hedging derivatives for the portion of income or expenses representative of the effective interest rate. Negative interest incomes on financial assets are recorded under “Interest and similar expense”; negative interest expenses on financial liabilities are recorded under “Interest and similar income”.

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is recognised in profit or loss by applying the effective interest rate to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

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

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

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

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

These interest expenses include the refinancing cost of financial instruments at fair value through profit or loss, the results of which are classified in net gains or losses on these instruments (see Note 3.1). Given that income and expenses booked in the income statement are

classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through profit or loss must be assessed as a whole.

BREAKDOWN OF INCOME OF CUSTOMER LOANS AT AMORTISED COST

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

NOTE 3.8 Impairment and provisionsMAKING IT
SIMPLE

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

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

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

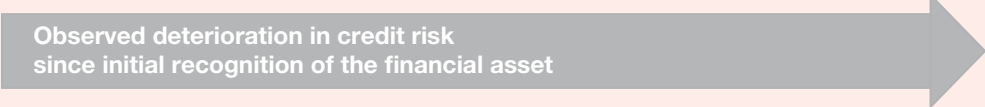
For financial assets measured at fair value through profit or loss (including instruments held by global markets activities), their fair value includes already the expected credit loss, as assessed by the market participants, on the residual lifetime of the instrument.

ACCOUNTING PRINCIPLES

Recognition of expected credit losses

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

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

Observed deterioration in credit risk since initial recognition of the financial asset 			
Credit risk category	Stage 1 Performing assets	Stage 2 Under-performing or downgraded assets	Stage 3 Credit-impaired or defaulted assets
Transfer criteria	Initial recognition of the instrument in stage 1 ► <i>Maintained if the credit risk has not increased significantly</i>	Credit risk on the instrument has increased significantly since initial recognition / 30 days past due	Evidence that the instrument is become credit-impaired / 90 days past due
Measurement of credit risk	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Interest income recognition basis	Gross carrying amount of the asset before impairment	Gross carrying amount of the asset before impairment	Net carrying amount of the asset after impairment

Exposures classified in Stage 1

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

Exposures classified in Stage 2

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

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

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

CRITERION 1: THE CLASSIFICATION OF THE COUNTERPARTY IN "SENSITIVE"

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

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

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

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

CRITERION 2: THE MAGNITUDE OF THE CHANGE IN A COUNTERPARTY'S CREDIT RATING SINCE THE INITIAL RECOGNITION

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

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

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

CRITERION 3: EXISTENCE OF PAYMENTS MORE THAN 30 DAYS PAST DUE

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

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

CRITERION 4: QUALIFICATION AS A RESTRUCTURED CLAIM (EBA AND ECB DEFINITION)

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

PARTICULAR CASE OF EXPOSURES WITHOUT CREDIT RATING

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

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

Exposures classified in Stage 3

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

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

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

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

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

Measurement of depreciation and provision

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

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

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

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

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

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

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

Restructured loans

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

Once restructured, the financial assets are classified in Stage 3 of impairment (Credit-impaired/defaulted exposures) if the present value of the adjusted future cash flows is reduced by more than 1% compared to the carrying amount of the balance sheet financial assets before their restructuring or if there is a high probability that the counterparty is not able to meet all of its commitments, involving a risk of loss for the Group. In both cases, the restructured financial assets are considered in default. If these restructured financial assets still meet the SPPI characteristics, they remain on the balance sheet at amortised cost. Their amortised cost before impairment is adjusted for a discount representing the loss of profit resulting from the restructuring. This discount, recognised under "Cost of credit risk" in the income statement, is equal to the difference between the present value of the new contractual cash flows resulting from the restructuring of the loan and the amortised cost before impairment less any partial debt forgiveness. As a result, the amount of interest income subsequently recognised in profit or loss is still calculated using the initial effective interest rate of the loan and based on the net carrying amount of the asset after impairment as long as the asset remains classified in Stage 3. Classification in Stage 3 is maintained for at least one year, or beyond as long as the Group is uncertain whether or not the borrower will be able to meet its commitments. Once the loan is no longer classified in Stage 3 the assessment of the significant credit risk downgrade will be performed by comparing the characteristics of the instrument as at the closing date and the characteristics as at the initial recognition date of the loan before restructuring, applying the transfer rules to Stage 1 and 2 previously mentioned in this note, on the understanding that the loans are to be reclassified in Stage 3 on the first payment more than 30-days past due occurring during the two years after the return to Stage 1 or 2.

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

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

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

Total or partial recovery by activating the guarantee

A claim may be recovered in the form of an asset (financial or tangible) that passes into the ownership of the Group as a result of the activation of a guarantee. This asset substitutes for the guaranteed claim on the date when the Group becomes its owner and is initially recognised at fair value as an asset on the balance sheet. Its classification and subsequent valuation method depend on the management intent.

METHOD FOR ESTIMATING EXPECTED CREDIT LOSSES

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

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

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

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

GEOPOLITICAL CRISES AND MACROECONOMIC CONTEXT

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

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

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

Update of the models and impact on the estimate of expected credit losses

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

- the impact of the revision of the macroeconomic variables and probabilities of default is a EUR 21 million decrease;

- the impact of the updated weighting of the macroeconomic scenarios described in Note 1 is a EUR 35 million increase.

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

Adjustments supplementing the application of the models

Sectoral adjustments

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

These adjustments allow for better anticipation of the default/recovery cycle in some sectors that are cyclical and have been subject to peaks of default in the past or are especially vulnerable to the current crises and on which the Group’s exposure exceeds a threshold that is annually reviewed and set by the Risk Division.

These sectoral adjustments are examined and updated quarterly by the Risk Division and validated according to materiality thresholds by General Management. The proposals are determined based on an assessment of the sectors by the Economic and Sector Studies Department. This assessment process takes into account the financial characteristics of the enterprises in the sector, its current circumstances and perspectives, and its exposure to climate risk (climate change-induced risks as well as exposure to physical risks).

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

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

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

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

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

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

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

Other adjustments

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

- for the scope of entities which have not developed models enabling them to estimate the correlations between macroeconomic variables and default rate; and
- for the scopes on which models have been developed but cannot reflect future risks not observed in the past or risks idiosyncratic to portfolios and non-included in the models.

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

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

The two main methods are used to estimate these adjustments:

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

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

NOTE 3.8.1 OVERVIEW

PRESENTATION OF BALANCE SHEET AND OFF-BALANCE SHEET OUTSTANDING AMOUNTS

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

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

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

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

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

In order to disclose its exposure to credit risk, the Group has decided to tabulate its assets outstanding and impairment by stage of impairment of the financial assets at amortised cost by Basel category, by geographical area, and by rating of the counterparty. Due to the

absence of significant exposure to credit risk for insurance activities, assets measured at fair value through other comprehensive income as well as for financing and guarantee commitments, this information is not presented below.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

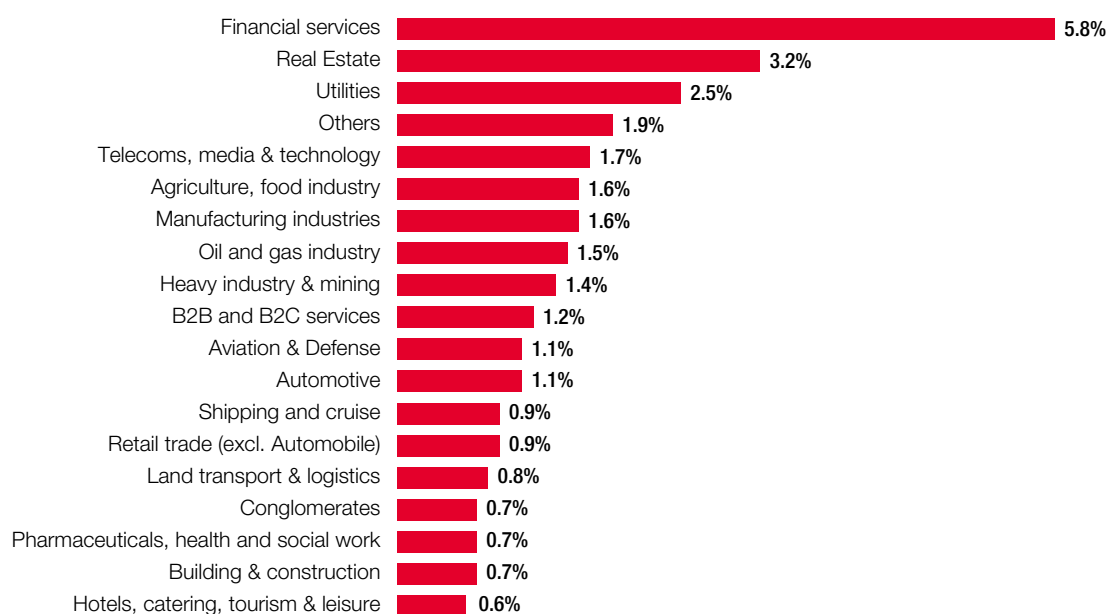
(In EURm)	31.12.2023							
	Outstanding amounts				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	67,873	888	-	68,761	1	3	-	4
2	189,026	3,834	-	192,860	2	1	-	3
3	53,862	1,409	-	55,271	9	6	-	15
4	85,123	505	-	85,628	68	7	-	75
5	85,404	4,486	-	89,890	282	103	-	385
6	23,247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

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

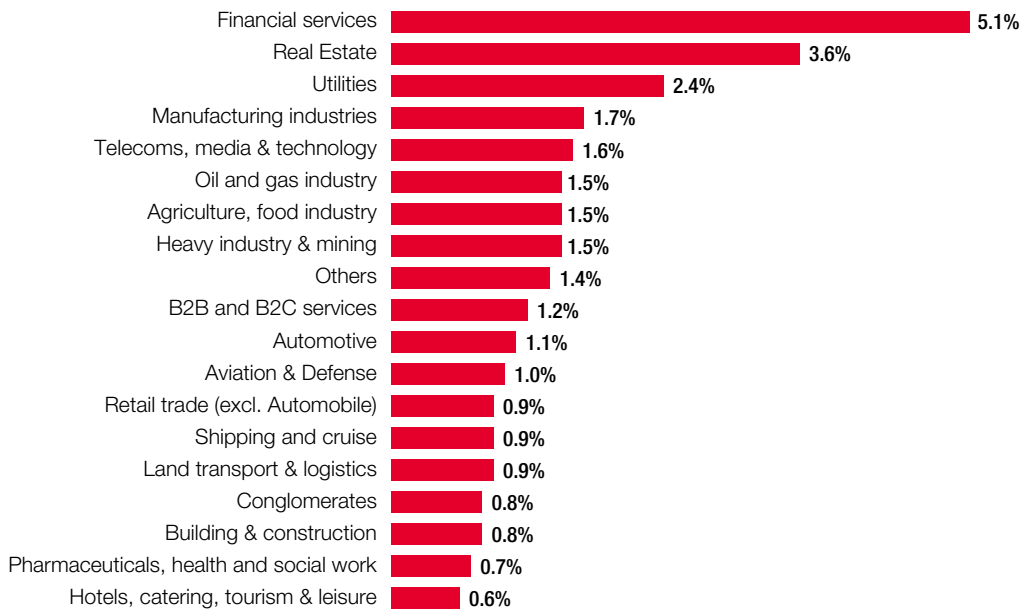
ASSETS AT AMORTISED COST (INSURANCE ACTIVITIES EXCLUDED): SECTORAL BREAKDOWN OF CORPORATE EXPOSURES ON THE TOTAL GROUP EXPOSURE OF FINANCIAL ASSETS AT AMORTISED COST (ALL BASEL CATEGORIES)

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

SECTOR BREAKDOWN OF GROUP CORPORATE NET EXPOSURE OVER TOTAL NET EXPOSURE OF FINANCIAL ASSETS AT AMORTISED COST AS AT 31 DECEMBER 2024



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

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


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

NOTE 3.8.2 IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN

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

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

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

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

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

(2) Including repayments, disposals and debt waivers.

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

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

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

To describe the transfers between steps:

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

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

NOTE 3.8.3 CREDIT RISK PROVISIONS

BREAKDOWN

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

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

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

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

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

(2) Including repayments, disposals and debt waivers.

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

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

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

To describe the transfers between steps:

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

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

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

NOTE 3.8.4 QUALITATIVE INFORMATION OF CHANGES IN IMPAIRMENT/PROVISIONS ON CREDIT RISK

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

- covered losses on Stage 3 loans (EUR 1,389 million) included in the line Derecognition.

This is in line with the Group strategy of non-performing loans (NPL) monitoring, by writing off and by selling its portfolios of exposures in default situation.

Uncovered losses amount to EUR 478 million;

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

Particularly, this variation concerns:

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

NOTE 3.8.5 COST OF CREDIT RISK**ACCOUNTING PRINCIPLES**

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

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

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

SYNTHESIS

(In EURm)

	31.12.2024	31.12.2023
Cost of credit risk of financial assets from insurance activities	0	7
Cost of credit risk	(1,530)	(1,025)
TOTAL	(1,530)	(1,018)

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

NOTE 3.9 Fair value of financial instruments measured at amortised cost

ACCOUNTING PRINCIPLES

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market inputs based on assumptions that market operators would use to set the price of the instrument in question.

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

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

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

NOTE 3.9.1 FINANCIAL ASSETS MEASURED AT AMORTISED COST

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

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

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

31.12.2023

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

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

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

NOTE 3.9.2 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

31.12.2024

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

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

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

31.12.2023

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

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

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

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

NOTE 3.9.3 VALUATION METHODS OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST**LOANS, RECEIVABLES AND LEASE FINANCING AGREEMENTS**

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

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

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

DEBTS

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

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

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

SECURITIES

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

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

NOTE 3.10 Commitments and assets pledged and received as securities**ACCOUNTING PRINCIPLES****Loan commitments**

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

Guarantee commitments

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

Securities commitments

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

Assets pledged as and received as collateral

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

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

NOTE 3.10.1 COMMITMENTS

COMMITMENTS GRANTED

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

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

COMMITMENTS RECEIVED

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

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

NOTE 3.10.2 FINANCIAL ASSETS PLEDGED AND RECEIVED AS SECURITY

FINANCIAL ASSETS PLEDGED

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

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

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

FINANCIAL ASSETS RECEIVED AS SECURITY AND AVAILABLE FOR THE ENTITY*(In EURm)*

	31.12.2024	31.12.2023
Fair value of securities purchased under resale agreements	178,313	193,154

The Group generally purchases securities under resale agreements under normal market terms and conditions. It may re-use the securities received under resale agreement by selling them outright, selling them under repurchase agreements or pledging them as security, provided that it returns these or equivalent securities to the

counterparty to the resale agreement at its term. Securities purchased under resale agreements are not recognised on the balance sheet. Their fair value, as shown above, includes securities sold or pledged as collateral.

NOTE 3.11 Transferred financial assets**ACCOUNTING PRINCIPLES**

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

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

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

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

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

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

NOTE 3.11.1 TRANSFERRED FINANCIAL ASSETS NOT DERECOGNISED**REPURCHASE AGREEMENTS***(In EURm)*

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

SECURITIES LENDING

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

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

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

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

NOTE 3.11.2 TRANSFERRED FINANCIAL ASSETS PARTIALLY OR FULLY DERECOGNISED

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

NOTE 3.12 Offsetting financial assets and financial liabilities**ACCOUNTING PRINCIPLES**

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties. In this respect, the Group recognises in its balance sheet the net amount of derivative financial instruments traded with certain clearing houses where they achieve net settlement through a daily cash margining process, or where their gross settlement system has features that eliminate or result in insignificant credit and liquidity risk, and that process receivables and payables in a single settlement process or cycle.

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

These tables also indicate the amounts which may be offset, as they are subject to a Master Netting Agreement or similar agreement, but whose characteristics make them ineligible for offsetting in the

consolidated financial statements under IFRS. This information is provided in comparison with the accounting treatment applied under US GAAP. This affects in particular financial instruments that may only be offset in the event of the default, insolvency or bankruptcy of one of the counterparties, as well as instruments pledged by cash or securities collateral. These mainly include over-the-counter interest rate options, interest rate swaps and securities purchased/sold under resale/repurchase agreements.

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

NOTE 3.12.1 AT 31 DECEMBER 2024

ASSETS

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

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

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

LIABILITIES

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

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

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

NOTE 3.12.2 AT 31 DECEMBER 2023

ASSETS

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

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

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

LIABILITIES

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

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

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

NOTE 3.13 Contractual maturities of financial liabilities

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

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

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

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

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

NOTE 4 OTHER ACTIVITIES

NOTE 4.1 Fee income and expense

ACCOUNTING PRINCIPLES

Fee income and Fee expense combine fees on services rendered and received, as well as fees on commitments, that cannot be assimilated to interest. Fees that can be assimilated to interest are integrated into the effective interest rate on the associated financial instrument and are recorded under “Interest and similar income” and “Interest and similar expense” (see Note 3.7).

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

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

The Group recognises fee income or expense for an amount equivalent to the remuneration for the service provided and depending on the progress transferring control of these services:

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

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

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognised under “Other Assets and Other Liabilities” (see Note 4.4):

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

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

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

NOTE 4.2 Income and expenses from leasing activities, mobility and other activities**ACCOUNTING PRINCIPLES****Leasing activities**

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

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

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

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

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

Real estate development activities

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

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

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

NOTE 4.3 Insurance activities

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

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

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

ACCOUNTING PRINCIPLES

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

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

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

Grouping of contracts

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

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

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

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

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

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

The major portfolios identified by the Group are as follows:

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

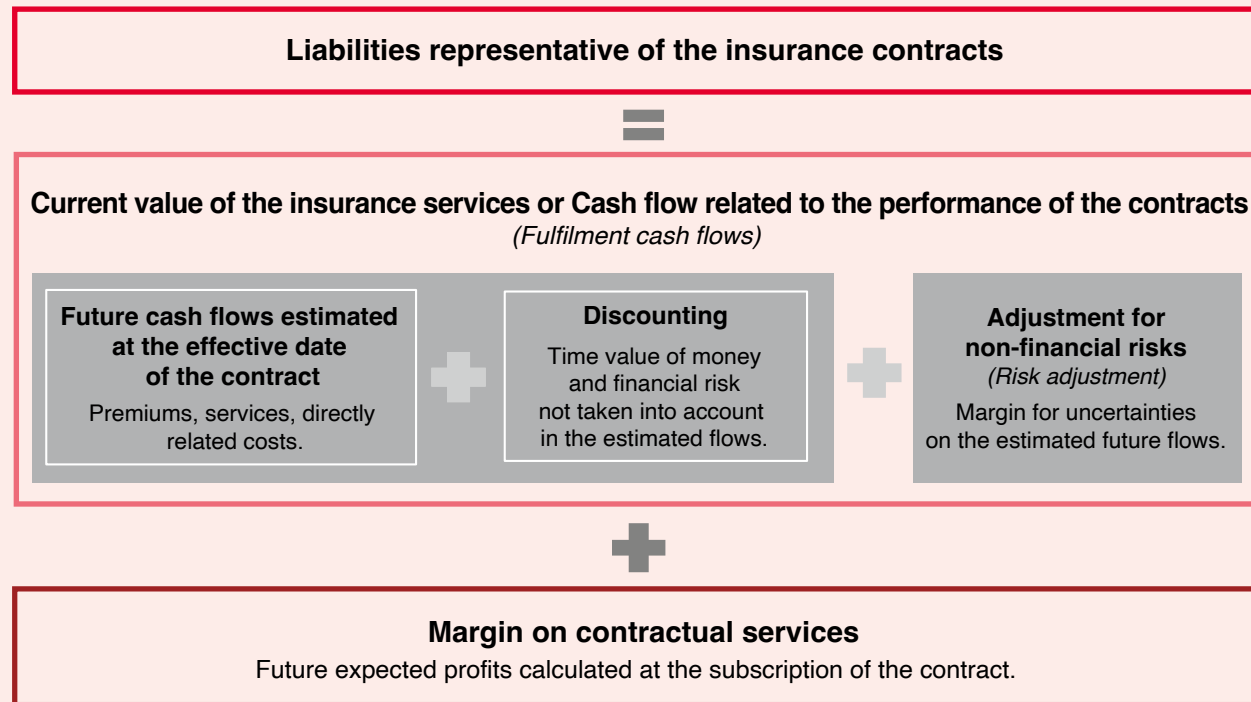
Measurement models

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

General model applicable to the insurance contracts issued

INITIAL MEASUREMENT

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



Future estimated cash flows

These cash flows are the current estimates of all the amounts that the insurer expects to receive (for premiums...) or pay to the benefit of insurance policyholders (in relation to life insurance, claims to be compensated, guaranteed benefits and other directly attributable expenses) as part of the fulfilment of insurance contracts, until their settlement.

These amounts are adjusted to reflect:

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

Discounting

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

Adjustment for non-financial risk

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

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

Contractual service margin (CSM)

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

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

Subsequent measurement

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

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

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

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

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

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

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

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

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

Protection-Provident business

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

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

GENERAL MODEL ADAPTED TO THE INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION FEATURES (VARIABLE FEE APPROACH)

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

The variable fee:

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

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

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

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

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

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

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

There are however several differences:

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

Savings and Retirement business

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

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

GENERAL MODEL ADAPTED TO THE REINSURANCE CONTRACTS HELD

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

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

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

SIMPLIFIED MODEL (PREMIUM ALLOCATION APPROACH)

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

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

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

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

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

The simplified approach does not require:

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

Protection – non-life insurance activity

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

Presentation of the financial performance of insurance contracts

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

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

INCOME FROM INSURANCE CONTRACTS ISSUED

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

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

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

INSURANCE SERVICES EXPENSES

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

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

INCOME AND EXPENSES OF THE REINSURANCE CONTRACTS HELD

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

FINANCIAL INCOME AND EXPENSES OF INSURANCE CONTRACTS

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

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

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

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

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

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

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

NOTE 4.3.1 EXCERPT FROM THE BALANCE SHEET OF THE INSURANCE ACTIVITY

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

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

DETAIL OF ASSETS

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

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

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

DETAIL OF LIABILITIES

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

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

NOTE 4.3.2 PERFORMANCE OF INSURANCE ACTIVITIES

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

- the commercial performance of insurance services presented within the Net income of insurance services;

- the financial performance related to the management of contracts resulting from:
 - the financial income and expenses recognised on insurance contracts,
 - the financial income and expenses recognised on the investments backed on contracts;
- the financial performance of the other investments.

NOTE 4.3.2.1 DETAIL OF PERFORMANCE OF INSURANCE ACTIVITIES

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

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

NOTE 4.3.2 MONITORING OF THE AMOUNT OF THE GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY FOR DEBTS INSTRUMENTS UNDERLYING CONTRACTS WITH DIRECT PARTICIPATION FEATURES PRESENT AS AT THE TRANSITION DATE

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

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

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

NOTE 4.3.3 DETAILS RELATING TO OUTSTANDING INSURANCE CONTRACTS

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

SUMMARY OF THE OUTSTANDING STOCK

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

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

DETAILED NET INCOME FROM INSURANCE SERVICES

The table below shows the Net income from insurance services. The way in which the Insurance income and expenses are recognised are detailed in the accounting principles under the Presentation of the financial performance of insurance contracts heading.

	2024			2023		
	Insurance contracts			Insurance contracts		
	with direct participations features	Other	Total	with direct participations features	Other	Total
<i>(In EURm)</i>						
Income from insurance contracts issued	1,348	2,503	3,851	1,259	2,280	3,539
Contracts measured under the general model	1,348	1,017	2,365	1,259	1,040	2,299
<i>Income of premiums (relating to changes in liabilities for remaining coverage) relative to:</i>						
<i>Deferred acquisition costs</i>	30	186	216	25	170	195
<i>Expected claims and handling costs</i>	128	420	548	147	441	588
<i>Expected non-financial risk adjustment</i>	291	116	407	272	115	387
<i>Expected contractual services margin</i>	899	295	1,194	815	314	1,129
Contracts measured under the PAA	-	1,486	1,486	-	1,240	1,240
Insurance service expenses	(268)	(1,790)	(2,058)	(301)	(1,677)	(1,978)
Amortisation of acquisition costs	(30)	(312)	(342)	(25)	(288)	(313)
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred claims) – Incurred in the period	(236)	(1,844)	(2,080)	(276)	(1,645)	(1,921)
Changes in net expenses for expected costs of claims and handling costs (changes in liabilities Incurred claims) – Past services	-	360	360	-	265	265
Losses and reversals of losses on onerous contracts (changes in liabilities for remaining coverage)	(2)	6	4	-	(9)	(9)
Net income or expenses from reinsurance contracts held	-	(40)	(40)	-	17	17
INSURANCE SERVICE RESULT	1,080	673	1,753	958	620	1,578

NOTE 4.3.3.1 INSURANCE CONTRACTS MEASURED UNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION FEATURES) AND THE SIMPLIFIED MODEL
TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS LIABILITIES BY TYPE OF COVERAGE (REMAINING COVERAGE AND CLAIMS INCURRED)

	2024					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the PAA)		Total
	Excluding the loss component	Loss component		Present value of the future cash flows	Non-financial risk adjustment	
(In EURm)						
Insurance contracts issued liabilities	139,155	32	985	1,444	106	141,722
Insurance contracts issued assets	(87)	4	33	(31)	-	(81)
NET BALANCE AS AT 1 JANUARY	139,068	36	1,018	1,413	106	141,641
Income from insurance contracts issued⁽¹⁾	(3,851)	-	-	-	-	(3,851)
Insurance service expenses	342	(4)	733	997	(10)	2,058
<i>Amortisation of acquisition costs</i>	342	-	-	-	-	342
<i>Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) – Incurred in the period</i>	-	-	911	1,134	35	2,080
<i>Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) – Past services</i>	-	-	(178)	(137)	(45)	(360)
<i>Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)</i>	-	(4)	-	-	-	(4)
Net finance income or expenses from insurance contracts issued⁽²⁾	6,079	1	16	54	2	6,152
Changes relative to the deposits component including in the insurance contract	(12,225)	-	12,225	-	-	-
Other changes	(1,277)	3	64	(124)	(7)	(1,341)
Cash flows:	19,502	-	(12,878)	(607)	-	6,017
<i>Premiums received (as a reduction of premiums to be received included in the remaining coverage)</i>	20,077	-	-	-	-	20,077
<i>Costs of claims and handling costs (as a reduction of the incurred claims liabilities)</i>	-	-	(12,878)	(607)	-	(13,485)
<i>Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)</i>	(575)	-	-	-	-	(575)
NET BALANCE AS AT 31 DECEMBER	147,638	36	1,178	1,733	91	150,676
Insurance contracts issued liabilities	147,661	36	1,171	1,732	91	150,691
Insurance contracts issued assets	(23)	-	7	1	-	(15)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 281 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

	2023					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the PAA)		Total
	Excluding the loss component	Loss component		Present value of the future cash flows	Non- financial risk adjustment	
<i>(In EURm)</i>						
Insurance contracts issued liabilities	134,009	21	944	820	80	135,874
Insurance contracts issued assets	(39)	5	(10)	2	-	(42)
NET BALANCE AS AT 1 JANUARY	133,970	26	934	822	80	135,832
Income from insurance contracts issued⁽¹⁾	(3,539)	-	-	-	-	(3,539)
Insurance service expenses	313	9	796	854	6	1,978
<i>Amortisation of acquisition costs</i>	313	-	-	-	-	313
<i>Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) – Incurred in the period</i>	-	-	987	893	41	1,921
<i>Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) – Past services</i>	-	-	(191)	(39)	(35)	(265)
<i>Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)</i>	-	9	-	-	-	9
Net finance income or expenses from insurance contracts issued⁽²⁾	8,394	1	(5)	23	2	8,415
Changes relative to the deposits component including in the insurance contract	(14,635)	-	14,635	-	-	-
Other changes	(328)	-	128	499	18	317
Cash flows:	14,893	-	(15,470)	(785)	-	(1,362)
<i>Premiums received (as a reduction of premiums to be received included in the remaining coverage)</i>	15,348	-	-	-	-	15,348
<i>Costs of claims and handling costs (as a reduction of the incurred claims liabilities)</i>	-	-	(15,470)	(785)	-	(16,255)
<i>Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)</i>	(455)	-	-	-	-	(455)
NET BALANCE AS AT 31 DECEMBER	139,068	36	1,018	1,413	106	141,641
Insurance contracts issued liabilities	139,155	32	985	1,444	106	141,722
Insurance contracts issued assets	(87)	4	33	(31)	-	(81)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model): EUR 371 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

NOTE 4.3.3.2 CONTRACTS MEASURED UNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION)
TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS LIABILITIES ISSUED BY ESTIMATE COMPONENTS (DISCOUNTED FUTURE CASH FLOWS, ADJUSTMENT FOR NON-FINANCIAL RISK AND CONTRACTUAL SERVICE MARGIN)

	2024			Total
	Present value of the future cash flows	Non-financial risk adjustment	Contractual services margin	
<i>(In EURm)</i>				
Insurance contracts issued liabilities	127,374	3,844	9,232	140,450
Insurance contracts issued assets	(239)	57	136	(46)
NET BALANCE AS AT 1 JANUARY	127,135	3,901	9,368	140,404
Changes that relate to future services	(681)	112	569	-
<i>Changes in estimates that adjust the CSM</i>	272	(218)	(54)	-
<i>Changes in estimates that result in losses and reversals on onerous contracts (i.e. that do not adjust the CSM)</i>	(2)	(2)	-	(4)
<i>Effect of new contracts recognised in the year</i>	(951)	332	623	4
Changes that relate to current services	274	(326)	(1,194)	(1,246)
<i>Contractual services margin recognised in profit or loss for services provided</i>	-	-	(1,194)	(1,194)
<i>Change in non-financial risk adjustment for risk expired</i>	-	(326)	-	(326)
<i>Experiences adjustments</i>	274	-	-	274
Changes that relate to past services (i.e. changes in fulfillment cash flows relative to incurred claims)	(125)	(54)	-	(179)
Net finance income or expenses from insurance contracts issued⁽¹⁾	6,061	13	22	6,096
Other changes	(1,373)	(47)	(100)	(1,520)
Cash flows:	5,463	-	-	5,463
<i>Premiums received (as a reduction of premiums to be received included in the remaining coverage)</i>	18,768	-	-	18,768
<i>Costs of claims and handling costs (as a reduction of the incurred claims liabilities)</i>	(12,877)	-	-	(12,877)
<i>Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)</i>	(428)	-	-	(428)
NET BALANCE AS AT 31 DECEMBER	136,754	3,599	8,665	149,018
Insurance contracts issued liabilities ⁽²⁾	136,793	3,593	8,647	149,033
Insurance contracts issued assets ⁽²⁾	(39)	6	18	(15)

(1) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

(2) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 360 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).

(In EURm)	2023			
	Present value of the future cash flows	Non-financial risk adjustment	Contractual services margin	Total
Insurance contracts issued liabilities	123,297	3,452	8,118	134,867
Insurance contracts issued assets	(214)	40	134	(40)
NET BALANCE AS AT 1 JANUARY⁽¹⁾	123,083	3,492	8,252	134,827
Changes that relate to future services	(3,018)	767	2,266	15
<i>Changes in estimates that adjust the CSM</i>	(2,582)	622	1,960	-
<i>Changes in estimates that result in losses and reversals on onerous contracts (i.e. that do not adjust the CSM)</i>	11	1	-	12
<i>Effect of new contracts recognised in the year</i>	(447)	144	306	3
Changes that relate to current services	311	(308)	(1,129)	(1,126)
<i>Contractual services margin recognised in profit or loss for services provided</i>	-	-	(1,129)	(1,129)
<i>Change in non-financial risk adjustment for risk expired</i>	-	(308)	-	(308)
<i>Experiences adjustments</i>	311	-	-	311
Changes that relate to past services (i.e. changes in fullfilment cash flows relative to incurred claims)	(137)	(54)	-	(191)
Net finance income or expenses from insurance contracts issued⁽²⁾	8,370	1	18	8,389
Other changes	376	3	(39)	340
Cash flows:	(1,850)	-	-	(1,850)
<i>Premiums received (as a reduction of premiums to be received included in the remaining coverage)</i>	13,954	-	-	13,954
<i>Costs of claims and handling costs (as a reduction of the incurred claims liabilities)</i>	(15,470)	-	-	(15,470)
<i>Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)</i>	(334)	-	-	(334)
NET BALANCE AS AT 31 DECEMBER	127,135	3,901	9,368	140,404
Insurance contracts issued liabilities ⁽³⁾	127,374	3,844	9,232	140,450
Insurance contracts issued assets ⁽³⁾	(239)	57	136	(46)

(1) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 390 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).

(2) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

(3) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 255 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts present on the transition date is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (see exemption on annual cohorts in the Accounting Principles on contract groupings).

DETAILED EFFECT OF THE NEW CONTRACTS RECOGNISED DURING THE PERIOD

(In EURm)	2024		2023	
	Insurance contracts issued	o/w transfer of contracts	Insurance contracts issued	o/w transfer of contracts
Present value of:				
Estimated cash outflows	15,255	-	6,846	-
<i>o/w acquisitions costs</i>	428	-	334	-
<i>o/w costs of claims and handling costs</i>	14,827	-	6,512	-
Estimated cash inflows	(16,210)	-	(7,296)	-
Non-financial risk adjustment	332	-	144	-
Contractual services margin	623	-	306	-
Loss component on onerous contracts	4	-	3	-
TOTAL	4	-	3	-

NOTE 4.3.3.3 DETAILS ON THE PROJECTED ITEMS RELATING TO THE MEASUREMENT OF CONTRACTS**SCHEDULING OF THE CASH FLOWS RELATED TO THE INSURANCE AND REINSURANCE CONTRACTS LIABILITIES**

(In EURm)	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	2024
Insurance and reinsurance contracts liabilities	4,314	10,619	42,427	93,331	150,691

EXPECTED RECOGNITION IN THE INCOME STATEMENT OF THE CONTRACTUAL SERVICE MARGIN DETERMINED AT THE END OF THE PERIOD⁽¹⁾

(In EURm)	31.12.2024	31.12.2023
Expected years before recognising CSM in profit or loss	Insurance contracts issued	Insurance contracts issued
1 to 5 years	3,727	3,901
6 to 10 years	2,039	1,913
> 10 years	2,899	3,554
TOTAL	8,665	9,368

(1) The contractual service margin determined at the end of the period does not include future new insurance contracts, and insurance contracts valued according to the simplified model. Furthermore, this contractual service margin includes the discounting effect and the adjustment taking into account the financial performance of the underlying assets.

NOTE 4.3.4 INSURANCE RISK MANAGEMENT

Insurance risk is the risk of loss inherent in the insurance business; the Group is exposed to it through its insurance subsidiaries. In addition to asset and liability risk management (interest rate, valuation, counterparty and exchange rate risk), this covers the risks related to premium pricing, mortality and increase in the number of claims.

NOTE 4.3.4.1 MANAGEMENT OF INSURANCE RISK

There are two main types of insurance risk:

- **technical risks**, and particularly underwriting risk in life insurance, individual personal protection and non-life insurance. These risks may be biometric: disability, longevity, mortality, or related to policyholders' behaviour (risk of surrender). To a lesser extent, in non-life and health insurance, such risks may also arise from claims pricing, selection and management, or from disaster risk;
- **risks associated with financial markets and asset-liability management**: the Insurance business line, mainly through life insurance on the French market, is exposed to hazards in financial markets (changes in interest rates and stock market fluctuations). These market hazards can be aggravated by policyholder behaviour (particularly in the case of surrender of savings life insurance policies) insofar as the amount of benefits on savings life insurance policies depends on the financial performance of the assets. This interaction between assets and liabilities is considered in the valuation of future cash flows.

The savings life insurance portfolio constitutes the majority of commitments for an amount of EUR 147,761 million as at 31 December 2024 recognised as Insurance contracts issued liabilities with direct participation features (EUR 138,976 million as at 31 December 2023). In addition, the commitments of the protection portfolio recognised in Insurance contracts issued liabilities excluding direct participation feature amounted to EUR 2,930 million as at 31 December 2024 (EUR 2,746 million as at 31 December 2023).

Managing these risks is at the core of the Insurance business line activity. It is carried out by qualified and experienced teams, with significant and appropriate IT resources. Risks are regularly monitored and reported within the framework of risk policies validated by the Board of Directors of the entities.

Technical risk management

Technical risk management are based on the following:

- heightened security for the risk acceptance process, with the aim of ensuring that the *ab initio* pricing matches the policyholder's risk profile and underwritten guarantees;
- regular monitoring of claim indicators in order to adjust some product parameters, such as the pricing or the level of coverage, if necessary;
- implementation of a reinsurance plan to protect the business line against major/serial claims;
- establishment of committees to monitor portfolio risks and decide on the launch of significant new products;
- implementation of the policies on subscription, provisioning and reinsurance risks.

RISK CONCENTRATION

The most material exposures in the portfolio are diversified on the French territory and do not show any specific concentration with regard to the French insurance market. The ALM and Risk Management Committee of the Insurance business line sets concentration limits per issuer and for certain sectors. This Committee is regularly informed of the exposures and possible exceedances.

Risk management related to financial markets and asset-liability management

The management of the risks linked to the financial markets and asset-liability management is an integral part of the investment strategy just like long-term performance objectives. The optimisation of these two factors is highly influenced by the asset/liability balances. Liability commitments (guarantees offered to customers, policies length of detention), as well as the amounts booked under the major items on the accounting and prudential balance sheet (shareholders' equity, net income, provisions etc.) are analysed by the Finance, Investments and Risk division of the Insurance business line.

The management of the risks related to financial markets (interest rate, credit and equity) and to asset-liability management is based on the following:

- monitoring short- and long-term cash flows (match between the duration of the liabilities and assets, liquidity risk management);
- particular monitoring of policyholder behaviour (surrender);
- close monitoring of financial markets;
- hedging against interest rate risks (both upside and downside);
- hedging against equity risk downside;
- determination of thresholds and limits per counterparty, per issuer rating and per asset class;
- performance of stress tests, the result of which are presented annually to the entities' Board of Directors, as part of the ORSA (Own Risk and Solvency Assessment), transferred to the ACPR after approval by the Board;
- organisation of committees to monitor the portfolio and to rule on investment decisions; implementation of the asset-liability management and investment risk policies.

CONCENTRATION OF MARKET RISK AND CREDIT RISK

The companies in the Insurance business line invest in the various types of financial products while respecting a prudent investment risk management policy. Within each type of securities, exposures are diversified in terms of geography, issuers and sectors. The implementation of this policy is characterised by the definition of thresholds, limits and constraints. The main concentrations are monitored within the framework of the ALM and Risk Management Committee. Similarly, the concentration of credit risk is subject to thresholds and limits. Any crossing of thresholds or limits is reported to the ALM and Risk Management Committee, an emanation of the Board of Directors.

Regulatory framework

The Sogécap group is subject to the European "Solvency 2" framework. The capital requirement is determined using the standard formula and the yield curve with the volatility adjustment provided by the European Insurance and Occupational Pensions Authority.

NOTE 4.3.4.2 INSURANCE RISK MODELING

In savings life insurance, the ALM stochastic model takes into account asset/liability interactions and integrates assumptions regarding policyholder behaviour (surrenders, death, arbitrage), the behaviour of the insurer (interest rate policy in line with the investment policy), the use of financial reserves, and the modelling of fees and commissions.

In protection, liabilities are projected based on adapted models that reflect the flows of premiums, claims and fees related to the management of these claims. They include assumptions and calculation parameters such as experience or mortality tables, fall or early repayment rates depending on the product, overhead rates, inflation, etc.

The models used in relation to Insurance activities are reviewed by the Risk and Actuarial Supervision Department, which is the second line of defence in the context of model risk management. The review work focuses on the theoretical robustness (evaluation of the quality of design and development) of the models, their use, the compliance of

their implementation and the continuous monitoring of their relevance over time. The independent review process ends with (i) the publication of a report describing the scope of the review, tests performed, results, conclusions or recommendations and by (ii) Validation Committees.

NOTE 4.3.4.3 INSURANCE RISK EXPOSURES AND SENSITIVITY ANALYSES**Technical insurance risks**

In life insurance, the Insurance business line is mainly exposed to surrender risks due to the preponderance of euro-denominated contracts in life insurance and borrower' insurance, and to a lesser extent, to mortality risk. The risk of surrender in life insurance is mitigated by the loss absorption capacity of the technical reserves (ability to reduce the level of discretionary profit-sharing attributed to policyholders). The Group implements a reinsurance program mainly to mitigate the mortality risks carried in the borrowers' insurance, individual personal protection and term life insurance contracts.

SENSITIVITY OF THE INSURANCE BUSINESS LINE TO UNDERWRITING RISK ON THE "SAVINGS" SCOPE (INSURANCE CONTRACTS WITH DIRECT PARTICIPATION FEATURES)

Risk factors (In EURm)	Shock used	31.12.2024	
		Impact On the Net Income	Impact on the capital
Increase in surrender	5% of outstanding 2024 year end	(15)	(15)

In property and casualty insurance, the Group is exposed to underwriting risk, *i.e.* the risk of loss of capital resulting from the difference between the costs related to the claims expected when pricing and the actual costs resulting from unfavourable changes in one or more risk factors (deviation in the frequency, the average costs, occurrence of atypical events).

Financial risks

Market risk: given the preponderance of savings life insurance among its insurance business line, the Group is mainly exposed to market risk,

defined as the risk of loss of capital on the value of financial instruments resulting from variations in market parameters, the volatility of these parameters and correlations between these parameters. The parameters concerned are, in particular exchange rates, interest rates, as well as the prices of securities (shares, bonds), financial derivatives, real estate assets or any other assets.

Sensitivities have been identified in relation to the main financial risk factors analysed either alone or in combination. They take into account policyholder behaviours (in particular surrender) and are net of tax and net of the participation allocated to policyholders.

SENSITIVITY OF THE INSURANCE BUSINESS LINE TO MARKET RISKS IN THE SAVINGS SCOPE (INSURANCE CONTRACTS WITH DIRECT PARTICIPATION)

Risk factors (In EURm)	Shock used	31.12.2024	
		Impact On the Net Income	Impact on the capital
Rising rates	+50 bps	(3.5)	(3.5)
Lower rates	-50 bps	(1)	(1)
Decline in equities	-10%	(14)	(14)

Liquidity risk: in the context of insurance operations, liquidity risk corresponds to the inability of the Insurance business line to meet its contractual obligations and settle reported claims (potential losses incurred in the event of forced sales of assets or when financial assets are invested in illiquid markets). Liquidity risk is governed by the investment risk management policy and the risk management policy of the Insurance business line; The rules for allocating asset portfolios lead to a diversification of these portfolios and a limitation of investments in low liquidity assets (private equity, real estate, etc.).

ALM studies on liquidity risk ensure that the investment structure of the Insurance business line is consistent with its insurance commitments. The framework for strategic asset allocation also makes it possible to limit this risk.

Credit risk: the implementation of thresholds and limits per counterparty makes it possible to limit this risk on financial assets. Information on the credit risk of the financial assets of the insurance business is detailed in Note 3.8. In addition, the default risk of reinsurers (representative of the claims receivable net of premiums to be paid) is mitigated by collateral received from reinsurers, mainly in the form of high-quality securities or cash.

NOTE 4.4 Other assets and liabilities

NOTE 4.4.1 OTHER ASSETS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Guarantee deposits paid ⁽¹⁾	50,970	51,611
Settlement accounts on securities transactions	4,518	2,835
<i>o/w due from clearing houses bearing credit risk</i>	278	163
Prepaid expenses	1,792	1,680
Miscellaneous receivables ⁽²⁾	14,254	14,111
<i>o/w miscellaneous receivables bearing credit risk⁽³⁾</i>	6,514	6,404
GROSS AMOUNT	71,534	70,237
Impairments	(631)	(472)
<i>Credit risk⁽³⁾</i>	(405)	(328)
<i>Other risks</i>	(226)	(144)
NET AMOUNT	70,903	69,765

(1) Mainly relates to guarantee deposits paid on financial instruments, their fair value is assumed to be the same as their book value net of impairment for credit risk.

(2) Miscellaneous receivables primarily include trade receivables, fee income and income from other activities to be received. The operating leases receivables equal to EUR 2,115 million as at 31 December 2024, compared to EUR 2,325 million as at 31 December 2023.

(3) Net value of miscellaneous receivables bearing credit risk amounts to EUR 6,109 million as at 31 December 2024, compared to EUR 6,076 million as at 31 December 2023 (see Note 3.8).

NOTE 4.4.2 OTHER LIABILITIES

<i>(In EURm)</i>	31.12.2024	31.12.2023
Guarantee deposits received ⁽¹⁾	54,259	53,253
Settlement accounts on securities transactions	4,822	3,576
Expenses payable on employee benefits	2,820	2,566
Lease liability	2,003	2,065
Deferred income	1,560	1,643
Miscellaneous payables ⁽²⁾	25,322	30,555
TOTAL	90,786	93,658

(1) Mainly relates to guarantee deposits received on financial instruments, their fair value is assumed to be the same as their book value.

(2) Miscellaneous payables primarily include trade payables, fee expense and expense from other activities to be paid.

NOTE 5 OTHER GENERAL OPERATING EXPENSES

(In EURm)		31.12.2024	31.12.2023
Personnel expenses ⁽¹⁾	Note 5.1	(11,544)	(10,645)
Other operating expenses ⁽¹⁾	Note 5.2	(6,028)	(6,887)
Other general operating expenses attributable to the insurance contracts ⁽²⁾		751	683
TOTAL		(16,821)	(16,849)

(1) The amount of Personnel costs and Other administrative costs is presented in Note 5.1 and Note 5.2 before reallocation within the Net banking income of the expenses relating to insurance contracts.

(2) General operating expenses relating to insurance contracts are recognised during the period as service expenses relating to the insurance and reinsurance contracts issued except for acquisition costs which are recorded in the balance sheet to be recognised as profit or loss in subsequent periods.

Reorganisation of the headquarters of Societe Generale in France

On 5 February 2024, Societe Generale announced a reorganisation within its headquarters in France in order to simplify its operations and structurally improve its operational efficiency.

The objective is to consolidate and pool certain activities and functions, to eliminate hierarchical layers to streamline decision-making processes and to resize certain teams due to the review of projects or processes.

The implementation of these organisational changes results in approximately 900 job cuts without forced redundancies (*i.e.* approximately 5% of the headquarters workforce).

The cost of the social support measures implemented as part of this reorganisation amounts to approximately EUR 0.3 billion.

NOTE 5.1 Personnel expenses and employee benefits



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Employee benefits correspond to the compensation granted by the Group to its employees in exchange for work carried out during the annual reporting period.

All forms of compensation for work rendered are recorded in the expenses:

- whether it be paid to employees or to outside social security agencies;
- whether it be paid during the annual reporting period or to be paid by the Group in the future as entitlements to employees (pension plans, retirement benefits...);
- whether it be paid in cash or in Societe Generale shares (free share plans, stock options).

Information related to the Group headcount is presented in Chapter 5 of the present Universal Registration Document (Corporate Social Responsibility).

NOTE 5.1.1 PERSONNEL EXPENSES AND RELATED PARTY TRANSACTIONS**ACCOUNTING PRINCIPLES**

Personnel expenses include all expenses related to personnel, including employee benefits and expenses related to payments based on Societe Generale shares.

Short-term employee benefits are recorded under "Personnel expenses" during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and other long-term benefits are described in Note 5.1.2.

Personnel expenses include related party transactions, within the meaning of IAS 24.

The Group has selected as related parties:

- directors, corporate officers (the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer) and spouses and children living in their households;
- the following subsidiaries: subsidiaries controlled exclusively or jointly and companies over which Societe Generale exercises significant influence;
- entities controlled exclusively or jointly by a related party that is an individual.

NOTE 5.1.1.1 PERSONNEL EXPENSES

<i>(In EURm)</i>	2024	2023
Employee compensation	(8,355)	(7,708)
Social security charges and payroll taxes	(1,953)	(1,749)
Net pension expenses – defined contribution plans	(821)	(772)
Net pension expenses – defined benefit plans	(75)	(69)
Employee profit-sharing and incentives	(340)	(347)
TOTAL	(11,544)	(10,645)
<i>Including net expenses from share – based payments</i>	<i>(243)</i>	<i>(254)</i>

NOTE 5.1.1.2 RELATED-PARTY TRANSACTIONS**Remuneration of the Group's managers**

This includes amounts effectively paid by the Group to Directors and corporate officers as remuneration (including employer contributions) and other benefits as indicated below according to the nomenclature of IAS 24 – paragraph 17.

<i>(In EURm)</i>	2024	2023
Short-term benefits	14.7	13.2
Post-employment benefits	0.3	0.5
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	1.9	2.2
TOTAL	16.9	15.9

Related-party transactions

The transactions with members of the Board of Directors, Chief Executive Officers and members of their families included in this note only comprise loans and guarantees outstanding as at 31 December 2024 for a total amount of EUR 3.4 million. All other transactions with these individuals are insignificant.

Total amounts provisioned or booked by the Societe Generale Group for the payment of pensions and other benefits

The total amount provisioned or booked by the Societe Generale Group as at 31 December 2024 under IAS 19 for the payment of pensions and other benefits to Societe Generale's Chief Executive Officers (Mr. Krupa, Mr. Aymerich, Mr. Palmieri and the three staff-elected Directors) is EUR 3.4 million.

NOTE 5.1.2 EMPLOYEE BENEFITS**ACCOUNTING PRINCIPLES**

Employee benefits are divided into four categories:

- short-term employee benefits;
- post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- others long-term employee benefits which are employee benefits not expected to be settled wholly before twelve months, such as defined variable compensation paid in cash and not indexed to the Societe Generale share, long service awards and time saving accounts;
- termination benefits.

Short-term employee benefits

Short-term employee benefits are recognised as Expenses payable on employee benefits. The settlement is expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing.

Post-employment benefits

Post-employment benefits can be broken down into two categories: defined contribution pension plans or defined benefit pension plans.

POST-EMPLOYMENT DEFINED CONTRIBUTION PLANS

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are recorded as an expense for the current year.

POST-EMPLOYMENT DEFINED BENEFIT PLANS

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the associated medium or long-term risk.

Provisions are recognised on the liabilities side of the balance sheet under "Provisions", to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

The Group can choose to finance defined benefit plans by assets held by a long-term employee benefit fund or by qualifying insurance policies. Funding assets, made by funds or insurance policies, are classified as plan assets if assets are held by an entity (fund) that is legally separate from the reporting entity and are available to be used only to pay employee benefits. When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations. When these plans are financed from funds not classified as plan assets, these funds, classified as separate assets, are displayed separately in the assets of the balance sheet under "Financial assets at fair value through profit or loss".

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) and differences between actuarial assumptions and real performance are recognised as actuarial gains and losses. Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (or asset) and any change in the effect of the asset ceiling are components used to remeasure the net defined benefit liability (or asset). These components are immediately and fully recognised in shareholder's equity among Unrealised or deferred gains and losses and they cannot be subsequently reclassified as income.

These items cannot be subsequently reclassified as income and are presented under "Retained earnings" on the liabilities side of the balance sheet and on a separate line under the "Statement of net income and unrealised or deferred gains and losses".

When a new or amended plan comes into force, past service cost is immediately recognised in profit or loss.

An annual charge is recorded under "Personnel expenses" for defined benefit plans consisting of the additional entitlements vested by each employee (current service cost), past service cost resulting from a plan amendment or a curtailment, the financial expense resulting from the discount rate and the interest income on plan assets (net interest on the net defined benefit liability or asset), plan settlements.

Other long-term benefits

Other long-term employee benefits are benefits other than post-employment and termination benefits, that are paid to employees more than twelve months after the end of the annual period in which they provided the related services.

Other long-term benefits are measured and recognised in the same way as post-employment benefits, with the exception of actuarial gains and losses, which are immediately recognised as profit or loss.

Termination benefits

Termination benefits refer to the benefits to be granted to an employee following the termination by the entity of the staff member's employment contract before the normal retirement age or the decision of the staff member to voluntarily leave in exchange for these benefits.

Termination benefits payable more than twelve months after the closing date shall be discounted.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

<i>(In EURm)</i>	Provisions as at 31.12.2023	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions as at 31.12.2024
Post-employment benefits	1,217	88	(33)	55	(78)	(40)	(128)	1,026
Other long-term benefits	646	171	(69)	102	(76)	-	(19)	653
Termination benefits	210	411	(54)	357	(303)	(10)	6	260
TOTAL	2,073	670	(156)	514	(457)	(50)	(141)	1,939

Law No. 2024-364 of 22 April 2024 provides a legal framework for employees' rights to paid sick leave and applies retroactively from 1 December 2009. The provision of EUR 12 million that had been recorded as at 31 December 2023 following the decisions of the Court of Cassation has been adjusted to EUR 18.6 million in 2024.

NOTE 5.1.2.1 EMPLOYMENT DEFINED CONTRIBUTION PLANS

The main defined contribution plans provided to employees of the Group are located in France, in the United Kingdom and in the United States.

In France, they include state pension plans and other national pension plans such as AGIRC-ARRCO, as well as pension schemes put in place by certain Group entities whose only commitment is to pay annual contributions (PERCO).

In the United Kingdom, the employer pays contributions according to the age of the employees (from 4 to 10% of the salary) and can make extra contributions up to 4.5% for the voluntary additional employee contributions.

In the United States, employers fully match the first 8% of employee contributions, within the limit of USD 10,000.

NOTE 5.1.2.2 POST-EMPLOYMENT DEFINED BENEFIT PLANS

Post-employment pension plans include schemes offering annuities, plans offering retirement bonuses and mixed plans (cash balance). Benefits paid out in annuities supplement the pensions paid by the mandatory basic plans.

The main defined benefit plans are located in France, in Switzerland, in the United Kingdom and in the United States.

In France, the supplementary pension plan for executive managers, set up in 1991, allocates an annual allowance to beneficiaries covered by Societe Generale as described in Chapter 3 "Corporate Governance" of the present Universal Registration Document. This allowance depends in particular on the beneficiary's seniority within Societe Generale. Since 4 July 2019, date of publication of the ordinance ending the so-called "random rights" defined benefit pension plans in application of the *Loi Pacte*, this plan is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

In Switzerland, the plan is managed by a personal protection insurance institution (the Foundation), comprised of employer and employee representatives. The employer and its employees pay contributions to the Foundation. Pension benefits are revalued at a guaranteed rate of return and converted to annuities (or lump-sum payment) also at a guaranteed conversion rate (cash balance scheme). Because of this minimum guaranteed return, the plan is considered similar to a defined benefit plan.

In the United Kingdom, the defined benefit plan has been closed to new employees for nearly 20 years, and the benefits of the last beneficiaries were frozen in 2015. The plan is managed by an independent institution (Trustee).

Similarly, in the United States, defined benefit plans were closed to new employees in 2015 and the vesting of new benefits was frozen.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

(In EURm)	31.12.2024			
	France	United Kingdom	Others	Total
A – Present value of defined benefit obligations	815	472	833	2,120
B – Fair value of plan assets	74	524	567	1,165
C – Fair value of separate assets	1,081	-	11	1,092
D – Change in asset ceiling	0	-	6	7
A - B - C + D = Net balance	(340)	(52)	262	(130)
ON THE LIABILITIES SIDE OF THE BALANCE SHEET	743	(0)	284	1,026
ON THE ASSETS SIDE⁽¹⁾ OF THE BALANCE SHEET	1,083	52	22	1,156

(1) o/w EUR 1,092 million of separate assets recorded under “Financial assets at fair value through profit or loss” and EUR 64 million linked to surplus assets under “Other assets”.

(In EURm)	31.12.2023			
	France	United Kingdom	Others	Total
A – Present value of defined benefit obligations	882	582	962	2,426
B – Fair value of plan assets	78	617	555	1,250
C – Fair value of separate assets	1,076	-	-	1,076
D – Change in asset ceiling	-	-	1	1
A - B - C + D = Net balance	(272)	(35)	408	101
ON THE LIABILITIES SIDE OF THE BALANCE SHEET	805	-	412	1,217
ON THE ASSETS SIDE⁽¹⁾ OF THE BALANCE SHEET	1,077	35	4	1,116

(1) o/w EUR 1,076 million of separate assets recorded under “Financial assets at fair value through profit or loss” and EUR 40 million linked to surplus assets under “Other assets”.

COMPONENTS OF THE COST OF DEFINED BENEFITS

(In EURm)	2024	2023
Current service cost including social security contributions	63	58
Employee contributions	(6)	(7)
Past service cost/curtailments	(13)	(5)
Transfer via the expense	(0)	(0)
Net interest	5	3
A – Components recognised in income statement	49	49
Actuarial gains and losses on assets	95	(59)
Actuarial gains and losses due to changes in demographic assumptions	(12)	(14)
Actuarial gains and losses due to changes in economic and financial assumptions	(109)	60
Actuarial gains and losses due to experience	13	(0)
Change in asset ceiling	(7)	1
B – Components recognised in unrealised or deferred gains and losses	(20)	(12)
C = A + B TOTAL COMPONENTS OF THE COST OF DEFINED BENEFITS	28	37

CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

<i>(In EURm)</i>	2024	2023
Balance as at 1 January	2,426	2,298
Current service cost including social security contributions	63	58
Past service cost/curtailments	(13)	(7)
Settlements	-	(0)
Net interest	86	91
Actuarial gains and losses due to changes in demographic assumptions	(12)	(14)
Actuarial gains and losses due to changes in economic and financial assumptions	(109)	60
Actuarial gains and losses due to experience	13	1
Foreign exchange adjustment	35	15
Benefit payments	(154)	(152)
Change in consolidation scope	(3)	(3)
Transfers and others	(211)	79
Balance as at 31 December	2,120	2,426

CHANGES IN THE FAIR VALUE OF FUNDING ASSETS

<i>(In EURm)</i>	Plan assets		Separate assets	
	2024	2023	2024	2023
Balance as at 1 January	1,249	1,160	1,076	1,002
Interest expenses on assets	48	50	34	38
Actuarial gains and losses on assets	(66)	23	(28)	36
Foreign exchange adjustment	35	16	0	-
Employee contributions	6	5	-	-
Employer contributions to plan assets	20	20	10	-
Benefit payments	(72)	(69)	(0)	(0)
Change in consolidation scope	-	-	-	-
Transfers and others	(55)	45	-	-
Change in asset ceiling	7	(1)	-	-
Balance as at 31 December	1,172	1,249	1,092	1,076

Information and terms regarding funding assets

Funding assets include plan assets and separate assets.

Funding assets represent around 107% of Group obligations, with different rates depending on the country.

Accordingly defined benefit plan obligations in France and the United Kingdom are fully hedged and hedged at 98% for the United States, while they are not funded in Germany.

The breakdown of the fair value of plan assets is as follows: 62% bonds, 14% equities and 24% other investments. Directly held Societe Generale shares are not significant.

Funding assets excess is EUR 434 million.

Employer contributions to be paid to post-employment defined benefit plans for 2025 are estimated at EUR 15 million.

Plan hedging strategies are defined locally in connection with the Finance and Human Resources Departments of the entities, by *ad hoc* structures (Trustees, Foundations, Joint structures etc.) if necessary. Besides, liability investment or financing strategies are monitored at Group level through a global governance system. Committee meetings, with the participation of representatives of the Human Resources Department, the Finance Department and the Risk Division, are organised in order to define Group guidelines for employee benefits investment and management, to validate decisions and to follow up the associated risks for the Group.

Depending on the duration of each plan and local regulations, funding assets are invested in equities and/or in fixed income products, whether guaranteed or not.

The actual returns on plan and separate assets can be broken down as follows:

<i>(In EURm)</i>	2024	2023
Plan assets	(18)	73
Separate assets	6	74

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

	31.12.2024	31.12.2023
Discount rate		
France	3.27%	3.19%
United-Kingdom	5.73%	4.52%
Others	3.67%	3.64%
Long-term inflation		
France	1.96%	2.21%
United-Kingdom	2.99%	3.10%
Others	1.95%	2.11%
Future salary increase		
France	1.91%	1.91%
United-Kingdom	N/A	N/A
Others	1.25%	1.50%
Average remaining working lifetime of employees <i>(in years)</i>		
France	7.34	7.56
United-Kingdom	2.18	2.52
Others	7.93	8.46
Duration <i>(in years)</i>		
France	11.31	11.69
United-Kingdom	10.74	12.06
Others	11.12	11.44

Assumptions by geographical area are weighted average by the defined benefit obligations (DBO).

The discount yield curves used are AA corporate bonds yield curves (source: Merrill Lynch) observed at the end of October for USD, GBP and EUR, and corrected at the end of December if the change in discount rates had a significant impact.

Inflation rates used for EUR and GBP monetary areas are market rates observed at the end of October and corrected at the end of December if the change had a significant impact. Inflation rates used for the other monetary areas are the long-term targets of the central banks.

The average remaining working lifetime of employees is calculated taking into account turnover assumptions.

The assumptions described above have been applied to post-employment benefit plans.

SENSITIVITIES OF DEFINED BENEFIT OBLIGATIONS TO THE CHANGES IN MAIN ACTUARIAL ASSUMPTIONS

<i>(Percentage of item measured)</i>	31.12.2024	31.12.2023
Variation in discount rate		
Impact on the present value of defined benefit obligations at 31 December N	+0.5%	+0.5%
Variation in long-term inflation		
Impact on the present value of defined benefit obligations at 31 December N	-5%	-5%
Variation in future salary increase		
Impact on the present value of defined benefit obligations at 31 December N	+0.5%	+0.5%
	3%	4%
	1%	1%

Disclosed sensitivities are averages of the variations weighted by the present value of the defined benefit obligations.

BREAKDOWN OF FUTURE PAYMENTS OF BENEFITS

(In EURm)	2024	2023
N+1	147	161
N+2	136	147
N+3	140	154
N+4	148	163
N+5	146	172
N+6 to N+10	762	855

NOTE 5.1.3 SHARE-BASED PAYMENT PLANS**ACCOUNTING PRINCIPLES**

Societe Generale, and its subsidiaries, share-based payments include:

- payments in equity instruments;
- cash payments whose amount depends on the performance of equity instruments.

Share-based payments systematically give rise to an operating expense recognised as Personnel expenses in the amount of the fair value of the share-based payments granted to employees and according to their terms of settlement.

For equity-settled share-based payments (free shares, stock purchase or subscription options), the fair value of these instruments, measured at the vesting date, is spread over the vesting period and recorded in shareholders' equity under "Issued common stocks and capital reserves". On each closing date, the number of these instruments is revised to take into account the performance and service conditions not related to the Societe Generale share value and the conditions of presence of the beneficiaries, in order to adjust the overall cost of the plan originally determined. Expenses recognised under Personnel expenses from the start of the plan are then adjusted accordingly.

For cash-settled share-based payments (compensation indexed on Societe Generale, or one of its subsidiaries, shares), the fair value of the amounts payable is recorded under "Personnel expenses" as an expense over the vesting period against a corresponding liabilities entry recognised in the balance sheet under "Other liabilities" – Expenses payable on employee benefits. This payables item is then remeasured to take into account performance and presence conditions, as well as changes in the value of the underlying shares. When the expense is hedged by an equity derivative instrument, the effective portion of the change in the fair value of the hedging derivative is recorded in the income statement under "Personnel expenses", as well.

The Group may award some of its employees stock purchase or subscription options, free shares or rights to a future cash payment indexed to the Societe Generale, or one of its subsidiaries, share price.

The options are measured at their fair value when the employees are first notified, without waiting for the conditions that trigger the award to be met, or for the beneficiaries to exercise their options.

Group stock-option plans are measured using a binomial formula when the Group has adequate statistics to take into account the behaviour of the option beneficiaries. When such data are not available, the Black & Scholes model or *Monte-Carlo* model is used. Valuations are performed by independent actuaries.



The vesting conditions for beneficiaries of payments based on Societe Generale shares include conditions of presence and performance. The performance conditions may be indexed on the Group's financial

data (for instance, the Group's profitability, or the relative performance of the Societe Generale share) and/or on the Group's non-financial data (for instance, the achievement of the Group's objectives in terms of social and environmental responsibility – CSR).

EXPENSES RECORDED IN THE INCOME STATEMENT

(In EURm)	31.12.2024			31.12.2023		
	Cash settled plans	Equity settled plans	Total plans	Cash settled plans	Equity settled plans	Total plans
Net expenses from purchase plans, stock option and free share plans	173	69	243	139	115	254

EMPLOYEE SHARE OWNERSHIP PLAN

On 22 May 2024, as part of the Group's employee share ownership policy, Societe Generale offered its employees the opportunity to subscribe to a reserved capital increase at a share price of EUR 20.64, i.e. a 20% discount compared to the average market price of the Societe Generale shares during the 20 trading days prior to this date. 9,082,161 shares were subscribed, representing, for the Group, an expense for the financial year 2024 of EUR 2.6 million after taking into account the legal five-year period of non-transferability of the shares, minored by early unblocking release cases.

The description of Societe Generale stock-options plans and free share plans, which supplements this note, is presented in Chapter 3 of the present Universal Registration Document (Corporate governance).

NOTE 5.2 Other operating expenses**ACCOUNTING PRINCIPLES**

The Group records operating expenses under expenses, according to the type of services to which they refer and the rate of use of said services.

Rentals include real estate and equipment leasing expenses, which do not result in a recognition of a lease liability and right-of-use asset (see Note 8.3).

Taxes and levies are only booked when the triggering event provided for by law occurs. If the obligation to pay the tax arises from the gradual operation of an activity, the expense must be spread out over the same period. Finally, if the obligation to pay is generated when a threshold is reached, the expense is only recorded once the threshold is reached.

Taxes and levies cover all contributions levied by a public authority and include the contributions paid to the Single Resolution Fund and the Deposit Insurance and Resolution Fund, the systemic risk tax, and contributions for ACPR control costs, which are recognised in profit or loss at the start of the financial year. The Company social solidarity contribution (C3S), based on income generated in previous financial year, is fully recognised in profit or loss as at 1 January of the current financial year.

Other mainly includes building maintenance and other costs, travel and business expenses, and advertising expenses.

(In EURm)	2024	2023
Rentals	(510)	(449)
Taxes and levies	(571)	(1,126)
Data and telecom (excluding rentals)	(2,331)	(2,440)
Consulting fees	(1,250)	(1,319)
Other	(1,367)	(1,553)
TOTAL	(6,029)	(6,887)

CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to maintain financial stability has been supplemented in 2014 by a set of resolution financing mechanisms within the European Banking Union. From 2016 this set of mechanisms took the form of the Single Resolution Fund (SRF), supplemented with National Resolution Fund (NRF) for the credit institutions subject to resolution mechanisms but not covered by the SRF, the National Resolution Fund (NRF) exists for institutions subject to this resolution mechanisms, but that have no SRF. The SRF has been financed by annual contributions of the institutions concerned and achieved, as at 31 December 2023, its objective of an overall allocation greater than or equal to 1% of the covered deposits of all member institutions. No additional contribution has therefore been called during 2024 (EUR 658 million in 2023).

A fraction of the annual contributions could be made in the form of irrevocable payment commitments secured by the payment of an interest-bearing cash security deposit. As at 31 December 2024, the amounts of cash deposit paid to the SRF et the NRF and recorded as assets on the balance sheet among the Other assets, are, respectively, EUR 768 million and EUR 218 million.

In a judgment delivered on 25 October 2023, the General Court of the European Union dismissed the action brought by a French credit institution against the Single Resolution Board (SRB) following the latter's refusal to surrender the security deposit covering the irrevocable payment commitment made for the 2015 contribution period. The return of the deposit, requested by the institution after the withdrawal of its authorisation obtained from the European Central Bank, had been refused by the Single Resolution Board, which required, in order to honour it, the prior payment of the amount of the irrevocable payment commitment secured by this deposit. The institution concerned by this case decided to appeal the judgment of the General Court of the European Union to the European Court of Justice. Societe Generale keeps abreast of developments in this matter and will then analyse the possible consequences on its financial statements.

NOTE 6 INCOME TAX



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Income tax expenses are presented separately from other taxes which are classified among Other operating expenses. They are calculated according to the rates and tax regulations applicable in the countries where each consolidated entity is located.

Income tax presented in the income statement includes current taxes and deferred taxes:

- current taxes correspond to the amount of taxes due (or refundable) as calculated according to the taxable profit base for the reporting period;
- deferred taxes correspond to the amount of taxes resulting from past transactions and that will be payable (or refundable) in a future reporting period.

ACCOUNTING PRINCIPLES

Current taxes

Current tax is based on the taxable profits of each consolidated taxable entity and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under "Income tax" in the income statement.

Deferred taxes

Deferred taxes are recognised whenever the Group identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments.

Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the local taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value.

Deferred tax assets can result from deductible temporary differences or from tax loss carry-forwards. These deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set time. These temporary differences or tax loss carry-forwards can also be used against future taxable profit.

Tax loss carry-forwards are subject to an annual review taking into account the tax system applicable to each relevant tax entity and a realistic projection of their tax income or expense: any previously unrecognised deferred tax assets are recorded in the balance sheet to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered; however, the carrying value of deferred tax assets already recognised in the balance sheet is reduced where a risk of total or partial non-recovery occurs.

Deferred tax liabilities are recognised for all taxable temporary differences, except for temporary differences relating to investments in companies under exclusive or joint control, to the extent that the Group is capable of controlling the date on which the temporary difference will reverse and that this temporary difference will likely not reverse in the foreseeable future.

Current and deferred taxes are recognised in the consolidated income statement under "Income tax". However, deferred taxes related to gains and losses recorded under "Unrealised or deferred gains and losses" are also recognised under the same heading in shareholders' equity.

Tax uncertainties

There may be uncertainty over the tax treatments applied by the Group. If it is probable that the tax Authority will not accept some tax treatments, these uncertainties shall be booked under tax expenses/income by the counterpart of Provisions for tax adjustments recorded among tax liabilities.

Information on the nature and the amount of the associated risks is not disclosed when the Group considers that such disclosure could seriously undermine its position in a dispute with other parties on the object of the provision.

NOTE 6.1 Breakdown of the TAX expense

<i>(In EURm)</i>	2024	2023
Current taxes	(1,458)	(1,470)
<i>o/w current taxes related to Pillar 2 taxes</i>	(5)	
Deferred taxes	(143)	(209)
TOTAL	(1,601)	(1,679)

Pillar 2: Tax reform – Global minimum corporate tax rate

In October 2021, 137 of the 140 jurisdictions of the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) committed to the principle of establishing a global minimum corporate income tax rate of 15% on the profits by country of multinational groups with annual revenues exceeding EUR 750 million.

A model of rules, referred to as “Pillar 2”, published by the OECD on 20 December 2021 specifies the mechanism which applies in particular in Europe and in France since the adoption of European council directive (EU) 2022/2523 and its transposition into French law by article 4 of the French Finance act for 2024.

From 1 January 2024 on, the minimum level of tax will take the form of an additional “top-up” tax determined according to rules compliant with the directive. Transitional Safe Harbour set out by the OECD for the first three fiscal years also included in the law.

Based on 2024 prospective data, the Pillar 2 effective tax rates estimated exceed 15% in most jurisdictions in which the Group operates. However, there is a limited number of jurisdictions in which a top-up tax would have to be paid by the Group in France or at the level of the jurisdiction when the latter has established an additional national tax. As at 31 December 2024, the Group recognised a tax expense estimated at a EUR 5 million for this reason.

Lastly, in application of the provisions introduced by the amendments to IAS 12 adopted by the European Union on 8 November 2023, the Group applies the mandatory and temporary exception to the recognition of the deferred taxes associated with the additional “top-up” taxes resulting from the Pillar 2 rules.

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

<i>(In EURm)</i>	2024		2023	
	%	<i>EURm</i>	%	<i>EURm</i>
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill		6,708		5,442
Group effective tax rate	23.87%		30.85%	
Permanent differences	0.54%	36	0.58%	31
Differential on securities with tax exemption or taxed at reduced rate	0.02%	1	-0.24%	(13)
Tax rate differential on profits taxed outside France	1.30%	87	1.33%	72
Changes in the measurement of deferred tax assets/liabilities	0.10%	7	-6.69%	(364)
Normal tax rate applicable to French companies (including 3.3% national contribution)	25.83%		25.83%	

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter is set to 25% (article 219 of the French Tax Code), plus the existing national contribution (CSB) of 3.3% (article 235 *ter* ZC of the French Tax Code), i.e. a compound tax rate of 25.83%.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount in a net long term capital gains situation (article 219 I a *quinquies* of the French Tax Code).

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate (article 216 of the French Tax Code).

NOTE 6.2 Tax assets and liabilities**TAX ASSETS**

<i>(In EURm)</i>	31.12.2024	31.12.2023
Current tax assets	1,296	1,026
Deferred tax assets	3,391	3,691
<i>o/w deferred tax assets on tax loss carry-forwards</i>	1,798	1,832
<i>o/w deferred tax assets on temporary differences</i>	1,555	1,818
<i>o/w deferred tax on deferrable tax credits</i>	38	41
TOTAL	4,687	4,717

TAX LIABILITIES

<i>(In EURm)</i>	31.12.2024	31.12.2023
Current tax liabilities	929	933
Provisions for tax adjustments	46	41
Deferred tax liabilities	1,262	1,428
TOTAL	2,237	2,402

The Group performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity (or tax group) concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario SG Central) over five years (from 2025 to 2029), extrapolated to 2030, which corresponds to a "normative" year.



These budgets take into account the impact of commitments to energy and environmental transition. The central scenario is based on the assumption that governments and companies fulfil the announced political commitments in line with a scenario of below 2°C, but below Net Zero emissions by 2050 (1.5°C). The scenario does not assume strong public resistance, and envisions that public policies will prioritise efficient green investments, with private sector financing playing a key role. This implies major sectoral transformations, with some sectors experiencing a drop in demand.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the Group's tax expertise. An extrapolation of the tax results is performed from 2030 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

On principle, the appreciation of the selected macroeconomic factors and the internal estimates used to determine the tax results involve risks and uncertainties about their materialisation over the estimated timeframe for the absorption of the losses. These risks and uncertainties are especially related to possible changes in the applicable tax rules (computation of the tax result, as well as allocation rules for tax loss carry-forwards) or materialisation of the assumptions selected. These uncertainties are mitigated by robustness checks of the budgetary and strategic assumptions.

As at 31 December 2024, discounted projections confirm the probability that the Group will be able to offset the tax losses covered by deferred tax assets against future profits.

NOTE 6.3 Deferred tax assets recognised on tax loss carry-forwards and deferred tax assets not recognised

As at 31 December 2024, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax assets recovery is indicated in the table below:

(In EURm)	31.12.2024	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	1,798	-	-
o/w French tax group	1,629	Unlimited ⁽¹⁾	7 years
o/w US tax group	81	20 years ⁽²⁾	5 years
Others	88	-	-

(1) In accordance with the 2013 French Finance Act, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

(2) Tax losses generated before 31 December 2011.

The main deferred taxes not recognised as assets in the balance sheet by tax group are presented in the table below. They may be recognised in the balance sheet when it becomes probable that a future taxable profit will allow their recovery.

(In EURm)	31.12.2024	31.12.2023
French tax group	930	930
US tax groups	243	228
SG Singapore	83	80
SG de Banques en Guinée Équatoriale ⁽¹⁾	34	34

(1) Including EUR 10 million of tax carry forward and EUR 24 million temporary differences as at 31 December 2024, as at 31 December 2023.

The other deferred taxes on tax loss carryforwards and temporary differences not recognised as assets on the balance sheet amount, respectively, to EUR 106 million and EUR 3 million as at 31 December 2024 (versus EUR 122 million and EUR 1 million as at 31 December 2023).

The unrecognised deferred tax assets of US tax groups increased by EUR 15 million due to currency effects.

Regarding the tax treatment of the loss resulting from the actions of Jérôme Kerviel, Societe Generale considers that the judgment of the Versailles Court of Appeal of 23 September 2016 is not such as to call into question its validity in light of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law. Consequently, Societe Generale considers that the related tax loss remains recoverable against future taxable income (see Note 9).

NOTE 7 SHAREHOLDERS' EQUITY



MAKING IT
SIMPLE

Equity are the resources contributed to the Group by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings). It also includes resources received when financial instruments are issued and for which the issuer has no contractual obligation to deliver cash to the holders of these instruments.

Equity has no contractual maturity, and when compensation is awarded to shareholders or holders of other equity instruments, it does not affect the income statement but directly reduces the retained earnings in the equity.

The statement "Changes in shareholders' Equity" presents the various changes that affect the components of equity over the reporting period.

NOTE 7.1 Treasury shares and shareholders' equity issued by the Group

ACCOUNTING PRINCIPLES

Treasury shares

Societe Generale shares held by the Group are deducted from consolidated equity irrespective of the purpose for which they are held. Income on these shares is recognised in Retained earnings.

Recognition of shares issued by Group subsidiaries, which are bought and sold by the Group, is described in Note 2.

Shareholders' equity issued by the Group

Financial instruments issued by the Group are booked in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to deliver cash to the holders of the securities.

When they are classified as equity, securities issued by Societe Generale are recorded under "Other equity instruments". If they are issued by Group subsidiaries, these securities are recognised under Non-controlling interests. External costs associated with issuing equity instruments are deducted directly from equity at their after-tax amount.

When they are classified as debt instruments, securities issued by the Group are recorded under "Debt securities issued" or "Subordinated debt" depending on their characteristics. They are accounted for in the same way as other financial liabilities measured at amortised cost (see Note 3.6).

NOTE 7.1.1 ORDINARY SHARES AND CAPITAL RESERVES

<i>(In EURm)</i>	31.12.2024	31.12.2023
Issued capital	1,000	1,004
Issuing premiums and capital reserves	20,392	20,412
Elimination of treasury stock	(111)	(230)
TOTAL	21,281	21,186

ORDINARY SHARES ISSUED BY SOCIETE GENERALE SA

<i>(Number of shares)</i>	31.12.2024	31.12.2023
Ordinary shares	800,316,777	802,979,942
<i>Including treasury stock with voting rights⁽¹⁾</i>	3,818,838	6,736,010
<i>Including shares held by employees</i>	92,250,372	90,162,610

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

On 25 July 2024, Societe Generale carried out, under the Group's "Employee Share Ownership Plan" (see Note 5), a capital increase reserved for employees. As such, 9,055,606 shares were subscribed bringing the share capital of Societe Generale SA from EUR 1,003,724,927.50 (divided into 802,979,942 shares) to EUR 1,015,044,435.00 (divided into 812,035,548 shares).

Furthermore, in accordance with the General Meeting's decision of 22 May 2024, Societe Generale acquired on the market 11,718,771 of its own shares at a cost of EUR 280 million. The execution of this share buy-back program started on 27 May 2024 and ended on 17 June 2024.

NOTE 7.1.2 TREASURY STOCK

As at 31 December 2024, the Group held 1,785,811 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 0.22% of the capital of Societe Generale SA

On 23 September 2024, Societe Generale carried out a capital reduction by canceling the 11,718,771 shares, bringing the share capital of Societe Generale SA from EUR 1,015,044,435.00 (divided into 812,035,548 shares) to EUR 1,000,395,971.25 (divided into 800,316,777 shares).

As at 31 December 2024, the share capital of Societe Generale SA fully paid-up amounted to EUR 1,000,395,971.25 and consisted of 800,316,777 shares with a nominal value of EUR 1.25.

The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 111 million, including EUR 9 million in shares held for trading activities.

The change in treasury stock over 2024 breaks down as follows:

<i>(In EURm)</i>	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	-	(28)	(91)	(119)
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	(2)	(95)	(97)

NOTE 7.1.3 SHAREHOLDERS' EQUITY ISSUED BY THE GROUP**PERPETUAL DEEPLY SUBORDINATED NOTES ISSUED BY SOCIETE GENERALE SA**

As the deeply subordinated notes issued by Societe Generale SA are perpetual and given the discretionary nature of the decision to pay dividends to shareholders, these securities are classified as equity and recognised under "Other equity instruments".

As at 31 December 2024, the amount of perpetual deeply subordinated notes issued by Societe Generale SA, converted at historical rate, is EUR 9,873 million.

For 2024, the change in the amount of deeply subordinated notes issued by the Group is explained by two issuances and two redemptions at par.

<i>Issuance Date</i>	Amount in local currency at 31.12.2023	Repurchases and redemptions in 2024	Amount in local currency at 31.12.2024	Amount in millions of euros at historical rate	Remuneration
29 September 2015	USD 1,250m		USD 1,250m	1,111	8%, from 29 September 2025 USD 5-year Mid Swap rate +5.873%
6 April 2018	USD 1,250m		USD 1,250m	1,035	6.750%, from 6 April 2028 USD 5-year Mid Swap rate +3.929%
16 April 2019	SGD 750m	SGD 750m			6.125%, from 16 April 2024 SGD 5-year Mid Swap rate +4.207%
12 September 2019	AUD 700m	AUD 700m			4.875%, from 12 September 2024 AUD 5-year Mid Swap rate +4.036%
18 November 2020	USD 1,500m		USD 1,500m	1,264	5.375%, from 18 November 2030 5-year US Treasury rate +4.514%
26 May 2021	USD 1,000m		USD 1,000m	818	4.75%, from 26 May 2026 5-year US Treasury rate +3.931%
15 July 2022	SGD 200m		SGD 200m	142	8.25%, from 15 December 2027 5-year SGD OIS +5.6%
22 November 2022	USD 1,500m		USD 1,500m	1,460	9.3750%, from 22 May 2028 5-year US Treasury rate +5.385%
18 January 2023	EUR 1,000m		EUR 1,000m	1,000	8.030%, from 18 July 2029 EUR 5-year Mid Swap rate +5.228%
14 November 2023	USD 1,250m		USD 1,250m	1,166	10%, from 14 May 2029 5-year US Treasury rate +5.448%
25 March 2024			USD 1,000m	923	8.5%, from 25 September 2034 5-year US Treasury rate +4.153%
21 November 2024			USD 1,000m	955	8.125%, from 21 May 2030 5-year US Treasury rate +3.790%

OTHER EQUITY INSTRUMENTS ISSUED BY SUBSIDIARIES

Perpetual subordinated notes have been issued by Group subsidiaries and include discretionary clauses relating to the payment of interest. These issued debt securities are classified as equity instruments and are recognised under Non-controlling interests in the Group's consolidated balance sheet.

As at 31 December 2024, the nominal amount of other equity instruments issued by the Group's subsidiaries is EUR 800 million.

Issuance Date	Amount	Remuneration
18 December 2014 (step-up clause after 12 years)	EUR 800 M	4.125%, from 2026 5-year Mid-Swap rate + margin of 4.150%

SUMMARY OF CHANGES IN EQUITY INSTRUMENTS ISSUED

Changes related to the perpetual subordinated notes and deeply subordinated notes included in Shareholder's equity, Group share are detailed below:

	2024			2023		
	Deeply subordinated notes	Perpetual subordinated notes	Total	Deeply subordinated notes	Perpetual subordinated notes	Total
<i>(In EURm)</i>						
Exchange rate effect on TSS/TSDI reimbursement	(14)	-	(14)	(404)	-	(404)
Remuneration paid booked under reserves	(702)	-	(702)	(734)	-	(734)
Changes in nominal values	949	-	949	(212)	-	(212)
Tax savings on remuneration payable to shareholders and recorded under profit or loss	(181)	-	(181)	190	-	190
Issuance fees relating to subordinated notes	(7)	-	(7)	(5)	-	(5)

NOTE 7.1.4 EFFECT OF THE CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the consolidation scope recognised in shareholders' equity amounts to EUR -690 million in 2024. This includes a change in Non-controlling interests of EUR -692 million mainly related to the impact of the disposals carried out during the financial year, and mainly that of SG MAROCAINE DE BANQUES and its subsidiaries (see Note 2.1 and Note 2.3).

NOTE 7.2 Earnings per share and dividends**ACCOUNTING PRINCIPLES**

The earnings per share are measured by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, excluding treasury shares. The net earnings attributable to ordinary shareholders are adjusted for the preferred shareholders rights, such as holders of preferred shares, subordinated securities or deeply subordinated notes classified in equity. The diluted earnings per share take into account the potential dilution of shareholders' interests in the event where dilutive instruments (stock options or free share plans) are converted into ordinary shares. This dilutive effect is determined using the share buyback method.

NOTE 7.2.1 EARNINGS PER SHARE

<i>(In EURm)</i>	2024	2023
Net income, Group share	4,200	2,493
Attributable remuneration to subordinated and deeply subordinated notes	(713)	(753)
Premium and issuance fees related to subordinated and deeply subordinated notes	(7)	(5)
Net income attributable to ordinary shareholders	3,480	1,735
Weighted average number of ordinary shares outstanding ⁽¹⁾	795,168,649	799,315,070
Earnings per ordinary share (in EUR)	4.38	2.17
Average number of ordinary shares used in the dilution calculation	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	795,168,649	799,315,070
Diluted earnings per ordinary share (in EUR)	4.38	2.17

(1) Excluding treasury shares.

NOTE 7.2.2 DIVIDENDS PAID ON ORDINARY SHARES

Dividends paid on ordinary shares by the Group in 2024 amounted to EUR 1,323 million and are detailed in the following table:

(In EURm)	2024			2023		
	Group Share	Non-controlling interests	Total	Group Share	Non-controlling interests	Total
Paid in shares	-	-	-	-	-	-
Paid in cash	(719)	(604)	(1,323)	(1,362)	(499)	(1,861)
TOTAL	(719)	(604)	(1,323)	(1,362)	(499)	(1,861)

After approving the annual financial statements of Societe Generale on 5 February 2025, the Board of Directors decided to submit to the General Assembly of 20 May 2025 for approval the distribution of a cash dividend of EUR 868 million for the financial year ended 31 December 2024. The dividend per Societe Generale share with dividend rights would thus amount to EUR 1.09.

NOTE 7.3 Unrealised or deferred gains and losses**BREAKDOWN OF CHANGES OF UNREALISED OR DEFERRED GAINS AND LOSSES**

(In EURm)	31.12.2024				
	Gross value	Tax	Net value	o/w	
				Net Group share	Non-controlling interests
Translation differences	1,817	(25)	1,792	1,860	(68)
Revaluation of debt instruments at fair value through other comprehensive income ⁽³⁾	(2,501)	618	(1,883)	(1,777)	(106)
Revaluation of insurance contracts at fair value through other comprehensive income	2,063	(532)	1,531	1,526	5
Revaluation of hedging derivatives	(519)	39	(480)	(482)	2
Subtotal of unrealised gains and losses with subsequent recycling in the income statement	860	100	960	1,127	(167)
Actuarial gains and losses on defined benefit plans ⁽¹⁾	19	(4)	15	19	(4)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss ⁽²⁾	(189)	48	(141)	(140)	(1)
Revaluation of equity instruments at fair value through other comprehensive income	35	(2)	33	33	-
Subtotal of unrealised gains and losses without subsequent recycling in the income statement	(135)	42	(93)	(88)	(5)
TOTAL	725	142	867	1,039	(172)

(In EURm)	Changes of the period				
	Gross value	Tax	Net value	o/w	
				Net Group share	Non-controlling interests
Allocation to retained earnings					
Actuarial gains and losses on defined benefit plans	(12)	-	(12)	(14)	2
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	(3)	1	(2)	(3)	1
TOTAL	(15)	1	(14)	(17)	3
Translation differences	820	(1)	819	864	(45)
Revaluation of debt instruments at fair value through other comprehensive income ⁽³⁾	172	(46)	126	130	(4)
Revaluation of insurance contracts at fair value through other comprehensive income	(252)	64	(188)	(182)	(6)
Revaluation of hedging derivatives	(70)	9	(61)	(68)	7
Variation of unrealised gains and losses with subsequent recycling in the income statement	670	26	696	744	(48)
Actuarial gains and losses on defined benefit plans ⁽¹⁾	19	(3)	16	19	(3)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss ⁽²⁾	(254)	65	(189)	(188)	(1)
Revaluation of equity instruments at fair value through other comprehensive income	-	-	-	-	-
Variation of unrealised gains and losses without subsequent recycling in the income statement	(235)	62	(173)	(169)	(4)
TOTAL OF VARIATION	435	88	523	575	(52)
TOTAL OF CHANGES	420	89	509	558	(49)

(In EURm)	31.12.2023				
	Gross value	Tax	Net value	o/w	
				Net Group share	Non-controlling interests
Translation differences	997	(24)	973	996	(23)
Revaluation of debt instruments at fair value through other comprehensive income ⁽³⁾	(2,673)	664	(2,009)	(1,907)	(102)
Revaluation of insurance contracts at fair value through other comprehensive income	2,315	(596)	1,719	1,708	11
Revaluation of hedging derivatives	(449)	30	(419)	(414)	(5)
Subtotal of unrealised gains and losses with subsequent recycling in the income statement	190	74	264	383	(119)
Actuarial gains and losses on defined benefit plans ⁽¹⁾	12	(1)	11	14	(3)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss ⁽²⁾	68	(18)	50	51	(1)
Revaluation of equity instruments at fair value through other comprehensive income	35	(2)	33	33	-
Subtotal of unrealised gains and losses without subsequent recycling in the income statement	115	(21)	94	98	(4)
TOTAL	305	53	358	481	(123)

(1) Gains and losses presented in these items are transferred into Retained earnings for the next financial year opening.

(2) When a financial liability is derecognised, unrealised gains and losses are attributable to Group own credit risk are subject to transfer into Retained earnings for the next financial year opening.

(3) Including EUR -2,028 million for insurance sector subsidiaries as at 31 December 2024 (EUR -2,298 million as at 31 December 2023). This amount must be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts (see Note 4.3, Detail of performance of insurance activities).

NOTE 8 ADDITIONAL DISCLOSURES

NOTE 8.1 Segment reporting

NOTE 8.1.1 DEFINITION OF SEGMENT REPORTING

The Group is managed on a matrix basis that takes into account its different business lines and the geographical breakdown of its activities. Segment reporting information is therefore presented under both criteria.

The Group includes in the results of each sub-division all operating income and expenses directly related to its activity. Income for each sub-division, except for the Corporate Centre, also includes the return on equity allocated to it, based on the estimated rate of return on Group equity. The return on the sub-division's book equity is then reallocated to the Corporate Centre. Transactions between sub-divisions are carried out under the same terms and conditions as those applying to non-Group customers.

Following changes in the Group's governance during the second half of 2023, the Group's core businesses are now managed through the three following strategic pillars:

- French Retail Banking, Private Banking and Insurance which includes:
 - French Retail and Private Banking including Boursorama;
 - Insurance activities;
- Mobility, International Retail Banking and Financial Services, which consists of:
 - International Retail;
 - Mobility and Financial Services which comprises Financial services to Corporates, operational vehicle leasing and fleet management, and consumer credit activities;
- Global Banking and Investor Solutions which comprises:
 - Global Markets and Investors Services;
 - Financing and Advisory.

In addition to the strategic pillars, the Corporate Centre acts as the Group's Central Funding Department. As such, it recognises the carrying cost of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's Asset and Liability Management (ALM) and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income or expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre.

Segment income take intra-group transactions into account, while these transactions are eliminated from segment assets and liabilities.

The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

For the purpose of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the booking entities.

NOTE 8.1.2 SEGMENT REPORTING BY DIVISION AND SUB-DIVISION

	2024										
	French Retail, Private Banking and Insurance			Global Banking and Investor Solutions			Mobility, International Retail Banking and Financial Services			Corporate Centre ⁽¹⁾	Total group Societe Generale
	French Retail and Private Banking	Insurance	Total	Global Markets and Investors Services	Financial and Advisory	Total	International Retail Banking ⁽⁴⁾	Mobility and Financial Services	Total		
<i>(In EURm)</i>											
Net banking income	7,983	674	8,657	6,557	3,566	10,122	4,161	4,298	8,458	(450)	26,788
Operating expenses ⁽²⁾	(6,485)	(148)	(6,634)	(4,492)	(2,050)	(6,542)	(2,388)	(2,684)	(5,072)	(224)	(18,472)
Gross operating income	1,498	526	2,024	2,065	1,516	3,580	1,773	1,613	3,386	(674)	8,316
Cost of credit risk	(712)	(0)	(712)	8	(133)	(126)	(341)	(364)	(705)	12	(1,530)
Operating income	786	526	1,312	2,073	1,382	3,455	1,432	1,249	2,681	(661)	6,786
Net income from investments accounted for using the equity method	7	-	7	(0)	(0)	(0)	-	15	15	(0)	21
Net income/expense from other assets ⁽⁴⁾	4	2	6	1	(1)	(0)	93	3	96	(179)	(77)
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	-	-
Earnings before Tax	796	528	1,324	2,073	1,381	3,454	1,525	1,268	2,792	(841)	6,730
Income tax	(197)	(132)	(329)	(495)	(162)	(656)	(379)	(317)	(697)	81	(1,601)
Consolidated Net Income	599	396	995	1,579	1,219	2,797	1,146	950	2,096	(759)	5,129
Non controlling interests	1	4	4	9	0	10	461	365	826	89	929
Net income, Group Share	598	393	991	1,569	1,219	2,788	685	585	1,270	(848)	4,200
Segment assets	258,975	179,073	438,048	642,282	194,927	837,209	99,142	110,000	209,142	89,146	1,573,545
Segment liabilities⁽³⁾	294,093	168,887	462,980	666,293	114,662	780,955	81,610	58,780	140,390	109,632	1,493,957

2023

(In EURm)	French Retail, Private Banking and Insurance			Global Banking and Investor Solutions			Mobility, International Retail Banking and Financial Services			Corporate Centre ⁽¹⁾	Total group Societe Generale
	French Retail and Private Banking	Insurance	Total	Global Markets and Investors Services	Financial and Advisory	Total	International Retail Banking ⁽⁴⁾	Mobility and Financial Services	Total		
Net banking income	7,433	620	8,053	6,273	3,369	9,642	4,192	4,315	8,507	(1,098)	25,104
Operating expenses ⁽²⁾	(6,625)	(131)	(6,756)	(4,698)	(2,091)	(6,788)	(2,370)	(2,391)	(4,760)	(220)	(18,524)
Gross operating income	808	489	1,297	1,575	1,279	2,854	1,822	1,925	3,747	(1,318)	6,580
Cost of credit risk	(505)	(0)	(505)	20	(50)	(30)	(184)	(302)	(486)	(4)	(1,025)
Operating income	303	489	792	1,596	1,228	2,824	1,638	1,623	3,261	(1,323)	5,555
Net income from investments accounted for using the equity method	7	-	7	7	0	7	-	10	10	0	24
Net income/expense from other assets ⁽⁴⁾	9	(0)	9	0	1	1	(8)	(3)	(11)	(111)	(113)
Value adjustments on goodwill	(0)	-	(0)	-	-	-	-	-	-	(338)	(338)
Earnings before Tax	319	489	808	1,603	1,229	2,832	1,630	1,630	3,260	(1,771)	5,128
Income tax	(81)	(127)	(208)	(379)	(139)	(517)	(431)	(394)	(824)	(130)	(1,679)
Consolidated Net Income	238	362	600	1,224	1,090	2,314	1,199	1,236	2,436	(1,901)	3,449
Non controlling interests	(0)	4	4	33	(0)	33	466	360	826	93	956
Net income, Group Share	238	358	596	1,191	1,090	2,281	733	876	1,609	(1,994)	2,493
Segment assets	263,833	172,353	436,186	650,502	169,783	820,285	109,836	108,091	217,927	79,647	1,554,045
Segment liabilities⁽³⁾	289,846	158,076	447,922	670,821	80,101	750,922	88,969	53,760	142,729	136,225	1,477,798

(1) Following the steering changes at the beginning of 2023, data have been reflected according to the new organisation.

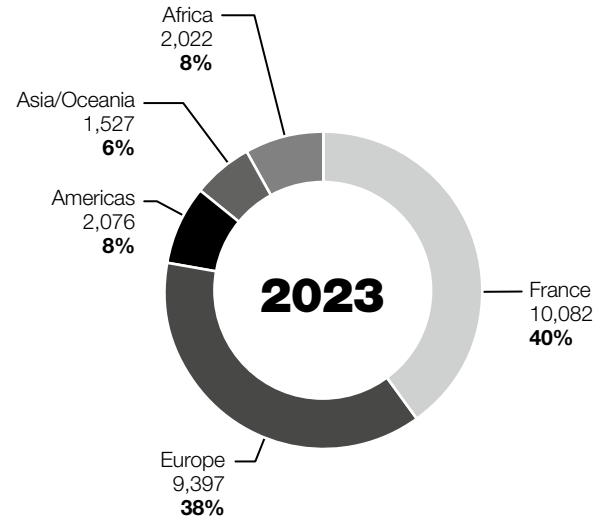
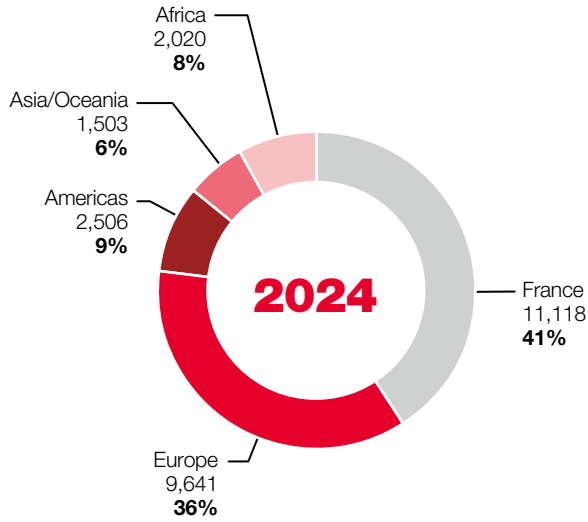
(2) Income and expenses, as well as assets and liabilities that are not directly related to business line activities are allocated to the Corporate Centre. Corporate Centre income includes, in particular, some consequences of the Group's centralised management of litigation and of transactions leading to changes in the consolidation scope. Management fees incurred by banking entities in connection with the distribution of insurance contracts are considered as costs directly related to the performance of the contracts and are therefore included in the valuation of the latter and presented under "Insurance services expense" (see Note 1); this restatement is allocated to the Corporate Centre.

(3) These amounts include Other operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.

(4) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

NOTE 8.1.3 SEGMENT REPORTING BY GEOGRAPHICAL REGION

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME (IN EURM)



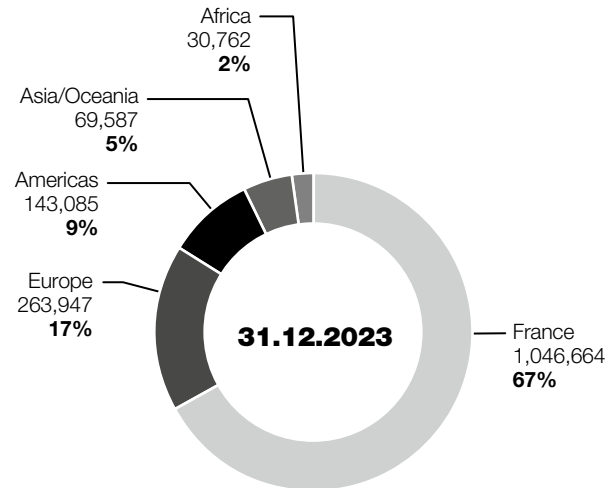
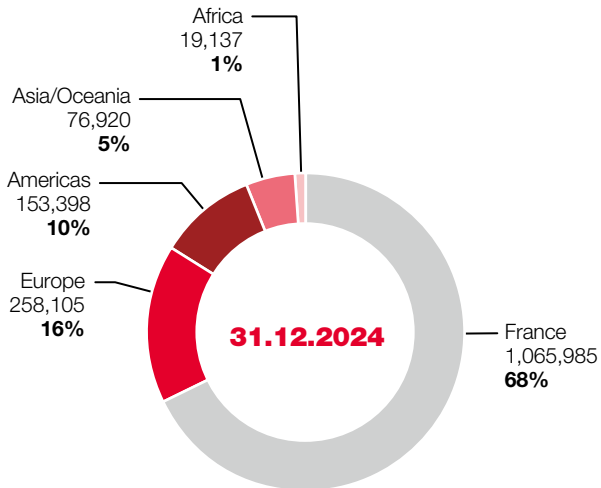
	31.12.2024
<i>(In EURm)</i>	
	Net banking income
France	11,118
Europe	9,641
Americas	2,506
Asia/Oceania	1,503
Africa	2,02
TOTAL	26,788

	31.12.2023
<i>(In EURm)</i>	
	Net banking income
France	10,082
Europe	9,397
Americas	2,076
Asia/Oceania	1,527
Africa	2,022
TOTAL	25,104

As at 31 December 2024, the amount of net banking income is EUR 26,788 million compared to EUR 25,104 million as at 31 December 2023.

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS (IN EURM)

ASSETS

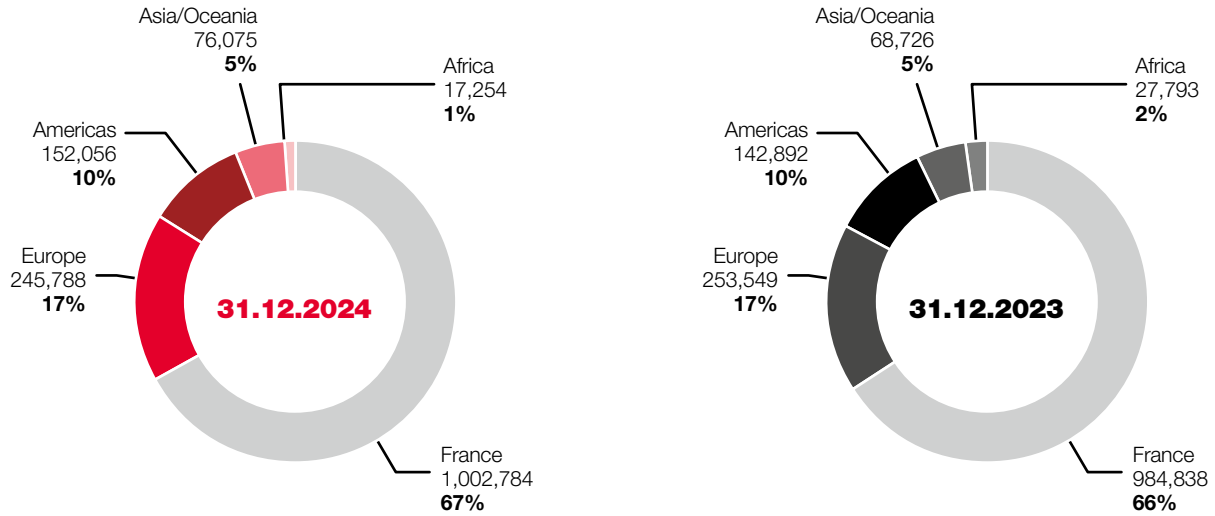


	31.12.2024
<i>(In EURm)</i>	
	Assets
France	1,065,985
Europe	258,105
Americas	153,398
Asia/Oceania	76,92
Africa	19,137
TOTAL	1,573,545

	31.12.2023
<i>(In EURm)</i>	
	Assets
France	1,046,664
Europe	263,947
Americas	143,085
Asia/Oceania	69,587
Africa	30,762
TOTAL	1,554,045

As at 31 December 2024, the amount of assets is EUR 1,573,545 million compared to EUR 1,554,045 million as at 31 December 2023.

LIABILITIES



	31.12.2024
(In EURm)	Liabilities
France	1,002,784
Europe	245,788
Americas	152,056
Asia/Oceania	76,075
Africa	17,254
TOTAL	1,493,957

	31.12.2023
(In EURm)	Liabilities
France	984,838
Europe	253,549
Americas	142,892
Asia/Oceania	68,726
Africa	27,793
TOTAL	1,477,798

As at 31 December 2024, the amount of liabilities (except shareholder equity) is EUR 1,493,957 million compared to EUR 1,477,798 million as at 31 December 2023.

Segment liabilities correspond to debts (total liabilities excluding equity).

NOTE 8.2 Provisions

ACCOUNTING PRINCIPLES

Under balance sheet liabilities, Provisions are comprised of provisions for financial instruments, disputes and employee benefits.

OVERVIEW

(In EURm)	Provisions as at 31.12.2023	Allocations	Write-backs available	Net allocation	Write-backs used	Currency and others	Provisions as at 31.12.2024
Provisions for credit of risk on off balance sheet commitments (see Note 3.8)	819	530	(573)	(43)	-	(34)	742
Provisions for employee benefits (see Note 5.1)	2,073	670	(156)	514	(457)	(191)	1,939
Provisions for mortgage savings plans and accounts commitments	121	9	(4)	5	(1)	-	125
Other provisions ⁽¹⁾	1,222	346	(210)	136	(80)	1	1,279
TOTAL	4,235	1,555	(943)	612	(538)	(224)	4,085

(1) Including provisions for legal disputes, fines, penalties and commercial disputes.

NOTE 8.2.1 COMMITMENTS UNDER MORTGAGE SAVINGS AGREEMENTS**ACCOUNTING PRINCIPLES**

In France, *Comptes d'épargne-logement* (CEL or mortgage savings accounts) and *Plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of 10 July 1965. These products combine an initial deposit phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. The lending phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are measured at amortised cost.

These instruments create two types of commitments for the Group: the obligation to pay interest on customer savings for an indeterminate future period at an interest rate established at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also established at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Group, a provision is recorded on the liabilities side of the balance sheet. Any changes in these provisions are recognised as net banking income under net interest income. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) making up a single generation.

During the deposit phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observations of past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the basis of deposits that are currently recognised in the balance sheet at the date of calculation and on the basis of historical observations of past customer behaviour.

A provision is recognised if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products, with a similar estimated life and date of inception.

OUTSTANDING DEPOSITS IN PEL/CEL ACCOUNTS

<i>(In EURm)</i>	31.12.2024	31.12.2023
PEL accounts	13,132	15,677
<i>Less than 4 years old</i>	907	907
<i>Between 4 and 10 years old</i>	2,886	5,852
<i>More than 10 years old</i>	9,339	8,918
CEL accounts	1,752	1,733
TOTAL	14,884	17,410

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO PEL/CEL ACCOUNTS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Less than 4 years old	22	3
Between 4 and 10 years old	-	-
More than 10 years old	1	3
TOTAL	23	6

PROVISIONS FOR COMMITMENTS LINKED TO PEL/CEL ACCOUNTS

<i>(In EURm)</i>	31.12.2023	Allocations	Write-backs	31.12.2024
PEL accounts	39	7	(4)	42
<i>Less than 4 years old</i>	4	-	-	4
<i>Between 4 and 10 years old</i>	11	-	(4)	7
<i>More than 10 years old</i>	24	7	-	31
CEL accounts	82	2	(1)	83
TOTAL	121	9	(5)	125

The provision of mortgage savings plans is still mainly linked to the risks associated with the commitment to remunerate cash deposits. The provisioning rate is 0.8% of the total outstanding amounts on 31 December 2024.

METHODS USED TO ESTABLISH PROVISION VALUATION INPUTS

The inputs used to estimate future customer behaviour are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these inputs can be adjusted whenever changes are made to regulations that may

NOTE 8.2.2 OTHER PROVISIONS

Other provisions include provisions for restructuring (except staff costs), provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

The Group is subject to an extensive legal and regulatory framework in the countries where it operates. In this complex legal context, the Group and some of its former and current representatives may be involved in various legal actions, including civil, administrative and criminal proceedings. The vast majority of these proceedings are part of the Group's current business. In recent years, litigation with investors and the number of disputes involving financial intermediaries such as banks and investment advisors has increased, partly due to a difficult financial environment.

It is by nature difficult to foresee the outcome of disputes, regulatory proceedings and acts involving Group entities, particularly if they are initiated by various categories of complainants, if the amount of claims for damages is not specified or is indeterminate or if the proceedings have no precedent.

undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market inputs used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the period in question, in line with the Retail Banking division's policy of interest rate risk management.

The discount rates used are derived from the zero-coupon swaps vs. Euribor yield curve at the valuation date, averaged over a 12-month period.

In preparing its financial statements, the Group assesses the consequences of the legal, regulatory or arbitration proceedings in which it is involved. A provision is booked when losses from these proceedings become probable and the amount can be estimated reliably.

To assess the probability of losses and the amount of these losses, and thus to determine the amount of provisions to book, estimations are important. Management makes these estimates by exercising its judgment and taking into account all information available when financial statements are prepared. In particular, the Group takes into account the nature of the dispute, the underlying facts, ongoing proceedings and court decisions already taken, as well as its experience and the experiences of other companies dealing with similar cases (assuming that the Group has knowledge thereof) and, where appropriate, the opinion and reports of experts and independent legal advisers.

Each quarter, the Group carries out a detailed examination of outstanding disputes that present a significant risk. The description of those disputes is presented in Note 9 "Information on risks and litigation".

NOTE 8.3 Tangible and intangible fixed assets**ACCOUNTING PRINCIPLES****tangible and intangible fixed assets**

Tangible and intangible fixed assets include operating and investment fixed assets. Equipment assets held for operating leases purpose are included in operating tangible assets, while buildings held for leasing purposes are included in investment property.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortisation and impairment, except investment property held by insurance entities to back insurance contracts measured at fair value. The purchase price of fixed assets includes borrowing costs incurred to fund a lengthy construction period for the fixed assets, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets. Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development.

As soon as they are fit for use, fixed assets are depreciated or amortised using the component-based approach. Each component is depreciated or amortised over its own useful life. The Group has applied this approach to its operating properties, breaking down its assets into components with depreciation periods of 10 to 50 years. Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated at 3 to 20 years.

Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

Depreciation and amortisation are recorded in the income statement under "Amortisation, depreciation and impairment of tangible and intangible fixed assets".

Fixed assets grouped into Cash Generating Units are tested for impairment whenever there is any indication that their value may have diminished. Allocations and reversals of provisions for impairment are recorded in profit or loss under "Amortisation, depreciation and impairment of tangible and intangible fixed assets".

Realised capital gains and losses on operating fixed assets are recognised under Net income from other assets.

The Group's Investment properties are measured at cost. They are depreciated using a component-based approach. Each component is depreciated over its own useful life of between 10 and 50 years.

However, investment property held by insurance entities to back the insurance contracts issued, are measured at fair value through profit or loss, once a year, based on valuation reports by an independent expert. The fair value of investment property is based on unobservable inputs, thus corresponding to the level 3 category of fair value measurement (see Note 3.4).

Profits or losses on operating lease assets and on investment property, including amortisation, depreciation and revaluation are recognised under Income from lease activities, mobility and other activities and Expense from lease activities, mobility and other activities (see Note 4.2).

Operating lease assets

The cars leased by the Group in the context of fleet management are depreciated on a straight-line basis over the lease term for an average of three to five years. The depreciable amount of these cars is their acquisition cost less their residual value.

The acquisition cost of rental cars includes their acquisition cost plus the direct initial costs necessary for making them available to rental customers. Their residual value is an estimate of its resale value at the end of the contract. The estimate is based on statistical data and is reviewed at least once a year to take into account of price developments in the second-end car market. In case of increase or decrease in the residual value compared to its initial estimate, this change in estimate leads to adjust, vehicle by vehicle, its remaining depreciable value in order to modify its depreciation plan prospectively.

Profits or losses on the operating lease assets, including depreciation and impairment, are recognised under Income from lease activities, mobility and other activities and Expense from lease activities, mobility and other activities (see Note 4.2).

Rights-of-use for assets leased by THE Group

LEASE

Definition of the lease

A contract is, or contains, a 'lease' if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration:

- controlling the use of the leased asset includes the right to obtain substantially all of the economic benefits from use of the identified asset until the end of the contract and the right (for the lessee) to direct the use of the asset;
- the existence of an identified asset will depend on the absence, for the lessor, of substantive rights to substitute the leased asset, throughout the period of use; this condition is assessed based on the facts and circumstances existing at the inception of the contract. When the lessor has the ability to freely substitute the leased asset and when it benefits economically from the substitution, the contract is not a lease, since its purpose is the provision of a capacity, not of an asset;
- the identified asset may be made of a physically distinct portion of a broader asset (for example a given floor within a building). However, a portion of the capacity or of an asset that is not physically distinct is not an identified asset (for example the lease of co-working space, within a whole unit, with no precise, specified, location within this unit).

Separation of lease and non-lease components

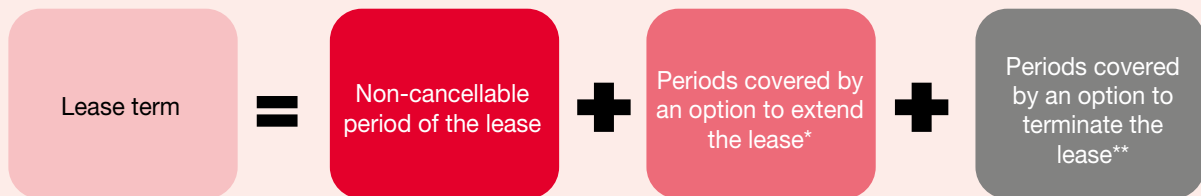
A contract may cover the lease of an asset by the lessor as well as the supply of additional services by that lessor. In this scenario, the lessee can separate the lease components from the non-lease components of the contract and treat them separately. The rental payments stipulated in the contract must be separated between the lease components and the non-lease components based on their individual prices (as directly indicated in the contract or estimated on the basis on all of the observable information). If the lessee cannot separate the lease components from the non-lease components (or services), the entire contract is treated as a lease.

LEASE TERM

Definition of the lease term

The lease period to be applied in determining the rental payments to be discounted matches the non-cancellable period of the lease adjusted for:

- options to extend the contract that the lessee is reasonably certain to exercise;
- and early termination options that the lessee is reasonably certain not to exercise.



* if the lessee is reasonably certain to exercise that option

** if the lessee is reasonably certain not to exercise that option

The measurement of the reasonable certainty of exercising or not exercising the extension or early termination options shall take into account all the facts and circumstances that may create an economic incentive to exercise or not these options, specifically:

- the conditions for exercising these options (including measurement of the amount of the rental payments in case of an extension, or of the amount of penalties that may be imposed for early termination);
- substantial changes made to the leased premises (specific layouts, such as a bank vault);
- the costs associated with terminating the contract (negotiation costs, moving costs, research costs for a new asset that meets the lessee's requirements, etc.);
- the importance of the leased asset for the lessee, in view of its specific nature, its location, or the availability of substitute assets (specifically for branches located in commercially strategic sites, given their accessibility, expected traffic, or the prestige of the location);
- the history of renewals of similar contracts, as well as the strategy for the future use of the assets (based on the prospect of redeployment or rearrangement of a commercial branch network, for example).

When the lessee and the lessor each have the right to terminate the lease without the prior agreement of the other party and with no penalty other than a negligible one, the contract is no longer binding, and thus it no longer creates a lease liability.

In France, most property leases on premises occupied by branches are 9-year leases with an early-termination option at the end of 3 and 6-year term (leases referred to as "3/6/9"); at the end of the 9-year term, if no new agreement is signed, the initial lease is renewed by tacit agreement for a 5-year term. This 5-year term may be modified depending on the quality of the location, the completion of major investments, or the planned closure of a group of designated branches.

Changing the lease term

The term must be modified in case of a significant change of circumstances which lead the lessee to revise the exercise of the options included in the lease contract or in case of events which contractually oblige the lessee to exercise (or not) an option that had not been included (or is included) in the lease contract.

Following a change in the lease term, the lease obligation must be reassessed to reflect those changes by using a revised discount rate for the remaining estimated term of the contract.

ACCOUNTING TREATMENT BY THE GROUP AS A LESSEE

On the commencement date (on which the leased asset is made available for use), the lessee must record a lease liability on the liabilities side of the balance sheet and a right-of-use asset on the assets side of the balance sheet except for the exemptions described below.

In the income statement, the lessee must recognise an interest expense calculated on the lease liability under “Net banking income” and a depreciation of the right-of-use under “Amortisation, depreciation and impairment of tangible and intangible fixed assets”.

The rental payments will partly reduce the lease liability and partly remunerate this liability in the form of interest expense.

Exemptions and exclusions

The Group does not apply the new lease treatment to contracts with a term of less than one year (including renewal options), nor to contracts on low-value items by applying the exemption threshold of USD 5,000 as indicated in the standard’s Basis for Conclusions (the threshold should be measured against the replacement cost per unit of the leased asset).

Rental payment amounts

The payments to be considered for the measurement of the lease liability include fixed and variable rental payments based on an index (e.g. consumer price index or construction cost index), plus, where applicable, the funds that the lessee expects to pay the lessor for residual value guarantees, purchase options, or early termination penalties.

However, variable lease payments that are indexed on the use of the leased asset (indexed on revenue or mileage, for example) are excluded from the measurement of lease liability. This variable portion of the rental payments is recorded in the net income over time according to fluctuations in contractual indexes fluctuations.

Rental payments have to be considered based on their amount net of value-added tax. In addition, for building leases, occupancy taxes and property taxes passed on by lessors will be excluded from lease liabilities because their amount, as set by the competent public authorities, is variable.

Recognition of the lease liability

The liability initial amount is equal to the discounted value of the rental payments that will be payable over the lease period.

This lease liability is then measured at the amortised cost using the effective interest rate method: part of each rental payment will then be booked as interest expenses in the income statement, and part will be gradually deducted from the lease liability on the balance sheet.

After the commencement date, the amount of the lease liability may be adjusted if the lease is amended, the lease period is re-estimated, or to account for contractual changes in the rental payments related to the application of indices or rates.

As applicable, the lessee must also recognise a provision in its liabilities to cover the costs of restoring the leased asset that would be assumed when the lease ends.

Recognition of the right-of-use

On the availability date of the leased asset, the lessee must enter a right-of-use asset, on the assets side of the balance sheet, for an amount equal to the initial value of the lease liability, plus, as applicable, initial direct costs (e.g. issuance of an authenticated lease, registration fees, negotiation fees, front-end fee, leasehold right, lease premium, etc), advance payments, and restoration costs.

This asset is then depreciated on a straight-line basis over the lease period that is applied for measuring the lease liability.

After the commencement date, the asset’s value may be adjusted if the lease is amended, as it is the case for the lease liability.

Rights-of-use is presented on the lessee’s balance sheet under the items of fixed assets where properties of the same type that are held in full ownership are entered. If the lease stipulates the initial payment of a leasehold right to the former tenant of the premises, the amount of that right is stated as a separate component of the right of use and presented under the same heading as the latter.

Lease discount rates

The Group uses the lessees’ incremental borrowing rate to discount the rental payments as well as the amount of lease liabilities. For the entities which can directly refinance themselves on their local markets, the incremental borrowing rate is set at the lessee entity level, not at the Group level, in consideration of the borrowing terms and that entity’s credit risk. For the entities which refinance themselves through the Group, the incremental borrowing rate is set by the Group.

The discount rates are set according to the currency, the country of the lessee entities and the maturity estimated of the contracts.





CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

(In EURm)	31.12.2023	Increases/ allowances	Disposals/ reversals	Revaluation	Other movements	31.12.2024
Intangible Assets	3,562	220	(137)	-	(252)	3,393
<i>of which gross value</i>	9,990	942	(430)	-	(759)	9,743
<i>of which amortisation and impairments</i>	(6,428)	(722)	293	-	507	(6,350)
Tangible Assets (w/o assets under operating leases)	4,219	5	(92)	-	(247)	3,885
<i>of which gross value</i>	11,207	550	(839)	-	(624)	10,294
<i>of which amortisation and impairments</i>	(6,988)	(545)	747	-	377	(6,409)
Assets under operating leases	50,421	14,453	(12,889)	-	(223)	51,762
<i>of which gross value</i>	67,406	22,868	(20,889)	-	(154)	69,231
<i>of which amortisation and impairments</i>	(16,985)	(8,415)	8,000	-	(69)	(17,469)
Investment Property (except insurancy activities)	12	-	(2)	-	(2)	8
<i>of which gross value</i>	35	-	(5)	-	(4)	26
<i>of which amortisation and impairments</i>	(23)	-	3	-	2	(18)
Investment Property (including insurancy activities)	730	-	(1)	(23)	(5)	701
Rights-of-use	1,770	46	(110)	-	(46)	1,660
<i>of which gross value</i>	3,597	471	(291)	-	(119)	3,658
<i>of which amortisation and impairments</i>	(1,827)	(425)	181	-	73	(1,998)
TOTAL	60,714	14,724	(13,231)	(23)	(775)	61,409

BREAKDOWN OF MINIMUM PAYMENTS RECEIVABLE ON OPERATING LEASE ASSETS

(In EURm)	31.12.2024	31.12.2023
Payments due in less than five years	19,365	21,555
<i>Payments due in less than one year</i>	4,172	5,115
<i>Payments due from one to two years</i>	4,601	5,125
<i>Payments due from two to three years</i>	5,043	5,615
<i>Payments due from three to four years</i>	3,958	4,376
<i>Payments due from four to five years</i>	1,591	1,324
Payments due in more than five years	490	146
TOTAL	19,855	21,701

INFORMATIONS RELATIVE TO LEASES ON TANGIBLE ASSETS USED BY THE GROUP

	<p>Property Leases</p> <p>Most of the leases (more than 90%) involve building leases contracted for the lease of commercial and office space:</p> <ul style="list-style-type: none"> the commercial spaces are branches in the Group's French and International Retail Banking networks. In France, the majority of property leases contracted are 9-year commercial leases with early termination options at 3 and 6 years (so-called "3/6/9" leases). If a new contract is not signed by the end of that 9-year period, the initial lease is automatically extended; the office buildings are leased for certain departments reporting to the Group's French headquarters or the local head offices of the main foreign subsidiaries, and for certain locations in the main international financial centres: London, New York, Hong Kong... <p>Outside France, residual lease periods are generally below 10 years. In some countries, leases can be annual, with optional automatic renewal. In other locations, specifically London and New York, lease periods can be as long as 25 years.</p>
	
	
	<p>Equipment Leases</p> <p>Other leases (less than 10%) are mainly computer equipment leases and a very small percentage of vehicle leases.</p>

OVERVIEW TABLE OF LEASE TRANSACTION COSTS AND SUBLEASE INCOME

(In EURm)	31.12.2024			
	Real estate	IT	Others	Total
Lease	(469)	(55)	(9)	(533)
Interest expenses on lease liabilities	(54)	(3)	(1)	(58)
Depreciation charge for right-of-use assets	(375)	(44)	(4)	(423)
Expense relating to short-term leases	(22)	(3)	(4)	(29)
Expense relating to leases of low-value assets	(2)	(5)	(0)	(7)
Expense relating to variable lease payments	(16)	(0)	(0)	(16)
Sublease income	24	-	8	32

(In EURm)	31.12.2023			
	Real estate	IT	Others	Total
Lease	(458)	(47)	(9)	(514)
Interest expenses on lease liabilities	(45)	(1)	(1)	(47)
Depreciation charge for right-of-use assets	(378)	(41)	(4)	(423)
Expense relating to short-term leases	(22)	(1)	(4)	(27)
Expense relating to leases of low-value assets	(2)	(4)	-	(6)
Expense relating to variable lease payments	(11)	-	-	(11)
Sublease income	11	-	-	11

NOTE 8.4 Companies included in the consolidation Scope

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
South Africa							
(1)	SG JOHANNESBURG	Global Market and Investors Services	FULL	100	100	100	100
Algeria							
	ALD AUTOMOTIVE ALGERIE SPA	Mobility and Financial Services	FULL	52.59	52.59	99.99	99.99
	SOCIETE GENERALE ALGERIE	International Retail Banking	FULL	100	100	100	100
Germany							
	ALD AUTOLEASING D GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD INTERNATIONAL GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD INTERNATIONAL GROUP HOLDINGS GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD LEASE FINANZ GmbH	Mobility and Financial Services	FULL	100	100	100	100
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GmbH	Mobility and Financial Services	FULL	99.94	99.94	90	90
	BDK LEASING UND SERVICE GmbH	Mobility and Financial Services	FULL	100	100	100	100
(1) (6)	BSG FRANCE SA GERMAN BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	CAR PROFESSIONAL FUHRPARKMANAGEMENT UND BERATUNGSGESELLSCHAFT MBH & CO. KG	Mobility and Financial Services	FULL	52.59	52.59	100	100
	CARPOOL GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
(5)	FLEETPOOL GmbH	Mobility and Financial Services	FULL	0	52.59	0	100
	FLEETPOOL GmbH (ex-LEASEPLAN SERVICES GmbH)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	GEFA BANK GmbH	Mobility and Financial Services	FULL	100	100	100	100
	GEFA VERSICHERUNGSDIENST GmbH	Mobility and Financial Services	EFS	100	100	100	100
	HANSEATIC BANK GmbH & CO KG	Mobility and Financial Services	FULL	75	75	75	75
	HANSEATIC GESELLSCHAFT FUR BANKBETEILIGUNGEN MBH	Mobility and Financial Services	FULL	75	75	100	100
	HSCE HANSEATIC SERVICE CENTER GmbH	Mobility and Financial Services	FULL	75	75	100	100
	INTERLEASING DELLO HAMBURG GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEAN AUTOVERMIETUNG GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN DEUTSCHLAND GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN VERSICHERUNGSVERMITTLUNGS-GESELLSCHAFT MBH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PHILIPS MEDICAL CAPITAL GmbH	Mobility and Financial Services	FULL	60	60	60	60

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Germany	RED & BLACK AUTO GERMANY 10	Mobility and Financial Services	FULL	100	100	100	100
	(6) RED & BLACK AUTO GERMANY 11	Mobility and Financial Services	FULL	100	0	100	0
	(2) RED & BLACK AUTO GERMANY 4 UG (HAFTUNGSBESCHRANKT)	Mobility and Financial Services	FULL	0	100	0	100
	RED & BLACK AUTO GERMANY 7	Mobility and Financial Services	FULL	100	100	100	100
	RED & BLACK AUTO GERMANY 8	Mobility and Financial Services	FULL	100	100	100	100
	RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHRANKT)	Mobility and Financial Services	FULL	100	100	100	100
	SG EQUIPMENT FINANCE GmbH	Mobility and Financial Services	FULL	100	100	100	100
	(1) SG FRANCFORT	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE EFFEKTEN GmbH	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES GmbH	Global Market and Investors Services	FULL	100	100	100	100
	(1) SOGECAP DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100	100	100	100
	(1) SOGESSUR DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100	100	100	100
Saudi Arabia	SOCIETE GENERALE SAUDI ARABIA JSC	Financial and Advisory	FULL	100	100	100	100
Australia	SOCIETE GENERALE SECURITIES AUSTRALIA PTY Ltd.	Global Market and Investors Services	FULL	100	100	100	100
	(1) SOCIETE GENERALE SYDNEY BRANCH	Financial and Advisory	FULL	100	100	100	100
Austria	ALD AUTOMOTIVE FUHRPARKMANAGEMENT UND LEASING GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	FLOTENMANAGEMENT GmbH	Mobility and Financial Services	ESI	25.77	25.77	49	49
	LEASEPLAN OSTERREICH FUHRPARKMANAGEMENT GmbH	Mobility and Financial Services	FULL	52.59	52.59	100	100
	(1) SG VIENNE	Financial and Advisory	FULL	100	100	100	100
Belgium	AXUS FINANCE SRL	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AXUS SA/NV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	BASTION EUROPEAN INVESTMENTS SA	International Retail Banking	FULL	60.74	60.74	100	100
	BUMPER BE	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN FLEET MANAGEMENT NV	Mobility and Financial Services	FULL	52.59	52.59	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Belgium	LEASEPLAN PARTNERSHIPS & ALLIANCES	Mobility and Financial Services	FULL	52.59	52.59	100	100
(5)	LEASEPLAN TRUCK NV	Mobility and Financial Services	FULL	0	52.59	0	100
(2)	PARCOURS BELGIUM	Mobility and Financial Services	FULL	0	52.59	0	100
(1)	SG BRUXELLES	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG EQUIPMENT FINANCE BENELUX BV BELGIAN BRANCH	Mobility and Financial Services	FULL	100	100	100	100
	SOCIETE GENERALE IMMOBEL	Financial and Advisory	FULL	100	100	100	100
Benin	SOCIETE GENERALE BENIN	International Retail Banking	FULL	93.43	93.43	94.1	94.1
Bermuda	CATALYST RE INTERNATIONAL Ltd.	Global Market and Investors Services	FULL	100	100	100	100
Brazil	ALD AUTOMOTIVE SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD CORRETORA DE SEGUROS LTDA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	BANCO SOCIETE GENERALE BRASIL SA	Global Market and Investors Services	FULL	100	100	100	100
	LEASEPLAN ARRENDAMENTO MERCANTIL SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN BRASIL LTDA.	Mobility and Financial Services	FULL	52.59	52.59	100	100
	SOCIETE GENERALE EQUIPMENT FINANCE S/A - ARRENDAMENTO MERCANTIL	Mobility and Financial Services	FULL	100	100	100	100
Bulgaria	ALD AUTOMOTIVE EOOD	Mobility and Financial Services	FULL	52.59	52.59	100	100
Burkina Faso	SOCIETE GENERALE BURKINA FASO	International Retail Banking	FULL	51.27	51.27	52.61	52.61
Cayman Islands	AEGIS HOLDINGS (OFFSHORE) Ltd.	Financial and Advisory	FULL	100	100	100	100
Cameroon	SOCIETE GENERALE CAMEROUN	International Retail Banking	FULL	58.08	58.08	58.08	58.08
Canada	(2) 13406300 CANADA INC.	Financial and Advisory	FULL	0	100	0	100
	SG MONTREAL SOLUTION CENTER 2 INC.	Financial and Advisory	FULL	100	100	100	100
	SG MONTREAL SOLUTION CENTER INC.	Financial and Advisory	FULL	100	100	100	100
(1)	SOCIETE GENERALE (CANADA BRANCH)	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE CAPITAL CANADA INC	Global Market and Investors Services	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Chile							
	ALD AUTOMOTIVE LIMITADA	Mobility and Financial Services	FULL	52.59	52.59	100	100
China							
	SOCIETE GENERALE (CHINA) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE LEASING AND RENTING CO. Ltd.	Mobility and Financial Services	FULL	100	100	100	100
Colombia							
	ALD AUTOMOTIVE SAS	Mobility and Financial Services	FULL	52.59	52.59	100	100
South Korea							
	SG SECURITIES KOREA CO., Ltd.	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG SEOUL	Global Market and Investors Services	FULL	100	100	100	100
Ivory Coast							
	SOCIETE GENERALE AFRICAN BUSINESS SERVICES ABIDJAN	International Retail Banking	FULL	100	97.88	100	100
	SOCIETE GENERALE CAPITAL SECURITIES WEST AFRICA	International Retail Banking	FULL	72.37	71.27	100	100
	SOCIETE GENERALE COTE D'IVOIRE	International Retail Banking	FULL	73.25	73.25	73.25	73.25
Croatia							
	AYVENS CROATIA DOO ZA OPERATIVNI I FINANCIJSKI LEASING (ex-ALD AUTOMOTIVE DOO ZA OPERATIVNI I FINANCIJSKI LEASING)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AYVENS FLEET SERVICES CROATIA DOO ZA TRGOVINU I USLUGE (ex-ALD FLEET SERVICES DOO ZA TRGOVINU I USLUGE)	Mobility and Financial Services	FULL	52.59	52.59	100	100
Denmark							
	ALD AUTOMOTIVE A/S	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AUTO CLAIM HANDLING DANMARK A/S	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN DANMARK A/S	Mobility and Financial Services	FULL	52.59	52.59	100	100
	NF FLEET A/S	Mobility and Financial Services	FULL	42.07	42.07	80	80
United Arab Emirates							
(1) (6)	BERNSTEIN AUTONOMOUS LLP (DUBAI BRANCH)	Global Market and Investors Services	FULL	51	0	100	0
	LEASEPLAN EMIRATES FLEET MANAGEMENT – LEASEPLAN EMIRATES LLC, UAE	Mobility and Financial Services	ESI	25.77	25.77	49	49
(1)	SOCIETE GENERALE, DIFC BRANCH	Financial and Advisory	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Spain							
	ALTURA MARKETS, SOCIEDAD DE VALORES, SA	Global Market and Investors Services	EJV	50	50	50	50
	AYVENS SPAIN MOBILITY SOLUTIONS SAU. (ex-ALD AUTOMOTIVE SAU)	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1) (6)	BSG FRANCE SA SPANISH BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	GARANTHIA PLAN SLU (ex-GARANTHIA PLAN SL)	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1)	GENEFIM SUCURSAL EN ESPANA	French Retail and Private Banking	FULL	100	100	100	100
	LEASE PLAN SERVICIOS SAU	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PAYXPART SPAIN	French Retail and Private Banking	FULL	80	60	100	100
	PIRAMBU SL	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE IBERIA, EFC, SA (ex-SG EQUIPMENT FINANCE IBERIA, EFC, SAU)	Mobility and Financial Services	FULL	100	100	100	100
	SOCGEN FINANCIACIONES IBERIA, SL	Financial and Advisory	FULL	100	100	100	100
	SOCGEN INVERSIONES FINANCIERAS SL	Financial and Advisory	FULL	100	100	100	100
(1)	SOCIETE GENERALE SUCCURSAL EN ESPANA	Global Market and Investors Services	FULL	100	100	100	100
	SODEPROM	French Retail and Private Banking	FULL	100	100	100	100
	SOLUCIONES DE RENTING Y MOVILIDAD, SL (SOCIEDAD UNIPERSONAL)	Mobility and Financial Services	FULL	52.59	52.59	100	100
Estonia							
	ALD AUTOMOTIVE EESTI AS	Mobility and Financial Services	FULL	39.45	39.45	75.01	75.01
United States of America							
	AEGIS HOLDINGS (ONSHORE) INC.	Financial and Advisory	FULL	100	100	100	100
(6)	BERNSTEIN NORTH AMERICA HOLDINGS LLC	Global Market and Investors Services	ESI	33.33	0	36,36	0
(6)	HAUSSMANN 1864 CAPITAL MANAGEMENT LLC	Financial and Advisory	FULL	100	0	100	0
	SG AMERICAS EQUITIES CORP.	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS OPERATIONAL SERVICES, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS SECURITIES HOLDINGS, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG AMERICAS SECURITIES, LLC	Global Market and Investors Services	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
United States of America	SG AMERICAS, INC.	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE USA CORP.	Mobility and Financial Services	FULL	100	100	100	100
	SG MORTGAGE FINANCE CORP.	Financial and Advisory	FULL	100	100	100	100
	SG MORTGAGE SECURITIES, LLC	Global Market and Investors Services	FULL	100	100	100	100
	SG STRUCTURED PRODUCTS, INC.	Global Market and Investors Services	FULL	100	100	100	100
	(1) SOCIETE GENERALE (NEW YORK)	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE FINANCIAL CORPORATION	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE INVESTMENT CORPORATION	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE LIQUIDITY FUNDING, LLC	Global Market and Investors Services	FULL	100	100	100	100
Finland							
	AXUS FINLAND OY	Mobility and Financial Services	FULL	52.59	52.59	100	100
	NF FLEET OY	Mobility and Financial Services	FULL	42.07	42.07	80	80
France							
	29 HAUSSMANN EQUILIBRE	Insurance	FULL	87.1	87.1	87.1	87.1
	29 HAUSSMANN EURO CREDIT – PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
(6)	29 HAUSSMANN EURO OBLIGATIONS D’ETATS – PART C	Insurance	FULL	44.93	0	44.93	0
	29 HAUSSMANN EURO RDT	Insurance	FULL	58.1	58.1	58.1	58.1
	29 HAUSSMANN SELECTION EUROPE – K	Insurance	FULL	45.23	45.23	45.23	45.23
	29 HAUSSMANN SELECTION MONDE	Insurance	FULL	68.7	68.7	68.7	68.7
	908 REPUBLIQUE	French Retail and Private Banking	ESI	50	40	50	40
	ADMINISTRATIVE AND MANAGEMENT SERVICES	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AIR BAIL	Financial and Advisory	FULL	100	100	100	100
	AIX – BORD DU LAC – 3	French Retail and Private Banking	EJV	50	50	50	50
	ALFORTVILLE BAIGNADE	French Retail and Private Banking	ESI	40	40	40	40
(3)	AMPERIM	French Retail and Private Banking	EJV	0	50	0	50
(6)	AMUNDI SMART BLENDED – I2-C EUR (C)	Insurance	FULL	99.97	0	99.97	0
	ANNEMASSE-ILOT BERNARD	French Retail and Private Banking	FULL	80	80	80	80

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	ANTALIS SA	Financial and Advisory	FULL	100	100	100	100
(3)	ANTARES	French Retail and Private Banking	ESI	0	45	0	45
	ANTARIUS	Insurance	FULL	100	100	100	100
	ARTISTIK	French Retail and Private Banking	ESI	30	30	30	30
(6)	AUBERVILLIERS 23 LANDY	French Retail and Private Banking	FULL	51	0	51	0
	AYVENS (ex-ALD)	Mobility and Financial Services	FULL	52.59	52.59	68.97	68.97
	BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	International Retail Banking	FULL	50	50	50	50
	BAUME LOUBIERE	French Retail and Private Banking	ESI	40	40	40	40
	BERCK RUE DE BOUVILLE	French Retail and Private Banking	ESI	25	25	25	25
(6)	BERGERIE CHATEL	French Retail and Private Banking	FULL	51	0	51	0
	BERLIOZ	Insurance	FULL	84.05	84.05	84.05	84.05
	BEZIERS-LA COURONDELLE	French Retail and Private Banking	EJV	50	50	50	50
(6)	BORDEAUX BOUTAUT	French Retail and Private Banking	FULL	51	0	51	0
	BOURSORAMA MASTER HOME LOANS FRANCE	French Retail and Private Banking	FULL	100	100	100	100
	BOURSORAMA SA	French Retail and Private Banking	FULL	100	100	100	100
	BREMANY LEASE SAS	Mobility and Financial Services	FULL	52.59	52.59	100	100
(6)	BRIE COSSIGNY	French Retail and Private Banking	FULL	70	0	70	0
(6)	BSG FRANCE SA	Global Market and Investors Services	FULL	51	0	100	0
	BUMPER FR 2022-1	Mobility and Financial Services	FULL	52.59	52.59	100	100
(2)	CARBURAUTO	French Retail and Private Banking	EJV	0	50	0	50
	CEGELEASE	French Retail and Private Banking	FULL	100	99.99	100	100
	CENTRE IMMO PROMOTION	French Retail and Private Banking	FULL	60	60	60	60
(8)	COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Corporate Centre	FULL	100	100	100	100
	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	Mobility and Financial Services	FULL	99.89	99.89	99.89	99.89

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	(2) CONTE	French Retail and Private Banking	EJV	0	50	0	50
	(6) COUNTRY GOULET	French Retail and Private Banking	FULL	51	0	51	0
	DARWIN DIVERSIFIE 40-60	Insurance	FULL	79.78	79.78	79.78	79.78
	DARWIN DIVERSIFIE 80-100	Insurance	FULL	78.34	78.34	78.34	78.34
	DISPONIS	French Retail and Private Banking	FULL	100	99.99	100	100
	ECHIQUIER AGENOR EURO SRI MID CAP	Insurance	FULL	40.85	40.85	40.85	40.85
	(6) ETAMPES PARIS	French Retail and Private Banking	FULL	51	0	51	0
	ETOILE CAPITAL	French Retail and Private Banking	FULL	100	100	100	100
	FEP INVESTISSEMENTS	French Retail and Private Banking	FULL	100	100	100	100
	FCT LA ROCHE	Financial and Advisory	FULL	100	100	100	100
	(6) FCT RED & BLACK AUTO LOANS FRANCE 2024	Mobility and Financial Services	FULL	99.89	0	100	0
	FEEDER LYX E ST50 D6	Insurance	FULL	100	100	100	100
	FEEDER LYXOR CAC40 D2-EUR	Insurance	FULL	100	100	100	100
	FENWICK LEASE	French Retail and Private Banking	FULL	100	99.99	100	100
	FINASSURANCE SNC	Mobility and Financial Services	FULL	98.89	98.89	99	99
	FRANFINANCE	French Retail and Private Banking	FULL	100	99.99	100	99.99
	FRANFINANCE LA REUNION (ex-COMPAGNIE FINANCIERE DE BOURBON)	French Retail and Private Banking	FULL	100	99.99	100	100
	FRANFINANCE LOCATION	French Retail and Private Banking	FULL	100	99.99	100	100
	(8) GALYBET	Corporate Centre	FULL	100	100	100	100
	(8) GENEBAIQUE	Corporate Centre	FULL	100	100	100	100
	(5) GENEAL FRANCE	Financial and Advisory	FULL	0	100	0	100
	GENECAR – SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	French Retail and Private Banking	FULL	100	100	100	100
	GENECOMI FRANCE	Financial and Advisory	FULL	100	100	100	100
	GENEFIM	French Retail and Private Banking	FULL	100	100	100	100
	(8) GENEFINANCE	Corporate Centre	FULL	100	100	100	100
	(8) GENEIGIS I	Corporate Centre	FULL	100	100	100	100
	(8) GENEIGIS II	Corporate Centre	FULL	100	100	100	100
GENEPIERRE	Insurance	FULL	60.34	60.34	60.34	60.34	

Country		Operating Segments	Method *	Group ownership interest		Group voting interest		
				As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	(8)	GENEVALMY	Corporate Centre	FULL	100	100	100	100
		HIPPOLYTE	Financial and Advisory	FULL	100	100	100	100
		HYUNDAI CAPITAL FRANCE (ex-SEFIA)	Mobility and Financial Services	ESI	49.95	49.95	50	50
		ILOT AB	French Retail and Private Banking	FULL	80	80	80	80
		IMMOBILIERE PROMEX	French Retail and Private Banking	ESI	35	35	35	35
		INVESTIR IMMOBILIER NORMANDIE	French Retail and Private Banking	FULL	100	100	100	100
		INVESTISSEMENT 81	Insurance	FULL	100	100	100	100
		IVRY CHAUSSINAND	French Retail and Private Banking	FULL	64	64	64	64
		JSJ PROMOTION	French Retail and Private Banking	ESI	45	45	45	45
	(6)	JUSTE-SOGEPROM	French Retail and Private Banking	FULL	70	0	70	0
		LA CORBEILLERIE	French Retail and Private Banking	ESI	40	40	40	40
	(8)	LA FONCIERE DE LA DEFENSE	Corporate Centre	FULL	100	100	100	100
	(6)	LA RESERVE	French Retail and Private Banking	FULL	60	0	60	0
	(6)	LAGNY LECLERC	French Retail and Private Banking	FULL	51	0	51	0
		LEASEPLAN FRANCE SAS	Mobility and Financial Services	FULL	52.59	52.59	100	100
		LES ALLEES DE L'EUROPE	French Retail and Private Banking	ESI	34	34	34	34
		LES JARDINS D'ALHAMBRA	French Retail and Private Banking	ESI	35	35	35	35
		LES JARDINS DU VILLAGE	French Retail and Private Banking	FULL	80	80	80	80
		LES MESANGES	French Retail and Private Banking	FULL	55	55	55	55
	(6)	LES NOUVEAUX PARTENAIRES AURA	French Retail and Private Banking	FULL	70	0	70	0
	(6)	LES NOUVEAUX PARTENAIRES IDF	French Retail and Private Banking	FULL	70	0	70	0
		LES TROIS LUCS 13012	French Retail and Private Banking	FULL	100	100	100	100
		LES VILLAS VINCENTI	French Retail and Private Banking	ESI	30	30	30	30

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	L'HESPEL	French Retail and Private Banking	ESI	30	30	30	30
	(6) LISTOPLAC	Financial and Advisory	FULL	100	0	100	0
	LOTISSEMENT DES FLEURS	French Retail and Private Banking	ESI	30	30	30	30
	LYON LA FABRIC	French Retail and Private Banking	EJV	50	50	50	50
	LYX ACT EURO CLIMAT-D3EUR	Insurance	FULL	100	100	100	100
	LYX ACT EURO CLIMAT-DEUR	Insurance	FULL	100	100	100	100
	LYXOR ACTIONS EURO CLIMAT D4 EUR	Insurance	FULL	100	100	100	100
	LYXOR GL OVERLAY F	Insurance	FULL	87.27	87.27	87.27	87.27
	LYXOR SKYFALL FUND	Insurance	FULL	88.98	88.98	88.98	88.98
	MEDITERRANEE GRAND ARC	French Retail and Private Banking	EJV	50	50	50	50
	NORBAIL SOFERGIE	French Retail and Private Banking	FULL	100	100	100	100
	NORMANDIE REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
	(2) ONYX	French Retail and Private Banking	EJV	0	50	0	50
	OPCI SOGECAPIMMO	Insurance	FULL	100	100	100	100
	ORADEA VIE	Insurance	FULL	100	100	100	100
	ORPAVIMOB	Financial and Advisory	FULL	100	100	100	100
	PARCOURS	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PARCOURS ANNECY	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PARCOURS BORDEAUX	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PARCOURS NANTES	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PARCOURS STRASBOURG	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PARCOURS TOURS	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PAYXPERT FRANCE	French Retail and Private Banking	FULL	80	60	100	100
	PHILIPS MEDICAL CAPITAL FRANCE	Mobility and Financial Services	FULL	60	60	60	60
	PIERRE PATRIMOINE	Insurance	FULL	100	100	100	100
	PLEASE	Mobility and Financial Services	EJV	52.23	52.23	50	50
	PRAGMA	French Retail and Private Banking	FULL	100	100	100	100
	PRIMONIAL DOUBLE IMMO	Global Market and Investors Services	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	PRIORIS	Mobility and Financial Services	FULL	94.89	94.89	95	95
	PROGEREAL	French Retail and Private Banking	ESI	25.01	25.01	25.01	25.01
	PROJECTIM	French Retail and Private Banking	FULL	100	100	100	100
	RED & BLACK AUTO LEASE FRANCE 1	Mobility and Financial Services	FULL	52.59	52.59	100	100
	RED & BLACK AUTO LEASE FRANCE 2	Mobility and Financial Services	FULL	52.59	52.59	100	100
	RED & BLACK CONSUMER FRANCE 2013	French Retail and Private Banking	FULL	100	100	100	100
	RED & BLACK HOME LOANS FRANCE 2	French Retail and Private Banking	FULL	100	100	100	100
	(6) RED & BLACK HOME LOANS FRANCE 3	French Retail and Private Banking	FULL	100	0	100	0
	REEZOCORP	Mobility and Financial Services	FULL	99.95	96.83	100	96.88
	RIVAPRIM REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
	SCI DU DOMAINE DE STONEHAM	French Retail and Private Banking	EJV	50	50	50	50
	(5) SAGEMCOM LEASE	French Retail and Private Banking	FULL	0	99.99	0	100
	SAINTE-MARTHE ILOT C	French Retail and Private Banking	ESI	40	40	40	40
	SAINTE-MARTHE ILOT D	French Retail and Private Banking	ESI	40	40	40	40
	(6) SALLANCHES MONTFORT	French Retail and Private Banking	FULL	70	0	70	0
	SARL BORDEAUX-20-26 RUE DU COMMERCE	French Retail and Private Banking	ESI	30	30	30	30
	SARL D'AMENAGEMENT DU MARTINET	French Retail and Private Banking	EJV	50	50	50	50
	(2) SARL DE LA VECQUERIE	French Retail and Private Banking	ESI	0	32.5	0	32.5
	SARL SEINE CLICHY	French Retail and Private Banking	FULL	100	100	100	100
	SAS AMIENS – AVENUE DU GENERAL FOY	French Retail and Private Banking	FULL	100	100	100	100
SAS BF3 NOGENT THIERS	French Retail and Private Banking	ESI	20	20	20	20	
SAS BONDUES – CŒUR DE BOURG	French Retail and Private Banking	ESI	25	25	25	25	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SAS COPRIM RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
	SAS MERIGNAC OASIS URBAINE	French Retail and Private Banking	FULL	90	90	90	90
	SAS NORMANDIE RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
	SAS ODESSA DEVELOPPEMENT	French Retail and Private Banking	ESI	49	49	49	49
	SAS PAYSAGES	French Retail and Private Banking	FULL	51	51	51	51
	SAS PROJECTIM IMMOBILIER	French Retail and Private Banking	FULL	100	100	100	100
	(2) SAS ROANNE LA TRILOGIE	French Retail and Private Banking	ESI	0	41	0	41
	SAS SCENES DE VIE	French Retail and Private Banking	EJV	50	50	50	50
	SAS SOAX PROMOTION	Financial and Advisory	FULL	58.5	58.5	58.5	58.5
	SAS SOGEMYSJ	French Retail and Private Banking	FULL	51	51	51	51
	SAS SOJEPRIM	French Retail and Private Banking	FULL	100	100	100	100
	SAS TIR A L'ARC AMENAGEMENT	French Retail and Private Banking	EJV	50	50	50	50
	SAS TOUR D2	French Retail and Private Banking	JO	50	50	50	50
	SAS VILLENEUVE D'ASCQ – RUE DES TECHNIQUES BUREAUX	French Retail and Private Banking	EJV	50	50	50	50
	(3) SCCV 282 MONTOLIVET 12	French Retail and Private Banking	FULL	0	60	0	60
	SCCV ALFORTVILLE MANDELA	French Retail and Private Banking	ESI	49	49	49	49
	SCCV BAC GALLIENI	French Retail and Private Banking	FULL	51	51	51	51
	(3) SCCV BOIS-GUILLAUME PARC DE HALLEY	French Retail and Private Banking	EJV	0	50	0	50
	SCCV BOURG BROU	French Retail and Private Banking	FULL	60	60	60	60
	SCCV BRON CARAVELLE	French Retail and Private Banking	EJV	50	50	50	50
SCCV CAEN CASERNE MARTIN	French Retail and Private Banking	FULL	100	100	100	100	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	(2) SCCV CAEN PANORAMIK	French Retail and Private Banking	ESI	0	40	0	40
	SCCV CANNES JOURDAN	French Retail and Private Banking	EJV	50	50	50	50
	SCCV CHARTREUX LOT C	French Retail and Private Banking	EJV	50	50	50	50
	SCCV CHARTREUX LOT E	French Retail and Private Banking	FULL	100	100	100	100
	SCCV CHOISY LOGEMENT	French Retail and Private Banking	FULL	100	100	100	100
	SCCV CLICHY BAC D'ASNIERES	French Retail and Private Banking	FULL	75	75	75	75
	SCCV CLICHY BRC	French Retail and Private Banking	EJV	50	50	50	50
	SCCV COLOMBES	French Retail and Private Banking	ESI	28.66	28.66	49	49
	SCCV COMPIEGNE – RUE DE L'EPARGNE	French Retail and Private Banking	ESI	35	35	35	35
	SCCV COMPIEGNE ROYALLIEU	French Retail and Private Banking	ESI	30	30	30	30
	SCCV CUGNAUX-LEO LAGRANGE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV DEVILLE-CARNOT	French Retail and Private Banking	FULL	60	60	60	60
	SCCV DUNKERQUE PATINOIRE DEVELOPPEMENT	French Retail and Private Banking	EJV	50	50	50	50
	(6) SCCV EMPREINTE	French Retail and Private Banking	FULL	51	0	51	0
	SCCV EPRON – ZAC L'OREE DU GOLF	French Retail and Private Banking	FULL	70	70	70	70
	SCCV ERAGNY GUICHARD	French Retail and Private Banking	FULL	51	51	51	51
	SCCV ESPACES DE DEMAIN	French Retail and Private Banking	EJV	50	50	50	50
	SCCV ETERVILLE ROUTE D'AUNAY	French Retail and Private Banking	EJV	50	50	50	50
	SCCV EURONANTES 1E	French Retail and Private Banking	EJV	50	50	50	50
	SCCV FAVERGES	French Retail and Private Banking	FULL	100	100	100	100
SCCV GAMBETTA LA RICHE	French Retail and Private Banking	ESI	25	25	25	25	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SCCV GIGNAC MOUSSELINE	French Retail and Private Banking	FULL	70	70	70	70
	SCCV GIVORS ROBICHON	French Retail and Private Banking	FULL	85	85	85	85
	SCCV GOELETTES GRAND LARGE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV HEROUVILLE ILOT A2	French Retail and Private Banking	ESI	33.33	33.33	33.33	33.33
	SCCV ISTRES PAPAILLE	French Retail and Private Banking	FULL	70	70	70	70
	SCCV JA LE HAVRE 22 COTY	French Retail and Private Banking	ESI	40	40	40	40
	SCCV JDA OUISTREHAM	French Retail and Private Banking	EJV	50	50	50	50
	(3) SCCV KYMA MERIGNAC	French Retail and Private Banking	ESI	0	30	0	30
	SCCV LA BAULE – LES JARDINS D'ESCOUBLAC	French Retail and Private Banking	ESI	25	25	25	25
	SCCV LA MADELEINE – PRE CATELAN	French Retail and Private Banking	FULL	51	51	51	51
	(3) SCCV LA MADELEINE SAINT-CHARLES	French Retail and Private Banking	EJV	0	50	0	50
	SCCV LA PORTE DU CANAL	French Retail and Private Banking	EJV	50	50	50	50
	SCCV LACASSAGNE BRICKS	French Retail and Private Banking	ESI	49	49	49	49
	SCCV LE CENTRAL C1.4	French Retail and Private Banking	ESI	33.4	33.4	33.4	33.4
	SCCV LE CENTRAL C1.5A	French Retail and Private Banking	ESI	33.3	33.3	33.3	33.3
	SCCV LE CENTRAL C1.7	French Retail and Private Banking	ESI	33.3	33.3	33.3	33.3
	SCCV LES BASTIDES FLEURIES	French Retail and Private Banking	FULL	64.29	64.29	64.29	64.29
	(2) SCCV LES ECRIVAINS	French Retail and Private Banking	FULL	0	70	0	70
	SCCV LES HAUTS VERGERS	French Retail and Private Banking	FULL	55	55	55	55
	SCCV LES PATIOS D'OR DE FLEURY LES AUBRAIS	French Retail and Private Banking	FULL	64	64	80	80
SCCV LES SUCRES	French Retail and Private Banking	EJV	50	50	50	50	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SCCV LESQUIN PARC	French Retail and Private Banking	EJV	50	50	50	50
	SCCV L'IDEAL – MODUS 1.0	French Retail and Private Banking	FULL	80	80	80	80
	SCCV LILLE – JEAN MACE	French Retail and Private Banking	ESI	33.4	33.4	33.4	33.4
	SCCV LOOS GAMBETTA	French Retail and Private Banking	ESI	35	35	35	35
	SCCV MARCQ EN BARŒUL GABRIEL PERI	French Retail and Private Banking	ESI	20	20	20	20
	SCCV MARQUETTE CALMETTE	French Retail and Private Banking	EJV	50	50	50	50
	SCCV MASSY NOUAILLE	French Retail and Private Banking	FULL	80	80	80	80
	SCCV MEHUL 34000	French Retail and Private Banking	FULL	70	70	70	70
	SCCV MONROC – LOT 3	French Retail and Private Banking	EJV	50	50	50	50
	SCCV MONS EQUATION	French Retail and Private Banking	EJV	50	50	50	50
	SCCV NICE ARENAS	French Retail and Private Banking	FULL	100	100	100	100
	SCCV NOGENT PLAISANCE	French Retail and Private Banking	FULL	60	60	60	60
	SCCV NOISY BOISSIERE	French Retail and Private Banking	FULL	51	51	51	51
	SCCV PARIS ALBERT	French Retail and Private Banking	EJV	50	50	50	50
	SCCV PRADES BLEU HORIZON	French Retail and Private Banking	EJV	50	50	50	50
	SCCV QUAI DE SEINE A ALFORTVILLE	French Retail and Private Banking	FULL	51	51	51	51
	SCCV QUAI NEUF BORDEAUX	French Retail and Private Banking	ESI	35	35	35	35
	(6) SCCV ROUEN RUE LOUIS BLANC	French Retail and Private Banking	EJV	50	0	50	0
	SCCV ROUSSET – LOT 03	French Retail and Private Banking	FULL	70	70	70	70
	SCCV SAINT JUST DAUDET	French Retail and Private Banking	FULL	80	80	80	80
(6) SCCV SAINT NAZAIRE MDP ILOT V4	French Retail and Private Banking	FULL	80	0	80	0	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SCCV SAY	French Retail and Private Banking	ESI	35	35	35	35
	(2) SCCV SENGHOR	French Retail and Private Banking	ESI	0	35	0	35
	SCCV SENSORIUM BUREAUX	French Retail and Private Banking	EJV	50	50	50	50
	SCCV SENSORIUM LOGEMENT	French Retail and Private Banking	EJV	50	50	50	50
	SCCV SOGAB ILE DE FRANCE	French Retail and Private Banking	FULL	80	80	80	80
	SCCV SOGAB ROMAINVILLE	French Retail and Private Banking	FULL	80	80	80	80
	SCCV SOGEPROM LYON HABITAT	French Retail and Private Banking	FULL	100	100	100	100
	SCCV SOPRAB IDF	French Retail and Private Banking	FULL	70	70	70	70
	SCCV ST MARTIN DU TOUCH ILOT S9	French Retail and Private Banking	EJV	50	50	50	50
	SCCV TOULOUSE LES IZARDS	French Retail and Private Banking	FULL	51	51	51	51
	SCCV TRETSS CASSIN LOT 4	French Retail and Private Banking	FULL	70	70	70	70
	SCCV VERNONNET-FIESCHI	French Retail and Private Banking	FULL	51	51	51	51
	SCCV VILLA CHANZY	French Retail and Private Banking	ESI	40	40	40	40
	SCCV VILLA VALERIANE	French Retail and Private Banking	ESI	30	30	30	30
	SCCV VILLAS URBAINES	French Retail and Private Banking	FULL	80	80	80	80
	SCCV VILLENAVE D'ORNON GARDEN VO	French Retail and Private Banking	ESI	25	25	25	25
	SCCV VILLENEUVE BONGARDE T2	French Retail and Private Banking	FULL	51	51	51	51
	SCCV VILLENEUVE D'ASCQ-RUE DES TECHNIQUES	French Retail and Private Banking	EJV	50	50	50	50
	SCCV VILLENEUVE VILLAGE BONGARDE	French Retail and Private Banking	FULL	51	51	51	51
	(3) SCCV VILLEURBANNE TEMPO	French Retail and Private Banking	FULL	0	100	0	100
SCCV WAMBRECHIES RESISTANCE	French Retail and Private Banking	EJV	50	50	50	50	

Country		Operating Segments	Method *	Group ownership interest		Group voting interest		
				As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	(6)	SCCV ZAC DES DOCKS R4	French Retail and Private Banking	FULL	70	0	70	0
		SCI 1134, AVENUE DE L'EUROPE A CASTELNAU LE LEZ	French Retail and Private Banking	EJV	50	50	50	50
		SCI AQPRIM PROMOTION	French Retail and Private Banking	FULL	79.8	79.8	50	50
		SCI CENTRE IMMO PROMOTION RESIDENCES	French Retail and Private Banking	FULL	80	80	100	100
	(2)	SCI CHELLES AULNOY MENDES FRANCE	French Retail and Private Banking	EJV	0	50	0	50
	(3)	SCI DU PARC SAINT-ETIENNE	French Retail and Private Banking	ESI	0	40	0	40
		SCI ETAMPES NOTRE-DAME	French Retail and Private Banking	EJV	50	50	50	50
		SCI L'ACTUEL	French Retail and Private Banking	ESI	30	30	30	30
		SCI LAVOISIER	French Retail and Private Banking	FULL	80	80	80	80
		SCI LES JARDINS D'IRIS	French Retail and Private Banking	FULL	60	60	60	60
	(2)	SCI LES JARDINS DU BLAVET	French Retail and Private Banking	ESI	0	40	0	40
	(3)	SCI LES PORTES DU LEMAN	French Retail and Private Banking	FULL	0	70	0	70
		SCI LINAS CŒUR DE VILLE 1	French Retail and Private Banking	FULL	71	70	71	70
		SCI LOCMINE- LAMENNAIS	French Retail and Private Banking	ESI	30	30	30	30
		SCI MONTPELLIER JACQUES CŒUR	French Retail and Private Banking	EJV	50	50	50	50
		SCI PRIMO E+	Global Market and Investors Services	FULL	100	100	100	100
		SCI PRIMO N+	Global Market and Investors Services	FULL	100	100	100	100
		SCI PRIMO N+2	Global Market and Investors Services	FULL	100	100	100	100
		SCI PRIMO N+3	Global Market and Investors Services	FULL	100	100	100	100
		SCI PROJECTIM HABITAT	French Retail and Private Banking	FULL	100	100	100	100
(2)	SCI QUINTEFEUILLE	French Retail and Private Banking	ESI	0	30	0	30	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SCI RESIDENCE DU DONJON	French Retail and Private Banking	EJV	40	40	40	40
(5)	SCI RHIN ET MOSELLE 1	French Retail and Private Banking	FULL	0	100	0	100
	SCI RIVAPRIM HABITAT	French Retail and Private Banking	FULL	100	100	100	100
	SCI RIVAPRIM RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
	SCI SAINT-DENIS WILSON	French Retail and Private Banking	FULL	60	60	60	60
	SCI SCS IMMOBILIER D'ENTREPRISES	French Retail and Private Banking	FULL	52.8	52.8	66	66
	SCI SOGECIP	French Retail and Private Banking	FULL	80	80	100	100
	SCI SOGECTIM	French Retail and Private Banking	FULL	100	100	100	100
	SCI SOGEPROM LYON RESIDENCES	French Retail and Private Banking	FULL	100	100	100	100
(2)	SCI TOULOUSE CENTREDA 3	French Retail and Private Banking	FULL	0	100	0	100
	SCI VILLA EMILIE	French Retail and Private Banking	ESI	35	35	35	35
(2)	SCI VITAL BOUHOT 16-22 NEUILLY SUR SEINE	French Retail and Private Banking	ESI	0	40	0	40
(5)	SERVIPAR	Mobility and Financial Services	FULL	0	52.59	0	100
	SG 29 HAUSSMANN	French Retail and Private Banking	FULL	100	100	100	100
	SG ACTIONS EURO SELECTION	Insurance	FULL	40.05	40.05	40.05	40.05
(6)	SG ACTIONS EURO SMALL CAP – P (C)	Insurance	FULL	63.33	0	63.33	0
	SG ACTIONS FRANCE	Insurance	FULL	38.14	38.14	38.14	38.14
	SG ACTIONS LUXE-C	Insurance	FULL	84.25	84.25	84.25	84.25
(6)	SG ACTIONS MONDE	Insurance	FULL	74.66	0	74.66	0
	SG ACTIONS MONDE EMERGENT	Insurance	FULL	60.05	60.05	60.05	60.05
	SG ACTIONS US	Insurance	FULL	65.06	65.06	65.06	65.06
(6)	SG ACTIONS US TECHNO (C)	Insurance	FULL	84.65	0	84.65	0
	SG AMUNDI ACTIONS FRANCE ISR – PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG AMUNDI ACTIONS MONDE EAU – PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG AMUNDI MONETAIRE ISR	Insurance	FULL	100	100	100	100
(6)	SG AMUNDI MONETAIRE ISR – GSM (C)	Insurance	FULL	99.96	0	99.96	0
(3)	SG AMUNDI MONETAIRE ISR – PART P-C	Insurance	FULL	0	60.05	0	60.05

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SG AMUNDI OBLIG ENTREPRISES EURO ISR – PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	(6) SG BLACKROCK ACTIONS EURO ISR	Insurance	FULL	81.16	0	81.16	0
	SG BLACKROCK ACTIONS US ISR	Insurance	FULL	100	100	100	100
	SG BLACKROCK FLEXIBLE ISR	Insurance	FULL	100	100	100	100
	SG BLACKROCK OBLIGATIONS EURO ISR – PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG CAPITAL DEVELOPPEMENT	French Retail and Private Banking	FULL	100	100	100	100
	(3) SG DNCA ACTIONS EURO ISR – PART-C	Insurance	FULL	0	60.05	0	60.05
	(8) SG FINANCIAL SERVICES HOLDING	Corporate Centre	FULL	100	100	100	100
	SG FLEXIBLE	Insurance	FULL	92.48	92.48	92.48	92.48
	SG OBLIG ETAT EURO – PART P-C	Insurance	FULL	60.05	60.05	60.05	60.05
	SG OBLIG ETAT EURO-R	Insurance	FULL	79.94	79.94	79.94	79.94
	(6) SG OBLIG HIGH YIELD (C)	Insurance	FULL	91.99	0	91.99	0
	SG OBLIGATIONS	Insurance	FULL	82.92	82.92	82.92	82.92
	(3) SG OPCIMMO	Insurance	FULL	0	97.95	0	97.95
	SG OPTION EUROPE	Global Market and Investors Services	FULL	100	100	100	100
	(6) SG TIKEHAU DETTE PRIVEE	Insurance	FULL	100	0	100	0
	SG VALOR ALPHA ACTIONS FRANCE	Insurance	FULL	72.77	72.77	72.77	72.77
	(3) SGA 48-56 DESMOULINS	Insurance	FULL	0	99	0	99
	SGA AXA IM US CORE HY LOW CARBON	Insurance	FULL	100	100	100	100
	SGA AXA IM US SD HY LOW CARBON	Insurance	FULL	100	100	100	100
	SGA INFRASTRUCTURES	Insurance	FULL	100	100	100	100
	SGB FINANCE SA	Mobility and Financial Services	FULL	50.94	50.94	51	51
	SGEF SA	Mobility and Financial Services	FULL	100	100	100	100
	SGI 10-16 VILLE L'EVEQUE	Insurance	FULL	100	100	100	100
	SGI 1-5 ASTORG	Insurance	FULL	100	100	100	100
	SGI HOLDING SIS	French Retail and Private Banking	FULL	100	100	100	100
	(3) SGI PACIFIC	Insurance	FULL	0	89.24	0	89.53
	(4) SHINE	French Retail and Private Banking	FULL	0	93.97	0	93.97
	SNC CŒUR 8EME MONPLAISIR	French Retail and Private Banking	ESI	30	30	30	30
	SNC D'AMENAGEMENT FORUM SEINE ISSY LES MOULINEAUX	French Retail and Private Banking	EJV	33.33	33.33	33.33	33.33
SNC HPL ARROMANCHES	French Retail and Private Banking	FULL	100	100	100	100	
SNC NEUILLY ILE DE LA JATTE	French Retail and Private Banking	ESI	40	40	40	40	

Country		Operating Segments	Method *	Group ownership interest		Group voting interest		
				As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	(3)	SNC PROMOSEINE	French Retail and Private Banking	EJV	0	33.33	0	33.33
		SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	Financial and Advisory	FULL	100	100	100	100
		SOCIETE CIVILE IMMOBILIERE CAP THALASSA	French Retail and Private Banking	ESI	45	45	45	45
		SOCIETE CIVILE IMMOBILIERE CAP VEYRE	French Retail and Private Banking	ESI	50	50	50	50
		SOCIETE CIVILE IMMOBILIERE DE DIANE	French Retail and Private Banking	ESI	30	30	30	30
	(3)	SOCIETE CIVILE IMMOBILIERE DE PIERLAS	French Retail and Private Banking	ESI	0	28	0	28
	(8)	SOCIETE CIVILE IMMOBILIERE DES COMBEAUX DE TIGERY	Corporate Centre	FULL	100	100	100	100
		SOCIETE CIVILE IMMOBILIERE ESTEREL TANNERON	French Retail and Private Banking	ESI	30	30	30	30
		SOCIETE CIVILE IMMOBILIERE FONTENAY – ESTIENNES D'ORVES	French Retail and Private Banking	EJV	50	50	50	50
		SOCIETE CIVILE IMMOBILIERE GAMBETTA DEFENSE V	French Retail and Private Banking	ESI	20	20	20	20
		SOCIETE CIVILE IMMOBILIERE LES HAUTS DE L'ESTAQUE	French Retail and Private Banking	ESI	35	35	35	35
		SOCIETE CIVILE IMMOBILIERE LES HAUTS DE SEPTEMES	French Retail and Private Banking	ESI	25	25	25	25
		SOCIETE CIVILE IMMOBILIERE MIRECRAU	French Retail and Private Banking	ESI	35	35	35	35
	(3)	SOCIETE CIVILE IMMOBILIERE VERT COTEAU	French Retail and Private Banking	ESI	0	35	0	35
		SOCIETE DE BOURSE GILBERT DUPONT	French Retail and Private Banking	FULL	100	100	100	100
		SOCIETE DE COURTAGES D'ASSURANCES GROUPE	Mobility and Financial Services	FULL	52.59	52.59	100	100
	(5)	SOCIETE DE LA RUE EDOUARD VII	Corporate Centre	FULL	0	100	0	100
	(8)	SOCIETE DE SERVICES FIDUCIAIRES (2SF)	French Retail and Private Banking	EJV	33.33	33.33	33.33	33.33
	(8)	SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	Corporate Centre	FULL	100	100	100	100
	(7)	SOCIETE GENERALE	Multi-Activities	FULL	100	100	100	100
		SOCIETE GENERALE – FORGE	Global Market and Investors Services	FULL	93.48	90.9	93.48	90.9
		SOCIETE GENERALE CAPITAL FINANCE	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE CAPITAL PARTENAIRES	French Retail and Private Banking	FULL	100	100	100	100	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SOCIETE GENERALE FACTORING	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE REAL ESTATE	French Retail and Private Banking	FULL	100	100	100	100
(8)	SOCIETE GENERALE SCF	Corporate Centre	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES HOLDING	Financial and Advisory	FULL	100	100	100	100
(8)	SOCIETE GENERALE SFH	Corporate Centre	FULL	100	100	100	100
(8)	SOCIETE GENERALE VENTURES	Corporate Centre	FULL	100	100	100	100
(8)	SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	Corporate Centre	FULL	100	100	100	100
(8)	SOGE BEAUJOIRE	Corporate Centre	FULL	100	100	100	100
(8)	SOGE PERIVAL I	Corporate Centre	FULL	100	100	100	100
(8)	SOGE PERIVAL II	Corporate Centre	FULL	100	100	100	100
(8)	SOGE PERIVAL III	Corporate Centre	FULL	100	100	100	100
(8)	SOGE PERIVAL IV	Corporate Centre	FULL	100	100	100	100
	SOGEACT. SELEC. MON.	Insurance	FULL	99.78	99.78	99.78	99.78
	SOGEAX	French Retail and Private Banking	FULL	60	60	60	60
(8)	SOGECAMPUS	Corporate Centre	FULL	100	100	100	100
	SOGECAP	Insurance	FULL	100	100	100	100
	SOGECAP – DIVERSIFIED LOANS FUND	Insurance	FULL	100	100	100	100
	SOGECAP ACTIONS PROTEGEES – PART-C/D	Insurance	FULL	60.05	60.05	60.05	60.05
	SOGECAP DIVERSIFIE 1	Insurance	FULL	100	100	100	100
(3)	SOGECAP EQUITY OVERLAY (FEEDER)	Insurance	FULL	0	100	0	100
	SOGECAP LONG TERME N°1	Insurance	FULL	100	100	100	100
(6)	SOGECAP PROTECTED EQUITIES	Insurance	FULL	100	0	100	0
(3)	SOGECAPIMMO 2	Insurance	FULL	0	90.71	0	90.84
(8)	SOGEFIM HOLDING	Corporate Centre	FULL	100	100	100	100
	SOGEFIMUR	French Retail and Private Banking	FULL	100	100	100	100
(5)	SOGEFINANCEMENT	French Retail and Private Banking	FULL	0	100	0	100
	SOGEFINERG FRANCE	Financial and Advisory	FULL	100	100	100	100
(8)	SOGEFONTENAY	Corporate Centre	FULL	100	100	100	100
	SOGELEASE FRANCE	French Retail and Private Banking	FULL	100	100	100	100
(8)	SOGE MARCHE	Corporate Centre	FULL	100	100	100	100
(8)	SOGE PARTICIPATIONS	Corporate Centre	FULL	100	100	100	100
	SOGEPIERRE	Insurance	FULL	100	100	100	100
	SOGE PROM	French Retail and Private Banking	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	SOGEPROM ALPES HABITAT	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM CENTRE-VAL DE LOIRE	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM COTE D'AZUR	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM ENTREPRISES	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM LYON	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM LYON AMENAGEMENT	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM PARTENAIRES	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM SERVICES	French Retail and Private Banking	FULL	100	100	100	100
	SOGEPROM SUD REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
	SOGESSUR	Insurance	FULL	100	100	100	100
	SOGEVIMMO	Insurance	FULL	98.75	98.75	98.75	98.75
	ST BARNABE 13004	French Retail and Private Banking	EJV	50	50	50	50
	(6) ST GERMAIN BENI	French Retail and Private Banking	FULL	51	0	51	0
	STAR LEASE	French Retail and Private Banking	FULL	100	100	100	100
	TEMSYS	Mobility and Financial Services	FULL	52.59	52.59	100	100
	(6) THONON ALLINGES	French Retail and Private Banking	FULL	70	0	70	0
	TRANSACTIS	French Retail and Private Banking	EJV	50	50	50	50
	TREEZOR SAS	French Retail and Private Banking	FULL	96.09	95.35	96.09	95.35
	URBANISME ET COMMERCE PROMOTION	French Retail and Private Banking	FULL	100	100	100	100
VALMINCO	Global Market and Investors Services	FULL	100	100	100	100	
(8) VALMINVEST	Corporate Centre	FULL	100	100	100	100	
(6) VAUBAN DESMAZIERES	French Retail and Private Banking	FULL	67	0	67	0	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
France	(6) VERMELLES NATIONALE	French Retail and Private Banking	FULL	51	0	51	0
	VG PROMOTION	French Retail and Private Banking	ESI	35	35	35	35
	VIENNE BON ACCUEIL	French Retail and Private Banking	EJV	50	50	50	50
	VILLA D'ARMONT	French Retail and Private Banking	ESI	40	40	40	40
Ghana							
	SOCIETE GENERALE GHANA PLC	International Retail Banking	FULL	60.22	60.22	60.22	60.22
Gibraltar							
	HAMBROS (GIBRALTAR NOMINEES) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	(2) SG KLEINWORT HAMBROS (GIBRALTAR) LIMITED (ex-SG KLEINWORT HAMBROS BANK (GIBRALTAR) LIMITED)	French Retail and Private Banking	FULL	0	100	0	100
	(1) SG KLEINWORT HAMBROS BANK LIMITED GIBRALTAR BRANCH	French Retail and Private Banking	FULL	100	100	100	100
Greece							
	(5) ALD AUTOMOTIVE SA LEASE OF CARS	Mobility and Financial Services	FULL	0	52.59	0	100
	LEASEPLAN HELLAS COMMERCIAL VEHICLE LEASING AND FLEET MANAGEMENT SERVICES SINGLE-MEMBER SOCIETE ANON	Mobility and Financial Services	FULL	52.59	52.59	100	100
Guinea							
	SOCIETE GENERALE GUINEE	International Retail Banking	FULL	57.94	57.93	57.94	57.93
Equatorial Guinea							
	SOCIETE GENERALE DE BANQUES EN GUINEE EQUATORIALE	International Retail Banking	FULL	52.44	52.44	57.23	57.23
Hong Kong							
	(6) SANFORD C. BERNSTEIN (HONG KONG) LIMITED	Global Market and Investors Services	FULL	51	0	100	0
	SG ASSET FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG CAPITAL FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG CAPITAL FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG CORPORATE FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG CORPORATE FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	(1) SG HONG KONG	Global Market and Investors Services	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Hong Kong	SG LEASING (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG SECURITIES (HK) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SG SECURITIES ASIA INTERNATIONAL HOLDINGS LIMITED	Global Market and Investors Services	FULL	100	100	100	100
(1)	SGL ASIA HK	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE ASIA Ltd.	Financial and Advisory	FULL	100	100	100	100
	TH INVESTMENTS (HONG KONG) 1 LIMITED	Financial and Advisory	FULL	100	100	100	100
	TH INVESTMENTS (HONG KONG) 5 LIMITED	Financial and Advisory	FULL	100	100	100	100
Hungary							
	ALD AUTOMOTIVE MAGYARORSZAG AUTOPARK-KEZELO ES FINANSZIROZO KORLATOLT FELELOSSEGU TARSASAG	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN HUNGARIA GEPJARMU KEZELO ES FIANNSZIROZO RESZVENYTARSASAG	Mobility and Financial Services	FULL	52.59	52.59	100	100
	SG EQUIPMENT FINANCE HUNGARY PLC (ex-SG EQUIPMENT FINANCE HUNGARY ZRT)	Mobility and Financial Services	FULL	100	100	100	100
Jersey Island							
	ELMFORD LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	HANOM I LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	J D CORPORATE SERVICES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(1)	SG KLEINWORT HAMBROS BANK LIMITED, JERSEY BRANCH	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS CORPORATE SERVICES (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS TRUST COMPANY (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SGKH TRUSTEES (CI) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
Isle of Man							
	KBBIOM LIMITED	French Retail and Private Banking	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Guernsey Island							
	CDS INTERNATIONAL LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	HAMBROS (GUERNSEY NOMINEES) Ltd.	French Retail and Private Banking	FULL	100	100	100	100
	KLEINWORT BENSON INTERNATIONAL TRUSTEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(1)	SG KLEINWORT HAMBROS BANK LIMITED GUERNSEY BRANCH	French Retail and Private Banking	FULL	100	100	100	100
India							
	ALD AUTOMOTIVE PRIVATE LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASE PLAN INDIA PRIVATE Ltd.	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN FLEET MANAGEMENT INDIA PVT. Ltd.	Mobility and Financial Services	FULL	52.59	52.59	100	100
(6)	SANFORD C. BERNSTEIN (INDIA) PRIVATE LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(1)	SG MUMBAI	Financial and Advisory	FULL	100	100	100	100
(8)	SOCIETE GENERALE GLOBAL SOLUTION CENTRE INDIA	Corporate Centre	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES INDIA PRIVATE LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Ireland							
(5)	ALD RE PUBLIC LIMITED COMPANY (ex-ALD RE DESIGNATED ACTIVITY COMPANY)	Mobility and Financial Services	FULL	0	52.59	0	100
	AYVENS IRELAND LIMITED (ex-LEASEPLAN FLEET MANAGEMENT SERVICES IRELAND Ltd.)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	EURO INSURANCES DESIGNATED ACTIVITY COMPANY	Mobility and Financial Services	FULL	52.59	52.59	100	100
	IRIS SPV PLC SERIES MARK	Global Market and Investors Services	FULL	100	100	100	100
	IRIS SPV PLC SERIES SOGECAP	Insurance	FULL	100	100	100	100
(1)	LEASEPLAN DIGITAL BV (DUBLIN BRANCH)	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1)	LEASEPLAN FINANCE BV (DUBLIN BRANCH OF LEASEPLAN FINANCE BV)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	NB SOG EMER EUR – I	Insurance	FULL	100	100	100	100
(6)	SANFORD C. BERNSTEIN IRELAND LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(1)	SG DUBLIN	Global Market and Investors Services	FULL	100	100	100	100
	SGBT FINANCE IRELAND DESIGNATED ACTIVITY COMPANY	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES, SGSS (IRELAND) LIMITED	Global Market and Investors Services	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Italy							
	ALD AUTOMOTIVE ITALIA SRL	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1) (6)	BSG FRANCE SA ITALIAN BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	FIDITALIA SPA	Mobility and Financial Services	FULL	100	100	100	100
	FRAER LEASING SPA	Mobility and Financial Services	FULL	86.91	86.91	86.91	86.91
	LEASEPLAN ITALIA SPA.	Mobility and Financial Services	FULL	52.59	52.59	100	100
	MORIGI FINANCE SRL	Financial and Advisory	FULL	100	100	100	100
(6)	NIRONE FINANCE SRL	Financial and Advisory	FULL	100	0	100	0
	RED & BLACK AUTO ITALY SRL	Mobility and Financial Services	FULL	100	100	100	100
	SG EQUIPMENT FINANCE ITALY SPA	Mobility and Financial Services	FULL	100	100	100	100
	SG FACTORING SPA	Financial and Advisory	FULL	100	100	100	100
	SG LEASING SPA	Mobility and Financial Services	FULL	100	100	100	100
(1)	SG LUXEMBOURG ITALIAN BRANCH	Financial and Advisory	FULL	100	100	100	100
(1)	SG MILAN	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES SERVICES SPA	Global Market and Investors Services	FULL	100	100	100	100
(1)	SOGECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100	100	100	100
(1)	SOGESSUR SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100	100	100	100
Japan							
(6)	SANFORD C. BERNSTEIN JAPAN KK	Global Market and Investors Services	FULL	51	0	100	0
(1)	SG TOKYO	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE HAUSSMANN MANAGEMENT JAPAN LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE SECURITIES JAPAN LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Latvia							
	ALD AUTOMOTIVE SIA	Mobility and Financial Services	FULL	39.44	39.44	75	75
Lithuania							
	UAB ALD AUTOMOTIVE	Mobility and Financial Services	FULL	39.44	39.44	75	75
Luxembourg							
	ALD INTERNATIONAL SERVICES SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AXUS LUXEMBOURG SA	Mobility and Financial Services	FULL	52.59	52.59	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Luxembourg	BARTON CAPITAL SA	Financial and Advisory	FULL	100	100	100	100
	BUMPER DE SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	CODEIS COMPARTIMENT A0084	Insurance	FULL	100	100	100	100
	CODEIS COMPARTIMENT A0076	Insurance	FULL	100	100	100	100
	(6) CODEIS COMPARTIMENT A0092	Global Market and Investors Services	FULL	100	0	100	0
	CODEIS SECURITIES SA	Global Market and Investors Services	FULL	100	100	100	100
	COVALBA	Financial and Advisory	FULL	100	100	100	100
	INFRAMEWA CO-INVEST SCSP	Insurance	FULL	60.05	60.05	60.05	60.05
	(6) ISCHIA INVESTMENTS SA	Financial and Advisory	FULL	100	0	100	0
	IVEFI SA	Financial and Advisory	FULL	100	100	100	100
	(1) LEASEPLAN GLOBAL PROCUREMENT (A LUXEMBOURGISH BRANCH OF LEASEPLAN GLOBAL BV)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	MERIBOU INVESTMENTS SA	Financial and Advisory	FULL	100	100	100	100
	(6) MOOREA FUND – GLOBAL GROWTH ALLOCATION PORTFOLIO CLASS RE	Insurance	FULL	65.18	0	65.18	0
	(6) MOOREA FUND – SG CREDIT MILLESIME 2029 RE	Insurance	FULL	71.89	0	71.89	0
	MOOREA FUND SG CREDIT MILLESIME 2028 RE (EUR CAP)	Insurance	FULL	60.05	60.05	60.05	60.05
	MOOREA GLB BALANCED	Insurance	FULL	68.08	68.08	68.08	68.08
	MOOREA SUSTAINABLE US EQUITY RE	Insurance	FULL	60.05	60.05	60.05	60.05
	PIONEER INVESTMENTS DIVERSIFIED LOANS FUND	Insurance	FULL	100	100	100	100
	(6) PROCIDA INVESTMENTS SA	Financial and Advisory	FULL	100	0	100	0
	RED & BLACK AUTO LEASE GERMANY 3 SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	RED & BLACK AUTO LEASE GERMANY SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
	SALINGER SA	Financial and Advisory	FULL	100	100	100	100
	SG ISSUER	Global Market and Investors Services	FULL	100	100	100	100
	SG LUCI	Financial and Advisory	FULL	100	100	100	100
	SGBT ASSET BASED FUNDING SA	Financial and Advisory	FULL	100	100	100	100
	SGBT CI	Financial and Advisory	FULL	100	100	100	100
	SGL ASIA	Financial and Advisory	FULL	100	100	100	100
	(8) SGL RE	Corporate Centre	FULL	100	100	100	100
	SOCIETE GENERALE CAPITAL MARKET FINANCE	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE FINANCING AND DISTRIBUTION	Financial and Advisory	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Luxembourg	SOCIETE GENERALE LIFE INSURANCE BROKER SA	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE LUXEMBOURG	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE LUXEMBOURG LEASING	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE PRIVATE WEALTH MANAGEMENT SA	Financial and Advisory	FULL	100	100	100	100
	(2) (8) SOCIETE GENERALE RE SA	Corporate Centre	FULL	0	100	0	100
	SOCIETE IMMOBILIERE DE L'ARSENAL	Financial and Advisory	FULL	100	100	100	100
	SOGE LIFE	Insurance	FULL	100	100	100	100
	SPIRE SA – COMPARTIMENT 2021-51	Insurance	FULL	100	100	100	100
	(2) SURYA INVESTMENTS SA	Financial and Advisory	FULL	0	100	0	100
	(6) VIVARA INVESTMENTS SA	Financial and Advisory	FULL	100	0	100	0
	ZEUS FINANCE LEASING SA	Mobility and Financial Services	FULL	52.59	52.59	100	100
Madagascar							
	(4) BFV – SOCIETE GENERALE	International Retail Banking	FULL	0	70	0	70
Malaysia							
	ALD MHC MOBILITY SERVICES MALAYSIA SDN BHD	Mobility and Financial Services	FULL	31.55	31.55	60	60
Morocco							
	(3) ALD AUTOMOTIVE SA (ex-ALD AUTOMOTIVE SA MAROC)	Mobility and Financial Services	FULL	0	27.06	0	50
	(4) ATHENA COURTAGE	International Retail Banking	FULL	0	58.26	0	99.9
	(4) FONCIMMO	International Retail Banking	FULL	0	57.67	0	100
	(4) INVESTIMA SA	International Retail Banking	FULL	0	38.14	0	58.48
	(4) LA MAROCAINE VIE	Insurance	FULL	0	79.24	0	99.98
	(4) SG MAROCAINE DE BANQUES	International Retail Banking	FULL	0	57.67	0	57.67
	(4) SOCIETE D'EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM"	International Retail Banking	FULL	0	32.37	0	57.09
	SOCIETE GENERALE AFRICAIN BUSINESS SERVICES SAS A.U (ex-SOCIETE GENERALE AFRICAN BUSINESS SERVICES SAS)	International Retail Banking	FULL	100	97.88	100	100
	(4) SOCIETE GENERALE DE LEASING AU MAROC	International Retail Banking	FULL	0	57.67	0	100
	(4) SOCIETE GENERALE OFFSHORE	International Retail Banking	FULL	0	57.64	0	99.94
	(4) SOGECAPITAL GESTION	International Retail Banking	FULL	0	57.65	0	99.95
	(4) SOGECAPITAL PLACEMENT	International Retail Banking	FULL	0	57.66	0	99.97
	(4) SOGEFINANCEMENT MAROC	International Retail Banking	FULL	0	57.67	0	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Mauritius							
	SG SECURITIES BROKING (M) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
Mauritania							
	SOCIETE GENERALE MAURITANIE	International Retail Banking	FULL	100	100	100	100
Mexico							
	ALD AUTOMOTIVE SA DE CV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD FLEET SA DE CV SOFOM ENR	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN MEXICO SA DE CV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	SGFP MEXICO, SA DE CV	Global Market and Investors Services	FULL	100	100	100	100
Monaco							
(1) (6)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS MONACO	Mobility and Financial Services	FULL	99.89	0	100	0
(1)	SOCIETE GENERALE (SUCCURSALE MONACO)	French Retail and Private Banking	FULL	100	100	100	100
	SOCIETE GENERALE PRIVATE BANKING (MONACO)	French Retail and Private Banking	FULL	99.99	99.99	99.99	99.99
Norway							
	AYVENS NORGE AS (ex-LEASEPLAN NORGE AS)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	NF FLEET AS	Mobility and Financial Services	FULL	42.07	42.07	80	80
New Caledonia							
	CREDICAL	International Retail Banking	FULL	88.34	88.34	98.05	98.05
	SOCALFI	International Retail Banking	FULL	88.34	88.34	100	100
	SOCIETE GENERALE CALEDONIENNE DE BANQUE	International Retail Banking	FULL	90.09	90.09	90.09	90.09
Netherlands							
	AALH PARTICIPATIES BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ACCIDENT MANAGEMENT SERVICES (AMS) BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
(2)	ALVARENGA INVESTMENTS BV	Financial and Advisory	FULL	0	100	0	100
	ASTEROLD BV	Financial and Advisory	FULL	100	100	100	100
	AXUS FINANCE NL BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
(5)	AXUS NEDERLAND BV	Mobility and Financial Services	FULL	0	52.59	0	100
	AXUS NEDERLAND NV (ex-LEASEPLAN NEDERLAND NV)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AYVENS BANK NV (ex-LEASEPLAN CORPORATION NV)	Mobility and Financial Services	FULL	52.59	52.59	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Netherlands	BRIGANTIA INVESTMENTS BV	Financial and Advisory	FULL	100	100	100	100
(1)	BSG FRANCE SA NETHERLANDS BRANCH	Global Market and Investors Services	FULL	51	0	100	0
(6)	BUMPER NL 2020-1 BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	BUMPER NL 2022-1 BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
(6)	BUMPER NL 2023-1 BV	Mobility and Financial Services	FULL	52.59	0	100	0
(6)	BUMPER NL 2024-1 BV	Mobility and Financial Services	FULL	52.59	0	100	0
	CAPEREA BV	Financial and Advisory	FULL	100	100	100	100
	FIRENTA BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	FORD FLEET MANAGEMENT BV	Mobility and Financial Services	FULL	26.35	26.35	50.11	50.1
	HERFSTTAFEL INVESTMENTS BV	Financial and Advisory	FULL	100	100	100	100
	HORDLE FINANCE BV	Financial and Advisory	FULL	100	100	100	100
(2)	LEASE BEHEER HOLDING BV	Mobility and Financial Services	FULL	0	52.59	0	100
	LEASE BEHEER VASTGOED BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN CN HOLDING BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN DIGITAL BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN FINANCE BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN GLOBAL BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN RECHTSHULP BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LP GROUP BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
	MONTALIS INVESTMENT BV	Financial and Advisory	FULL	100	100	100	100
(1)	SG AMSTERDAM	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE BENELUX BV	Mobility and Financial Services	FULL	100	100	100	100
	SOGLEASE BV	Financial and Advisory	FULL	100	100	100	100
(2)	SOGLEASE FILMS	Financial and Advisory	FULL	0	100	0	100
	TRANSPORT PLAN BV	Mobility and Financial Services	FULL	52.59	52.59	100	100
(2)	TYNEVOR BV	Financial and Advisory	FULL	0	100	0	100
Peru							
	ALD AUTOMOTIVE PERU SAC	Mobility and Financial Services	FULL	52.59	52.59	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Poland							
	AYVENS FINANCIAL SERVICES POLAND SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA (ex-ALD AUTOMOTIVE POLSKA SP Z O.O.)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AYVENS POLAND SP. Z O.O. (ex-LEASEPLAN FLEET MANAGEMENT (POLSKA) SP. Z O.O.)	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1) (6)	BSG FRANCE SA POLISH BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	FLEET ACCIDENT MANAGEMENT SERVICES SP. Z O.O.	Mobility and Financial Services	FULL	52.59	52.59	100	100
	SG EQUIPMENT LEASING POLSKA SP ZOO.	Mobility and Financial Services	FULL	100	100	100	100
(1)	SOCIETE GENERALE SA ODDZIAL W POLSCE	Financial and Advisory	FULL	100	100	100	100
(1)	SOGECAP SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
(1)	SOGESSUR SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
French Polynesia							
	BANQUE DE POLYNESIE	International Retail Banking	FULL	72.1	72.1	72.1	72.1
	SOGELEASE BDP "SAS"	International Retail Banking	FULL	72.1	72.1	100	100
Portugal							
	FLEET COVER-SOCIEDADE MEDIACAO DE SEGUROS, LDA.	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN PORTUGAL COMERCIO E ALUGUER DE AUTOMOVEIS E EQUIPAMENTOS LDA. (ex-LEASEPLAN PORTUGAL COMERCIO E ALUGUER DE AUTOMÓVEIS E EQUIPAMENTOS UNIPessoal LDA)	Mobility and Financial Services	FULL	52.59	52.59	100	100
Czech Republic							
	AYVENS SRO (ex-ALD AUTOMOTIVE SRO)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ESSEX SRO	International Retail Banking	FULL	80	80	100	100
	FACTORING KB	International Retail Banking	FULL	60.73	60.73	100	100
	KB PENZIJNI SPOLECNOST, AS	International Retail Banking	FULL	60.73	60.73	100	100
	KB REAL ESTATE	International Retail Banking	FULL	60.73	60.73	100	100
	KB SMARTSOLUTIONS, SRO	International Retail Banking	FULL	60.73	60.73	100	100
	KOMERCNI BANKA AS	International Retail Banking	FULL	60.73	60.73	60.73	60.73
	KOMERCNI POJISTOVNA AS	Insurance	FULL	80.76	80.76	100	100
	MODRA PYRAMIDA STAVEBNI SPORITELNA AS	International Retail Banking	FULL	60.73	60.73	100	100
	PROTOS	International Retail Banking	FULL	60.73	60.73	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Czech Republic	SG EQUIPMENT FINANCE CZECH REPUBLIC SRO	Mobility and Financial Services	FULL	80.33	80.33	100	100
	(2) SOGEPROM CESKA REPUBLIKA SRO	French Retail and Private Banking	FULL	0	100	0	100
	SOGEPROM MICHLE SRO	French Retail and Private Banking	FULL	100	100	100	100
	STD2, SRO	International Retail Banking	FULL	60.73	60.73	100	100
	(4) VN 42	International Retail Banking	FULL	0	60.73	0	100
	WORLDLINE CZECH REPUBLIC SRO	International Retail Banking	ESI	0.61	0.61	40	40
Romania	ACCIDENT MANAGEMENT SERVICES SRL	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD AUTOMOTIVE SRL	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AYVENS SERVICE CENTER SRL (ex-LEASEPLAN SERVICE CENTER SRL)	Mobility and Financial Services	FULL	52.59	52.59	100	100
	BRD – GROUPE SOCIETE GENERALE SA	International Retail Banking	FULL	60.17	60.17	60.17	60.17
	BRD ASSET MANAGEMENT SAI SA	International Retail Banking	FULL	60.17	60.17	100	100
	BRD FINANCE SA (ex-BRD FINANCE IFN SA)	International Retail Banking	FULL	80.48	80.48	100	100
	BRD SOGELEASE IFN SA	International Retail Banking	FULL	60.18	60.17	100	100
	LEASEPLAN ROMANIA SRL	Mobility and Financial Services	FULL	52.59	52.59	100	100
	SC ROGARIU IMOBILIARE SRL	French Retail and Private Banking	FULL	75	75	75	75
	(8) SOCIETE GENERALE GLOBAL SOLUTION CENTRE ROMANIA	Corporate Centre	FULL	100	100	100	100
	SOGEPROM ROMANIA SRL	French Retail and Private Banking	FULL	100	100	100	100
	(1) SOGESSUR SA PARIS – SUCURSALA BUCURESTI	Insurance	FULL	100	100	100	100
United Kingdom	ACR	Financial and Advisory	FULL	100	100	100	100
	ALD AUTOMOTIVE GROUP LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ALD AUTOMOTIVE LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	AUTOMOTIVE LEASING LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	(6) BERNSTEIN AUTONOMOUS LLP	Global Market and Investors Services	FULL	51	0	100	0
	(1) BRIGANTIA INVESTMENTS BV (UK BRANCH)	Financial and Advisory	FULL	100	100	100	100
	BUMPER UK 2019-1 FINANCE PLC	Mobility and Financial Services	FULL	52.59	52.59	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
United Kingdom	BUMPER UK 2021-1 FINANCE PLC	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS UK	Mobility and Financial Services	FULL	99.89	99.89	100	100
	DIAL CONTRACTS LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	DIAL VEHICLE MANAGEMENT SERVICES Ltd.	Mobility and Financial Services	FULL	52.38	52.38	99.6	99.6
(1) (6)	EURO INSURANCES DAC TRADING AS LEASEPLAN INSURANCE	Mobility and Financial Services	FULL	52.59	0	100	0
	FENCHURCH NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	FORD FLEET MANAGEMENT UK LIMITED	Mobility and Financial Services	FULL	26.35	26.35	100	100
	FRANK NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(1)	HORDLE FINANCE BV (UK BRANCH)	Financial and Advisory	FULL	100	100	100	100
	INTERNAL FLEET PURCHASING LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	INULA HOLDING UK LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	JWB LEASING LIMITED PARTNERSHIP	Financial and Advisory	FULL	100	100	100	100
	KBIM STANDBY NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	KBPB NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	KH COMPANY SECRETARIES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	KLEINWORT BENSON FARMLAND TRUST (MANAGERS) LIMITED	French Retail and Private Banking	FULL	75	75	75	75
	LANGBOURN NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	LEASEPLAN UK LIMITED	Mobility and Financial Services	FULL	52.59	52.59	100	100
	PAYXPART SERVICES Ltd.	French Retail and Private Banking	FULL	80	60	80	60
	RED & BLACK AUTO LEASE UK 1 PLC	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ROBERT BENSON, LONSDALE & CO. (CANADA) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
(6)	SANFORD C. BERNSTEIN (AUTONOMOUS UK) 1 LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(6)	SANFORD C. BERNSTEIN (CREST NOMINEES) LIMITED	Global Market and Investors Services	FULL	51	0	100	0
(6)	SANFORD C. BERNSTEIN HOLDINGS LIMITED	Global Market and Investors Services	FULL	51	0	51	0
(6)	SANFORD C. BERNSTEIN LIMITED	Global Market and Investors Services	FULL	51	0	100	0

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
United Kingdom	SG (MARITIME) LEASING LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG EQUIPMENT FINANCE (DECEMBER) LIMITED	Mobility and Financial Services	FULL	100	100	100	100
	(2) (8) SG FINANCIAL SERVICES LIMITED	Corporate Centre	FULL	0	100	0	100
	SG HAMBROS TRUST COMPANY LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG HEALTHCARE BENEFITS TRUSTEE COMPANY LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SG INVESTMENT LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG KLEINWORT HAMBROS BANK LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG KLEINWORT HAMBROS TRUST COMPANY (UK) LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	SG LEASING (ASSETS) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (GEMS) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (JUNE) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (MARCH) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING (USD) LIMITED	Financial and Advisory	FULL	100	100	100	100
	SG LEASING IX	Financial and Advisory	FULL	100	100	100	100
	SG TITANIUM LIMITED	Financial and Advisory	FULL	100	100	100	100
	SOCGEN NOMINEES (UK) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	Mobility and Financial Services	FULL	100	100	100	100
	SOCIETE GENERALE INTERNATIONAL LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(8) SOCIETE GENERALE INVESTMENTS (UK) LIMITED	Corporate Centre	FULL	100	100	100	100
	(1) SOCIETE GENERALE, LONDON BRANCH (ex-SG LONDRES)	Financial and Advisory	FULL	100	100	100	100
	STRABUL NOMINEES LIMITED	Global Market and Investors Services	FULL	100	100	100	100
(1) (2) TYNEVOR BV (UK BRANCH)	Financial and Advisory	FULL	0	100	0	100	

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Russian Federation							
(4)	LEASEPLAN RUS LLC	Mobility and Financial Services	FULL	0	52.59	0	100
Senegal							
	SOCIETE GENERALE SENEGAL	International Retail Banking	FULL	64.45	64.45	64.87	64.87
Serbia							
	AYVENS DOO BEOGRAD (ex-ALD AUTOMOTIVE DOO BEOGRAD)	Mobility and Financial Services	FULL	52.59	52.59	100	100
Singapore							
(6)	SANFORD C. BERNSTEIN (SINGAPORE) PRIVATE LIMITED	Global Market and Investors Services	FULL	51	0	100	0
	SG MARKETS (SEA) PTE. Ltd.	Financial and Advisory	FULL	100	100	100	100
	SG SECURITIES (SINGAPORE) PTE. Ltd.	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG SINGAPOUR	Financial and Advisory	FULL	100	100	100	100
	SG TRUST (ASIA) Ltd.	French Retail and Private Banking	FULL	100	100	100	100
Slovakia							
	ALD AUTOMOTIVE SLOVAKIA SRO	Mobility and Financial Services	FULL	52.59	52.59	100	100
	ESOX FINANCE SRO	International Retail Banking	FULL	80	80	100	100
	INSURANCEPLAN SRO	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1)	KOMERCNI BANKA SLOVAKIA	International Retail Banking	FULL	60.73	60.73	100	100
	LEASEPLAN SLOVAKIA SRO	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1)	SG EQUIPMENT FINANCE CZECH REPUBLIC SRO ORGANIZACNA ZLOZKA (SLOVAK REPUBLIC BRANCH)	Mobility and Financial Services	FULL	80.33	80.33	100	100
Slovenia							
	AYVENS SLOVENIJA DOO (ex-ALD AUTOMOTIVE OPERATIONAL LEASING DOO)	Mobility and Financial Services	FULL	52.59	52.59	100	100
Sweden							
	ALD AUTOMOTIVE AB	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1) (6)	BSG FRANCE SA SWEDEN BRANCH	Global Market and Investors Services	FULL	51	0	100	0
	CLAIMS MANAGEMENT SVERIGE AB	Mobility and Financial Services	FULL	52.59	52.59	100	100
	LEASEPLAN SVERIGE AB	Mobility and Financial Services	FULL	52.59	52.59	100	100
	NF FLEET AB	Mobility and Financial Services	FULL	42.07	42.07	80	80
(1)	SOCIETE GENERALE SA BANKFILIAL SVERIGE	Global Market and Investors Services	FULL	100	100	100	100

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Switzerland							
	ALD AUTOMOTIVE AG	Mobility and Financial Services	FULL	52.59	52.59	100	100
(2)	ALL-IN AG	Mobility and Financial Services	FULL	0	52.59	0	100
	LEASEPLAN (SCHWEIZ) AG	Mobility and Financial Services	FULL	52.59	52.59	100	100
(6)	SANFORD C. BERNSTEIN (SCHWEIZ) GmbH	Global Market and Investors Services	FULL	51	0	100	0
	SG EQUIPMENT FINANCE SCHWEIZ AG	Mobility and Financial Services	FULL	100	100	100	100
(1)	SG ZURICH	Financial and Advisory	FULL	100	100	100	100
	SOCIETE GENERALE PRIVATE BANKING (SUISSE) SA	French Retail and Private Banking	FULL	100	100	100	100
Taiwan							
(1)	SG SECURITIES (HONG KONG) LIMITED TAIPEI BRANCH	Global Market and Investors Services	FULL	100	100	100	100
(1)	SG TAIPEI	Global Market and Investors Services	FULL	100	100	100	100
Chad							
(4)	SOCIETE GENERALE TCHAD	International Retail Banking	FULL	0	56.91	0	67.92
Thailand							
(2)	SOCIETE GENERALE (THAILAND) LIMITED (ex-SOCIETE GENERALE SECURITIES (THAILAND) Ltd.)	Global Market and Investors Services	FULL	0	100	0	100
Togo							
(1)	SOCIETE GENERALE TOGO	International Retail Banking	FULL	93.43	93.43	100	100
Tunisia							
	UNION INTERNATIONALE DE BANQUES	International Retail Banking	FULL	55.1	55.1	52.34	52.34

Country	Operating Segments	Method *	Group ownership interest		Group voting interest		
			As at 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023	
Turkey							
(5)	ALD AUTOMOTIVE TURIZM TICARET ANONIM SIRKETI	Mobility and Financial Services	FULL	0	52.59	0	100
	LEASEPLAN OTOMOTIV SERVIS VE TICARET AS	Mobility and Financial Services	FULL	52.59	52.59	100	100
(1)	SG ISTANBUL	Global Market and Investors Services	FULL	100	100	100	100
Ukraine							
	AYVENS UKRAINE LIMITED LIABILITY COMPANY (ex-ALD AUTOMOTIVE UKRAINE LIMITED LIABILITY COMPANY)	Mobility and Financial Services	FULL	52.59	52.59	100	100

* FULL: Full consolidation – JO: Joint Operation – EJ: Equity (Joint Venture) – ESI: Equity (significant influence) – EFS: Equity For Simplification (Entities controlled by the Group that are consolidated using the equity method for simplification because are not significant).

(1) Branches.

(2) Entities wound up.

(3) Removal from the scope.

(4) Entities sold.

(5) Merged.

(6) Newly consolidated.

(7) The entity Societe Generale carries out activities that contribute to the following segments: French Retail and Private Banking, International Retail Banking, Global Markets and Investor Services, Financial and Advisory and Corporate Centre.

(8) The Corporate Centre mainly gathers the Group's central funding department, the operating real estate holding companies and the asset management of the Group.

Additional information related to the consolidation scope and equity investments as required by the Regulation 2016-09 of the *Autorité des Normes Comptables* (ANC, the French Accounting standard setter), dated 2 December 2016 is available on Societe Generale Group website at: <https://investors.societegenerale.com/en/publications-documents>

NOTE 8.5 Fees paid to Statutory Auditors

The consolidated accounts of the Societe Generale Group are jointly certified by: KPMG SA, represented by Mr. Guillaume MABILLE and PWC – PricewaterhouseCoopers Audit, represented by Mrs. Emmanuel BENOIST and Ridha BEN CHAMEK.

On a proposal from the Board of Directors and following the recommendation of Societe Generale's Internal Audit and Control Committee (ICAC), the Annual General Meeting of 22 May 2024 decided to appoint the firms KPMG SA and PWC – PricewaterhouseCoopers Audit for a period of six years. Their terms of office will end at the General Assembly approving the 2029 financial statements. As a reminder, the mandates of the firms ERNST & YOUNG and Others, and DELOITTE and Associates expired at this General Meeting without possibility of renewal.

In accordance with the European audit regulations, the ICAC implements a policy for the approval of non-audit services (NAS) provided by the Statutory Auditors and their networks in order to verify the compliance of the mission with these regulations prior to the start of the engagement.

A summary of the non-audit services (approved or rejected) is presented at each ICAC meeting.

The table below shows the fees charged by KPMG SA and PWC – PricewaterhouseCoopers Audit to Societe Generale SA and its subsidiaries.

		2024		
		KPMG	PWC	Total
<i>(In EURm excluded VAT)</i>				
Statutory audit, certification, examination of parent company and consolidated accounts	Issuer	8	6	14
	Fully consolidated subsidiaries	19	18	37
SUB-TOTAL AUDIT		27	24	51
Non-audit services (NAS)	Issuer	4	2	6
	Fully consolidated subsidiaries	2	4	6
Fees related to the certification of information on durability		1	1	2
TOTAL		34	31	65
<i>Including Network</i>		<i>20</i>	<i>20</i>	<i>40</i>

The fees relating to the mandates remaining in 2024 by the previous auditors EY and Deloitte are in the order of EUR 2 million.

The fees charged in 2023 are set out below.

		2023		
		Ernst & Young et Autres	Deloitte et Associés	Total
<i>(In EURm excluded VAT)</i>				
Statutory audit, certification, examination of parent company and consolidated accounts	Issuer*	5	8	13
	Fully consolidated subsidiaries*	15	12	27
SUB-TOTAL AUDIT		20	20	40
Non-audit services (NAS)	Issuer	1	1	2
	Fully consolidated subsidiaries	1	3	4
TOTAL		22	24	46
<i>Including Network</i>		<i>9</i>	<i>14</i>	<i>23</i>

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

In 2024, non-audit services mainly consist of missions of due diligences in connection with proposed disposals, provision of expertise and benchmarks, internal control reviews in the context of the compliance with ISAE (International Standard on Assurance Engagements) standards and extended audit procedures (agreed upon procedures and complementary audits).

NOTE 9 INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay 4.9 billion euros in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the Bank, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to 4.9 billion euros. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale 1 million euros. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to 4.9 billion euros. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to call into question the corresponding tax loss carry forwards. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale Group will not fail to assert its rights before the competent courts. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.
- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS") entered into an agreement to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates, including Stanford International Bank Limited. On 21 February 2023, the US Receiver and the Official Stanford Investors Committee ("OSIC") filed a motion in US District Court for the Northern District of Texas seeking approval of the settlement. The settlement provides for the payment by SGPBS of 157 million of American dollars in exchange for the release of all claims. During the 7 June 2023 hearing, the Court granted the US Receiver's motion to approve the settlement. This settlement order was appealed by the Joint Liquidators of Stanford International Bank Limited, appointed by the courts of Antigua (the "Joint Liquidators"). The appeal was finally decided by the US Court of Appeal for the Fifth Circuit on 19 September 2024, granting the Antiguan Joint Liquidators' request to exclude them from the scope of the settlement order's injunction prohibiting further litigation against a Societe Generale Group entity. The Fifth Circuit remanded the case to the US District Court for the Northern District of Texas to modify the settlement order accordingly. The settlement amount that SGPBS must pay is fully covered by a provision in the accounts of Societe Generale SA following a financial guarantee provided by Societe Generale SA to SGPBS. Each of the other defendant banks in this litigation also announced settlements in the first quarter of 2023 with the US Receiver and OSIC resolving their claims. These settlements were reached in advance of a jury trial that had been scheduled to start on 27 February 2023 (which ultimately did not take place).

In the same matter, a pre-contentious claim (*requête en conciliation*) was initiated in Geneva in November 2022 by the Joint Liquidators, representing investors also represented by the US plaintiffs. SGPBS was served with the statement of claim on 20 June 2023 and defends itself against the claims in this proceeding.
- Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter") and the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter, the Bank responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

In the United States, Societe Generale, along with other financial institutions, was named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale was also named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions, which were pending in the US District Court in Manhattan (the "District Court"), are now definitively terminated.

As to US Dollar Libor, all claims against Societe Generale have now been dismissed. On 12 May 2023, Societe Generale and two other financial institutions entered into a settlement agreement to resolve a proposed class of over-the-counter (OTC) plaintiffs for a combined 90 million of American dollars. On 17 October 2023, the District Court granted final settlement approval. The remaining USD Libor opt out actions have all been voluntarily dismissed as to Societe Generale, in some cases as a condition of settlements.

As to Japanese Yen Libor complaint brought by purchasers of Euroyen over-the-counter derivative products, plaintiffs and Societe Generale entered into a settlement agreement on 16 February 2024 to put a final end to this matter. The settlement received final approval from the Court on 18 June 2024. This order is now final, and the litigation is concluded. In the other action related to Japanese Yen Libor, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange, the District Court granted on 25 September 2020 defendants' motion for judgment on the pleadings and dismissed plaintiff's remaining claims. Plaintiff appealed to the Second Circuit. On 18 October 2022, as amended on 8 December 2022, the Second Circuit affirmed the District Court's dismissal of plaintiff's claims. On 2 October 2023, the US Supreme Court denied a petition filed by plaintiff that sought review of the Second Circuit's ruling. As a result, the action is now concluded.

As to Euribor, Societe Generale and plaintiffs entered into a settlement agreement to put an end to this class action, which was finally approved by the District Court on 31 October 2023. As a result, this action is now concluded.

In Argentina, Societe Generale, along with other financial institutions, was named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concerned violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Plaintiff has finally decided, on its own initiative, to discontinue its action against Societe Generale.

- On 10 December 2012, the French Supreme Administrative Court (*Conseil d'État*) rendered two decisions ruling that the “*précompte tax*” which used to be levied on corporations in France does not comply with EU law and defining a methodology for the reimbursement of the amounts levied by the tax authorities. The procedure defined by the French Supreme Administrative Court nevertheless considerably reduces the amount to be reimbursed. However, Societe Generale purchased in 2005 the “*précompte tax*” claims of two companies (Rhodia and Suez, now Engie) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts.

Several French companies applied to the European Commission, which considered that the decisions handed down by the *Conseil d'État* on 10 December 2012, which were supposed to implement a judgment of European Union Court of Justice (EUCJ) on 15 September 2011, breached a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by referring the matter to the EUCJ on 8 December 2016. The EUCJ rendered its judgement on 4 October 2018 and sentenced France on the basis that the *Conseil d'État* disregarded the tax on EU sub-subsidiaries in order to secure the *précompte* paid erroneously and failed to raise a preliminary question before the EUCJ. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Engie on our 2002 and 2003 Suez claims and ordered a financial enforcement in our favour. The Court held that the advance payment (“*précompte*”) did not comply with the Parent-Subsidiary Directive. Further to proceedings brought before the *Conseil d'État*, the latter ruled that a question should be raised before the EUCJ in order to obtain a preliminary ruling on this issue. The EUCJ has confirmed on 12 May 2022 that the *précompte* did not comply with the Parent-Subsidiary Directive. The *Conseil d'État*, by an Engie judgment of 30 June 2023 took note of this incompatibility and confirmed the decision held by the Administrative Court of Appeal of Versailles with respect to the 2002 year, but referred the examination of the 2003 year to this same Court, which confirmed on 9 January 2024 the partial relief granted by the administration in the course of the proceedings. Societe Generale lodged an appeal that was not admitted by the *Conseil d'État* by a decision of 23 December 2024 definitively putting a definitive end to the litigation relating to the 2002 and 2003 claims. In parallel, a compensation litigation in relation to the Rhodia claim and the Suez claims relating to the 1999

and 2001 financial years was brought in March 2023 before the European Commission and the Paris Administrative Court of Appeal.

- Societe Generale, along with other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for 50 million of American dollars. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called “CumEx” patterns in connection with withholding tax on dividends on German shares. These investigations relate *inter alia* to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.
- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called “feeder funds” that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately 150 million of American dollars from the Societe Generale entities. The Societe Generale entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the Bankruptcy Court for further proceedings. The Societe Generale defendants filed a motion to dismiss on 29 April 2022. The motion was denied by order dated 7 October 2022. Proceeding is still pending.

- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss. By order entered 30 March 2023, the court granted Societe Generale's motion to dismiss. Plaintiffs have appealed. On 7 January 2025, the Court of Appeals for the Second Circuit affirmed the lower court's dismissal of this action.
 - On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in a similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss the amended complaint on 19 March 2021, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss, which was granted by the court on 23 January 2023. On 7 January 2025, the Court of Appeals for the Second Circuit affirmed the lower court's dismissal of this action.
- On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The case was stayed pending developments in Pujol I. At the parties' request, following dismissal of Pujol I, the court lifted the stay on Pujol II and entered an order dismissing the case for the same reasons it dismissed Pujol I. Plaintiff has appealed. The 7 January 2025 decision by the Second Circuit also applies to Pujol II.
- In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or CHF-indexed loans issued by Euro Bank. The reserve in this matter in Societe Generale SA's accounts takes into consideration the increase in the number of court cases regarding the loans subject of the sale and the substance of the decisions handed down by Polish courts.
 - Like other financial institutions, Societe Generale is subject to audits by the tax authorities regarding its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017 to 2022 audited years are subject to tax adjustments proposals for fiscal years 2017 to 2021 in respect of the application of a withholding tax. These proposals are contested by the Group. Given the significance of the matter, on 30 March 2023, the French Banking Federation has brought proceedings against the tax administration's doctrine. In this respect, on 8 December 2023, the French *Conseil d'État* ruled that the tax authorities may not extend the dividend withholding tax beyond its statutory scope, except if taxpayers engaged in an abusive behavior (*abus de droit*), thereby characterising the tax administration's position based on the concept of beneficial owner as illegal. French tax authorities are now focused on the abuse of law doctrine as a legal basis for the reassessed years and should, as a principle, perform a transaction per transaction analysis. In addition, further to raids conducted by the "*parquet national financier*" at the end of March 2023 at the premises of five banks in Paris, among which Societe Generale, the latter has been informed that it was subject to a preliminary investigation pertaining to the same issue. Societe Generale is defending the action.
 - On 19 August 2022, a Russian fertiliser company, EuroChem North West-2 ("EuroChem"), a wholly owned subsidiary of EuroChem AG, filed a claim against Societe Generale SA and its Milan branch ("Societe Generale") before English courts. This claim relates to five on-demand bonds that Societe Generale issued to EuroChem in connection with a construction project in Kingisepp, Russia. On 4 August 2022, EuroChem made demands under the guarantees. Societe Generale explained it was unable to honour the claims due to international sanctions directly impacting the transactions, an assessment which EuroChem disputes. Societe Generale filed its defence submissions on 1 November 2022, to which EuroChem replied on 19 December 2022. Procedural timetables were notably discussed during several procedural hearings. As things currently stand, the trial (if any) is expected to take place in June 2025.
 - SG Americas Securities, LLC ("SGAS") received a request for information in December 2022 from the US Securities and Exchange Commission ("SEC") focused on compliance with record-keeping requirements in connection with business-related communications on messaging platforms that were not approved by the firm. On 28 March 2023, SGAS and Societe Generale received a similar request from the US Commodity Futures Trading Commission ("CFTC"). These inquiries follow a number of regulatory settlements in 2022 with other firms covering similar matters. SGAS reached a settlement with the SEC, announced on 8 August 2023, and agreed to pay a penalty of 35 million of American dollars, take certain remedial actions, and engage an independent compliance consultant. Societe Generale and SGAS reached a settlement with the CFTC, also announced on 8 August 2023, and agreed to pay a penalty of 75 million of American dollars and take certain remedial actions.

NOTE 10 RISK MANAGEMENT LINKED WITH FINANCIAL INSTRUMENTS

Note 10 of published financial statements	Chapter 4 of URD (the audited parts of Note 10 are indicated as "Audited" in Chapter 4)	Page numbers – Chapter 4
10.1 Risk management	Part 4.2.1 Risk management governance	178 - 180
10.2 Capital management and adequacy	Part 4.4 Capital management and adequacy	190 - 200
10.3 Credit risk	Part 4.5 Credit risk	201 - 217
10.4 Counterparty credit risk	Part 4.6 Counterparty credit risk	218 - 227
10.5 Market risk	Part 4.7 Market risk	228 - 239
10.6 Structural risk: interest rate and exchange rate	Part 4.8 Structural risks – Interest rate and exchange rate risks	240 - 243
10.7 Structural risk: Liquidity	Part 4.9 Structural risk – Liquidity	244 - 250

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Société Générale

29, Boulevard Haussmann
75009 Paris, France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Société Générale for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Internal Control Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF IMPAIRMENT ON LOANS AND RECEIVABLES DUE FROM CUSTOMERS

(See Notes 3.5, 3.8 and 10.3 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
<p>In accordance with the provisions of IFRS 9 “Financial Instruments”, the Group records impairment for “expected credit losses” on performing (Stage 1), underperforming (Stage 2) or doubtful (Stage 3) loans to cover the credit risks inherent to its business activities.</p> <p>At 31 December 2024, total outstanding customer loans exposed to credit risk amounted to €463,143 million, while the total corresponding impairment stood at €8,445 million.</p> <p>The models used to estimate expected credit losses on performing (Stage 1) and underperforming (Stage 2) loans are based on risk inputs (default probabilities, losses in the event of default, exposures, etc.) and internal analyses of the credit quality of each counterparty or sector.</p> <p>Doubtful loans (Stage 3) are impaired on an individual or statistical basis. This impairment is calculated by management based on estimated future recoverable cash flows, taking into account any collateral that has been or can be recovered.</p> <p>To take account of economic developments and the geopolitical context, the measurement of expected credit losses requires significant judgement and the use of assumptions by management, in particular to:</p> <ul style="list-style-type: none"> ▪ establish the macroeconomic scenarios that are incorporated into the models for estimating expected losses; ▪ classify outstanding loans (Stages 1, 2 and 3), taking into account any significant deterioration in credit risk; ▪ update the models and assumptions as well as the adjustments (based on expert assessment or sectoral) underlying the expected credit losses (Stages 1 and 2). ▪ determine the likelihood of recovery for outstandings classified as Stage 3. <p>Given the significant judgement exercised by management and uncertainties involved in estimations, we deemed the measurement of impairment on loans and receivables due from customers to be a key audit matter.</p>	<p>In response to this risk, our work consisted of:</p> <ul style="list-style-type: none"> ▪ reviewing the governance framework for the process of determining classifications, rating and impairment for receivables due from customers; ▪ assessing the design and effectiveness of the internal control system relating to the process for measuring impairment on loans to customers; ▪ with the support of our IT audit experts, testing, using sampling techniques, general IT controls and automatic controls relating to the measurement of impairment; ▪ with the support of our credit risk experts, assessing the appropriateness of the models, assumptions and macroeconomic scenarios used to measure expected credit losses; ▪ verifying the correct documentation and justification of the main sectoral adjustments and assessments of experts recognised by the Group; ▪ carrying out independent calculations of the expected losses using sampling techniques; ▪ for a selection of individual loans, assessing the level of impairment recorded. <p>We also assessed the appropriateness of the information relating to the impairment of loans and receivables due from customers disclosed in the notes to the consolidated financial statements.</p>

VALUATION OF LEVEL 2 AND LEVEL 3 FINANCIAL INSTRUMENTS

(See Notes 3.1, 3.2 and 3.4 to the consolidated financial statements)

Description of risk

As part of its trading activities, Société Générale holds financial instruments for trading purposes which are recognised in the balance sheet at fair value.

Fair value is determined according to different approaches, depending on the type of instrument and its complexity: (i) using valuation models based on market inputs mainly observable in active markets (instruments classified as Level 2), and (ii) using valuation models based on mainly unobservable inputs (instruments classified as Level 3).

If necessary, the valuations obtained may be supplemented using reserves or value adjustments to take into account certain specific trading, liquidity or counterparty risks.

At 31 December 2024, the fair value of these financial instruments represented €268,005 million under assets and €287,294 million under liabilities on the Group's consolidated balance sheet.

In light of the materiality of the positions and the judgement used by management to determine valuation inputs and models, we deemed the measurement of financial instruments classified as Level 2 and Level 3 to be a key audit matter.

How our audit addressed this risk

We familiarised ourselves with the processes, governance and existing control procedures within Société Générale with regard to the valuation of financial instruments held for trading purposes, classified as Level 2 or Level 3.

We tested the effectiveness of the controls we deemed key to our audit, in particular those relating to:

- the independent approval and regular review by management of the risks, the valuation models and corresponding adjustments;
- the Finance Department's independent verification of the market inputs by in accordance with the methodologies defined by the Group;
- documenting the observability horizon for the market inputs used to classify financial instruments in the fair value hierarchy and estimating the margin amounts to be deferred where appropriate.

In addition, with the assistance of our valuation experts and using sampling techniques, we:

- assessed the assumptions and inputs used in value adjustment methodologies and valuation models;
- reviewed the methods used to recognise the margin over time on financial instruments with unobservable inputs;
- performed independent counter valuations; and
- examined any differences in margin calls with the Groups' counterparties so as to assess the appropriateness of the valuations.

In addition, we also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements with respect to the valuation of financial instruments.

ASSESSMENT OF LEGAL AND TAX RISKS

(See Notes 8.2 and 9 to the consolidated financial statements)

Description of risk

Société Générale is involved in certain legal, regulatory and tax proceedings, as described in Note 8.2.2 "Other provisions" to the consolidated financial statements. At 31 December 2024, other provisions totalled €1,279 million, including provisions for litigation.

The situation and progress of the various ongoing disputes and proceedings are reviewed by management to assess the need to set aside provisions and to evaluate the amount.

Given the complexity of certain proceedings, the significant degree of judgement exercised by management in assessing risks and the financial consequences for the Group, we deemed the assessment of legal and tax risks to be a key audit matter.

How our audit addressed this risk

Our approach involved:

- reviewing the tools and systems for identifying, assessing and accounting for legal and tax risks;
- conducting interviews with the Group's legal and tax departments and those in relevant roles to monitor the development of the main ongoing legal proceedings;
- interviewing the lawyers in charge of the most significant proceedings;
- obtaining and reviewing analyses prepared by management and, where necessary, the Group's external legal and tax advisors on major disputes;
- assessing, based on these resources, the reasonableness of the assumptions used to determine the amount of provisions raised.

We also examined the appropriateness of the disclosures published in the consolidated financial statements.

RECOVERABILITY OF DEFERRED TAX ASSETS IN FRANCE

(See Note 6 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
<p>Deferred tax assets related to tax loss carryforwards are recognised in the amount of €1,798 million at 31 December 2024, and more specifically €1,629 million for the France tax group.</p> <p>As indicated in Note 6 "Income tax" to the consolidated financial statements, the Group calculates deferred taxes at the level of each tax entity, and recognises deferred tax assets when it is probable that the tax entity concerned will generate future taxable profits against which temporary differences and tax loss carryforwards can be offset, within a given timeframe.</p> <p>In addition, as indicated in Notes 6 "Income tax" and 9 "Information on risks and litigation" to the consolidated financial statements, certain tax loss carryforwards are contested by the French tax authorities and are therefore liable to be called into question.</p> <p>Given the importance of the assumptions used to assess the recoverability of deferred tax assets in France, particularly on future taxable profits, and the judgement exercised by management in this respect, we deemed this issue to be a key audit matter.</p>	<p>In response to this risk, we assessed the Group's ability to use its tax loss carryforwards generated at 31 December 2024 in the future, particularly with regard to anticipated future taxable profits in France. In particular, our work involved:</p> <ul style="list-style-type: none"> ■ understanding the governance structure and control system for estimating future taxable profits; ■ reviewing the 2025 budget forecast prepared by management and approved by the Board of Directors, and the assumptions underlying the medium-term projections, which take into account the expected impacts of transactions known at the reporting date; ■ comparing projected results for prior years with actual results for the years in question; ■ assessing the sensitivity analyses carried out by the Group on the main inputs used in the estimates; ■ examining the Group's position with the help of our experts, in particular by noting the opinions of its external tax advisers concerning the tax loss carryforwards in France that have been challenged in part by the French tax authorities. <p>We also examined the appropriateness of the disclosures published by your Group in respect of deferred tax assets in Note 6 "Income taxes" to the consolidated financial statements.</p>

GENERAL IT CONTROLS RELATED TO MARKET ACTIVITIES

Description of risk	How our audit addressed this risk
<p>The market activities of the Global Banking & Investor Solutions (GBIS) division account for a significant proportion of the Group's earnings and balance sheet.</p> <p>These business activities are highly complex in operational terms, given the nature of the financial instruments used, the volume of transactions completed and the use of numerous interdependent IT systems.</p> <p>In this context, the implementation of general IT controls within the systems used to prepare financial information is a key audit matter.</p>	<p>In response to this risk, we assessed, with the help of our IT specialists, the effectiveness of general IT controls within applications associated with market activities considered key to the preparation of the financial statements.</p> <p>Our work consisted primarily in:</p> <ul style="list-style-type: none"> ■ obtaining an understanding of the systems, processes and controls that contribute to the production of accounting information; ■ testing, using sampling techniques, the controls related to the management of access rights to IT systems, change and development management, the management of IT operations and the handling of incidents.

REASSESSMENT OF THE RESIDUAL VALUES OF LEASED VEHICLES

(See Note 8.3 to the consolidated financial statements)

Description of risk

As part of its operational leasing and fleet management activities, vehicles leased by the Group are depreciated on a straight-line basis over the term of the contract, as explained in Note 8.3 "Tangible and intangible fixed assets" to the consolidated financial statements. The depreciable value of these vehicles corresponds to their acquisition cost less their residual value.

The residual value of a vehicle is an estimate of the resale value at the end of the contract. This estimate is based on statistical data and specific assumptions regarding the resale value of vehicles. Residual values are reviewed at least once a year to take account of changes in prices on the used car market. The difference between the re-estimated residual value and the initial value constitutes a change in estimate that gives rise to a prospective depreciation plan.

We deemed the estimation of vehicle residual values to be a key audit matter given the judgement exercised by management in defining the statistical approach and the specific assumptions taken into account, and due to the uncertainties inherent in estimating future vehicle resale prices.

How our audit addressed this risk

In response to this risk, we reviewed the residual value remeasurement process put in place by the Group.

Our work consisted primarily in:

- testing the operational efficiency of key controls, including IT controls, in particular those relating to the determination of the assumptions and inputs used as a basis for this remeasurement;
- reviewing, with the help of our modelling specialists, the statistical approach defined by the Group and the main inputs used to assess resale prices;
- assessing the reasonableness of the selected residual values by comparing them, using sampling techniques, with observed sale prices;
- verifying that the impact of the remeasurement on the depreciation plan for leased vehicles has been correctly taken into account.

We also assessed the appropriateness of the disclosures published in Note 8.3 "Tangible and intangible fixed assets", to the consolidated financial statements.

MEASUREMENT OF LIABILITIES ASSOCIATED WITH INSURANCE CONTRACTS THAT INCLUDE DIRECT PARTICIPATION FEATURES (VARIABLE FEE APPROACH)

(see Note 4.3 to the consolidated financial statements)

Description of risk

As indicated in table 4.3.F of Note 4.3 "Insurance activities" to the consolidated financial statements, at 31 December 2024, the Group recognised liabilities relating to insurance contracts issued with direct participation features using the variable fee approach amounting to €147,761 million.

The determination of these liabilities is based on significant judgements concerning the data used, assumptions relating to future periods, and results from estimation techniques.

The accounting measurement model used is based on the following principles:

- The best estimate of the discounted cash flows relating to the execution of contractual obligations for policyholders determined using complex actuarial models involving data and assumptions relating to future periods, in particular as regards the discount rate, laws on the behaviour of policyholders and future management decisions;
- an adjustment for non-financial risks, aimed at addressing the uncertainty regarding the amount and timing of future cash flows as insurance contracts are carried out;
- a contractual service margin representing the unearned profit that will be recognised as services are provided.

We considered the measurement of liabilities associated with insurance contracts that include direct participation features to be a key audit matter due to their sensitivity to key judgements and assumptions as set out above.

How our audit addressed this risk

In response to this risk, our work consisted primarily in:

- reviewing the methodology used to measure cash flows, the adjustment for non-financial risks and the contractual service margin relating to these contracts, and assessing compliance with current accounting standards;
- testing the key controls implemented by the Group, in particular:
 - controls relating to the approval of the future cash flow projection model;
 - IT controls relating to the systems involved in the calculations and the transfer to the accounting department;
 - the documentation and controls relating to the key judgements and assumptions made by the Finance Department.
- implementing procedures aimed at testing the reliability of the data underlying the estimates using sampling techniques;
- with the help of our actuarial modelling specialists, testing, using sampling techniques, the calculation models used to estimate future cash flows, the adjustment for non-financial risks and the contractual service margin;
- carrying out analytical procedures to identify any significant inconsistent or unexpected variations.

We also assessed the appropriateness of the disclosures published in the notes to the consolidated financial statements.

FAIR VALUE HEDGES FOR INTEREST RATE RISK BASED ON THE LOAN PORTFOLIO OF THE RETAIL BANKING NETWORKS IN FRANCE

(see Note 3.2.2 to the consolidated financial statements)

Description of risk

As part of the management of the interest rate risk generated in particular by its retail banking activities in France, the Group manages a portfolio of derivatives to which the principles of portfolio-based hedge accounting (macro-hedging) are applied, as presented in Note 3.2 "Financial derivatives" to the consolidated financial statements.

Transactions can only be recognised using hedge accounting if certain criteria defined by the standard relating to the designation and documentation of hedging relationships are met.

In 2023 and 2024, hedging transactions were transferred to the trading portfolio in order to adjust the hedging level of fixed-rate liabilities.

Macro-hedge accounting for retail banking transactions in France requires management to use its judgement to determine the eligibility of hedged items and hedging derivatives, and to determine the behavioural assumptions used to schedule outstandings' maturities.

At 31 December 2024, reevaluation differences on portfolios hedged against interest rate risk represented a negative €292 million recognised under assets and a negative €5,277 million recognised under liabilities. The fair value of the corresponding derivative instruments is included under "Hedging derivatives" in assets and liabilities.

How our audit addressed this risk

In response to this risk, our work consisted of:

- reviewing the methods used to manage structural interest rate risk, as well as the governance and control procedures implemented by management, particularly with regard to the identification and eligibility of hedged items and hedging instruments;
- examining, with the assistance of our modelling specialists, the criteria and models used to schedule the outstandings' maturities for the hedged portfolios;
- examining the results of the effectiveness and hedge accounting eligibility tests as at 31 December 2024, as well as the results of the demonstration of the transfer of internal derivatives on the market;
- examining the accounting impact of transfers of hedging transactions carried out during the year.

We also assessed the appropriateness of the disclosures published in the notes to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications and information pursuant to legal and regulatory requirements

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Société Générale by the Annual General Meeting of 22 May 2024 for PricewaterhouseCoopers Audit and KPMG SA.

As at 31 December 2024, PricewaterhouseCoopers Audit and KPMG SA were in the first year of engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Internal Control Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (*Code de commerce*), our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

REPORT TO THE AUDIT AND INTERNAL CONTROL COMMITTEE

We submit a report to the Audit and Internal Control Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Internal Control Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial

statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Internal Control Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Internal Control Committee.

Neuilly-sur-Seine and Paris-La Défense, 12 March 2025

The Statutory Auditors

PricewaterhouseCoopers Audit

Emmanuel Benoist

Ridha Ben Chamek

KPMG SA

Guillaume Mabilie

6.4 SOCIETE GENERALE'S MANAGEMENT REPORT

ANALYSIS OF SOCIETE GENERALE'S BALANCE-SHEET

(EUR billion at 31 December)

	31.12.2024	31.12.2023	Change
Cash and interbank uses	271	288	(17)
Customer loans	352	373	(21)
Securities transactions	594	565	29
<i>of which securities and notes received under repurchase agreements</i>	277	279	(2)
Other Financial Accounts	154	159	(5)
<i>of which premiums on contingent instruments</i>	56	56	-
Tangible and intangible assets	3	4	(1)
TOTAL ASSETS	1,374	1,389	(15)

(EUR billion at 31 December)

	31.12.2024	31.12.2023	Change
Cash and interbank resources ⁽¹⁾	371	372	(1)
Customer deposits	444	470	(26)
Bond and subordinated debt ⁽²⁾	29	27	2
Securities transactions	341	330	11
<i>Of which securities and notes sold under repurchase agreements</i>	263	246	17
Other financial accounts and provisions	151	153	(2)
<i>of which premiums on contingent instruments</i>	67	65	2
Shareholders' equity	38	37	1
TOTAL LIABILITIES	1,374	1,389	(15)

(1) Including negotiable debt securities.

(2) Including perpetual subordinated notes.

2024 was marked by uncertainties related to the global economic downturn and to continuing geopolitical tensions around the world. Despite these challenges, the global economy demonstrated resilience driven by the stabilisation of energy prices, an improvement in supply chains and a gradual upturn in investments. The American economy maintained its momentum, recording annual growth estimated at 2.7% by the IMF. GDP in the Eurozone grew 0.7%, a slight increase versus 2023 (+0.4%). Following a first half of the year when business activity held up, mainly in the services industry, growth slipped in the second half owing to weakness in the German economy and to political uncertainties in France.

In a context in which prices stabilised, the FED and the ECB eased their monetary policy in order to support economic recovery through several decreases in prime interest rates which stood at 4.5% and 3.15% respectively from mid December. In a complex and uncertain geopolitical and economic environment, the Societe Generale improved its performance in 2024 by regularly expanding its core businesses, bolstering its capital base and tightening cost control and risk management. As of 31 December 2024, the bottom line of its balance-sheet stood at EUR 1,374 billion, down by EUR 15 billion versus 31 December 2023.

The decrease of EUR 17.3 billion in cash flow and interbank resources was largely due to a EUR 22.5 billion decrease in receivables recorded by the central banks, mainly due to the repayment of drawings under

the ECB' support programme (TLTRO) and to a reduction of liquidity surpluses deposited at the Banque de France. Converseley, receivables from credit institutions increased to EUR 5.2 billion.

Loans granted to clients fell by EUR 21.7 billion. Owing to a securitisation operation totalling EUR 8.2 billion and a reduction in the volume of loans related to interest rates which remained high, housing loans fell by EUR 10.6 billion. Debtor current accounts fell by EUR 8.2 billion, mainly in comparison with the Group's subsidiaries.

In the context of a decrease in prime interest rates by the ECB, the rate of return on zero risk investments fell, causing term loans to contract by EUR 14.1 billion. Overnight loans fell by EUR 7.2 billion, mainly in comparison with the Group's subsidiaries. Special regime accounts decreased by EUR 5.2 billion due to a withdrawal of precautionary savings.

During 2024, the main stock market indices recorded significant hikes, reflecting the positive performance of the market. As a result, stock and other equity and security portfolios increased by EUR 15.7 billion. Treasury notes rose by EUR 15.1 billion, mainly due to sustained yields on the bond markets which made these stocks more attractive to investors. Security-backed transactions provided favourable terms of financing. As a consequence, securities transferred under repurchase agreements grew by EUR 16.7 billion. Converseley, other debt securities fell by EUR 5.8 billion.

In addition, Societe Generale has a diversified range of refinancing sources and vehicles such as:

- stable resources composed of equity and bonds and subordinated loans (EUR 67 billion);
- customer resources, up EUR 27 billion, collected in the form of deposits, which constitute a significant part of resources (32% of the balance sheet total);
- resources from interbank operations (EUR 212 billion) in the form of deposits and loans;

- market resources raised thanks to an active diversification policy based on various types of debt (secure and unsecured bond issues, etc.), issuance vehicles (EMTNs, Certificates of Deposits), currencies and investor pools (EUR 149 billion);
- resources from securities sold under repurchase agreements with customers and credit institutions (EUR 263 billion) are up compared to 2023.

ANALYSIS OF SOCITE GENERALE'S RESULT

(In EURm)	2024			2023			Changes 2024/2023 (%)		
	France	Foreign	Societe Generale	France	Foreign	Societe Generale	France	Foreign	Societe Generale
Net banking income	10,505	2,982	13,487	9,523	2,869	12,392	10	4	9
General operating expenses and depreciation and amortisation	(9,241)	(1,795)	(11,036)	(9,583)	(1,844)	(11,427)	(4)	(3)	(3)
Gross operating income	1,264	1,187	2,451	(60)	1,025	965	(2,207)	14	159
Cost of risk	(563)	(105)	(668)	(333)	(148)	(481)	69	(28)	49
Operating income	701	1,082	1,783	(393)	877	484	(278)	23	268
Gains or losses on fixed assets	317	(28)	289	2,862	51	2,913	(89)	(155)	(90)
Current income before tax	1,018	1,054	2,072	2,469	928	3,397	(59)	14	(39)
Income tax	476	(536)	(60)	372	(419)	(47)	28	28	28
Net income	1,494	518	2,012	2,841	509	3,350	(47)	2	(40)

In 2024, Societe Generale registered gross operating income of EUR 2.5 billion, up EUR 1.5 billion compared to 2023, an increase of 61%.

- **Net banking income (NBI)** amounted to EUR 13 billion, up EUR 1.1 billion (+8%) compared to 2023:

Net banking income from Retail Banking activities in France was up EUR 0.6 billion compared to 2023, driven by the rebound of interest income for EUR 0.5 billion.

Revenues from Global Banking and Investor Solutions posted a solid performance in line with the previous year, driven in particular by good momentum in Fixed Income, Foreign Exchange, Financing and Advisory.

The Corporate Centre, which includes the management of the Group's portfolio of investments, recorded an increase in net banking income of EUR 0.6 billion compared to 2023, resulting from the increase in income from financial operations, despite the decrease in the dividends received from subsidiaries.

General operating expenses decreased by EUR 0.3 billion (-3%) compared to 2023.

- **Structural** costs amounted to EUR 4.7 billion at 31 December 2024, down EUR 0.7 billion (-18%) compared to 2023. The improvement in this item in 2024 is attributable in particular to:
 - the reduction in taxes and duties of EUR 0.5 billion, linked to the non contribution to the Single Resolution Fund.
 - the reduction in research expenses of EUR 0.2 billion following the merger with Crédit du Nord.
- **Personnel expenses** amounted to EUR 6 billion, up EUR 0.4 billion (+7%) compared to 2023. For 2024, personnel costs include costs related to the social support measures implemented as part of the project to reorganise central services for EUR 0.3 billion. Following the same trend, social security and tax contributions on salaries increased by EUR 0.1 billion.

- **The net cost of risk** stood at EUR 0.7 billion at the end of December 2024, an increase of EUR -0.2 billion compared to the previous year, mainly explained by the increase in provisions for commercial risks on doubtful outstanding loans.

The combination of all these factors resulted in an increase in operating income of EUR 1.3 billion compared to 2023, to EUR 1.8 billion at the end of 2024.

- In 2024, Societe Generale realised gains on fixed assets of EUR 0.2 billion, a decrease of EUR -2.6 billion compared to 2023.

A merger bonus was recorded in 2023 following the merger between Societe Generale and the banking entities of the Crédit du Crédit du Nord group, which explains a negative impact of EUR -2.8 billion.

In addition, the combined effects of disposals and impairments on securities generated an increase of EUR 0.2 billion.

- **Income tax** was EUR -0.06 billion.

Net profit after tax therefore stood at EUR 2 billion at the end of 2024, down EUR 1.3 billion at the end of 2023.

SCHEDULE OF ACCOUNTS PAYABLE

	31.12.2024						31.12.2023					
	Unmatured debts						Unmatured debts					
	1 to 30 days	31 to 60 days	More than 60 days	More than 90 days	Debts due	Total	1 to 30 days	31 to 60 days	More than 60 days	More than 90 days	Debts due	Total
(In EURm)												
Trade accounts payable	29	60	56	-	-	145	30	67	-	-	-	97

Due dates correspond to conditions calculated at 60 days from the date of invoices.

The processing of Societe Generale's supplier invoices in France is largely centralised. The department in charge of this processing ensures the accounting recording and payments of supplier invoices ordered by all Societe Generale functional departments and divisions in France.

In accordance with the Group's internal control procedures, invoices are only paid after they have been validated by the departments which authorised the services. Once this validation has been obtained, the average time to pay invoices is between three and seven days.

In accordance with Article D. 441-6 of the French Commercial Code as amended by Decree No. 2021-11 on 26 February 2021, the information on suppliers' payment terms is as follows:

- Banking, insurance and financial services (loans, financing and commissions) are excluded from the scope.

	31.12.2024					
	Debts due					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) LATE PAYMENT INSTALMENTS						
Number of invoices affected	15	760	469	169	5,034	6,447
Total amount of the invoices concerned including VAT (in EURm)	0	14	4	2	9	29
Percentage of the amount of purchases excluding tax for the financial year	-	-	-	-	-	-
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNBOOKED DEBTS AND RECEIVABLES						
Number of invoices excluded	-	-	-	-	-	-
Total amount excluding VAT of invoices excluded	-	-	-	-	-	-
(C) REFERENCE PAYMENT TERMS USED FOR THE CALCULATION OF LATE PAYMENTS (ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
<input checked="" type="checkbox"/> Legal deadlines (45 days end of month or 60 days invoice date)						
<input type="checkbox"/> Contractual deadlines						

Receivables payment terms

The payment schedules of customers, in respect of the financing granted or the services invoiced, are fixed contractually. The terms of payment of loan repayment schedules may be the subject of contractual options modifying the initial repayment terms (such as early repayment options or the ability to extend repayment periods). Compliance with contractual payment provisions is monitored as part

of the bank's risk management (see Chapter 4 of this document: Risks and capital adequacy), including credit risk, structural interest rate risk and liquidity risk. The remaining maturities of receivables from customers are shown in Note 7.3 of the notes to the annual financial statements.

Due dates correspond to conditions calculated at 60 days from the date of invoices.

	31.12.2024					
	Receivables due					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) LATE PAYMENT INSTALMENTS						
Number of invoices affected	-	203	170	217	2,808	3,398
Total amount of the invoices concerned including tax (in EURm) ⁽¹⁾	-	23	22	6	114	165
Percentage of the amount of purchases excluding tax for the financial year	-	-	-	-	-	-
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNBOOKED DEBTS AND RECEIVABLES						
Number of invoices excluded	-	-	-	-	-	-
Total amount excluding VAT of invoices excluded	-	-	-	-	-	-
(C) REFERENCE PAYMENT TERMS USED FOR THE CALCULATION OF LATE PAYMENTS (ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
<input type="checkbox"/> Contractual deadlines (to be specified)						
<input checked="" type="checkbox"/> Legal deadlines						

(1) Including €87 million in disputed debts.

SOCIETE GENERALE'S FINANCIAL RESULTS (OVER THE LAST FIVE FINANCIAL YEARS)

(In EURm)	2024	2023	2022	2021	2020
Financial position at year-end					
Share capital (in EURm) ⁽¹⁾	1,000	1,004	1,062	1,067	1,067
Number of shares issued ⁽¹⁾	800,313,777	802,979,942	849,883,778	853,371,494	853,371,494
Overall results of operations carried out (in EURm)					
Turnover excluding taxes ⁽²⁾	61,025	54,857	32,519	27,128	27,026
Earnings before taxes, depreciation, amortisation, provisions, profit-sharing and FRBG	3,777	4,385	292	209	365
Employee profit-sharing awarded over the course of the financial year	0	4	12	15	6
Income tax	60	47	(82)	(25)	141
Profit after tax, depreciation, amortisation and provisions	2,012	3,350	(260)	1,995	(1,568)
Dividend payments ⁽³⁾	872	723	1,445	1,877	0
Adjusted results of operations reduced to a single share (in EUR)					
Profit after tax, but before depreciation, amortisation and provisions	4.66	5.40	0.43	2.91	0.24
Results after tax, depreciation, amortisation and provisions	2.51	4.17	(0.31)	2.34	(1.84)
Dividend paid on each share	1.09	0.90	1.70	1.65	0.55
Personnel					
Number of employees	48,130	49,592	42,450	43,162	44,544
Amount of the wage bill (in EURm)	4,465	4,121	3,938	3,554	3,408
Amount of money paid for social benefits (Social Security, welfare schemes, etc.) (in EURm)	1,949	1,817	1,535	1,655	1,475

(1) As of 31 December 2024, Societe Generale's fully paid-up capital amounted to EUR 1000,395,971.25 and consisted of 800,316,777 shares with a nominal value of EUR 1.25.

(2) Revenue consists of interest income, income from variable-income securities, commissions received, net income from financial operations and other operating income.

(3) Dividend payment based on the number of shares as at 31 December 2024.

Main movements affecting the securities portfolio in 2024

During 2024, Societe Generale carried out the following operations on its securities portfolio:

Abroad	In France
Creation	Creation
Bernstein North America Holdings LLC-Sanford C. Bernstein Holdings Limited	Reed Shift S.L.P.
Equity investment	Equity investment
-	-
Acquisition	Acquisition
-	-
Increased holding	Increased holding
-	-
	Subscription to capital increases
Subscription to capital increases	
SG Asset Finance HK	Boursorama SA
Total disposal	Total disposal
SG Marocaine de Banques BFV Societe Generale Euroclear Banco Societe Generale Moçambique SA	Shine
Reduction of holding⁽¹⁾	Reduction of holding⁽¹⁾
SG Kleinwort Hambros	Sogefinancement – Édouard VII

(1) Includes capital reductions, Universal Transfers of Assets, mergers and liquidations.

The table below summarises Societe Generale's holdings with a threshold crossing (expressed as a percentage of direct ownership) in 2024:

Threshold	Companies	Rising above threshold		Threshold	Companies	Falling below threshold	
		% of capital 31.12.2024	% of capital 31.12.2023			% of capital 31.12.2024	% of capital 31.12.2023
5%				5%			
	La foncière de La Défense	10%	0%		Skaleet	9.14%	12.16%
10%	SCI des Combeaux de Tigery	10%	0%	10%	We Trade Innovation DAC	0%	13.27%
	SCI Soge Beaujoir	15%	0%		CRH	9.39%	10.41%
	ALD Automotive SA AVNS	15%	0%		Investima	0%	10.43%
20%	SGBF SARL	25%	0%	20%	Sepamail	0%	20%
	STIP	25.26%	8.80%				
33.33%	Bernstein North America Holdings LLC	33.33%	0%	33.33%	Societe Generale Chad	0%	41.66%
50%	Sanford C. Bernstein Holdings Limited	51%	0%	50%	Societe Generale Moçambique SA	0%	65%
					SG Marocaine de Banques	0%	57.67%
	Reed Shift S.L.D.	100%	0%		Canada inc.	0%	100%
					Societe Generale (Thailand) LTD	0%	99.98%
					BFV Societe Generale	0%	70%
					YUP Cameroun	0%	75%
66.66%				66.66%	YUP Burkina Faso	0%	75%
					YUP Guinée	0%	75%
					YUP Madagascar	0%	75%
					Shine	0%	100%
					BSG France SA	0%	100%
					Édouard VII	0%	100%
					Sogefinancement	0%	95.96%

(1) Shareholdings in French entities, in accordance with Article L. 233.6 of the French Commercial Code.

6.4.1 INFORMATION REQUIRED UNDER ARTICLE L. 511-4-2 OF THE MONETARY AND FINANCIAL CODE CONCERNING SOCIETE GENERALE SA

As part of its long-standing presence in the commodities market, Societe Generale offers derivatives on agricultural commodities to meet the different needs of its clients, in particular, risk management for corporate clients (producers, consumers) and exposure to commodity markets for investor clients (managers, funds, insurance companies).

Societe Generale's offering covers a wide range of underlying assets: sugar, cocoa, coffee, cotton, orange juice, corn, wheat, rapeseed, soya, oats, cattle, pigs, milk and rice. Societe Generale offers vanilla products on organised markets in this area, as well as index products. Exposure to agricultural commodities can be provided through products whose value depends on one (mono-asset) or multiple (multi-asset) underlying assets. The use of multi-asset products primarily concerns investor clients *via* index products.

Societe Generale manages the risks that result from these positions on organised markets, for example:

- ICE FUTURES EUROPE for cocoa, wheat, sugar and coffee;
- EURONEXT Paris for wheat, rapeseed and maize;
- ICE FUTURES US for cocoa, coffee, cotton, orange juice, sugar and wheat and canola;
- CME Group markets for corn, soybeans, soybean oil, soybean cakes, wheat, oats, cattle, pigs, milk and rice;
- SGX for rubber.

The above list is not set in stone and may change.

Societe Generale has introduced a number of measures to prevent or detect any substantial impact resulting from the activities described above:

- the activity is in line with the regulatory framework decreed in Europe by the MiFID II Directive in force since 3 January 2018. It requires compliance with position limits on certain agricultural commodities, a declaration of positions to the trading venue and a systematic declaration of transactions carried out to the competent regulator;
- the activity is also governed by internal limits, set by the risk monitoring teams, independent of the operators;
- these teams constantly ensure that these different types of limits are respected;
- in addition, Societe Generale's activity on organised markets is governed by the limits set by the investment services provider that clears the transactions;
- in order to prevent inappropriate behaviour, Societe Generale's operators have mandates and manuals that set out their scope of action and receive regular training on the rules of good conduct;
- daily checks are carried out to detect suspicious activity. These checks specifically include compliance with CFTC (US Commodity Futures Trading Commission) rules, and markets organised in such a way as to limit influence, to ensure that no trader can upset the market's correct equilibrium.

6.4.2 DISCLOSURES REGARDING INACTIVE BANK ACCOUNTS

Articles L. 312-19 and L. 312-20 of the Monetary and Financial Code resulting from Law No. 2014-617 of 13 June 2014 on inactive bank accounts and dormant life insurance contracts, known as the Eckert Law, which came into force on 1 January 2016, require each credit institution to publish information on inactive bank accounts on an annual basis.

In 2024, 50,340 inactive bank accounts were closed and the total amount of deposits made with the Caisse des dépôts et consignations was EUR 37,015,728.

At the end of December 2024, 408,158 bank accounts were listed as inactive for a total amount estimated at EUR 732,045,728.

6.5 FINANCIAL STATEMENTS

6.5.1 PARENT COMPANY BALANCE-SHEET

ASSETS

<i>(In EURm)</i>		31.12.2024	31.12.2023
Cash, due from central banks and post office accounts		174,810	197,369
Treasury notes and similar securities	Note 2.1	88,764	73,667
Due from banks	Note 2.3	205,856	219,601
Customer loans	Note 2.3	518,718	523,169
Bonds and other debt securities	Note 2.1	117,744	118,168
Shares and other equity securities	Note 2.1	86,952	71,151
Affiliates and other long-term securities	Note 2.1	1,100	948
Investments in related parties	Note 2.1	22,380	22,732
Tangible and intangible fixed assets	Note 7.2	3,495	3,562
Treasury stock	Note 2.1	119	273
Accruals, other accounts receivables and other assets	Note 3.2	154,355	158,747
TOTAL		1,374,293	1,389,387

OFF-BALANCE SHEET ITEMS

<i>(In EURm)</i>		31.12.2024	31.12.2023
Loan commitments granted	Note 2.3	309,208	326,102
Guarantee commitments granted	Note 2.3	233,064	223,514
Commitments made on securities		21,094	39,803

LIABILITIES AND SHAREHOLDERS' EQUITY

<i>(In EURm)</i>		31.12.2024	31.12.2023
Due to central banks and post office accounts		11,242	9,573
Due to banks	Note 2.4	325,844	335,675
Customer deposits	Note 2.4	592,255	603,260
Liabilities in the form of securities issued	Note 2.4	150,511	142,308
Accruals, other accounts payables and other liabilities	Note 3.2	219,292	226,613
Provisions	Note 2.6	9,597	9,723
Long-term subordinated debt and notes	Note 6.4	27,408	25,290
Shareholders' Equity			
Common stock	Note 6.1	1,000	1,004
Additional paid-in capital	Note 6.1	20,173	20,260
Retained earnings	Note 6.1	14,959	12,331
Net income	Note 6.1	2,012	3,350
SUB-TOTAL		38,144	36,945
TOTAL		1,374,293	1,389,387

OFF-BALANCE SHEET ITEMS

(In EURm)		31.12.2024	31.12.2023
Loan commitments received	Note 2.4	104,948	68,683
Guarantee commitments received	Note 2.4	68,805	74,541
Commitments received on securities		27,878	42,367

6.5.2 INCOME STATEMENT

(In EURm)		31.12.2024	31.12.2023
Interest and similar income	Note 2.5	47,497	43,733
Interest and similar expense	Note 2.5	(45,788)	(41,493)
Dividend income	Note 2.1	3,227	3,557
Fee income	Note 3.1	7,096	6,645
Fee expense	Note 3.1	(2,785)	(2,693)
Net income from the trading portfolio	Note 2.1	4,693	3,137
Net income from short-term investment securities	Note 2.1	129	(166)
Income from other activities		273	513
Expense from other activities		(855)	(841)
Net banking income	Note 7.1	13,487	12,392
Personnel expenses	Note 4.1	(6,440)	(6,019)
Other operating expenses		(4,014)	(4,775)
Impairment, amortisation and depreciation		(582)	(633)
Gross operating income		2,451	965
Cost of risk	Note 2.6	(668)	(481)
Operating income		1,783	484
Net income from long-term investments ⁽¹⁾	Note 2.1	289	2,913
Operating income before tax		2,072	3,397
Income tax	Note 5	(60)	(47)
Net Income		2,012	3,350
Earnings per ordinary share	Note 6.3	2.53	4.19
Diluted earnings per ordinary share		2.53	4.19

(1) O/w. a merger bonus of EUR 2,851 million between Societe Generale and Credit du Nord and its subsidiaries in 2023.

Information concerning fees paid to Statutory Auditors is disclosed in the notes to the consolidated financial statements of Societe Generale group; consequently, this information is not provided in the notes to the parent company financial statements of Societe Generale.

6.6 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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

NOTE 1 MAIN ACCOUNTING PRINCIPLES

1. Introduction

The preparation and presentation of the parent company financial statements for Societe Generale comply with the provisions of Regulation 2014-07 of the French Accounting Standards Board (*Autorité des Normes Comptables*, ANC), relating to the annual accounts for the banking sector.

As the financial statements of foreign branches were prepared using accounting principles generally accepted in their respective countries, they have been adjusted to comply with the accounting principles applicable in France.

The disclosures provided in the notes to the parent company financial statements focus on information that is both relevant and material to the financial statements of Societe Generale, its activities and the circumstances in which it conducted its operations over the period.

2. Accounting policies and valuation methods

In accordance with the accounting principles applicable to French credit institutions, the majority of transactions are recorded using valuation methods that take account of the purpose for which they were completed.

In financial intermediation transactions, assets and liabilities are generally maintained at their historical cost and impairment is recognised where counterparty risk arises. Revenues and expenses arising from these transactions are recorded *prorata temporis* over the life of the transaction in accordance with the accounting cut-off principle. The same applies for transactions on forward financial instruments carried out for hedging purposes or to manage the Bank's overall interest rate risk.

At closing date, transactions performed in the Global Markets activity are generally marked to market, except for loans, borrowings and short-term investment securities which are recorded at nominal value. When these financial instruments are not quoted in an active market, the market value used is adjusted to take into account the liquidity risk, future management fees and, if any, the counterparty risk.

3. Conversion of the foreign currency financial statement

The on- and off-balance sheet items of branches reporting in foreign currencies are translated at the official exchange rate prevailing at year-end. The income statement items of these branches are translated at the average quarter-end exchange rate. Translation gains and losses arising from the translation of the capital contribution, reserves, retained earnings and net income of foreign branches, which result from changes in exchange rates, are included in the balance sheet under "Accruals, other accounts payable/receivable and other liabilities/assets".

4. Assumptions and estimates

In compliance with the accounting principles and methods applicable to the preparation of the financial statements and stated in the notes to the present document, the Management makes assumptions and estimates that may have an impact on the figures recorded in the income statement, the valuation of assets and liabilities on the balance-sheet, and the information disclosed in the notes to the parent company financial statements.

In order to make these assumptions and estimates, the Management uses the information available as at the date of preparation of the financial statements and can exercise its own judgment. By nature, valuations based on these estimates involve risks and uncertainties about their materialization in the future. Consequently, the actual future results may differ from these estimates and may then have a significant impact on the financial statements.

The assumptions and estimates made in preparing these annual financial statements take account of the uncertainties related to the economic consequences of the current geopolitical and macroeconomic context. The impacts of these events on the assumptions and estimates used are detailed in part 5 of the present note.

Estimates mainly concern:

- fair value in the balance-sheet of financial instruments (securities portfolio and forward financial instruments) not quoted in an active market and held for trading activities (see Notes 2.1, 2.2 and 3.2);
- impairment of financial assets (see Note 2.6);
- provisions recognised as liabilities (see Notes 2.6, 4.2 and 5.2);
- deferred tax assets recognised in the balance sheet (see Note 5).

5. Geopolitical and macroeconomic context

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

In this context, Societe Generale updated the macroeconomic scenarios chosen for the preparation of its statutory statements as at 31 December 2024. These macroeconomic scenarios are taken into account in the measurement models for credit risk impairment and provisions (see Note 2.6) and in tests regarding deferred tax assets recovery (see Note 5).

MACROECONOMIC SCENARIOS AND WEIGHTING

As at 31 December 2024, Societe Generale has selected three macroeconomic scenarios to help understand the uncertainties related to the current macroeconomic context.

The assumptions selected to draw up the scenarios are listed below:

- the central scenario ("SG Central"), weighted at 56%, predicts a low growth level in the eurozone in a context of more restrictive fiscal policy than in 2024 and of persistent geopolitical concerns. Inflation should converge with the Central banks' targets and the monetary policy is expected to ease. In the USA, a rebound in economic growth is expected in 2025. The economic policy ushered by the new president of the United States should initially benefit American growth but could however have a negative impact later. It would burden the other areas and increase global uncertainty;
- the favourable scenario ("SG Favourable"), weighted at 10%, describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions. In both cases, stronger growth will have a positive impact on employment and the profitability of companies;
- the stressed scenario ("SG Stress"), weighted at 34%, corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (2008 crisis, euro area crisis...), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research Department of Societe Generale based, in particular, on information published by statistical institutes.

Forecasts from institutions (IMF, Global Bank, ECB, OECD...) and the consensus among market economists serves as a reference to challenge Societe Generale's forecasts.

COVID-19 CRISIS: STATE GUARANTEED LOANS (PGE)

Until 30 June 2022, Societe Generale offered to its crisis-impacted customers (professionals and corporate customers) the allocation of State Guaranteed Loan facilities (PGE) recorded among Customer loans

As at 31 December 2024, after the repayments made at the end of the moratorium periods, the amount outstanding corresponding to the State Guaranteed Loans (PGE) granted by Societe Generale is approximately EUR 4.8 billion (including EUR 0.9 billion of underperforming loans and EUR 0.9 billion of doubtful loans). The amount of credit risk impairment and provisions recorded as at 31 December 2024 related to these State Guaranteed Loan facilities represent approximately EUR 130 million (including EUR 10 million of underperforming loans and EUR 110 million of doubtful loans).

CONSEQUENCES OF THE WAR IN UKRAINE

Societe Generale holds assets on Russian counterparties (including some residual exposures on Rosbank), the volume of which dropped significantly between 31 December 2023 and 31 December 2024, owing in particular to the disposal of assets but also to customers reimbursements completed without incident (EUR 0.5 billion against EUR 0.8 billion as at December 2023). As a result of an assessment of the changes in these credit exposures, Societe Generale has classified them from the very beginning of the conflict as underperforming loans or doubtful loans when necessary (see Note 2.6.1).

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

6. Creation of a partnership between Societe Generale and Alliancebernstein

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

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

Since 1 April 2024, Societe Generale owns 51% of the holding company Sanford C. Bernstein Holdings Limited, acquired for a purchase price of EUR 108 million, and 33% of the holding company Bernstein North America Holdings LLC, acquired for a purchase price of EUR 180 million.

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

NOTE 2 FINANCIAL INSTRUMENTS

NOTE 2.1 Securities portfolio

ACCOUNTING PRINCIPLES

Securities are classified according to:

- their type: government securities (Treasury notes and similar securities), bonds and other debt securities (negotiable debt instruments, interbank securities), shares and other equity securities;
- the purpose for which they were acquired: trading, short-term and long-term investment, shares intended for portfolio activity, investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments.

Purchases and sales of securities are recorded in the balance sheet at the date of settlement-delivery.

The classification and valuation rules applied for each portfolio category are described hereafter and the impairment rules applied are described in Note 2.6.2.

Trading securities

Trading securities are securities acquired or incurred with the intention of selling or repurchasing them in the near term or held for the purpose of market-making activities. These securities are traded in active markets, and the available market price reflects actual and regularly occurring market transactions on an arm's length basis. Trading securities also include the securities covered by a sale commitment in the context of an arbitrage on a regulated market or similar, and the securities purchased or sold as part of the specialised management of a trading portfolio containing forward financial instruments, securities or other financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Trading securities are recognised in the balance sheet at acquisition price, excluding acquisition expenses.

They are marked to market at the end of the financial year.

The net unrealised gains or losses thus recognised, together with the net gains or losses on disposals, are recorded on the income statement under "Net income" from the trading portfolio, or, from short-term investment securities. The coupons received on the fixed-income securities in the trading portfolio are recorded on the income statement under "Net interest income" from bonds, or other debt securities.

The trading securities that are no longer held with the intention of selling them in the near term, or no longer held for the purpose of market-making activities, or held as part of the specialised management of a trading portfolio for which there is no longer evidence of a recent pattern of short-term profit-taking, may be reclassified into the Short-term investment securities category or into the Long-term investment securities category if:

- exceptional market situations generate a change in holding strategy; or
- if debt securities become no longer negotiable in an active market after their acquisition, and Societe Generale has the intention and ability to hold them for the foreseeable future or until maturity.

Securities which are then reclassified are recorded in their new category at their fair market value on the date of reclassification.

Short-term investment securities

Short-term investment securities are all the securities that are not classified as trading securities, long-term investment securities, or investments in consolidated subsidiaries and affiliates.

SHARES AND OTHER EQUITY SECURITIES

Equity securities are initially recognised on the balance sheet at cost excluding acquisition expenses. At year-end, book value is compared to realisable value. Only the unrealised losses are recorded with the recognition of a depreciation of the securities portfolio. Income from these securities is recorded in Dividend income.

BONDS AND OTHER DEBT SECURITIES

These securities are initially recognised on the balance sheet at cost excluding the acquisition expenses, and excluding interest accrued not due at the date of purchase. The positive or negative differences between the cost and redemption values are recognised as premiums (if positive) or discounts (if negative) in the income statement over the life of the securities concerned. The accrued interest on bonds and other short-term investment securities is recorded as related receivables with a counterpart entry under "Interest and similar income" in the income statement.

Short-term investment securities may be reclassified into Long-term investment securities category provided that:

- exceptional market situations generate a change in holding strategy, or
- if after their acquisition debt securities become no longer negotiable in an active market and if Societe Generale has the intention and ability to hold them for the foreseeable future or until maturity.

Long-term investment securities

Long-term investment securities are debt securities acquired or reclassified from Trading securities and Short-term investment securities which Societe Generale intends and has the capacity to hold until maturity.

Societe Generale must therefore have, in particular, the necessary financing capacity to continue holding these securities until their expiry date. These long-term investment securities shall not be subject to any legal or other form of constraint that might call into question its intention to hold it until maturity.

Long-term investment securities also include trading and short-term investment securities which have been reclassified by Societe Generale following the particular conditions described here before (facing exceptional market situations or when debt securities are no longer negotiable in an active market). These reclassified securities are identified within the long-term investment securities portfolio.

Societe Generale may have to dispose of long-term investment securities or transfer them to another accounting category only in the specific following cases:

- the sale or transfer is made at a date close to the maturity of the security; or
- the sale or transfer is due to an isolated event independent of Societe Generale control.

These instruments may be designated as hedged items when forward financial instruments are used to hedge interest rate risk on identifiable items or groups of similar items.

Long-term investments securities are recorded in the balance sheet at their purchase price excluding acquisition expenses. The differences between the purchase price and redemption values are recognised as premiums (if positive) or discounts (if negative) in the income statement over the life of the securities concerned.

Affiliates, investments in related parties and other long-term securities

This category of securities covers on the one hand affiliates and investments in related parties, when it is deemed useful to Societe Generale's business to hold said shares in the long term. This notably covers the investments that meet the following criteria:

- shares in fully integrated companies or issued by companies accounted for using the equity method;
- shares in companies that share Directors or senior managers with Societe Generale and where influence can be exercised over the company whose shares are held;
- shares in companies that belong to the same group controlled by individuals or legal entities, where the said persons or entities exercise control over the Group and ensure that decisions are taken unanimously;
- shares representing more than 10% of the voting rights in the capital issued by a bank or a company whose business is directly linked to that of Societe Generale.

This category also includes the other long-term securities. These are equity investments made by Societe Generale with the aim of developing special professional relations with a company over the long term but without exercising any influence on its management due to the low proportion of attached voting rights.

Affiliates, investments in related parties and other long-term securities are recorded at their purchase price net of acquisition costs. Dividend income earned on these securities is recognised in the income statement under "Dividend income".

NOTE 2.1.1 TREASURY NOTES, BONDS, OTHER DEBT SECURITIES, SHARES AND OTHER EQUITY SECURITIES

(In EURm)	31.12.2024				31.12.2023			
	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities ⁽¹⁾	Total	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities ⁽²⁾	Total
Trading securities	63,286	86,682	39,217	189,185	55,019	70,944	48,771	174,734
Short-term investment securities	25,300	236	16,288	41,824	18,487	186	16,748	35,421
Gross book value	25,643	254	16,425	42,322	18,771	214	16,943	35,928
Impairment	(343)	(18)	(137)	(498)	(284)	(28)	(195)	(507)
Long-term investment securities	-	-	61,951	61,951	63	-	52,381	52,444
Gross book value	-	-	61,951	61,951	63	-	52,381	52,444
Impairment	-	-	-	-	-	-	-	-
Related receivables	178	34	288	500	98	21	268	387
TOTAL	88,764	86,952	117,744	293,460	73,667	71,151	118,168	262,986

(1) As at 31 December 2024, the amount of bonds and other debt securities includes EUR 5,696 million of securities issued by public organisations.

(2) As at 31 December 2023, the amount of bonds and other debt securities includes EUR 961 million of securities issued by public organisations.

ADDITIONAL INFORMATION ON SECURITIES

<i>(In EURm)</i>	31.12.2024	31.12.2023
Unrealised capital gains on short term investment securities ⁽¹⁾	598	717
Premiums and discounts relating to short-term and long-term investment securities	(10)	26
Investments in mutual funds:	8,290	9,736
▪ French mutual funds	1,430	1,352
▪ Foreign mutual funds	6,860	8,384
<i>Of which mutual funds which reinvest all their income</i>	5	5
Listed securities ⁽²⁾	449,054	389,839
Subordinated securities	302	-
Securities lent	69,635	79,745

(1) The amount does not include unrealised gains or losses on forward financial instruments, if any, used to hedge short-term investment securities.

(2) As at 31 December 2024, the amount of listed trading securities is EUR 352,721 million (301,065 million as at 31 December 2023).

NOTE 2.1.2 AFFILIATES, INVESTMENTS IN RELATED PARTIES AND OTHER LONG-TERM SECURITIES

AFFILIATES AND OTHER LONG-TERM SECURITIES

<i>(In EURm)</i>	31.12.2024	31.12.2023
Banks	296	335
Others	875	732
Affiliates and other long-term securities before impairment	1,171	1,067
Impairment	(71)	(119)
TOTAL	1,100	948

The main changes are:

- the acquisition of Reed Shift SLP shares for EUR +250 million partially paid-up;
- the increase of the associates' certificates of the French deposit insurance and resolution fund: EUR +37 million;
- the disposal of Euroclear shares for EUR -93 million;
- the full disposal of the shares of Banco Societe Generale Moçambique SA for EUR -33 million;

- the partial conversion of preference shares in Visa Inc. resulting in a net effect of EUR -41 million.

The main changes in the impairment are as followed:

- the impairment recovery of Banco Societe Generale Moçambique SA: EUR +33 million;
- the impairment recovery following the liquidation of YUP Madagascar, YUP Guinée, YUP Burkina Faso and YUP Cameroun. EUR: +15 million.

INVESTMENTS IN RELATED PARTIES

(In EURm)	31.12.2024	31.12.2023
Banks	8,799	8,805
Listed	1,791	1,821
Unlisted	7,008	6,984
Others	17,250	16,977
Listed	1,948	1,948
Unlisted	15,302	15,029
Investments in related parties before impairment	26,049	25,782
Impairment	(3,669)	(3,050)
TOTAL	22,380	22,732

All transactions with the related parties were concluded under normal market conditions.

The main changes are:

- the entry of Bernstein entities: EUR +321 million;
- the capital increase of Boursorama SA: EUR + 200 million;
- the full disposal of the shares of SG Marocaine de Banques: EUR -145 million;

- the full disposal of the shares of Shine: EUR -131 million.

The main changes in the impairment are as followed:

- the impairment of Franfinance: EUR -528 million;
- the impairment of SGEF SA: EUR -161 million;
- the impairment recovery of Societe Generale China Ltd: EUR +59 million;
- the impairment recovery of SG Americas Inc.: EUR +48 million;

NOTE 2.1.3 TREASURY STOCK

ACCOUNTING PRINCIPLES

Societe Generale's shares acquired for allocation to employees are recorded as Short-term investment securities and presented under "Treasury stock" on the assets side of the balance sheet.

Societe Generale's shares held with a view to underpinning the share price or as part of arbitrage transactions on the CAC 40 index are recorded as Trading securities and presented under "Treasury stock" on the assets side of the balance sheet.

Societe Generale's shares acquired with the intend to cancel them are recorded as Long-term equity investments and presented under "Treasury stock" on the assets side of the balance sheet.

(In EURm)	31.12.2024			31.12.2023		
	Quantity	Book value ⁽²⁾	Market value	Quantity	Book value ⁽²⁾	Market value
Trading securities ⁽¹⁾	600,003	16	16	3,321,132	80	80
Short-term investment securities	3,818,347	103	104	6,735,519	193	162
Long-term equity investments	-	-	-	-	-	-
TOTAL	4,418,350	119	120	10,056,651	273	242

Nominal value: EUR 1.25.

Market value per share as at 31 December 2024: EUR 27.16.

(1) Societe Generale set up on 22 August 2011 a liquidity contract which was endowed with EUR 170 million for carrying out transactions on the Societe Generale share. As at December 2024, no Societe Generale shares were held under this contract, which has EUR 5 million to intervene on this share.

(2) The accounting value is assessed according to the notice of the CNC N° 2008-17 approved on 6 November 2008 concerning stock-options and bonus issues of shares.

NOTE 2.1.4 DIVIDEND INCOME

<i>(In EURm)</i>	2024	2023
Dividends from shares and other equity securities	25	14
Dividends from affiliates and other long-term securities	3,202	3,543
TOTAL	3,227	3,557

Dividends received from investments in the trading portfolio have been classified under “Net income from the trading portfolio and short-term investment securities”.

NOTE 2.1.5 NET INCOME FROM THE TRADING PORTFOLIO AND SHORT-TERM INVESTMENT SECURITIES

<i>(In EURm)</i>	2024	2023
Net income from the trading portfolio:	4,693	3,137
Net income from operations on trading securities ⁽¹⁾	18,212	11,119
Net income from forward financial instruments	(13,717)	(8,696)
Net income from foreign exchange transactions	198	714
Net income from short-term investment securities:	129	(166)
Gains on sale	607	135
Losses on sale	(448)	(407)
Allocation of impairment	(100)	(164)
Reversal of impairment	70	270
TOTAL	4,822	2,971

(1) Of which EUR 2,404 million of received dividends on trading portfolio.

NOTE 2.1.6 NET INCOME FROM LONG-TERM INVESTMENTS**ACCOUNTING PRINCIPLES**

This item includes capital gains or losses realised on disposals, as well as the net allocation to depreciation for investments in subsidiaries and affiliates, long-term investment securities.

<i>(In EURm)</i>	2024	2023
Long-term investment securities:	-	3
Net capital gains (or losses) on sale	-	3
Net allocation to impairment	-	-
Investments in subsidiaries and affiliates:	285	2,908
Gains on sale ⁽¹⁾	1,010	2,879
Losses on sale	(119)	(64)
Allocation to impairment ⁽²⁾	(775)	(38)
Reversal of impairment ⁽²⁾	169	131
Subsidies granted to affiliates (subsidiaries)	-	-
Net income from long term investment (see Note 7.2)	4	2
TOTAL	289	2,913

(1) As at 31 December 2024, the main sales are related to the full disposal of SG Marocaine de Banques for EUR +526 million, Euroclear shares for EUR +269 million and SG Madagascar for EUR +150 million.

In 2023, the merger bonus of EUR 2,851 million between Societe Generale and Credit du Nord and its subsidiaries is included in “Gains on sale”.

(2) Allocations and reversal mainly concern subsidiaries (See Note 2.1.2 – Investments in subsidiaries).

NOTE 2.2 Transactions on forward financial instruments

ACCOUNTING PRINCIPLES

Transactions on forward financial instruments on interest rates, foreign exchange rates or equities are used for trading or hedging purposes.

Nominal commitments on forward financial instruments are recorded as a separate off-balance sheet item. This amount represents the volume of current transactions and does not reflect the potential gain or loss associated with the market or counterparty risk on these transactions. Credit derivatives purchased to hedge credit risks on financial assets which are not valued at market value are classified and treated as guaranteed commitments received.

The accounting treatment of income or expense on these forward financial instruments depends on the purpose of the transaction, as follows:

Hedging transactions

Income and expense on forward financial instruments used as hedge assigned from the beginning to an identifiable item or group of similar items are recognised in the income statement symmetrically to the income and expense on the hedged items. Income and expense on interest rate instruments are recorded as net interest income in the same interest income or expense account as the items hedged. Income and expense on other instruments such as equity instruments, stock market indexes or currencies are recognised under “Net income” from short-term investment securities.

Income and expense on forward financial instruments used to hedge or manage an overall interest rate risk are recognised in the income statement over the life of the instrument under “Interest and similar income” or “Interest and similar expense”.

Market transactions

Market transactions include:

- the instruments traded on organised or similar markets and other instruments, such as credit derivatives and composite option products, which are included in the trading portfolio although they are traded over-the-counter on less liquid markets;
- some debt securities with a forward financial instrument component for which this classification in the accounts most appropriately reflects the results and associated risks.

These transactions are measured at their market value as at the closing date. When financial instruments are not quoted in an active market, this value is generally determined based on internal models. Where necessary, these valuations are adjusted for reasons of prudence by applying a discount (Reserve Policy). This discount is determined on the basis of the instruments concerned and the associated risks, and takes into account:

- a conservative valuation of all the instruments, regardless of the liquidity of the corresponding market;
- a reserve calculated based on the size of the exposure and intended to cover the risk that Societe Generale will be unable to liquidate the investment in one go due its size;
- an adjustment for the reduced liquidity of the instruments and for model risk in the case of complex products as well as transactions on less liquid markets (less liquid since they have been developed recently or are more specialised).

Furthermore, for over-the-counter transactions on forward interest rate instruments, these valuations also take into account counterparty risk and the present value of the future management fees.

The corresponding gains or losses are directly recognised as income or expense for the period, regardless of whether they are realised or unrealised. They are recognised in the income statement as Net income from the trading portfolio.

The gains or losses corresponding to the contracts concluded as part of the cash management activities managed by the trading room in order to benefit from any interest rate fluctuations, are recorded when these contracts are settled or *pro rata temporis* over the life of the contracts, depending on the type of instrument. Any unrealised losses are provisioned at year-end and the corresponding amounts are recorded under “Net income” from the trading portfolio.

NOTE 2.2.1 FORWARD FINANCIAL INSTRUMENTS COMMITMENTS (NOTIONAL)

(In EURm)	Fair Value Trading transactions	Hedging transactions	Total at	
			31.12.2024	31.12.2023
Firm transactions	14,565,722	21,650	14,587,372	12,824,553
Transactions on organised markets	3,612,476	190	3,612,666	3,178,695
<i>Interest rate futures</i>	746,594	-	746,594	765,381
<i>Foreign exchange futures</i>	2,580,734	-	2,580,734	2,122,505
<i>Other futures contracts</i>	285,148	190	285,338	290,809
OTC agreements	10,953,246	21,460	10,974,706	9,645,858
<i>Interest rate swaps</i>	8,615,707	21,259	8,636,966	7,373,572
<i>Currency financing swaps</i>	1,405,483	201	1,405,684	1,277,462
<i>Forward Rate Agreements (FRA)</i>	897,631	-	897,631	972,883
<i>Other</i>	34,425	-	34,425	21,941
Optional transactions	4,119,372	669	4,120,041	3,869,265
Interest rate options	1,784,790	-	1,784,790	1,941,993
Foreign exchange options	1,064,742	658	1,065,400	585,863
Equity and index options	1,230,867	11	1,230,878	1,239,147
Other options	38,973	-	38,973	102,262
TOTAL	18,685,094	22,319	18,707,413	16,693,818

NOTE 2.2.2 FAIR-VALUE OF THE TRANSACTIONS QUALIFIED AS HEDGING

(In EURm)	31.12.2024	31.12.2023
Firm transactions	(6,213)	(3,719)
Transactions on organised markets	20	(24)
<i>Interest rate futures</i>	-	-
<i>Foreign exchange futures</i>	-	-
<i>Other forward contracts</i>	20	(24)
OTC agreements	(6,233)	(3,695)
<i>Interest rate swaps</i>	(6,139)	(3,785)
<i>Currency financing swaps</i>	(94)	90
<i>Forward Rate Agreements (FRA)</i>	-	-
<i>Other</i>	-	-
Optional transactions	15	-
TOTAL⁽¹⁾	(6,213)	(3,719)

(1) A positive value represents a net receivable and a negative value represents a net debt.

NOTE 2.2.3 MATURITIES OF FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

(In EURm)	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Firm transactions	3,440,379	3,301,451	4,079,372	3,766,170	14,587,372
Transactions on organised markets	1,876,051	1,035,116	275,051	426,448	3,612,666
OTC agreements	1,564,328	2,266,335	3,804,321	3,339,722	10,974,706
Optional transactions	1,244,806	956,830	1,223,635	694,770	4,120,041
TOTAL	4,685,185	4,258,281	5,303,007	4,460,940	18,707,413

NOTE 2.3 Loans and receivables

ACCOUNTING PRINCIPLES

Amounts due from banks and customer loans are classified according to their initial duration and type: demand deposits (current accounts and overnight transactions) and term deposits for credit institutions, commercial loans, overdrafts and other loans to customers. They also include the securities purchased from banks or customers under resale agreements, and the loans secured by notes and securities.

Only the amounts due and customer loans that meet the following criteria are offset on the balance sheet: those with the same counterparty, maturity, currency and accounting entity, and those for which an agreement exists with the counterparty allowing the Bank to combine the accounts and exercise the right of offset.

The interest accrued on these receivables is recorded as Related receivables and recognised in the income statement under “Interest income and expenses”.

The fees and commissions received and the incremental transaction costs related to the granting of a loan (finder’s and handling fees) are comparable to interest and spread over the effective life of the loan.

The loan commitments recorded on the off-balance sheet reflect transactions that have not yet resulted in cash flows, such as the irrevocable commitments for the undrawn portion of facilities made available to banks and customers or guarantees given on their behalf.

If a commitment bears a proven credit risk that makes it probable that Societe Generale will not recover all or part of the amounts due under the counterparty’s commitment in accordance with the original terms of the contract, the corresponding outstanding loan is classified as a doubtful loan, despite the existence of a guarantee. Moreover, any loan will be classified as doubtful if one or more repayments are more than three months overdue (six months for mortgage loans and nine months for loans to local authorities), or if, regardless of any missed payments, it can be assumed that there is a proven risk, or if legal proceedings have been started.

If a loan to a given debtor is classified as doubtful, all the outstanding loans and commitments to that debtor are reclassified as doubtful, regardless of whether or not they are backed by a guarantee.

Impairment for unrealised losses and for doubtful loans is recorded for the amount of probable loss (see Note 2.6)

Restructuring of loans and receivables

When an asset recorded under “Due from banks” or “Customer loans” is restructured, contractual changes that would not have been considered in other circumstances are made to the amount, term or financial conditions of the initial transaction approved by Societe Generale, due to the financial difficulties or insolvency of the borrower (whether this insolvency is proven or will definitely occur unless the debt is restructured). The restructured financial assets are classified as impaired and the borrowers are considered to be in default.

These classifications are maintained for at least one year and for as long as some uncertainty remains for Societe Generale as to the borrowers’ ability to meet their commitments. At the restructuring date, the carrying amount of the restructured financial asset is decreased to the present amount of the estimated new future recoverable cash flows discounted using the initial effective interest rate. This loss is booked in the income statement under “Cost of risk”. The restructured financial assets do not include the loans and receivables subject to commercial renegotiations.

Loans and receivables may be subject to commercial renegotiations provided that the borrowing customer is not experiencing financial difficulties and is not insolvent. Such transactions thus involve customers whose debt Societe Generale is willing to renegotiate in the interest of maintaining or developing a commercial relationship, in accordance with the credit granting rules, and without relinquishing any principal or accrued interest.

These renegotiated loans and receivables are derecognised as at the renegotiation date and replaced as at the same date on the balance sheet by the new loans, contractualised under the renegotiated conditions. These new loans are subsequently measured at amortised cost, based on the effective interest rate arising from the new contractual conditions and taking into account the renegotiation fees billed to the customer.

NOTE 2.3.1 DUE FROM BANKS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Demand deposits and loans	13,016	5,259
Current accounts	5,949	4,652
Overnight deposits and loans	7,067	607
Loans secured by notes-overnight	-	-
Term accounts and loans	192,851	214,360
Term deposits and loans	81,725	84,078
Securities purchased under resale agreements	110,065	129,032
Subordinated and participating loans	479	548
Loans secured by notes and securities	-	-
Related receivables	582	702
Due from banks before impairment	205,867	219,619
Impairment	(11)	(18)
TOTAL ⁽¹⁾⁽²⁾	205,856	219,601

(1) As at 31 December 2024 doubtful loans amounted to EUR 14 million (of which EUR 7 million were non-performing loans) against EUR 37 million as at 31 December 2023 (of which EUR 10 million were non-performing loans).

(2) Including amounts receivable from subsidiaries: EUR 78,124 million as at 31 December 2024 against EUR 81,410 million as at 31 December 2023.

NOTE 2.3.2 CUSTOMER LOANS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Overdrafts	18,412	26,634
Discount of trade notes	818	1,469
Other loans ⁽¹⁾⁽²⁾	333,614	346,106
Loans secured by notes and securities	98	84
Securities purchased under resale agreements	166,700	149,495
Related receivables	1,612	1,937
Customer loans before impairment	521,254	525,725
Impairment	(2,536)	(2,556)
TOTAL ⁽³⁾⁽⁴⁾⁽⁵⁾	518,718	523,169

(1) Including pledged loans: EUR 80,156 million (EUR 89,869 million as at 31 December 2023) of which amounts eligible for refinancing with Banque de France: EUR 11,853 million as at 31 December 2024 (EUR 12,087 million as at 31 December 2023).

(2) Of which participating loans: EUR 3,112 million as at 31 December 2024 (EUR 3,703 million as at 31 December 2023).

(3) As at 31 December 2024 doubtful loans amounted to EUR 7,712 million (of which EUR 3,024 million were doubtful compromised loans) against EUR 7,404 million (of which EUR 3,240 million were doubtful compromised loans) as at 31 December 2023.

(4) Of which amounts receivable from affiliates: EUR 95,045 million as at 31 December 2024 (EUR 131,772 million as at 31 December 2023).

(5) Including restructured loans: EUR 6,323 million as at 31 December 2024 (EUR 4,346 million as at 31 December 2023).

Details of other loans:

<i>(In EURm)</i>	31.12.2024	31.12.2023
Short-term loans	101,644	100,030
Export loans	11,830	11,661
Equipment loans	63,197	64,043
Housing loans	81,444	92,003
Lease financing agreements	-	-
Other loans	75,499	78,369
TOTAL	333,614	346,106

NOTE 2.3.3 COMMITMENTS GRANTED

<i>(In EURm)</i>	31.12.2024	31.12.2023
Loan commitments	309,208	326,102
To banks	74,059	99,370
To customers	235,149	226,732
Guarantee commitments	233,064	223,514
On behalf of banks	113,370	118,778
On behalf of customers	119,694	104,736

Commitments granted to affiliates amount EUR 77,174 million as at 31 December 2024 (EUR 84,803 million as at 31 December 2023).

NOTE 2.3.4 SECURITISATION

ACCOUNTING PRINCIPLES

Loans and receivables transferred by Societe Generale to a securitisation undertaking (securitisation fund, securitisation vehicle or equivalent foreign undertaking) are derecognised and the gain or loss on sale calculated as the difference between the selling price and the carrying amount of the transferred loans or receivables is recognised in profit or loss.

If the transfer agreement contains an overcollateralisation clause, Societe Generale records on the assets side of its balance sheet, among the loans and receivables, a receivable for the part of the amount of transferred loans and receivables exceeding the selling price.

Ordinary units issued by a gaining securitisation undertaking and acquired or subscribed by Societe Generale are recorded as trading securities or as short-term investment securities according to their purpose.

Specific units, subordinated units and other financial instruments issued by the gaining securitisation undertaking and acquired or subscribed by Societe Generale as collateral for the benefit of the undertaking are recorded as short-term investment securities (see Note 2.1).

If Societe Generale makes a cash security deposit with the gaining securitisation undertaking to bear the losses resulting from the default of debtors of the loans and receivables transferred, it records such deposit on the assets side of its balance sheet under "Accruals", other accounts receivable and other assets as a receivable from the securitisation undertaking, provided that the possible balance of the deposit will be allocated to it upon the liquidation of the securitisation undertaking.

If the guarantee granted by Societe Generale takes the form of a commitment by signature, it is recorded in the off-balance sheet as a guarantee commitment granted to customers or to banks, as the case may be.

On 24 February 2022, Societe Generale proceeded to a new securitization in order to substitute in the assets, housing loans against bonds which are eligible to the Euro system refinancing operations. In this context, Societe Generale has transferred EUR 10,625 million of housing loans to a securitization mutual fund. To capitalize the acquisition, the fund has issued bonds which were fully subscribed by Societe Generale.

As at 27 January 2023, an additional purchase of bonds amounting to EUR 3,410 million has been performed.

As at 23 October 2024, a new purchase of bonds amounting to EUR 8,182 million has been performed.

As at 31 December 2024, the bonds are recognised in the assets on the balance sheet for a total amount of EUR 18,531 million as a result of the underlying housing loans partial amortization.

NOTE 2.4 Debts**ACCOUNTING PRINCIPLES**

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand debt (demand deposits, current accounts) and term deposits due to banks, regulated savings accounts and other deposits due to customers. They also include the securities sold to banks and customers under repurchase agreements.

The interest accrued on these deposits is recorded as related payables with a counterpart entry in the income statement.

NOTE 2.4.1 DUE TO BANKS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Demand deposits	29,037	26,541
Demand deposits and current accounts	29,037	26,541
Borrowings secured by notes – overnight	-	-
Term deposits	180,586	192,989
Term deposits and borrowings	180,586	192,989
Borrowings secured by notes and securities	-	-
Related payables	1,925	2,285
Securities sold under repurchase agreements	114,296	113,860
TOTAL	325,844	335,675

Related parties payables amount to EUR 131,228 million as at 31 December 2024 (EUR 121,121 million as at 31 December 2023).

Between December 2019 and December 2021, Societe Generale subscribed to TLTRO III loans (Targeted Longer-Term Refinancing Operations) offered by the European Central Bank. The purpose of these loan offers, with reduced interest rates and additional temporary

subsidies, was to maintain credit conditions in the eurozone. The residual amount of TLTRO loans on the liabilities side of the balance sheet, equal to EUR 24 billion as at 31 December 2023, were fully repaid in 2024.

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

NOTE 2.4.2 CUSTOMER DEPOSITS

<i>(In EURm)</i>	31.12.2024	31.12.2023
Regulated savings accounts	57,772	62,958
Demand	43,746	46,166
Term	14,026	16,792
Other demand customer deposits	178,059	187,650
Businesses and sole proprietors	83,430	82,326
Individual customers	47,550	49,482
Financial customers	39,318	44,925
Others	7,761	10,917
Other term customer deposits	206,349	218,204
Businesses and sole proprietors	88,374	90,255
Individual customers	4,347	4,633
Financial customers	100,906	113,176
Others	12,722	10,140
Related payables	1,428	2,057
Securities sold to customers under repurchase agreements	148,647	132,391
TOTAL	592,255	603,260

Related parties due to customers amount EUR 107,005 million as at 31 December 2024 (EUR 125,533 million as at 31 December 2023).

NOTE 2.4.3 LIABILITIES IN THE FORM OF SECURITIES ISSUED**ACCOUNTING PRINCIPLES**

The liabilities in the form of securities issued are classified by type of security: loan notes, interbank market certificates and negotiable debt instruments, bonds and other debt securities, but exclude subordinated notes which are classified under "Subordinated debt".

The interest accrued is recorded as related payables with a counterpart entry in the income statement. Bond issuance and redemption premiums are amortised on a straight-line or actuarial basis over the life of the related borrowings. The resulting expense is recorded in the income statement under "Interest and similar expense".

Bond issuance costs accrued over the period are all recorded as expenses for the period under "Interest and similar expense" in the income statement.

<i>(In EURm)</i>	31.12.2024	31.12.2023
Loan notes	-	-
Bond borrowings	-	-
Interbank market certificates and negotiable debt instruments	148,666	141,030
Related payables	1,845	1,278
TOTAL	150,511	142,308

Related parties payables amount for EUR 2,121 million as at 31 December 2024 (EUR 321 million as at 31 December 2023).

NOTE 2.4.4 COMMITMENTS RECEIVED

<i>(In EURm)</i>	31.12.2024	31.12.2023
Loan commitments received from banks	104,948	68,683
Guarantee commitments received from banks	68,805	74,541

Related parties commitments amount for EUR 15,904 million as at 31 December 2024 (EUR 8,042 million as at 31 December 2023).

NOTE 2.5 Interest income and expenses**ACCOUNTING PRINCIPLES**

Interest income and expense are recognised in the income statement under “Interest and similar income” or “Interest and similar expense” for all the financial instruments measured at amortised cost using the effective interest rate method. The negative interest is deducted from the interest income and expense accounts related to these instruments.

The effective interest rate is the rate used to discount exactly the future cash inflows and outflows over the expected life of the instrument in order to establish the book value of the financial asset or liability. The calculation of this rate considers the future cash flows based on the contractual provisions of the financial instrument without taking account of possible future loan losses, and it also includes the commissions paid or received between the parties to the contract where they may be assimilated to interest, the directly linked transaction costs, and all types of premiums and discounts.

When a financial asset or group of similar financial assets has been impaired following an impairment loss, the subsequent interest income is recorded based on the effective interest rate used to discount the future cash flows when measuring the impairment loss.

Moreover, except for those related to employee benefits, the provisions recognised as balance sheet liabilities generate interest expenses that are calculated using the same interest rate used to discount the expected outflow of resources.

(In EURm)	2024			2023		
	Income	Expense	Net	Income	Expense	Net
Transactions with banks	16,501	(14,080)	2,421	14,885	(12,790)	2,095
Transactions with central banks, post office accounts and banks ⁽¹⁾	11,749	(8,836)	2,913	10,147	(8,328)	1,819
Securities sold under repurchase agreements and borrowings secured by notes and securities	4,752	(5,244)	(492)	4,738	(4,462)	276
Transactions with customers	22,500	(18,262)	4,238	20,929	(17,647)	3,282
Trade notes	17	-	17	20	-	20
Other customer loans	14,213	-	14,213	13,984	-	13,984
Overdrafts	1,969	-	1,969	1,549	-	1,549
Regulated savings accounts	-	(1,362)	(1,362)	-	(1,293)	(1,293)
Other customer deposits	-	(10,471)	(10,471)	-	(10,535)	(10,535)
Securities sold/bought under repurchase agreements and borrowings secured by notes and securities	6,301	(6,429)	(128)	5,376	(5,819)	(443)
Bonds and other debt securities	5,737	(9,280)	(3,543)	5,453	(7,416)	(1,963)
Other interest expenses and related income	2,759	(4,166)	(1,407)	2,466	(3,640)	(1,174)
TOTAL	47,497	(45,788)	1,709	43,733	(41,493)	2,240

(1) The interests on TLTRO borrowing were deducted from expenses under “transactions with central banks, post office accounts and banks”. (see Note 2.4).

The detail of other customer loans is composed of:

(In EURm)	2024	2023
Short-term loans	5,215	4,895
Export loans	525	536
Equipment loans	2,072	1,823
Housing loans	1,556	1,561
Other customer loans	4,845	5,169
TOTAL	14,213	13,984

NOTE 2.6 Impairment and provisions

NOTE 2.6.1 IMPAIRMENT AND PROVISIONS FOR CREDIT RISK

GEOPOLITICAL AND MACROECONOMIC CONTEXT

In 2024, Societe Generale revised the parameters used in the models of determination of the impairment and provisions for credit risk, based on the updated macroeconomic scenarios which take into account the recent economic developments and macroeconomic impacts related to the current geopolitical environment (see Note 1). To account for the uncertainties related to the macroeconomic and geopolitical environment, Societe Generale updated the model and post-model adjustments in 2024.

Furthermore, owing to the geopolitical context related to the war in Ukraine, all Russian counterparties have been classified as underperforming assets from the beginning of the conflict. As at 31 December 2024, they amount to EUR 0.5 billion (EUR 0.8 billion as at 31 December 2023). Additional analysis has resulted in the identification amidst this population of the outstanding loans that have to be transferred to doubtful loans (EUR 0.2 billion as at 31 December 2024). The amount of provisions and impairment for credit risk related to these loans amounts to EUR 107 million as at 31 December 2024, of which EUR 43 million on outstanding amounts transferred to doubtful loans (EUR 131 million as at 31 December 2024 including EUR 28 million related to doubtful loans).

ADJUSTMENTS SUPPLEMENTING THE APPLICATION OF MODELS

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

These adjustments allow for better anticipation of the default/recovery cycle in some sectors that are cyclical and have been subject to peaks of default in the past or are especially vulnerable to the current crises and on which the Societe Generale's exposure exceeds a threshold that is annually reviewed and set by the Risk Division.

These sectoral adjustments are examined and updated quarterly by the Risk Division and validated according to materiality thresholds by General Management. The proposals are determined based on an assessment of the sectors by the Economic and Sector Studies

Department. This assessment process takes into account the financial characteristics of the enterprises in the sector, its current circumstances and perspectives, and its exposure to climate risk (climate change-induced risks as well as exposure to physical risks).

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

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

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

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

NOTE 2.6.1.1 IMPAIRMENT FOR CREDIT RISK

ACCOUNTING PRINCIPLES

The value of impairment allowance for doubtful outstandings is equal to the difference between the gross carrying amount of the asset and the present value of the estimated future recoverable cash flows, taking into account any guarantees, discounted at the original effective interest rate. Furthermore, the amount of this impairment may not be less than the full amount of the interest not collected on the doubtful loan.

The impairment allowances, impairment reversals, losses on bad debts and recoveries of impaired debts are recognised under “Cost of risk”, along with write-backs of impairment linked to the passage of time.

When a loan is restructured, any difference between the cash flows expected to be received under the initial terms of the contract and the present value of the future flows of capital and interest expected to be received under the new terms, is discounted at the original effective interest rate. This amount is recognised under “Cost of risk” and reincorporated into net interest income over the remaining term of the loan.

Doubtful loans can be reclassified as performing loans once the proven credit risk has been definitively eliminated and regular payments have resumed according to the original terms of the contract. Similarly, the doubtful loans that have been restructured, the terms of which are respected and for which the credit risk is no longer proven, can be reclassified as performing loans, after a minimum period of one year after restructuring. Restructured loans reclassified as performing loans are subject to a two-year probationary period during which any loan will be reclassified as doubtful outstanding at the first default.

When a borrower’s solvency is such that after the loan has been classified as doubtful for a reasonable period, it is not foreseeable that it will be reclassified as a performing loan, this loan is identified as a non-performing loan. A loan is classified as non-performing once the Bank has formally demanded payment, or when the contract is terminated and in any case one year after it was classified as doubtful, except where the original terms of the contract have been respected or where the loan is covered by guarantees which ensure its recovery. Loans that have been restructured and for which the borrower has not respected the new conditions are also classified as non-performing.

<i>(In EURm)</i>	Amount as at 31.12.2023	Net cost of risk	Other income statement	Used Reversals	Change in scope and reclassifying	Amount as at 31.12.2024
Banks (See Note 2.3.1)	17	(4)	-	(2)	-	11
Customer loans (See Note 2.3.2)	2,556	530	-	(579)	29	2,536
Other (See Note 3.2.1)	96	1	-	-	63	160
TOTAL⁽¹⁾	2,669	527	-	(581)	92	2,707

(1) o/w impairment for non-performing loans: EUR 2,286 million.

NOTE 2.6.1.2 PROVISIONS FOR CREDIT RISK

ACCOUNTING PRINCIPLES

Provisions for off-balance sheet commitments (provisions for commitments by signature)

Provisions for off-balance sheet commitments represent the Societe Generale's probable losses incurred by Societe Generale following the identification of a proven credit risk on an off-balance sheet financing or guarantee commitment that would not be considered as a forward financial instrument.

Collective provisions for credit risk

Without waiting for the incurred credit risk to individually affect one or more receivables or commitments and in order to provide a better information regarding its activity, a provision is recognised by Societe Generale for the amount of credit losses that are expected to incur on performing outstandings over the next year.

12-month expected credit losses are calculated taking into consideration past data and the current situation. Accordingly, the amount of impairment equals to the present value of the expected credit losses, taking into account the probability of a default event occurring within the next 12 months and if any, the impact of collateral called up or liable to be called up.

Moreover, identification, amongst homogeneous portfolios, of a significant deterioration of the credit risk leads to the recognition of a provision for the amount of credit losses that are expected to incur on those underperforming outstandings over the life of the exposures (lifetime expected credit loss).

Lifetime expected credit losses are calculated taking into consideration past data, the present situation and reasonable forecasts of changes in economic conditions and relevant macroeconomic factors through to maturity. Accordingly, the amount of impairment is equal to the present value of the expected credit losses, taking into account the probability of a default event occurring through to maturity, and, if need be, the impact of collateral called up or liable to be called up.

Changes in collective provisions for credit risk are recorded under "Cost of risk".

Comments related to the identification of the downgrading of credit risk:

To identify the exposures covered by the collective provision for credit risk, Societe Generale determines whether or not there is a significant increase in credit risk based on the available historical and prospective information (behaviour scoring, loan to value indicators, macroeconomic scenarios, etc.).

The assessment of changes in credit risk takes account of the following criteria:

- 1st criterion: changes in the counterparty's credit rating (where it is the subject of an internal analysis) as well as the changes in its operating sector, in macroeconomic conditions and in the behaviours of the counterparty that may be a sign of deteriorating credit risk;
- 2nd criterion: changes in the default probability contract by contract, from origination date to closing date;
- 3rd criterion: the existence of amounts past due of more than 30 days.

As soon as one of these criteria is met, the relative contract is impaired as described before.

<i>(In EURm)</i>	Amount as at 31.12.2023	Net cost of risk	Change in scope and reclassifying	Amount as at 31.12.2024
Provisions for off-balance sheet commitments to banks	3	(3)	-	-
Provisions for off-balance sheet commitments to customers	140	51	-	191
Collective provisions for credit risk on performing loans	558	(63)	6	501
Collective provisions for credit risk on under performing loans	1,317	(149)	13	1,181
TOTAL	2,018	(164)	19	1,873

NOTE 2.6.1.3 COST OF RISK

ACCOUNTING PRINCIPLES

Cost of risk includes allocations, net of reversals, to provisions and to impairment for credit risk, the bad debt losses and the amount of recoveries on loans written off.

<i>(In EURm)</i>	2024	2023
Net allocations to impairment and provisions for receivable and off-balance sheet commitments	(363)	(315)
Losses not covered and amounts of recoveries on loans written off	(305)	(166)
TOTAL	(668)	(481)
<i>of which gain on revaluation of currency hedge of provisions</i>	<i>10</i>	<i>3</i>

NOTE 2.6.2 IMPAIRMENT ON SECURITIES

ACCOUNTING PRINCIPLES

Short-term investment securities**SHARES AND OTHER EQUITY SECURITIES**

At year-end, shares are valued at the lower of the book value or realisable value. For listed securities, the realisable value is defined as the most recent market price. Unrealised capital gains are not recognised in the accounts, but an impairment of portfolio securities is recorded to cover unrealised capital losses, without this impairment being offset against any unrealised capital gains.

BONDS AND OTHER DEBT SECURITIES

At year-end, book value is compared to realisable value. In the case of listed securities, the realisable value is defined as their most recent market price. Unrealised capital gains are not recognised in the accounts but an impairment of portfolio securities is recorded to cover unrealised capital losses, after consideration of any gains made on any related hedging transactions.

Allocations to and reversals of impairment for losses on short-term investment securities together with gains and losses on sales of these securities are recorded under "Net income" from short-term investment securities in the income statement.

Long-term investment securities

At year-end, no impairment is made for unrealised losses, unless there is a strong probability that the securities will be sold in the short term, or unless there is a risk that the issuer will be unable to redeem them. In case of risk on the issuer, impairment allocations and reversals are recorded under "Cost of risk".

Allocations to and reversals of impairment for losses, in case of sale, on long-term investment securities, together with gains and losses on sales of these securities, are recorded in the income statement under "Net income" from long-term investments.

Affiliates, other long-term securities and investments in related parties

At year-end, affiliates, other long-term securities and investments in related parties are valued at their value in use, namely the price the Company would accept to pay to obtain the said securities if it had to acquire them in view of its investment objective. This value is estimated on the basis of various criteria, such as shareholders' equity, profitability (based on the business plans defined by the entities), and the average share price over the last three months. Unrealised capital gains are not recognised in the accounts but an impairment on portfolio securities is recorded to cover unrealised capital losses. Allocations to and reversals of impairment as well as any capital gains or losses realised on the disposal of these securities, including any profit or loss generated when tendering these securities to public share exchange offers, are recognised under "Net income" from long-term investments.

<i>(In EURm)</i>	31.12.2024	31.12.2023
Short-term investment securities	498	507
Long-term investment securities	-	-
Affiliates and other long-term securities	71	119
Investments in related parties	3,669	3,050
TOTAL	4,238	3,676

NOTE 2.6.3 OTHER PROVISIONS

ACCOUNTING PRINCIPLES

On the liabilities side of the balance sheet, the section entitled “Provisions” comprises provisions on credit risk, on commitments related to mortgage savings accounts/plans (CEL/PEL), on forward financial instruments, on employee benefits, on tax adjustments and on risks and expenses.

(In EURm)	Amount as at 31.12.2023	Allocations	Reversals	Change in scope and reclassifying	Amount as at 31.12.2024
Provisions on credit risk (See Note 2.6.1.2)	2,018	1,066	(1,230)	19	1,873
Provision on commitments related to mortgage saving agreements (PEL/CEL) (See Note 2.6.3.1)	112	5	-	-	117
Provisions on forward financial instruments (See Note 2.6.3.2)	4,677	1,882	(1,960)	132	4,731
Provisions on employee benefits (See Note 4.2)	1,939	668	(680)	(2)	1,925
Provisions for tax adjustments (See Note 5.2)	11	17	(4)	1	25
Other provisions on risks and expenses (See Note 2.6.3.3) ⁽¹⁾	967	173	(227)	14	926
TOTAL	9,723	3,811	(4,101)	164	9,597

(1) Including provisions for legal disputes, fines, penalties and commercial disputes.

NOTE 2.6.3.1 COMMITMENTS LINKED TO MORTGAGE SAVINGS AGREEMENTS/PLANS (CEL/PEL)

ACCOUNTING PRINCIPLES

Comptes d'épargne-logement (CEL or mortgage savings accounts) and *plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers under French Law 65-554 of 10th July 1965. These saving schemes combine an initial phase when deposits are made in specific interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans to the depositors, on regulated terms and conditions, both phases being inseparable. Both the savings deposits collected and the loans granted are recognised at amortised cost.

These instruments create two types of commitments for Societe Generale: the obligation to subsequently lend to the customer at an interest rate established at the inception of the savings agreement and the obligation to remunerate customer savings for an indeterminate future period at an interest rate also established at the inception of the mortgage savings agreement.

As if it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Company: a provision is recorded on the liabilities side of the balance sheet. Any change in these provisions is recognised as net banking income under “Net interest income”. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between the different PEL generations, and for all mortgage saving accounts (CEL) which constitute a single generation.

During the deposits phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of historical observed past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable based on the amount of balance sheet deposits at the date of calculation on one side and on the historical observed past customer behaviour on the other.

A provision is recorded if the discounted value of the expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated based on the interest rates offered to individual customers for equivalent savings and loan instruments (with similar estimated life and date of inception).

OUTSTANDING DEPOSITS IN MORTGAGE SAVINGS AGREEMENTS (PEL/CEL)

(In EURm)	31.12.2024	31.12.2023
Mortgage savings plans (PEL)	12,269	14,726
Less than 4 years old	692	638
Between 4 and 10 years old	2,648	5,407
More than 10 years old	8,929	8,681
Mortgage savings accounts (CEL)	1,575	1,542
TOTAL	13,844	16,268

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO MORTGAGE SAVINGS AGREEMENTS (PEL/CEL)

(In EURm)	31.12.2024	31.12.2023
Less than 4 years old	18	3
Between 4 and 10 years old	-	-
More than 10 years old	1	3
TOTAL	19	6

PROVISIONS FOR COMMITMENTS LINKED TO MORTGAGE SAVINGS AGREEMENTS (PEL/CEL)

(In EURm)	31.12.2023	Allocations	Reversals	31.12.2024
Mortgage savings plans (PEL)	36	7	(3)	40
less than 4 years old	1	-	-	1
between 4 and 10 years old	10	-	(3)	7
more than 10 years old	25	7	-	32
Mortgage savings accounts (CEL)	76	1	-	77
TOTAL	112	8	(3)	117

The level of provisions is sensitive to the long-term interest rates. The provisions of PEL and CEL mortgage savings accounts are linked to the risks attached to the commitment to remunerate the deposits. The provisioning for PEL/CEL savings amounted to 0.8% of the total outstandings as at the 31 December 2024.

Methods used to establish the parameters for valuing provisions

The parameters used for estimating the future behaviour of customers are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these parameters can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the various market parameters used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the periods in question, in line with the Retail Banking Division's policy of interest rate risk management.

The discount rates used are derived from the zero-coupon swaps vs. Euribor yield curve on valuation date, averaged over a 12-month period.

NOTE 2.6.3.2 PROVISIONS FOR FORWARD FINANCIAL INSTRUMENTS**ACCOUNTING PRINCIPLES**

Provisions on forward financial instruments are related to the unrealised losses calculated on homogeneous sets of forward financial contracts recognised in the balance sheet as isolated open positions

They are determined as the difference between the market value estimated as at the balance sheet closing date and that determined as at the previous balance sheet closing date. They are recognised in the balance sheet as provisions for probable risks and expenses. The changes in provisions thus calculated are recorded in net income under "Net income" from the trading portfolio.

<i>(In EURm)</i>	Amount as at 31.12.2023	Net allocations	Reversals	Change in scope and reclassifying	Amount as at 31.12.2024
Provisions for forward financial instruments	4,677	1,882	(1,960)	132	4,731

NOTE 2.6.3.3 OTHER PROVISIONS FOR RISKS AND EXPENSES**ACCOUNTING PRINCIPLES**

The other provisions for risks and expenses are defined as liabilities with no precisely defined amount or due date.

They are only recorded if the Company has an obligation to a third party that will probably or necessarily lead to a transfer of funds to this third party, without compensation for at least an equivalent amount being expected from it.

Net allocations to provisions are classified by type of risk in the corresponding sections of the income statement.

Information on the nature and the amount of the risks involved is not disclosed if Societe Generale estimates that such disclosure could seriously prejudice its position in a dispute with other parties on the subject matter of the provision.

Other provisions include provisions for restructuring (except staff costs), provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

Societe Generale is subject to an extensive legal and regulatory framework in the countries where it operates. In this complex legal context, Societe Generale and some of its former and current representatives may be involved in various legal actions, including civil, administrative and criminal proceedings. The vast majority of these proceedings are part of Societe Generale's current business. In recent years, litigation with investors and the number of disputes involving financial intermediaries such as banks and investment advisors has increased, partly due to a difficult financial environment.

It is by nature difficult to foresee the outcome of disputes, regulatory proceedings and acts involving Societe Generale entities, particularly if they are initiated by various categories of complainants, if the amount of claims for damages is not specified or is indeterminate or if the proceedings have no precedent.

In preparing its financial statements, Societe Generale assesses the consequences of the legal, regulatory or arbitration proceedings in which it is involved. A provision is booked when losses from these proceedings become probable and the amount can be estimated reliably.

To assess the probability of losses and the amount of these losses, and thus to determine the amount of provisions to book, estimations are important. Management makes these estimates by exercising its judgement and taking into account all information available when financial statements are prepared. In particular, Societe Generale takes into account the nature of the dispute, the underlying facts, ongoing proceedings and court rulings already handed down, as well as its experience and the experiences of other companies dealing with similar cases (assuming that Societe Generale has knowledge thereof) and, where appropriate, the opinion and reports of experts and independent legal advisers.

Each quarter, Societe Generale carries out a detailed examination of pending disputes that present a significant risk. These disputes are described in the Note 8 "Information on risks and litigation".

NOTE 3 OTHER ACTIVITIES

NOTE 3.1 Net fees for services

ACCOUNTING PRINCIPLES

Societe Generale recognises fee income and expense for services provided and received in different ways depending on the type of service.

Fees for ongoing services, such as some payment services, custody fees, or web-service subscriptions are recorded as income over the lifetime of the service. Fees for one-off services, such as fees on movements of fund, finder's fees received, arbitrage fees, or non-payment penalties are fully recognised in income when the service is provided.

In syndication deals, the effective interest rate for the portion of the funding retained on the asset side of the Societe Generale balance sheet is comparable to that applying to the other members of the syndicate including, when needed, a share of the underwriting fees and participation fees; the balance of these fees is recorded in the income statement at the end of the syndication period. Arrangement fees are recorded in income when the placement is legally complete.

(In EURm)	2024			2023		
	Income	Expense	Net	Income	Expense	Net
Transactions with banks	110	(51)	59	98	(44)	54
Transactions with customers	2,045	(45)	2,000	1,910	(40)	1,870
Securities transactions	406	(963)	(557)	616	(1,120)	(504)
Primary market transactions	529	-	529	417	-	417
Foreign exchange transactions and forward financial instruments	695	(732)	(37)	498	(578)	(80)
Loan and guarantee commitments	1,025	(509)	516	980	(526)	454
Services	2,286	-	2,286	2,126	-	2,126
Other	-	(485)	(485)	-	(385)	(385)
TOTAL	7,096	(2,785)	4,311	6,645	(2,693)	3,952

NOTE 3.2 Accruals, other assets and liabilities

NOTE 3.2.1 ACCRUALS, OTHER ACCOUNTS RECEIVABLES AND OTHER ASSETS

(In EURm)	31.12.2024	31.12.2023
Other assets	104,043	110,357
Guarantee deposits paid ⁽¹⁾	42,017	49,848
Miscellaneous receivables	3,381	3,207
Premiums on options purchased	55,751	56,144
Settlement accounts on securities transactions	2,752	1,042
Other	142	116
Accruals and similar	50,472	48,485
Prepaid expenses	527	515
Deferred taxes	3,044	3,081
Accrued income	3,428	3,064
Others ⁽²⁾⁽³⁾	43,473	41,825
Accruals, other accounts receivables and other assets before impairment	154,515	158,842
Impairment	(160)	(95)
TOTAL	154,355	158,747

(1) Mainly relates to guarantee deposits paid on financial instruments.

(2) Including derivative instruments valuation for EUR 33,833 million as at 31 December 2024 (EUR 32,832 million as at 31 December 2023).

(3) As at 31 December 2024, the translation adjustments of the branches amounted EUR 6,210 million against EUR 6, 176 million as at 31 December 2023.

NOTE 3.2.2 ACCRUALS, OTHER ACCOUNTS PAYABLES AND OTHER LIABILITIES

<i>(In EURm)</i>	31.12.2024	31.12.2023
Securities transactions	78,385	83,533
Amounts payable for borrowed securities	15,857	15,202
Other amounts due for securities	62,528	68,331
Other liabilities	111,925	106,412
Guarantee deposits received ⁽¹⁾	40,689	38,608
Miscellaneous payables	1,656	1,415
Premiums on options sold	66,821	64,872
Settlement accounts on securities transactions	2,436	1,344
Other securities transactions	168	-
Related payables	155	173
Accruals and similar	28,982	36,668
Accrued expenses	5,231	5,310
Deferred taxes	4	26
Deferred income	1,754	2,395
Other ⁽²⁾⁽³⁾	21,993	28,937
TOTAL	219,292	226,613

(1) Mainly relates to guarantee deposits received on financial instruments.

(2) Including derivative instruments valuation for EUR 12,520 million as at 31 December 2024 (EUR 14,248 million as at 31 December 2023).

(3) As at 31 December 2024, the translation adjustments of the branches amounted EUR 5,880 million against EUR 5,858 million as at 31 December 2023.

BREAKDOWN OF AMOUNTS PAYABLE FOR BORROWED SECURITIES

<i>(In EURm)</i>	31.12.2024	31.12.2023
GROSS BOOK VALUE OF AMOUNTS PAYABLE FOR BORROWED SECURITIES	226,535	188,790
Borrowed securities from trading securities deducted from related payables⁽¹⁾	210,678	173,588
Treasury notes and similar securities	132,926	120,752
Shares and other equity securities	51,814	39,116
Bonds and other debt securities	25,938	13,720
NET TOTAL	15,857	15,202

(1) Including related securities for EUR 39,638 million as at 31 December 2024 (EUR 31,465 million as at 31 December 2023).

NOTE 4 EXPENSES AND EMPLOYEE BENEFITS

NOTE 4.1 Personnel expenses and remuneration of members of the Board of Directors and Chief Executive Officers

ACCOUNTING PRINCIPLES

The Personnel expenses include all expenses related to the staff, notably the cost of the legal employee profit-sharing as well as the cost of internal restructuring plans.

Short-term employee benefits are recorded under "Personnel expenses" during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and other long-term benefits are described in Note 4.2; those related to share-based payments are described in Note 4.3.

NOTE 4.1.1 PERSONNEL EXPENSES

<i>(In EURm)</i>	2024	2023
Employee compensation	4,310	4,020
Social security benefits and payroll taxes	1,870	1,772
Employer contribution, profit sharing and incentives	260	227
TOTAL	6,440	6,019
Average staff	48,130	49,592
In France	44,037	45,302
Outside France	4,093	4,290

Law No. 2024-364 of 22 April 2024 provides a legal framework for employees' rights to paid sick leave and applies retroactively from 1 December 2009. The provision of EUR 12 million that had been recorded as at 31 December 2023 following the decisions of the Court of Cassation has been adjusted to EUR 18.6 million in 2024.

REORGANISATION OF THE HEADQUARTERS OF SOCIETE GENERALE IN FRANCE

On 5 February 2024, Societe Generale announced a reorganisation within its headquarters in France in order to simplify its operations and structurally improve its operational efficiency.

The objective is to consolidate and pool certain activities and functions, to eliminate hierarchical layers to streamline decision-making processes and to resize certain teams due to the review of projects or processes.

The implementation of these organisational changes results in approximately 900 job cuts without forced redundancies (*i.e.* approximately 5% of the headquarters workforce).

The cost of the social support measures implemented as part of this reorganisation amounts to approximately EUR 0.3 billion.

Analysis of employer contribution, profit sharing and incentives for the last five years:

<i>(In EURm)</i>	2024	2023	2022	2021	2020
Societe Generale	258	225	220	219	71
Profit sharing	-	4	12	15	6
Incentives	188	146	144	163	22
Employer contribution	70	75	64	41	43
Subsidiaries	2	2	2	-	-
TOTAL	260	227	222	219	71

NOTE 4.1.2 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS

Total attendance fees paid in 2024 to the Company's directors amounted to EUR 1.8 million. The remuneration paid in 2024 to the senior management (Chairman of the Board, the Chief Executive Officer and his Deputies) amounted to EUR 9.1 million (including

EUR 2.8 million of variable pay paid in cash or in shares for 2018, 2019, 2020, 2021, 2022 and 2023 fiscal years and EUR 86 thousand of long term incentives paid in shares for 2019 fiscal year).

NOTE 4.2 Employee benefits**ACCOUNTING PRINCIPLES**

Employee benefits are divided into four categories:

- short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled within twelve months of the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing;
- post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- other long-term employee benefits are employee benefits that are not expected to be fully settled within twelve months, such as deferred variable compensation paid in cash and not indexed, long service awards and time saving accounts;
- termination benefits.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

<i>(In EURm)</i>	Amount at 31 December 2023	Net allowances	Used Reversals	Change at scope	Amount at 31 December 2024
Post-employment benefits	908	(12)	(61)	-	835
Other long-term benefits	855	88	(86)	(2)	855
Termination benefits	176	351	(292)	-	235
TOTAL	1,939	427	(439)	(2)	1,925

ACCOUNTING PRINCIPLES

Pension plans may be defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans limit the liability of Societe Generale to contributions paid into the plan but do not commit the Bank to a specific level of future benefits. The contributions paid are recorded as an expense for the current year.

Defined benefit plans

Defined benefit plans commit Societe Generale, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the medium- or long-term risk. The present value of defined benefit obligations is valued by independent qualified actuaries.

Provisions are recognised on the liability side of the balance sheet under "Provisions" to cover all of these retirement obligations. They are regularly assessed by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

Societe Generale can choose to finance defined benefit plans by assets held in a long-term employee benefit fund or by qualifying insurance policies.

Funding assets are classified as plan assets if these assets are held by an entity (a fund) that is legally separate from the reporting entity and are only intended to pay employee benefits.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the benefit obligations.

When these plans are financed from funds not classified as plan assets, these funds, classified as separate assets, are displayed separately on the asset side of the balance sheet.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance (return on plan assets) are recognised as actuarial gains or losses. They are recorded immediately and in full in the income statement.

Where a new or amended plan comes into force the cost of past services is recorded immediately and in full in the income statement.

An annual expense is recorded under “Personnel expenses” for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost);
- the financial expense resulting from the discount rate;
- the expected return on plan assets (gross return);
- the actuarial gains and losses and past service cost;
- the settlement or curtailment of plans.

Other long-term benefits

Other long-term employee benefits are those that are payable to employees for services rendered during their employment, but which are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Other long-term benefits are measured in the same way as post-employment benefits.

NOTE 4.2.1 DEFINED CONTRIBUTION PLANS

Main defined contribution plans provided to employees of Societe Generale are located in France. They include state pension plans and other national pension plans such as AGIRC-ARRCO, as well as pension

schemes put in place by some branches of Societe Generale for which the only commitment is to pay annual contributions (PERCO).

NOTE 4.2.2 POST-EMPLOYMENT BENEFIT PLANS (DEFINED BENEFIT PLANS)

Pension plans include pension benefit as annuities and end of career payments. Pension benefit annuities are paid in addition to pensions state plans.

In France, since 4 July 2019, date of publication of the ordinance ending the so-called “random rights” defined benefit pension plans in application of the Loi Pacte, the supplementary pension plan for executive managers, set up in 1991, is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

<i>(In EURm)</i>	31.12.2024	31.12.2023
A – Present value of defined benefit obligations	1,650	1,796
B – Fair value of plan assets	874	924
C – Fair value of separate assets	1,081	1,076
D – Change in assets ceiling	0	0
E – Unrecognised items	-	-
A - B - C + D - E = Net balance	(305)	(204)
On the liabilities side of the balance sheet	829	907
On the asset side of the balance sheet ⁽¹⁾	(1,134)	(1,111)

(1) This item includes excess in plan assets for EUR 53 million and separate assets for EUR 1,081 million as at 31 December 2024 against EUR 35 million and EUR 1,076 million as at 31 December 2023.

NOTE 4.2.3 INFORMATION REGARDING PLAN ASSETS

Funding assets include plan assets and separate assets.

The breakdown of the fair value of plan assets is as follows: 78% bonds, 9% equities and 13% other investments. Societe Generale's own financial instruments directly held are not significant.

Excess funding assets amounted to EUR 421 million.

Employer contributions to be paid to post-employment defined benefit plans for 2025 are estimated at EUR 3.5 million.

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

<i>(In %)</i>	31.12.2024	31.12.2023
Discount rate		
France	3.27%	3.15%
United Kingdom	5.73%	4.52%
Other	4.10%	3.85%
Long-term inflation		
France	1.95%	2.20%
United Kingdom	2.99%	3.10%
Other	1.69%	2.02%
Future salary increase net of inflation		
France	1.93%	1.93%
United Kingdom	N/A	N/A
Other	0.55%	1.15%
Average remaining working lifetime of employees <i>(in years)</i>		
France	7.04	7.26
United Kingdom	2.02	2.36
Other	6.92	7.51
Duration <i>(in years)</i>		
France	11.24	11.64
United Kingdom	10.77	12.11
Other	11.58	12.58

The assumptions by geographical area are averages weighted by the present value of the Defined Benefit Obligation (DBO) with the exception of the expected returns on plan assets, which are averages weighted by the fair value of assets.

The yield curves used to discount the liabilities are corporate AA yield curves (source: Merrill Lynch) observed in the end of October for USD, GBP and EUR, and corrected at the end of December if the variation in discount rates had a significant impact.

Inflation rates used for EUR and GBP monetary areas are market rates observed in the end of October and corrected at the end of December if the variation had a significant impact. Inflation rates used for the other monetary areas are the long-term targets of the central banks.

The average remaining working lifetime of employees is calculated taking into account turnover assumptions.

The assumptions described above have been applied to post-employment benefit plans.

NOTE 4.3 Free share plans**ACCOUNTING PRINCIPLES**

In the case of share purchase options and free shares plans granted to employees without issuance of new shares, a provision must be recorded for the loss that the entity expects to incur when it delivers treasury shares to the employees.

This provision is recorded under “Personnel expenses” for an amount equal to the difference:

- between the closing market price of the treasury shares and the exercise price (zero in the case of free shares) if the entity has not already purchased its treasury shares in order to give them to the employees;
- between the acquisition cost of the treasury shares already held and the exercise price (zero in the case of free shares) if the entity has already purchased the treasury shares in order to be allocated to employees.

If vesting conditions such as service or performance conditions must be satisfied for Societe Generale employees to become entitled to shares, the expense shall be accounted for the services as they are rendered by the employees during the vesting period.

In the case of stock option plans, no expense shall be recorded for the treasury shares to be issued.

NOTE 4.3.1 MAIN TERMS OF THE FREE SHARE PLANS OF THE YEAR

The plans for employees for the year ended 31 December 2024 are briefly described below:

Issuer	Societe Generale
Year of grant	2024
Type of plan	Performance shares
Number of free shares granted	3,433,480
Shares delivered	
Shares forfeited as at 31.12.2024	25,105
Shares outstanding as at 31.12.2024	3,408,375
Number of shares reserved as at 31.12.2024	3,408,375

There are presence conditions for each plan, and the performance conditions are described in the “Corporate Governance” section of the Universal Registration Document.

NOTE 4.3.2 AMOUNT OF THE DEBT RECORDED IN THE BALANCE SHEET AND THE EXPENSE OF THE YEAR

The amount of the debt recorded in the balance sheet for on-going plans is EUR 160 million as at 31 December 2024, and yearly expense is EUR 54 million.

NOTE 4.3.3 INFORMATION RELATED TO TREASURY SHARES FOR 2024 PLANS

Plans 2024 were partially covered during the year. At the end of December 2024, 425,774 treasury shares were acquired out of a total of 3,967,657 treasury shares.

NOTE 5 TAXES

ACCOUNTING PRINCIPLES

Current taxes

In the financial year 1989, Societe Generale opted to apply a tax consolidation regime. As at 31 December 2024, 181 subsidiaries had signed a tax consolidation agreement with Societe Generale.

Each of the integrated companies shall record in its accounts the tax debt to Societe Generale, determined in accordance with the application of the tax consolidation agreement.

Deferred taxes

Societe Generale applies the option allowing it to recognise deferred taxes in its annual financial statements.

Deferred taxes are recognised whenever Societe Generale identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities. They are calculated using the liability method, whereby the deferred taxes from previous years are adjusted to account for a change in tax rates. The impact of such change is recorded in the income statement under deferred taxes. Net deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set timeframe.

Deferred taxes are determined separately for each taxable entity (parent company and foreign branches) and are never discounted to present value.

NOTE 5.1 Income tax

(In EURm)

	2024	2023
Current taxes ⁽¹⁾	(27)	(60)
Deferred taxes	(33)	13
TOTAL	(60)	(47)

(1) Including EUR 2.4 million recognised for Pillar 2 additional tax estimated as at 31 December 2024.

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter is set to 25% (article 219 I of the French Tax Code) plus the existing national contribution (CSB) of 3.3% (article 235 ter ZC of French Tax Code), *i.e.*, a compound tax rate of 25,83%.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount in a net long term capital gains situation (article 219 I a *quinquies* of the French Tax Code).

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to the taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate (article 216 of the French Tax Code).

"PILLAR 2": TAX REFORM - GLOBAL MINIMUM CORPORATE TAX RATE ("GLOBE" RULES)

In October 2021, 137 of the 140 jurisdictions of the OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) committed to the principle of establishing a global minimum corporate income tax rate of 15% on the profits by country of multinational groups with annual revenues exceeding EUR 750 million. A model of rules referred to as "Pillar 2", published by the OECD on 20 December 2021, specifies the mechanism which applies in particular in Europe and in France since the adoption of European Council Directive (EU) 2022/2523 and its transposition into French law by Article 4 of the French Finance act for 2024.

From 1 January 2024 on, the minimum level of tax will take the form of an additional "top-up" tax determined according to rules compliant with the directive. Transitional Safe Harbour set out by the OECD for the first three fiscal years are also included in the law.

These rules apply to Societe Generale, which will be liable for the top-up tax that may be due from 1 January 2024:

- in France as the parent-company of entities that operate in jurisdictions with no national top-up tax and would be liable to a tax rate below the minimum rate of 15%;
- through its office branches, which may bear an additional tax burden if their jurisdiction has imposed it.

Based on the 2024 prospective data, the estimated Pillar 2 effective tax rates exceed 15% in most jurisdictions in which Societe Generale or its entities operate. However, there is a limited number of jurisdictions in which a top-up tax would have to be paid by Societe Generale in France or by its office branches abroad. As at 31 December 2024, Societe Generale recognised a tax expense estimated at a EUR 2.4 million.

On 7 July 2023, the French Accounting Standards Board (*Autorité des Normes Comptables*, ANC), published Regulation No. 2023-02, approved by decree on 26 December 2023, amending ANC Regulation No. 2020-01 of 6 March 2020 relating to consolidated financial statements. This regulation which introduces an exemption from recognition of the deferred tax assets and liabilities related to the application of the OECD Pillar 2 rules is applied by Societe Generale for the preparation of its statutory statements since 31 December 2023.

NOTE 5.2 Provisions for tax adjustments**ACCOUNTING PRINCIPLES**

Provisions for tax adjustment represent liabilities whose timing or amount cannot be determined precisely.

Provisions may be recorded only:

- when, by virtue of an obligation related to the corporate income tax toward a tax authority, Societe Generale will probably or certainly incur an outflow of resources to this third-party without receiving at least the equivalent value in exchange;
- and when the amount of probable outflow of resources can be reliably estimated.

The expected outflows are then discounted to present value to determine the amount of the provision, when this discounting has a significant impact. Charge to and reversals of provisions for tax adjustments are booked to current taxes in the income statement "Tax expenses/income".

Information on the nature and the amount of the associated risks is not disclosed when Societe Generale considers that such disclosure could seriously undermine its position in a dispute with other parties on the subject matter of the provision.

<i>(In EURm)</i>	Amount as at 31.12.2023	Net allocations	Used reversals	Change in scope and reclassifying	Amount as at 31.12.2024
PROVISIONS FOR TAX ADJUSTMENTS	11	13	-	1	25

NOTE 5.3 Deferred tax assets

<i>(In EURm)</i>	31.12.2024	31.12.2023
Tax loss carryforwards	1,715	1,676
Gains on sales of assets to companies included in the tax consolidation, in France	(83)	(83)
Other (primarily relating to other reserves)	1,408	1,487
TOTAL	3,040	3,080

Societe Generale performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity (or tax group) concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario sg central) over five years (from 2025 to 2029) extrapolated to 2030, which corresponds to a "normative" year.

These budgets take into account the impact of commitments to energy and environmental transition. The central scenario is based on the assumption that governments and businesses meet their announced political commitments in line with a scenario of below 2°C, but below Net Zero emissions by 2050 (1.5°C). The scenario does not assume strong public resistance and envision that public policies will prioritize efficient green investments, with private sector financing playing a key role. This implies major sectoral transformations, with some sectors experiencing a drop in demand.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the entity's tax expertise. An extrapolation of the tax result is performed from 2030 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

On principle, the appreciation of the selected macroeconomic factors and the internal estimates used to determine the tax results involve risks and uncertainties about their materialization over the estimated timeframe for the absorption of the losses. These risks and uncertainties are in particular related to possible changes in applicable tax rules (computation of the tax result, as well as allocation rules for tax loss carry-forwards) or materialization of the assumptions selected. These uncertainties are mitigated by robustness checks of the budgetary and strategic assumptions.

As at 31 December 2024, the updated projections confirm the probability that Societe Generale will be able to offset the tax losses subject to deferred tax assets against future profits.

NOTE 5.4 Deferred tax assets recognised on tax loss carry-forwards and deferred tax assets not recognised

As at 31 December 2024, based on the tax system of each franchise and a realistic projection of their tax income, the projected period for deferred tax asset recovery is indicated in the table below:

(In EURm)	31.12.2024	Statutory time limit on carryforwards	Expected recovery period
Total deferred tax assets relating to tax loss carryforwards	1,715	0	0
o.w. French tax group	1,629	unlimited ⁽¹⁾	7 years
o.w. US tax group	81	20 years ⁽²⁾	5 years
others	5	0	0

(1) In accordance with the 2013 Finance Law, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

(2) Tax losses generated before December 2011.

As at 31 December 2024, deferred tax assets and liabilities not recognised on the asset side of the balance sheet concerned in particular:

(In EURm)	31.12.2024	31.12.2023
French tax group	930	930
Franchises in the United States of America	238	223
SG Singapore	83	80

The unrecognised deferred tax assets of US tax groups increased by EUR 15 million due to the associated exchange rate effect.

With regard to the tax treatment of the loss caused by the actions of Jérôme Kerviel, Societe Generale considers that the judgment of the Versailles Court of Appeal of 23 September 2016 does not call into question its validity in light of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'État*) and its established case law which was recently confirmed again in this regard. Consequently, Societe Generale considers that the related tax loss remains recoverable against the future taxable income (see Note 8).

NOTE 6 SHAREHOLDER'S EQUITY

NOTE 6.1 Changes in shareholder's equity

(In EURm)	Capital Stock	Additional paid-in-capital	Legal reserve	Retained earnings			Net income of the period	Shareholder's equity
				Special reserves	Other reserves	Retained earnings		
As at 31 December 2022	1,062	21,330	105	2,097	1,435	10,323	(260)	36,092
2022 - Income Allocation	-	-	-	-	-	(260)	260	-
Increase/Decrease in capital stock	(58)	(1,069)	(6)	-	-	-	-	(1,133)
Net income of the period	-	-	-	-	-	-	3,350	3,350
Dividends paid	-	-	-	-	-	(1,363)	-	(1,363)
Other movements	-	(1)	-	1	-	(1)	-	(1)
As at 31 December 2023	1,004	20,260	99	2,098	1,435	8,699	3,350	36,945
2023 - Income Allocation	-	-	2	-	-	3,348	(3,350)	-
Increase/Decrease in capital stock	(4)	(87)	(2)	-	-	-	-	(93)
Net income of the period	-	-	-	-	-	-	2,012	2,012
Dividends paid	-	-	-	-	-	(719)	-	(719)
Other movements	-	-	-	-	(1)	-	-	(1)
As at 31 December 2024	1,000	20,173	99	2,098	1,434	11,328	2,012	38,144

During the second semester of 2024 Societe Generale proceeded:

- a capital increase reserved for employees of EUR 11 million, with a EUR 176 million issuing premium;
- a capital reduction of EUR 15 million by cancelling 11,718,771 shares, with an impact on the issue premium of EUR 263 million and on the legal reserve of EUR 1 million;
- the recognition in profit of the legal revaluation reserve of SG Marocaine de Banques allocated in 1976, for an amount of EUR 1 million.

As at 31 December 2024, Societe Generale's fully paid-up capital amounts to EUR 1,000,395,971.25 and comprises 800,316,777 shares with a nominal value of EUR 1.25.

The dividends distribution performed by Societe Generale in 2024 amounted to EUR 719 million after elimination of treasury stock dividend for EUR 3 million.

NOTE 6.2 Proposed distribution of income

At the Annual General Meeting of 20 May 2025, the Board of Directors will propose an allocation of income for the year ended 31 December 2024 and dividend distribution under the following terms:

(In EURm)	2024
Net income	2,012
Unappropriated retained earnings	11,328
TOTAL INCOME TO BE APPROPRIATED	13,340
DIVIDEND	872
Retained earnings	12,468
TOTAL APPROPRIATED INCOME	13,340

The dividend corresponds to EUR 1.09 per share with a par value of EUR 1.25.

The amount of dividend of EUR 872 million to be paid to shareholders is calculated on the basis of an existing number of shares as at 31 December 2024.

NOTE 6.3 Net earnings per share

<i>(In EURm)</i>	31.12.2024	31.12.2023
Net income attributable to ordinary shareholders	2,012	3,350
Weighted average number of ordinary shares outstanding	795,168,649	799,315,070
Earnings per ordinary share <i>(in EUR)</i>	2.53	4.19
Average number of ordinary shares used in the dilution calculation ⁽¹⁾	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	795,168,649	799,315,070
Diluted earnings per ordinary share <i>(in EUR)</i>	2.53	4.19

(1) The number of shares used in the dilution calculation is computed using the "share buy-back" method and takes into account free shares issues and stock-option plans.

NOTE 6.4 Subordinated debt**ACCOUNTING PRINCIPLES**

This item includes borrowings, whether or not in the form of securitized debt, with fixed-term or undetermined duration, which in the event of liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

Any accrued interest payable in respect of subordinated debt is recorded as related payables and as an expense in the income statement.

<i>(In million)</i>				31.12.2024	31.12.2023
Issuance date	Currency	Amount issued	Maturity date		
Undated deeply subordinated capital notes					
29 September 2015	USD	1250	Undetermined duration	1,203	1,131
6 April 2018	USD	1250	Undetermined duration	1,203	1,131
16 April 2019	SGD	750	Undetermined duration	-	514
12 September 2019	AUD	750	Undetermined duration	-	430
18 November 2020	USD	1500	Undetermined duration	1,444	1,358
26 May 2021	USD	1000	Undetermined duration	963	905
15 July 2022	SGD	200	Undetermined duration	141	137
22 November 2022	USD	1500	Undetermined duration	1,444	1,358
18 January 2023	EUR	200	Undetermined duration	1,000	1,000
14 November 2023	USD	1250	Undetermined duration	1,203	1,131
25 March 2024	USD	1000	Undetermined duration	963	-
21 November 2024	USD	1000	Undetermined duration	963	-
SUB-TOTAL				10,527	9,095
Subordinated long-term debts and notes					
21 July 2000	EUR	78	31 July 2030	4	5
16 August 2005	EUR	226	18 August 2025	216	216
17 January 2014	USD	1000	6 April 2023	-	905
27 February 2015	EUR	1250	15 April 2023	1,250	1250
14 April 2015	USD	1500	6 April 2023	1,444	1358
15 April 2015	EUR	150	6 April 2023	150	150
10 June 2015	AUD	50	6 April 2023	30	31
12 June 2015	JPY	27800	6 April 2023	170	178
12 June 2015	JPY	2500	15 April 2023	15	16
22 July 2015	USD	50	12 June 2023	48	45

(In million)

Issuance date	Currency	Amount issued	Maturity date	31.12.2024	31.12.2023
30 september 2015	JPY	20000	30 June 2023	123	128
21 October 2015	EUR	70	7 June 2023	70	70
24 November 2015	USD	1000	17 January 2024	963	905
24 November 2015	USD	500	23 February 2028	481	452
3 June 2016	JPY	15000	27 February 2025	92	96
27 June 2016	USD	500	14 April 2025	481	452
19 August 2016	USD	1000	7 April 2026	963	905
13 October 2016	AUD	150	10 June 2025	89	92
16 December 2016	JPY	10000	12 June 2025	61	64
24 January 2017	AUD	200	12 June 2025	-	123
19 May 2017	AUD	500	23 July 2035	388	400
18 April 2019	AUD	300	30 September 2025	179	184
8 July 2020	USD	500	21 October 2026	481	452
24 November 2020	EUR	1000	21 October 2026	1,000	1000
1 mars 2021	USD	1000	24 November 2045	963	905
1 April 2021	EUR	1000	03 June 2026	1,000	1000
30 June 2021	JPY	7000	27 June 2036	43	45
19 July 2021	JPY	7000	20 July 2028	43	45
9 December 2021	AUD	80	19 August 2026	48	49
19 January 2022	USD	750	13 October 2026	722	679
15 June 2022	USD	1250	16 December 2026	1,203	1131
5 September 2022	EUR	500	24 January 2029	500	500
20 October 2022	JPY	10000	19 May 2027	61	64
10 January 2023	USD	1000	7 March 2028	963	905
2 June 2023	EUR	1000	13 April 2028	1,000	1000
19 October 2023	JPY	5100	17 April 2028	31	34
19 January 2024	USD	1250	24 October 2028	1,203	0
SUB-TOTAL⁽¹⁾				16,478	15,834
Related payables				403	361
TOTAL⁽¹⁾				27,408	25,290

(1) The Bank's global subordinated debt expense, net of tax and of the repurchase impact, amounted to EUR 1,411 million in 2024 (compared with EUR 1,441 million in 2023).

Societe Generale is entitled to cancel the remuneration of the perpetual subordinated debt issued.

As a general rule, subordinated debt may include an early repayment clause at the option of Societe Generale, which may take place no earlier than in its fifth year.

NOTE 7 OTHER INFORMATION

NOTE 7.1 Geographical breakdown of net banking income⁽¹⁾

(In EURm)	France		Europe		Americas	
	2024	2023	2024	2023	2024	2023
Net interest and similar income ⁽²⁾	4,688	4,975	448	294	236	463
Net fee income	3,734	3,407	311	293	168	146
Net income from financial transactions	2,700	1,543	1,027	1,120	175	(120)
Other net operating income	(617)	(402)	33	74	-	(2)
NET BANKING INCOME	10,505	9,523	1,819	1,781	579	487

(In EURm)	Asia/Oceania		Total	
	2024	2023	2024	2023
Net interest and similar income ⁽²⁾	(436)	65	4,936	5,797
Net fee income	99	106	4,312	3,952
Net income from financial transactions	920	428	4,822	2,971
Other net operating income	1	2	(583)	(328)
NET BANKING INCOME	584	601	13,487	12,392

(1) Geographical regions in which companies recording income is located.

(2) Including dividend income and net income from lease financing and similar agreements.

NOTE 7.2 Tangible and intangible fixed assets

ACCOUNTING PRINCIPLES

Tangible or intangible fixed assets include operating premises, investment property, software, etc.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortisation and impairment. The purchase price of fixed assets includes borrowing costs incurred to fund a lengthy construction period, along with all other directly attributable expenses. Software created in-house is recognised for its direct cost of development, that includes external expenditure on hardware and services and personnel costs directly attributable to the production and the preparation of the asset for use.

As soon as they are ready for use, tangible assets are depreciated using a component-based approach. Each component is depreciated over its own useful life.

For operating premises and investment property, the depreciation periods of the different components are between 10 to 50 years.

Infrastructures	Major structures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Technical installations	Elevators	
	Electrical installations	
	Electrical generators	
	Air conditioning, extractors	10-30 years
	Technical wiring	
	Securities and surveillance installations	
Fixtures and fittings	Plumbing	
	Fire and safety equipment	
	Finishing, surroundings	10 years

For the other fixed assets, depreciation periods have been defined based on the useful life of the assets considered which is generally estimated between 3 to 20 years.

Plant and equipment	5 years
Transport	4 years
Furniture	10-20 years
Office equipment	5-10 years
IT equipment	3-5 years
Software, developed or acquired	3-8 years
Concessions, patents, licences, etc.	5-20 years

If any, the depreciable value of each asset or component is reduced for its residual value. In the event of a subsequent decrease or increase of the residual value initially retained, the adjustment of the depreciable base shall affect the depreciation or amortisation plan of the asset prospectively.

Depreciation or amortisation allowances are recognised in the income statement under “Impairment, amortisation and depreciation”.

If there is an indication of loss of value, a test is carried out to verify whether the book value of the asset is higher than its current value (higher between the market value and the use value). Otherwise, an impairment is recognised under “Depreciation, amortization and impairment”.

Gains or losses on disposal of operating assets are recorded in Net gains or losses on other assets.

NOTE 7.2.1 CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

(In EURm)	31.12.2023	Acquisition/ Allocations	Disposals/ Reversals	Scope variation and other movements	31.12.2024
Intangible assets					
Gross book value	6,212	331	(151)	6	6,398
Impairment and amortisation	(3,898)	(323)	130	(8)	(4,099)
Tangible operating assets					
Gross book value	4,507	193	(604)	37	4,133
Impairment and depreciation	(3,263)	(258)	597	(17)	(2,941)
Tangible non-operating assets					
Gross book value	17	-	-	-	17
Impairment and depreciation	(13)	-	-	-	(13)
TOTAL	3,562	(57)	(28)	18	3,495

The application of **ANC Regulation N° 2023-05** on the accounting treatment of IT solutions applicable to financial years starting on 1st January 2024, has no impact on Societe Generale's annual financial statements.

NOTE 7.2.2 NET INCOME FROM FIXED ASSETS**ACCOUNTING PRINCIPLES**

The Net income from fixed assets items cover the capital gains or losses realized on disposals, as well as the net allocation to impairment of operating fixed assets. Income from non-operating assets is recorded under net banking income.

<i>(In EURm)</i>	31.12.2024	31.12.2023
Operating fixed assets:		
Gains on sale	11	4
Losses on sale	(7)	(2)
TOTAL	4	2

NOTE 7.3 Breakdown of assets and liabilities by term of maturity

<i>(In EURm)</i>	Outstanding as at 31 December 2024					
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Intercompany eliminations: Societe Generale Paris/branches	Total
Assets	428,210	164,204	315,519	166,449	(232,064)	842,318
Due from banks	244,018	61,027	109,031	23,823	(232,043)	205,856
Customer loans	165,254	65,825	191,286	96,374	(21)	518,718
Bonds and other debt securities:	18,938	37,352	15,202	46,252	-	117,744
<i>Trading securities</i>	14,137	24,460	620	-	-	39,217
<i>Short-term investment securities</i>	4,591	11,565	95	49	-	16,300
<i>Long-term investment securities</i>	210	1,327	14,487	46,203	-	62,227
Liabilities	762,141	137,884	271,217	129,427	(232,059)	1,068,610
Due to banks	266,423	59,194	167,681	64,381	(231,835)	325,844
Customer deposits	471,722	50,152	43,825	26,781	(225)	592,255
Liabilities in the form of securities issued	23,996	28,538	59,711	38,265	1	150,511

NOTE 7.4 Transactions in foreign currencies**ACCOUNTING PRINCIPLES**

Gains and losses arising from ordinary activities in foreign currencies are recognised in the income statement. Outright forward foreign exchange transactions and those used to hedge other forward foreign exchange transactions are valued on the basis of the forward foreign exchange rate of the relevant currency for the remaining maturity. Spot and other forward foreign exchange positions are revalued on a monthly basis using official month-end spot rates. Unrealised gains and losses are recognised in the income statement. Premiums and discounts resulting from hedged forward foreign exchange transactions are amortised to the income statement on a straight-line basis over the remaining maturity of these transactions.

	31.12.2024				31.12.2023			
	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered
<i>(In EURm)</i>								
EUR	570,681	566,801	402,159	389,065	669,433	672,297	409,749	412,511
USD	574,504	579,631	1,087,128	1,080,496	487,942	486,300	877,179	843,198
GBP	75,540	75,179	179,905	169,321	56,194	55,818	154,087	147,493
JPY	67,025	66,695	163,981	189,958	80,104	79,589	112,298	143,530
Other currencies	86,543	85,987	668,901	668,318	95,714	95,383	511,992	529,395
TOTAL	1,374,293	1,374,293	2,502,074	2,497,158	1,389,387	1,389,387	2,065,305	2,076,127

NOTE 7.5 Establishments in non-cooperative states or territories

Since 2013, Societe Generale has defined strict internal rules to prevent developing any establishment in an extended list of countries that could become non cooperative states or territories or generate a reputational risk. Any establishment or development of new activities as part of existing operations, may only be authorized by decision of the General Management after approval by the Corporate Secretariat and the Compliance and Risk divisions.

Since 2010, Societe Generale has decided to close (and has therefore taken the necessary steps to do so) all the Societe Generale's operations in countries and territories deemed non-cooperative by France that do not meet the criteria of the strict policy regarding tax havens established in the tax Code of Conduct. The list was updated by the Ministerial order of 16 February 2024 (published on 17 February 2024).

As of 31 December 2024, Societe Generale did not directly or indirectly own any business in the States and territories concerned.

NOTE 7.6 Table of subsidiaries and affiliates

2024

(In EURk or local currency)

Company/Head Office or Establishment	Activity/Division		Registered capital (local currency) ⁽¹⁾	Shareholders' equity other than capital (local currency) ⁽¹⁾	Share of capital held (in %)
I – INFORMATION ON INVESTMENTS WITH A BOOK VALUE IN EXCESS OF 1% OF SOCIETE GENERALE'S SHARE CAPITAL					
A) Subsidiaries (more than 50% owned by Societe Generale)					
SG AMERICAS SECURITIES HOLDINGS, LLC	Brokerage				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	1,430,976	2,042,217	100.00
SG FINANCIAL SERVICES HOLDING	Portfolio management				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	1,641,835	213,157	100.00
SOCIETE GENERALE INTERNATIONAL LIMITED	Brokerage and clearing				
One Bank Street – Canary Wharf – Londres E14 4SG – Royaume-Uni	Global Banking and Investor Solutions	EUR	1,150,000	181,936	100.00
GENEFINANCE	Portfolio management				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	1,000,000	236,754	100.00
SOCIETE GENERALE REAL ESTATE	Real estate and real estate financing				
29, boulevard Haussmann – 75009 Paris – France	French Retail Banking	EUR	327,112	35,002	100.00
SG KLEINWORT HAMBROS LIMITED	Asset management				
One Bank Street – Canary Wharf – Londres E14 4SG – Royaume-Uni	Global Banking and Investor Solutions	GBP	376,651	(52,531)	100.00
SOCIETE GENERALE SECURITIES JAPAN LIMITED	Brokerage				
1-1, Marunouchi 1-chome, Chiyoda-ku – Tokyo – Japon	Global Banking and Investor Solutions	JPY	35,765,000	40,260,000	100.00
SOGEMARCHE	Real estate				
17, cours Valmy – 92800 Puteaux – France	Corporate Centre	EUR	440,000	517	100.00
SOCIETE GENERALE SECURITIES SERVICES SPA	Credit institution				
Via Benigno Crespi, 19 A (MAC2) – 20159 Milan – Italie	Global Banking and Investor Solutions	EUR	111,309	267,998	100.00
FIDITALIA SPA	Consumer finance				
Via Guglielmo Silva n°34 – 20149 Milan – Italie	International Retail Banking and Financial Services	EUR	130,000	290,148	100.00
SOCIETE GENERALE (CHINA) LIMITED	International Retail Banking				
F15, West Tower Genesis, 8 Xinyuannan Street – Chaoyang District – 100027 Beijing – Chine	International Retail Banking and Financial Services	CNY	4,000,000	384,560	100.00
SALINGER SA	Portfolio management				
2, rue Hildegard von Bingen – Luxembourg – Luxembourg	Global Banking and Investor Solutions	EUR	100	318,672	100.00
REED SHIFT SLP	Securities management				
15, rue Soufflot – 75005 Paris – France	Global Banking and Investor Solutions	EUR	0	0	100.00
BANCO SOCIETE GENERALE BRASIL S/A	Investment Banking				
Avenida Paulista, 2300 – Cerqueira Cesar – 01310-300 – São Paulo – SP – Brésil	Global Banking and Investor Solutions	BRL	2,956,929	(1,236,876)	100.00
SOGECAMPUS	Real estate				
17, cours Valmy – 92800 Puteaux – France	Corporate Centre	EUR	241,284	51,385	100.00
SOCIETE GENERALE CAPITAL CANADA INC.	Brokerage				
1501 Avenue McGill College – Suite 1800 H3A 3M8 – Montréal -Canada	Global Banking and Investor Solutions	CAD	345,042	94,174	100.00
GENEGIS I	Office space				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	192,900	25,854	100.00

(1) For foreign subsidiaries and affiliates, shareholders' equity is booked in the Group consolidated financial statements in their consolidated reporting currency.

(2) For banking and finance subsidiaries, revenue refers to net banking income.

(3) Financial statements not yet audited for French companies.

2024

Book value of shares held		Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue excluding tax for the last financial year (local currency) (1)(2)(3)	Net income (gain or loss) for the last financial year (local currency) (1)(3)	Dividends received by the Company during the year (in EUR)	Remarks
Gross (in EUR)	Net (in EUR)						Revaluation differences
3,043,131	3,043,131	0	0	759,645	355,138	0	1 EUR = 1,0389 USD
2,136,144	2,136,144	1,995,202	0	972,566	946,324	874,978	
1,658,622	1,658,622	3,878,311	66,972,260	279,599	118,292	179,040	
1,076,025	1,076,025	446,486	0	160,944	159,795	157,000	
586,505	586,505	0	0	15,084	14,684	42,646	
511,561	511,561	0	0	149,270	11,864	24,207	1 EUR = 0,82918 GBP
475,634	464,985	70,000	149	21,238	1,459	31,260	1 EUR = 163,06 JPY
460,400	460,400	0	0	0	8,557	5,700	
745,062	391,659	0	100,000	178,888	21,714	0	
340,974	340,974	3,497,730	0	236,210	65,679	38,044	
424,594	324,360	0	0	414,823	101,892	11,452	1 EUR = 7,5833 CNY
315,184	315,184	0	0	6,985	6,820	0	
250,000	250,000	0	0	0	0	0	capital = 200 EUR
881,826	244,263	0	2,053	173,951	(51,489)	0	1 EUR = 6,4253 BRL
241,284	241,284	55,185	0	24,556	3,488	0	
230,518	230,518	0	0	64,990	12,724	12,448	1 EUR = 1,4948 CAD
196,061	187,461	9,475	0	208,451	(16,580)	0	

2024

(In EURk or local currency)

Company/Head Office or Establishment	Activity/Division		Registered capital (local currency) ⁽¹⁾	Shareholders' equity other than capital (local currency) ⁽¹⁾	Share of capital held (in %)
SOCIETE GENERALE ALGERIE	International Retail Banking				
Résidence EL KERMA – Gué de Constantine, Wilaya d'Alger – 16105 – Algérie	International Retail Banking and Financial Services	DZD	20,000,000	34,626,851	100.00
SG AMERICAS, INC.	Investment Banking				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	0	393,934	100.00
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Office space				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	76,627	1,930	100.00
SG SECURITIES KOREA CO, LTD	Business consulting				
24th Floor, D1 D-Tower, 17 Jong-ro 3-gil, Jongno-gu – Séoul – Corée du Sud	Global Banking and Investor Solutions	KRW	205,500,000	170,144,439	100.00
SOCIETE GENERALE EQUIPMENT FINANCE SA	Portfolio management				
17, cours Valmy – 92800 Puteaux – France	International Retail Banking and Financial Services	EUR	201,397	50,063	100.00
SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	Office space				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	120,030	172,186	100.00
SG VENTURES	Portfolio management				
17, cours Valmy – 92800 Puteaux – France	Corporate Centre	EUR	106,761	9,809	100.00
NEWEDGE FINANCIAL HONG KONG LTD	Brokerage				
Level 35, Three Pacific Place, 1 Queen's Road East, Hong-Kong	Global Banking and Investor Solutions	USD	100,051	78,385	100.00
SG SECURITIES (SINGAPORE) PTE. LTD.	Brokerage				
8 Marina Boulevard – #12-01 – Marina Bay financial Centre Tower 1 – 018981 – Singapore – Singapour	Global Banking and Investor Solutions	SGD	99,156	19,757	100.00
ETOILE CAPITAL	Portfolio management				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	50,400	8,647	100.00
STAR LEASE	Rental and Real Estate Lease				
Tour Granite-17 cours Valmy CS50318 92800 PUTEAUX	French Retail Banking	EUR	55,000	121,039	100.00
SG FACTORING SPA	Factoring				
Via Trivulzio n. 7 – 20146 Milan – Italie	Global Banking and Investor Solutions	EUR	11,801	38,582	100.00
ORPAVIMOB	Real estate and real estate financing				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	44,253	6,578	100.00
SG AMERICAS OPERATIONAL SERVICES LLC (SGAOS)	Transversal services company				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	716	44,287	100.00
SOCIETE GENERALE SECURITIES AUSTRALIA PTY LTD	Brokerage on equity market				
Level 25, 1-7 Bligh Street – NSW 2000 – Sydney – Australie	Global Banking and Investor Solutions	AUD	100,000	(47,437)	100.00
SG AUSTRALIA HOLDINGS LTD	Portfolio management				
Level 25, 1-7 Bligh street – NSW 2000 – Sydney – Australie	Global Banking and Investor Solutions	AUD	19,500	492	100.00

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(3) Financial statements not yet audited for French companies.

2024

Book value of shares held		Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue excluding tax for the last financial year (local currency) (1)(2)(3)	Net income (gain or loss) for the last financial year (local currency) (1)(3)	Dividends received by the Company during the year (in EUR)	Remarks
Gross (in EUR)	Net (in EUR)						Revaluation differences
186,564	186,564	0	260,769	31,270,061	10,473,101	47,766	1 EUR = 140,87095 DZD
1,573,453	159,227	0	0	(2,716)	(2,819)	0	capital = 1 USD 1 EUR = 1,0389 USD
155,837	155,837	0	0	402	(2,933)	0	
134,273	134,273	0	0	68,723,352	6,884,489	6,093	1 EUR = 1532,15 KRW
281,549	121,000	604,948	0	25,264	(29,986)	0	
119,992	119,992	55,000	0	10,768	7,025	0	
106,761	104,348	0	0	24,848	(25,009)	0	
223,131	99,285	244,874	0	3,793	(75,238)	8,141	1 EUR = 1,0389 USD
105,125	81,543	0	0	21,280	8,158	0	1 EUR = 1,4164 SGD
57,977	57,977	0	0	9,185	8,082	0	
55,000	55,000	1,005,177	0	0	13,282	0	
46,100	46,100	1,036,329	2,350,000	15,003	5,025	0	
44,253	44,253	0	0	11,599	4,156	2,537	
42,365	42,365	0	0	6,678	33,492	59,479	1 EUR = 1,0389 USD
62,745	31,218	98,378	238,493	8,695	(6,344)	0	1 EUR = 1,6772 AUD
11,839	11,839	0	0	821	498	425	1 EUR = 1,6772 AUD

2024

(In EURk or local currency)

Company/Head Office or Establishment	Activity/Division		Registered capital (local currency) ⁽¹⁾	Shareholders' equity other than capital (local currency) ⁽¹⁾	Share of capital held (in %)
SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG KONG)	Investment Banking				
Level 38, Three Pacific Place, 1 Queen's Road East, Hong-Kong	Global Banking and Investor Solutions	USD	154,972	144,553	100.00
SOCIETE GENERALE SFH	Credit institution				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	375,000	429,361	100.00
BOURSORAMA SA	Online banking				
44, rue Traversière – 92100 Boulogne-Billancourt – France	French Retail Banking	EUR	53,577	992,384	100.00
SOCIETE GENERALE IMMOBEL	Online banking				
11, Rue des Colonies – 1000 Bruxelles – Belgique	French Retail Banking	EUR	18,562	2,006	100.00
SOCIETE GENERALE SCF	Mortgages				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	150,000	160,701	100.00
VALMINVEST	Office space				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	248,877	14,679	100.00
SOCIETE GENERALE SECURITIES SERVICES HOLDING	Portfolio management				
17, cours Valmy – 92800 Puteaux – France	Global Banking and Investor Solutions	EUR	12,487	29	100.00
PAYPERT SERVICES LIMITED	Enterprise Support Services Delivery				
30, Churchill place – E14 5RE – Londres – Royaume Uni	International Retail Banking and Financial Services	GBP	0	12,339	99.21
SOCIETE GENERALE INVESTMENTS (UK) LIMITED	Investment Banking				
One Bank Street – Canary Wharf – Londres E14 4SG – Royaume-Uni	Global Banking and Investor Solutions	GBP	157,883	120,973	98.96
TREEZOR	Electronic money institution				
33, Avenue de Wagram – 75017 Paris – France	Corporate Centre	EUR	6,308	17,405	96.09
SOCIETE GENERALE MAURITANIE	International Retail Banking				
Ilot A N°652 – Nouakchott – Mauritanie	International Retail Banking and Financial Services	MRU	1,000,000	(140,924)	95.50
FRANFINANCE	Credit institution				
53, rue du port – 92000 Nanterre – France	Global Banking and Investor Solutions	EUR	202,912	1,147,529	84.55
BANQUE DE POLYNESIE	Retail Banking				
355, boulevard Pomaré, BP 530, 98713 Papeete – Ile de Tahiti – Polynésie française	International Retail Banking and Financial Services	XPF	1,380,000	9,321,958	72.10
SOCIETE GENERALE DE BANQUES EN COTE D'IVOIRE	International Retail Banking				
5/7, avenue Joseph Anoma – Abidjan – Côte d'Ivoire	International Retail Banking and Financial Services	XOF	20,004,444	325,364,399	71.84
KOMERCNI BANKA A.S	International Retail Banking				
Na Prikope 33 – Building Register number 969 – Prague 1 – République Tchéque	International Retail Banking and Financial Services	CZK	19,004,926	89,031,996	60.35
BRD – GROUPE SOCIETE GENERALE	International Retail Banking				
B-dul Ion Mihalache Nr 1 7 – Sector 1 – Bucarest – Roumanie	International Retail Banking and Financial Services	RON	696,902	8,133,109	60.17

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2024

Book value of shares held		Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue excluding tax for the last financial year (local currency) (1)(2)(3)	Net income (gain or loss) for the last financial year (local currency) (1)(3)	Dividends received by the Company during the year (in EUR)	Remarks
Gross (in EUR)	Net (in EUR)						Revaluation differences
146,513	146,513	199,737	0	497,715	194,562	126,531	1 EUR = 1,0389 USD
375,000	375,000	173,778	52,968,198	756,923	77,334	0	
46,100	46,100	11,580,078	0	440,564	53,604	0	
18,561	18,561	0	0	770	453	602	
150,000	150,000	0	17,700,086	35,787	21,433	0	
249,427	249,427	0	0	17,008	10,905	9,497	
237,555	12,516	510	0	0	808	0	
38,250	38,250	0	0	1,872	(2,376)	0	1 EUR = 0,82918 GBP
199,562	199,562	74,886	0	6,980	8,024	0	1 EUR = 0,82918 GBP
87,925	87,925	0	0	24,602	(10,540)	0	
20,361	20,361	392	0	1,396,237	438,016	0	1 EUR = 41,3386 MRU
1,434,280	905,894	10,115,828	191,372	282,228	(8,609)	515,450	
12,397	12,397	306	158,535	7,983,816	2,196,891	10,489	1 EUR = 119,33174 XPF
30,504	30,504	25,050	10,706	258,340,504	103,930,896	53,026	1 EUR = 655,957 XOF
1,391,562	1,391,562	11,236,540	11,779,500	35,160,022	16,995,810	383,603	1 EUR = 25,185 CZK
216,053	216,053	1,166,503	63,857	3,895,066	1,474,926	98,742	1 EUR = 4,9743 RON

2024

(In EURk or local currency)

Company/Head Office or Establishment	Activity/Division		Registered capital (local currency) ⁽¹⁾	Shareholders' equity other than capital (local currency) ⁽¹⁾	Share of capital held (in %)
SOCIETE GENERALE CAMEROUN	International Retail Banking				
78, Avenue Joss – Douala – Cameroun	International Retail Banking and Financial Services	XAF	12,500,000	109,153,789	58.08
GENEFIM	Real estate lease finance				
29, boulevard Haussmann – 75009 Paris – France	French Retail Banking	EUR	72,779	29,154	57.62
ALD	Automobile leasing and financing				
1-3, rue Eugène et Armand Peugeot – Le Corosa – 92500 Rueil Malmaison- France	International Retail Banking and Financial Services	EUR	1,225,441	6,237,923	52.59
UNION INTERNATIONALE DE BANQUES	International Retail Banking				
65, avenue Habib Bourguiba – Tunis – Tunisie	International Retail Banking and Financial Services	TND	172,800	581,689	52.34
B) Affiliates (10% to 50% owned by Societe Generale)					
ANTARIUS	Insurance company				
Tour D2 – 17 bis, place des Reflets – 92919 Paris la Défense Cedex – France	International Retail Banking and Financial Services	EUR	514,060	37,212	50.00
TRANSACTIS	Payment				
1, Boulevard des Bouvets – 92000 – Nanterre – France	Global Banking and Investor Solutions	EUR	46,948	1,088	50.00
SOCIETE SERVICES FIDUCIAIRES	Pooling of connected machines				
3, rue du Général Compans – 93500 Pantin – France	International Retail Banking and Financial Services	EUR	39,000	0	33.33
BERNSTEIN NORTH AMERICA HOLDINGS LLC	Investment Banking				
C/O The Corporation Trust Company 1209 Orange Street 19801 Wilmington – Delaware – USA	Global Banking and Investor Solutions	USD	342,000	0	33.33
SOGEPARTICIPATIONS	Portfolio management				
29, boulevard Haussmann – 75009 Paris – France	Corporate Centre	EUR	411,267	306,582	24.58
SOCIETE GENERALE CALÉDONIENNE DE BANQUE	Retail Banking				
44, rue de l'Alma - 98848 Nouméa Cedex – Nouvelle Calédonie	International Retail Banking and Financial Services	XPF	1,068,375	16,826,972	20.60
SICOVAM HOLDING	Portfolio management				
18, rue Lafayette – 75009 Paris – France	Corporate Centre	EUR	10,265	1,019,652	17.90
CREDIT LOGEMENT	Credit institution				
50, boulevard Sébastopol – 75003 Paris – France	Corporate Centre	EUR	1,259,850	218,803	16.50

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2024

Book value of shares held		Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue excluding tax for the last financial year (local currency) (1)(2)(3)	Net income (gain or loss) for the last financial year (local currency) (1)(3)	Dividends received by the Company during the year (in EUR)	Remarks
Gross (in EUR)	Net (in EUR)						Revaluation differences
16,940	16,940	0	34,630	103,050,553	23,555,487	13,481	1 EUR = 655,957 XAF
89,846	89,846	0	0	37,650	29,586	10,301	
1,947,662	1,947,662	2,298,164	0	167,735	1,908,661	201,935	
153,211	153,211	0	0	552,682	144,027	4,287	1 EUR = 3,3115 TND
257,407	255,960	0	0	901,168	67,705	32,611	
23,474	23,474	64,890	0	182,845	(187)	0	
13,000	13,000	24,300	0	758	0	0	
184,595	184,595	0	0	155,599	(22,876)	0	1 EUR = 1,0389 USD
234,000	234,000	767,366	0	607,055	599,199	54,078	
16,266	16,266	18,500,825	0	8,556,326	(1,688,678)	5,225	1 EUR = 119,33174 XPF
58,272	58,272	0	0	104,947	103,618	18,619	
209,888	209,888	219,920	0	504,140	111,165	16,272	

TABLE OF SUBSIDIARIES AND AFFILIATES (CONTINUED)

(EURk)	Book value of shares held		Unreimbursed loans and advances made by the Company	Guarantees given by the Company	Dividends received during the year	Remarks
	Gross	Net				
II - INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES						
A) Subsidiaries not included in paragraph 1:						
1°) French subsidiaries	104,728	57,540	6,634,873	322,465	734	Revaluation difference: 1,447
2°) Foreign subsidiaries	92,457	48,924	865,466	21,963	14,207	Revaluation difference: 313
B) Affiliates not included in paragraph 1:						
1°) French companies	20,260	16,312	611	150,000	1,947	Revaluation difference: 0
2°) Foreign companies	11,057	7,950	0	0	0	Revaluation difference: 0

NOTE 8 INFORMATION ON RISKS AND LITIGATION

Every quarter, Societe Generale reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay 4.9 billion euros in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the bank, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to 4.9 billion euros. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale 1 million euros. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to 4.9 billion euros. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (Conseil d'Etat) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to call into question the corresponding tax loss carry forwards. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale will not fail to assert its rights before the competent courts. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.
- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS") entered into an agreement to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates, including Stanford International Bank Limited. On 21 February 2023, the US Receiver and the Official Stanford Investors Committee ("OSIC") filed a motion in US District Court for the Northern District of Texas seeking approval of the settlement. The settlement provides for the payment by SGPBS of 157 million of American dollars in exchange for the release of all claims. During the 7 June 2023 hearing, the Court granted the US Receiver's motion to approve the settlement. This settlement order

was appealed by the Joint Liquidators of Stanford International Bank Limited, appointed by the courts of Antigua (the "Joint Liquidators"). The appeal was finally decided by the U.S. Court of Appeal for the Fifth Circuit on 19 September 2024, granting the Antiguan Joint Liquidators' request to exclude them from the scope of the settlement order's injunction prohibiting further litigation against a Societe Generale group entity. The Fifth Circuit remanded the case to the U.S. District Court for the Northern District of Texas to modify the settlement order accordingly. The settlement amount that SGPBS must pay is fully covered by a provision in the accounts of Societe Generale S.A. following a financial guarantee provided by Societe Generale S.A. to SGPBS. Each of the other defendant banks in this litigation also announced settlements in the first quarter of 2023 with the US Receiver and OSIC resolving their claims. These settlements were reached in advance of a jury trial that had been scheduled to start on 27 February 2023 (which ultimately did not take place).

In the same matter, a pre-contentious claim (requête en conciliation) was initiated in Geneva in November 2022 by the Joint Liquidators, representing investors also represented by the US plaintiffs. SGPBS was served with the statement of claim on 20 June 2023 and defends itself against the claims in this proceeding.

- Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter") and the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter, the Bank responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

In the United States, Societe Generale, along with other financial institutions, was named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale was also named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions, which were pending in the US District Court in Manhattan (the "District Court"), are now definitively terminated.

As to US Dollar Libor, all claims against Societe Generale have now been dismissed. On 12 May 2023, Societe Generale and two other financial institutions entered into a settlement agreement to resolve a proposed class of over-the-counter (OTC) plaintiffs for a combined 90 million of American dollars. On 17 October 2023, the District Court granted final settlement approval. The remaining USD Libor opt out actions have all been voluntarily dismissed as to Societe Generale, in some cases as a condition of settlements.

As to Japanese Yen Libor complaint brought by purchasers of Euroyen over-the-counter derivative products, plaintiffs and Societe Generale entered into a settlement agreement on 16 February 2024 to put a final end to this matter. The settlement received final approval from the Court on 18 June 2024. This order is now final, and the litigation is concluded. In the other action related to Japanese Yen Libor, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange, the District Court granted on 25 September 2020 defendants' motion for judgment on the pleadings and dismissed plaintiff's remaining claims. Plaintiff appealed to the Second Circuit. On 18 October 2022, as amended on 8 December 2022, the Second Circuit affirmed the District Court's dismissal of plaintiff's claims. On 2 October 2023, the U.S. Supreme Court denied a petition filed by plaintiff that sought review of the Second Circuit's ruling. As a result, the action is now concluded.

As to Euribor, Societe Generale and plaintiffs entered into a settlement agreement to put an end to this class action, which was finally approved by the District Court on 31 October 2023. As a result, this action is now concluded.

In Argentina, Societe Generale, along with other financial institutions, was named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concerned violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Plaintiff has finally decided, on its own initiative, to discontinue its action against Societe Generale.

- On 10 December 2012, the French Supreme Administrative Court (Conseil d'Etat) rendered two decisions ruling that the "précompte tax" which used to be levied on corporations in France does not comply with EU law and defining a methodology for the reimbursement of the amounts levied by the tax authorities. The procedure defined by the French Supreme Administrative Court nevertheless considerably reduces the amount to be reimbursed. However, Societe Generale purchased in 2005 the "précompte tax" claims of two companies (Rhodia and Suez, now Engie) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts.

Several French companies applied to the European Commission, which considered that the decisions handed down by the Conseil d'Etat on 10 December 2012, which were supposed to implement a judgment of European Union Court of Justice (EUCJ) on 15 September 2011, breached a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by referring the matter to the EUCJ on 8 December 2016. The EUCJ rendered its judgement on 4 October 2018 and sentenced France on the basis that the Conseil d'Etat disregarded the tax on EU sub-subsidiaries in order to secure the précompte paid erroneously and failed to raise a preliminary question before the EUCJ. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Engie on our 2002 and 2003 Suez claims and ordered a financial enforcement in our favour. The Court held that the advance payment ("précompte") did not comply with the Parent-Subsidiary Directive. Further to proceedings brought before the Conseil d'Etat, the latter ruled that a question should be raised before the EUCJ in order to obtain a preliminary ruling on this issue. The EUCJ has confirmed on 12 May 2022 that the précompte did not comply with the Parent-Subsidiary Directive. The Conseil d'Etat, by an Engie judgment of 30 June 2023 took note of this incompatibility and confirmed the decision held by the Administrative Court of Appeal of Versailles with respect to the 2002 year, but referred the examination of the 2003 year to this same Court, which confirmed on 9 January 2024 the partial relief granted by the administration in the course of the proceedings. Societe Generale lodged an appeal that was not admitted by the Conseil d'Etat by a decision of 23 December 2024 definitively putting a definitive end to the litigation relating to the 2002 and 2003 claims. In parallel, a compensation litigation in relation to the Rhodia claim and the Suez claims relating to the 1999 and 2001 financial years was brought in March 2023 before the European Commission and the Paris Administrative Court of Appeal.

- Societe Generale, along with other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for 50 million of American dollars. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.

- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately 150 million of American dollars from the Societe Generale entities. The Societe Generale entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the Bankruptcy Court for further proceedings. The Societe Generale defendants filed a motion to dismiss on 29 April 2022. The motion was denied by order dated 7 October 2022. Proceeding is still pending.

- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss. By order entered 30 March 2023, the court granted Societe Generale's motion to dismiss. Plaintiffs have appealed. On 7 January 2025, the Court of Appeals for the Second Circuit affirmed the lower court's dismissal of this action.

- On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in a similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss the amended complaint on 19 March 2021, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss, which was granted by the court on 23 January 2023. On 7 January 2025, the Court of Appeals for the Second Circuit affirmed the lower court's dismissal of this action.

On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The case was stayed pending developments in Pujol I. At the parties' request, following dismissal of Pujol I, the court lifted the stay on Pujol II and entered an order dismissing the case for the same reasons it dismissed Pujol I. Plaintiff has appealed. The 7 January 2025 decision by the Second Circuit also applies to Pujol II.

- In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or

CHF-indexed loans issued by Euro Bank. The reserve in this matter in Societe Generale SA's accounts takes into consideration the increase in the number of court cases regarding the loans subject of the sale and the substance of the decisions handed down by Polish courts.

- Like other financial institutions, Societe Generale is subject to audits by the tax authorities regarding its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017 to 2022 audited years are subject to tax adjustments of proposals for fiscal years 2017 to 2021 in respect of the application of a withholding tax. These proposals are contested by Société Générale. Given the significance of the matter, on 30 March 2023, the French Banking Federation has brought proceedings against the tax administration's doctrine. In this respect, on 8 December 2023, the French Conseil d'Etat ruled that the tax authorities may not extend the dividend withholding tax beyond its statutory scope, except if taxpayers engaged in an abusive behavior ("abus de droit"), thereby characterising the tax administration's position based on the concept of beneficial owner as illegal. French tax authorities are now focused on the abuse of law doctrine as a legal basis for the reassessed years and should, as a principle, perform a transaction per transaction analysis. In addition, further to raids conducted by the "parquet national financier" at the end of March 2023 at the premises of five banks in Paris, among which Societe Generale, the latter has been informed that it was subject to a preliminary investigation pertaining to the same issue. Societe Generale is defending the action.

- On 19 August 2022, a Russian fertiliser company, EuroChem North West-2 ("EuroChem"), a wholly owned subsidiary of EuroChem AG, filed a claim against Societe Generale S.A. and its Milan branch ("Societe Generale") before English courts. This claim relates to five on-demand bonds that Societe Generale issued to EuroChem in connection with a construction project in Kingisepp, Russia. On 4 August 2022, EuroChem made demands under the guarantees. Societe Generale explained it was unable to honour the claims due to international sanctions directly impacting the transactions, an assessment which EuroChem disputes. Societe Generale filed its defence submissions on 1 November 2022, to which EuroChem replied on 19 December 2022. Procedural timetables were notably discussed during several procedural hearings. As things currently stand, the trial (if any) is expected to take place in June 2025.

- SG Americas Securities, LLC ("SGAS") received a request for information in December 2022 from the US Securities and Exchange Commission ("SEC") focused on compliance with record-keeping requirements in connection with business-related communications on messaging platforms that were not approved by the firm. On 28 March 2023, SGAS and Societe Generale received a similar request from the US Commodity Futures Trading Commission ("CFTC"). These inquiries follow a number of regulatory settlements in 2022 with other firms covering similar matters. SGAS reached a settlement with the SEC, announced on 8 August 2023, and agreed to pay a penalty of 35 million of American dollars, take certain remedial actions, and engage an independent compliance consultant. Societe Generale and SGAS reached a settlement with the CFTC, also announced on August 8, 2023, and agreed to pay a penalty of 75 million of American dollars and take certain remedial actions.

6.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Société Générale

29, Boulevard Haussmann
75009 Paris, France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Société Générale for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Internal Control Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF IMPAIRMENT AND PROVISIONS ON CUSTOMER LOANS

(See Notes 2.3 and 2.6 to the financial statements)

Description of risk

The Company could be exposed to a potential loss if the customer or counterparty is unable to meet their financial commitments. Without waiting for a credit risk to be confirmed, the Company recognises collective provisions for credit risk on performing and underperforming loans, and individual impairment on doubtful loans when this risk is confirmed.

At 31 December 2024, total outstanding customer loans exposed to credit risk amounted to €354,456 million, while the total corresponding impairment stood at €2,536 billion and provisions at €1,873 million.

Collective provisions are assessed using models based on risk inputs (default probabilities, losses in the event of default, exposures, etc.) and internal analyses of the credit rating of each counterparty or sector.

Doubtful loans are impaired on an individual or statistical basis. This impairment is calculated by management based on estimated future recoverable cash flows, taking into account any collateral called up or liable to be called up.

To take account of recent economic trends and the geopolitical context, the measurement of provisions and impairment involves significant judgement and the use of assumptions by management, in particular to:

- establish the macroeconomic scenarios that are incorporated into the models used to estimate collective provisions;
- classify outstanding loans (performing, underperforming, doubtful or non-performing), taking into account any significant deterioration in credit risk;
- update the models and assumptions as well as the adjustments (expert or sectoral) underlying the expected credit losses (performing or underperforming loans);
- determine the likelihood of recovery for doubtful loans.

Given the significant judgement exercised by management and the uncertainties involved in the estimates, we deemed the measurement of provisions and impairment to be a key audit matter.

How our audit addressed this risk

In response to this risk, our work involved:

- reviewing the governance framework for the process of determining classifications, ratings, and provisions and impairment;
- assessing the design and effectiveness of the internal control system relating to the process of measuring provisions and impairment on customer loans;
- with the support of our IT audit experts, testing, using sampling techniques, general IT controls and automatic controls relating to the measurement of provisions and impairment;
- with the support of our credit risk experts, assessing the appropriateness of the models, assumptions and macroeconomic scenarios used to measure collective provisions;
- verifying the correct documentation and justification of the main sectoral adjustments and assessments of experts recognised by the Group;
- carrying out independent calculations of collective provisions using sampling techniques;
- for a selection of provisions determined on the basis of experts' assessments, assessing the level of impairment recorded in the financial statements.

We also assessed the appropriateness of the information relating to provisions and impairment on customer loans disclosed in the notes to the financial statements.

VALUATION OF UNLISTED FINANCIAL INSTRUMENTS

(See Notes 2.1, 2.2 and 3.2 to the financial statements)

Description of risk

As part of its trading activities, Société Générale holds trading financial instruments for trading purposes which are recognised in the balance sheet at market value.

Market value is determined according to different approaches depending on the type of instrument and its complexity, in particular (i) using valuation models based on market inputs observable in active markets; and (ii) using valuation models based on unobservable inputs.

If necessary, the valuations obtained may be supplemented using discounts calculated according to the relevant financial instruments and associated risks in order to take into account specific trading, liquidity or counterparty risks.

At 31 December 2024, the value of trading securities represented €189,185 million, that of derivatives with a positive fair value €33,833 million and that of derivatives with a negative fair value €12,520 million.

In light of the materiality of the positions and the judgement used by management to determine valuation inputs and models, we deemed the measurement of financial instruments not listed in an active market held for trading purposes to be a key audit matter.

How our audit addressed this risk

We familiarised ourselves with the processes, governance and existing control procedures within Société Générale with regard to the valuation of financial instruments not listed in an active market held for trading purposes.

We tested the effectiveness of the controls we deemed key to our audit, in particular those relating to:

- the independent approval and regular review by management of the risks, the valuation models and corresponding adjustments;
- the Finance Department's independent verification of the market inputs in accordance with the methodologies defined by the Company.

In addition, with the assistance of our valuation specialists and using sampling techniques, we:

- reviewed the assumptions and inputs used in value adjustment methodologies and valuation models;
- performed independent counter valuations; and
- reviewed any differences in margin calls with the Company's counterparties so as to assess the appropriateness of the valuations.

In addition, we assessed the appropriateness of the disclosures in the notes to the financial statements with respect to the valuation of financial instruments.

ASSESSMENT OF LEGAL AND TAX RISKS

(See Notes 2.6.3 and 8 to the financial statements.)

Description of risk	How our audit addressed this risk
<p>The Company is involved in certain legal, regulatory and tax disputes and proceedings. At 31 December 2024, other provisions for risks and expenses amounted to €926 million and provisions for tax adjustments to €25 million.</p> <p>The situation and progress of the various ongoing disputes and proceedings are reviewed by management to assess the need to set aside provisions and to evaluate the amount.</p> <p>Given the complexity of certain proceedings, the significant degree of judgement exercised by management in assessing risks, and the financial consequences for the Company, we deemed the assessment of legal and tax risks to be a key audit matter.</p>	<p>Our approach involved:</p> <ul style="list-style-type: none"> ■ reviewing the tools and systems for identifying, assessing and accounting for legal and tax risks; ■ conducting interviews with the Company's legal and tax departments and those in relevant roles to monitor the development of the main ongoing legal proceedings; ■ interviewing the lawyers in charge of the most significant proceedings; ■ obtaining and reviewing analyses prepared by management and, where necessary, the Company's external legal and tax advisors on major disputes; ■ assessing, based on these resources, the reasonableness of the assumptions used to determine the amount of provisions raised. <p>We also examined the appropriateness of the disclosures relating to legal and tax risks in the financial statements.</p>

VALUATION OF EQUITY SECURITIES, OTHER LONG-TERM SECURITIES AND INVESTMENTS IN RELATED PARTIES

(See Notes 2.1.2 and 2.6.2 to the financial statements)

Description of risk	How our audit addressed this risk
<p>Equity securities, other long-term securities and investments in related parties are recognised on the balance sheet at a net carrying amount of €23,480 million (including €3,669 million of impairment).</p> <p>The recoverable amount is assessed at the value in use determined, for each security, using a valuation method based on available information such as equity, business plans drawn up by the entities and the average stock market price over the last three months (for listed investments).</p> <p>Given the sensitivity of the models used to changes in the data and the assumptions underlying the estimated values, we deemed the valuation of equity securities, other long-term securities and investments in related parties to be a key audit matter.</p>	<p>Our work involved:</p> <ul style="list-style-type: none"> ■ reviewing the control procedures relating to impairment tests performed on equity securities, other long-term securities and investments in related parties; ■ assessing, using sampling techniques, the justification for the valuation methods and data used by management to estimate values in use; ■ assessing the consistency of the business plans drawn up by the entities' financial departments with our knowledge of the businesses; ■ critically analysing the main assumptions and inputs used, with respect to available internal and external information; ■ testing, on a sample basis, the mathematical accuracy of the calculation of values in use used by the Company. <p>Lastly, we assessed the appropriateness of the disclosures on equity securities, other long-term equity securities and investments in related parties published in the notes to the financial statements.</p>

RECOVERABILITY OF DEFERRED TAX ASSETS IN FRANCE

(See Notes 1.4 and 5 to the financial statements)

Description of risk

Deferred tax assets related to tax loss carryforwards are recognised in the amount of €1,715 million at 31 December 2024, and more specifically €1,629 million for the France tax group.

As indicated in Note 5 "Taxes" to the financial statements, the Company calculates deferred taxes at the level of each tax entity and recognises deferred tax assets when it is probable that the tax entity concerned will generate future taxable profits against which temporary differences and tax loss carryforwards can be offset, within a given timeframe.

In addition, as indicated in Notes 5 "Taxes" and 8 "Information on Risks and Litigation" to the financial statements, certain tax loss carryforwards are contested by the French tax authorities and are therefore liable to be called into question.

Given the importance of the assumptions used to assess the recoverability of deferred tax assets in France, particularly on future taxable profits, and the judgement exercised by management in this respect, we deemed this issue to be a key audit matter.

How our audit addressed this risk

In response to this risk, we assessed the Company's ability to use its tax loss carryforwards generated at 31 December 2024 in the future, particularly with regard to anticipated future taxable profits in France. In particular, our work involved:

- understanding the governance structure and control system for estimating future taxable profits;
- reviewing the 2025 budget forecast prepared by management and approved by the Board of Directors, and the assumptions underlying the medium-term projections which take into account the expected impacts of transactions known at the reporting date;
- comparing projected results for prior years with actual results for the years in question;
- reviewing the sensitivity analyses carried out by the Company on the main inputs used in the estimates;
- reviewing the Company's position with the help of our specialists, in particular by noting the opinions of its external tax advisers concerning the tax loss carryforwards in France that have been challenged in part by the French tax authorities.

We also examined the appropriateness of the disclosures published by the Company in respect of deferred tax assets in Note 5 "Taxes" to the financial statements.

GENERAL IT CONTROLS RELATED TO MARKET ACTIVITIES

Description of risk

The markets activities of the Global Banking & Investment Solutions (GBIS) division account for a significant proportion of the Company's earnings and balance sheet.

These business activities are highly complex in operational terms, given the nature of the financial instruments used, the volume of transactions completed and the use of numerous interdependent IT systems.

In this context, the implementation of general IT controls within the systems used to prepare financial information is a key audit matter.

How our audit addressed this risk

In response to this risk, we assessed, with the help of our IT specialists, the effectiveness of general IT controls within applications associated with market activities considered key to the preparation of the financial statements.

Our work consisted primarily in:

- obtaining an understanding of the systems, processes and controls that contribute to the production of accounting information;
- testing, using sampling techniques, controls related to the management of access rights to IT systems, change and development management, the management of IT operations and the handling of incidents.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the following matters.

Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code, we have the following matters to report:

As indicated in the management report, this information does not include banking transactions and related transactions, as the Company has decided that such transactions do not fall within the scope of the required information to provide.

REPORT ON CORPORATE GOVERNANCE

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

PRESENTATION OF THE FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Société Générale by the Annual General Meeting held on 22 May 2024 for PricewaterhouseCoopers Audit and KPMG SA.

At 31 December 2024, PricewaterhouseCoopers Audit and KPMG SA. were in the first year of their engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Internal Control Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT AND INTERNAL CONTROL COMMITTEE

We hereby submit a report to the Audit and Internal Control Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Internal Control Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Internal Control Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Internal Control Committee.

Neuilly-sur-Seine and Paris La Défense, 12 March 2025

The Statutory Auditors

PricewaterhouseCoopers Audit
Emmanuel Benoist Ridha Ben Chamek

KPMG SA
Guillaume Mabilie

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