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, Societe Generale, the Certificates, or the Company (as defined below).

25,000,000 European Style Cash Settled Long Certificates relating to

the ordinary shares of Semiconductor Manufacturing International Corporation

with a Daily Leverage of 5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Societe Generale

Issue Price: S$0.50 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 Societe Generale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 13 June 2025 including such further base listing documents as may be issued from time to time (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 a 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 products[1] 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 13 June 2025 (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 1 April 2026.

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.

31 March 2026

[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.

Table of Contents

	Page
Risk Factors	**6**
Terms and Conditions of the Certificates	**16**
Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities	**26**
Summary of the Issue	**42**
Information relating to the European Style Cash Settled Long Certificates on Single Equities	**44**
Information relating to the Company	**59**
Information relating to the Designated Market Maker	**60**
Supplemental Information relating to the Issuer	**62**
Supplemental Information relating to the Guarantor	**63**
Supplemental General Information	**64**
Placing and Sale	**66**
Appendix I	
Appendix II	
Appendix III	

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 fallen 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 35 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long 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 Strategy (as described below) including the Funding 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 a 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 performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway 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 Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise 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 fall 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 fall 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 decline. 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 Strategy performance built in the Certificate. The Calculation Agent will make the Leverage 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 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 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 is still subject to further discussions and as a result its precise legal application date is unknown. As such, 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.

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.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

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 the 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 imposes 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:	25,000,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Semiconductor Manufacturing International Corporation traded in HKD (the "**Underlying Stock**")
ISIN:	LU2079540121
Company:	Semiconductor Manufacturing International Corporation (RIC: 0981.HK)
Underlying Price[3] and Source:	HK$50.7 (Reuters)
Calculation Agent:	Societe Generale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 0.50
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	20.00%, is a hedging cost against extreme market movements overnight.
Funding Cost[6]:	The annualised costs of funding, referencing a publicly published interbank offered rate plus spread.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	25 March 2026
Closing Date:	31 March 2026

[3] These figures are calculated as at, and based on information available to the Issuer on or about 31 March 2026. 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 31 March 2026.
[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 Strategy.

Expected Listing Date:	1 April 2026
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 9 March 2028
Expiry Date:	16 March 2028 (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:	15 March 2028 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 Long 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 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 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 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 Long 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 Strategy (as described below) on the Valuation Date

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

Initial Exchange Rate[3]: 0.1646

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 Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents an approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise 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 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 24 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 Strategy including the Funding 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 Strategy

Description of the Leverage Strategy

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock. At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the 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 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 Strategy Formula

$\mathbf{LSL_t}$ means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the Leverage 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):

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

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

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

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

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

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

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

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

$\mathbf{S_t}$ 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.

$\mathbf{Rate_t}$ means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:

$$\mathrm{Rate}_t = \mathrm{CashRate}_t + \%\mathrm{SpreadLevel}_t$$

$\mathbf{Rfactor_t}$	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: $$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$ where Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.
$\mathbf{CashRate_t}$	means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= 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.
$\%\mathbf{SpreadLevel_t}$	means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the 12-month HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKD1YD= and (2) Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, each being the rate as of day (t), provided that if any of such rates 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. Provided that if such difference is negative, $\%\mathbf{SpreadLevel_t}$ should be 0%.
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).
DayCountBasisRate	365
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:

(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 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 Strategy Closing Level on the Intraday Restrike Date (LSL_{IRD}) should be computed as follows:

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

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

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

$\mathbf{ILSL_{IR(k)}}$

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

(1) for k = 1:

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

(2) for k > 1:

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

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

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

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

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

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

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

$\mathbf{IS_{IR(k)}}$

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

(1) for k=0

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

(2) for k=1 to n

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

(3) with respect to IR(C)

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

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 means in respect of an Observation Date(t):

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(0)}}$ as of such Calculation Time.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(k)}}$ as of such Calculation Time.

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 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 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.

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.

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 13 June 2025, made by SG Issuer (the "**Issuer**") and Societe Generale (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 Societe Generale, Tour Societe Generale, 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 Societe Generale 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, Societe Generale 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 Societe Generale 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:	Semiconductor Manufacturing International Corporation
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	25,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 13 June 2025 (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 1 April 2026.
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 LONG CERTIFICATES ON SINGLE EQUITIES

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

European style cash settled long 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 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 increase and are seeking short-term leveraged 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 Strategy including the Funding Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

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)

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

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

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

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 Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage 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 shares of Semiconductor Manufacturing International Corporation 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:	**0.50 SGD**
Notional Amount per Certificate:	**0.50 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**20.00%**
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:

HFF(0) = 100%

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

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

$$\mathrm{HFF}\ (1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 20.00\% \times \frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1) = 100\%\ \mathrm{x}\ 99.9989\%\ \mathrm{x}\ 99.9444\% \approx 99.9433\%$$

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

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

$$\text{HFF}(2) = 99.9433\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 20.00\% \times \frac{3}{360}\right)$$

$$\text{HFF}(2) = 99.9433\% \text{ x } 99.9967\% \text{ x } 99.8333\% \approx 99.7734\%$$

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 99.1532% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9433%
5/7/2018	99.8867%
6/7/2018	99.8301%
9/7/2018	99.6604%
10/7/2018	99.6039%
11/7/2018	99.5475%
12/7/2018	99.4911%
13/7/2018	99.4347%
16/7/2018	99.2657%
17/7/2018	99.2094%
18/7/2018	99.1532%

Cash Settlement Amount

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

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.1532%

= 118.98%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 118.98%x 0.50 SGD

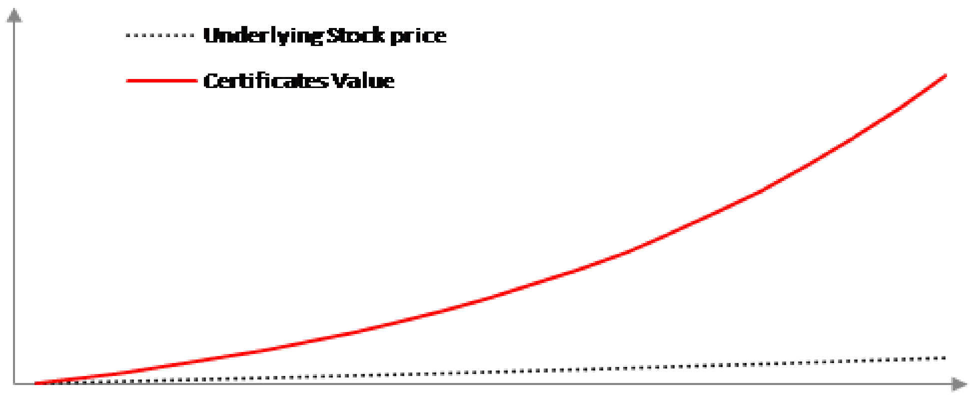
= 0.595 SGD

Illustration on how returns and losses can occur under different scenarios

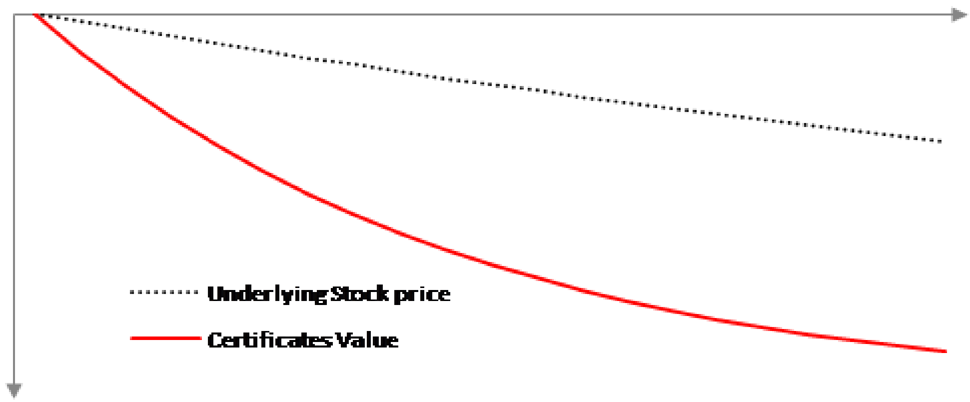
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

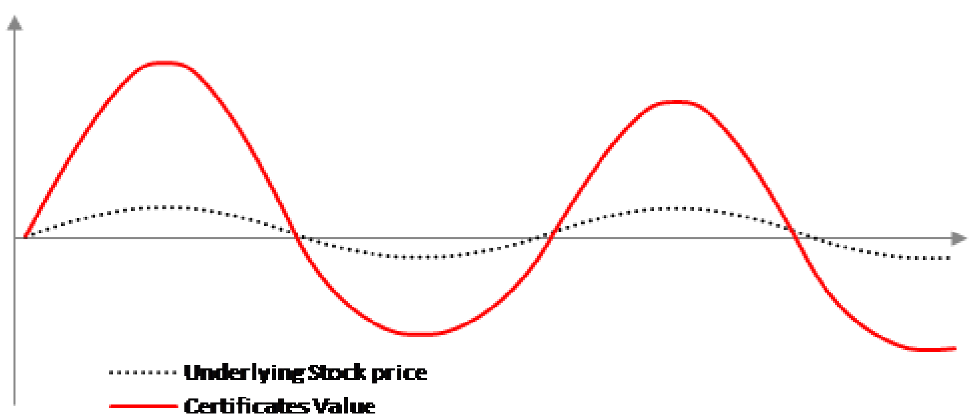
Scenario 1 – Upward Trend



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	0.50	0.55	0.61	0.67	0.73	0.81
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

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	0.50	0.45	0.41	0.36	0.33	0.30
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

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	0.50	0.55	0.50	0.54	0.49	0.54
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

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 minimum 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 Strategy is then reset using the minimum 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 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.

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.

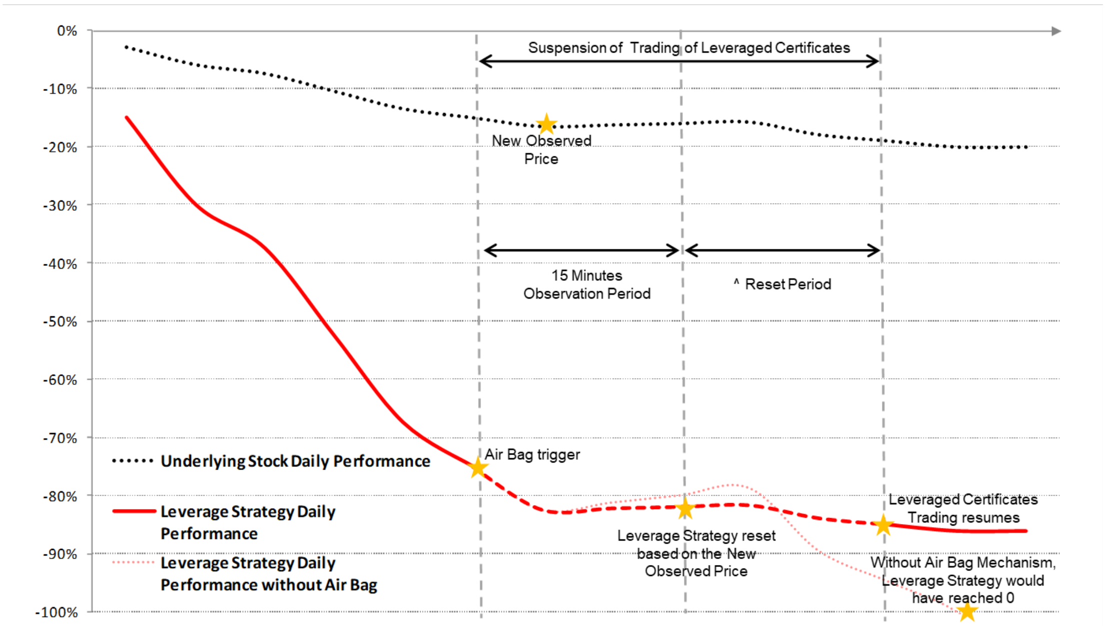
With **Market Close** defined as:

- 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

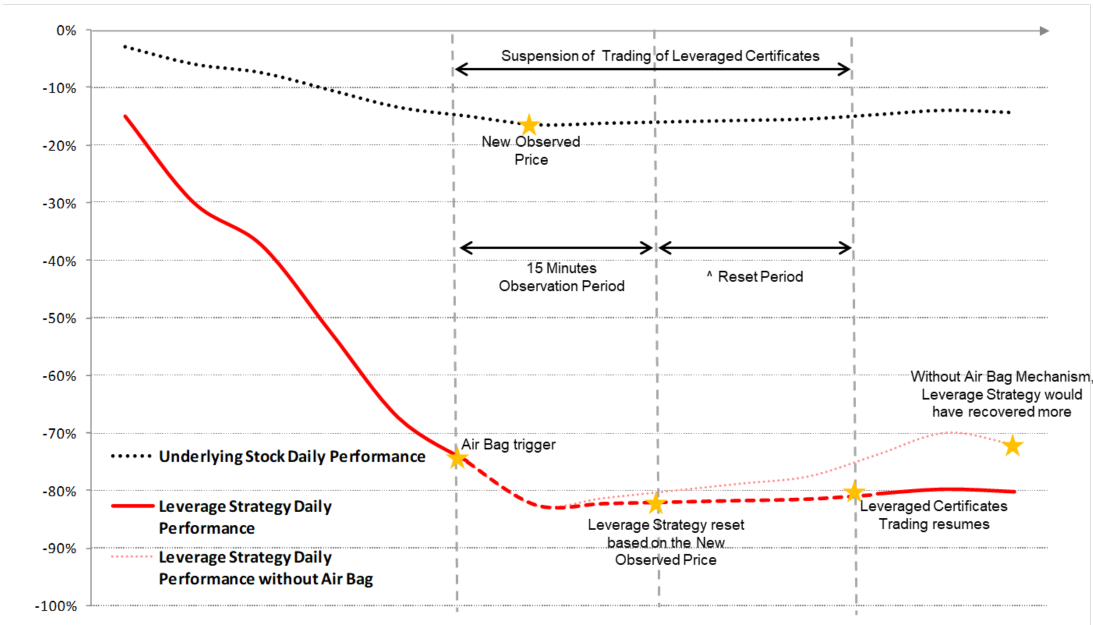
Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – 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.

Scenario 2 – 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.

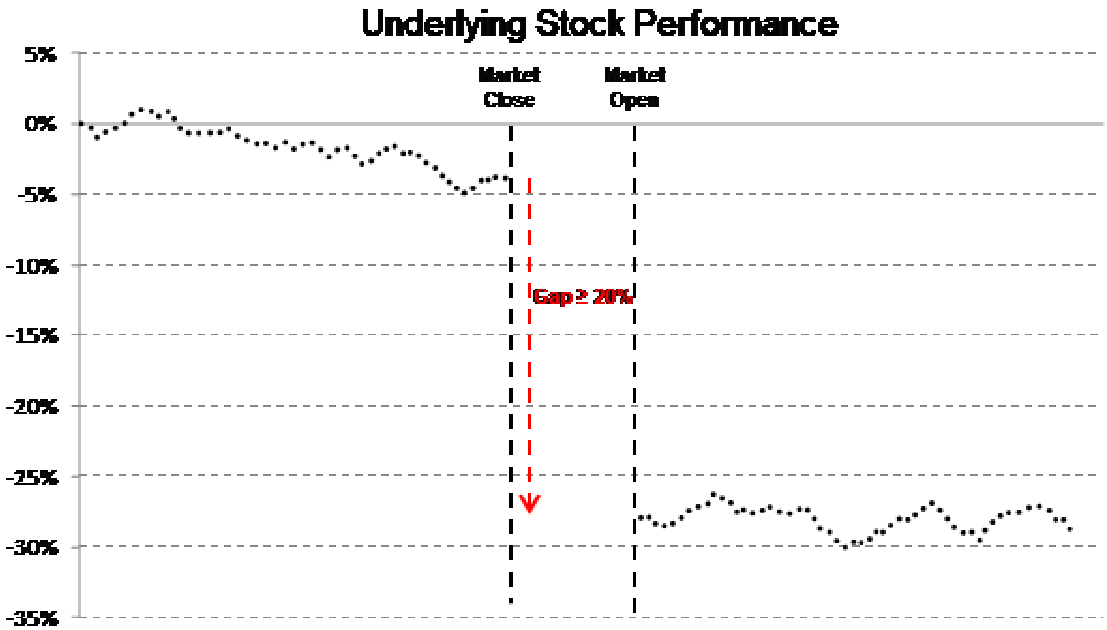
[9] The illustrative examples are not exhaustive.

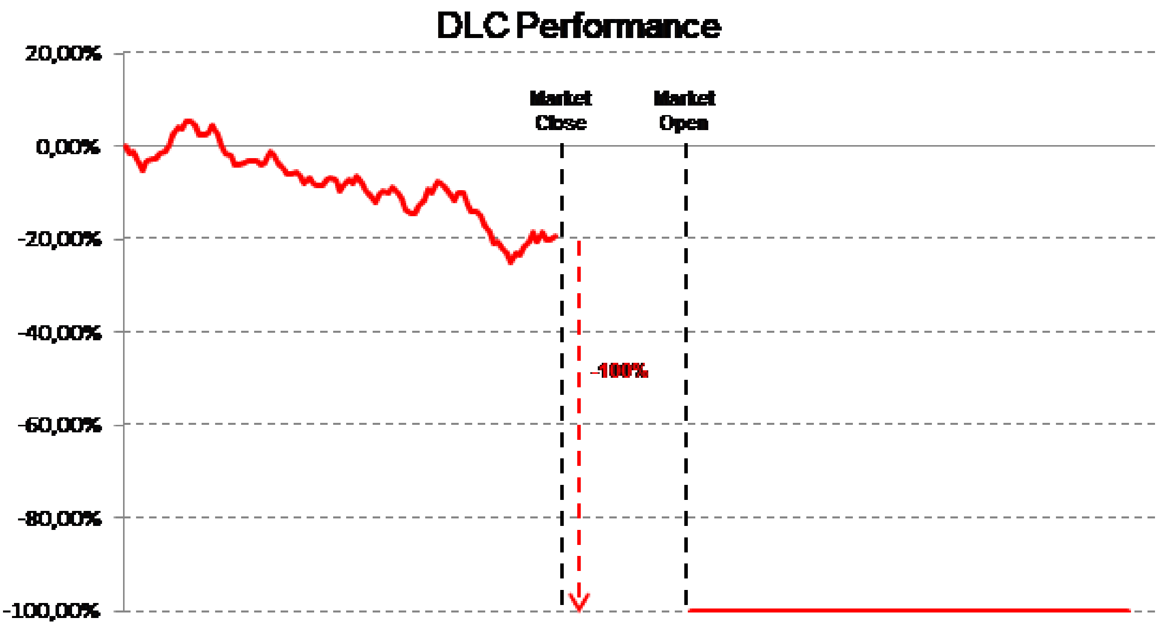
Scenarios where the investor may lose the entire value of the investment

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.

<u>*Scenario 1 – Overnight fall of the Underlying Stock*</u>

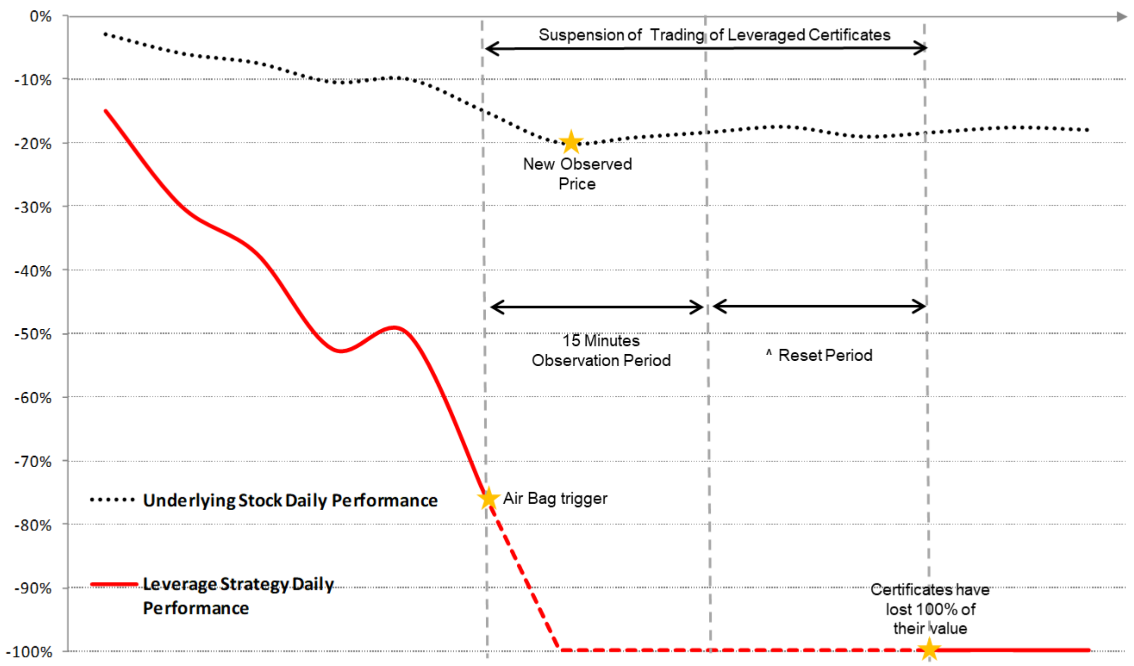
On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more below 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.





Scenario 2 – Sharp intraday fall 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 falls 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:

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

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 falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ 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. <u>Stock split</u>

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

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

$\mathrm{S_t}$ = \$51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

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:

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

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)
0.50	0.55	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $42.5, which is 15% below $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

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

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

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:

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

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)
0.50	0.525	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $170, which is 15% below $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

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

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

R = $40 (i.e. subscription price of $40)

M = 0.5 (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:

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

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)
0.50	0.625	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $68, which is 15% below $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

$Div_t = \$0$

$DivExc_t = \$0$

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)
0.50	0.55	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$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

$Div_t = \$0$

$DivExc_t = \$20$

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:

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

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	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)
0.50	0.625	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to $68, which is 15% below $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.smics.com/en. The Issuer has not independently verified any of such information.*

Semiconductor Manufacturing International Corporation (the "**Company**") is an investment holding company principally engaged in integrated circuit foundry business. The Company is engaged in the manufacturing and testing of silicon wafers and types of compound semiconductor integrated circuit wafers. The Company also provides integrated circuit-related development, design and technical services, photomask manufacturing, testing and sales of self-produced products as well as other services. The Company provides foundry and technical services to domestic and foreign customers.

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 2025 and has been extracted and reproduced from an announcement by the Company dated 26 March 2026 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

Societe Generale 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 ISSUER

The information set out in Appendix II of this document is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2025.

The information below sets out the updated information relating to the Issuer and supersedes in its entirety the section in Appendix 2 of the Base Listing Document entitled "**4. Management and Supervision**":

"Pursuant to SG Issuer's Articles of Association, SG Issuer is managed by a board of directors under the supervision of a supervisory board. The members of the board of directors as at 12 August 2025 are Yves Cacclin, Thierry Bodson, Olivier Pelsser, François Caralp, Laurent Simonet and Samuel Worobel (each individually a "**Director**" and collectively the "**Board of Directors**"). The members of the supervisory board as at 12 August 2025 are Peggy Veniant Cottin, Laurent Weil, Emanuele Maiocchi, Faouzi Borgi and Gregory Claudy. Save for Gregory Claudy who is an independent director, all members of the Board of Directors and the Supervisory Board hold full-time positions within the Societe Generale Group.

The business address of Yves Cacclin, Thierry Bodson, Olivier Pelsser, Peggy Veniant Cottin and Emanuele Maiocchi as at 12 August 2025 is 11, avenue Emile Reuter, L-2420 Luxembourg. The business address of François Caralp, Laurent Simonet, Samuel Worobel, Laurent Weil and Faouzi Borgi as at 12 August 2025 is Tour Societe Generale, 17, Cours Valmy, F-92897 Paris-La Défense 7, France. The business address of Gregory Claudy as at 12 August 2025 is 225a, rue du Burgknapp, B-6717 Heinstert."

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix III of this document is a reproduction of the Guarantor's audited consolidated financial statements for the year ended 31 December 2025.

On 23 February 2026, the share capital of Societe Generale changed to EUR 939,654,993.75, divided into 751,723,995 ordinary shares with a nominal value of EUR 1.25 each.

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 2025 or the Guarantor since 31 December 2025, 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. Societe Generale, 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 Societe Generale at the above address for the attention of Societe Generale 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 Societe Generale, 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 placees.

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 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 2025 OF SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION 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 2025 and has been extracted and reproduced from an announcement by the Company dated 26 March 2026 in relation to the same.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
中芯國際集成電路製造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00981)

ANNOUNCEMENT OF 2025 ANNUAL RESULTS

The board of directors (the "**Board**") of Semiconductor Manufacturing International Corporation (the "**Company**") hereby announces the audited results of the Company and its subsidiaries for the year ended 31 December 2025. This announcement, containing the full text of the 2025 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") in relation to information to accompany preliminary announcement of annual results.

The 2025 annual report of the Company will be delivered to the shareholders of the Company who request printed version and available for viewing on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and of the Company at www.smics.com in due course.

By order of the Board
Semiconductor Manufacturing International Corporation
Company Secretary/Board Secretary
Guo Guangli

Shanghai, PRC
26 March 2026

As at the date of this announcement, the directors of the Company are:

Executive Director
LIU Xunfeng

Non-executive Directors
LU Guoqing
CHEN Shanzhi
YANG Lumin
HUANG Dengshan

Independent Non-executive Directors
FAN Ren Da Anthony
LIU Ming
WU Hanming
CHEN Xinyuan

* *For identification purposes only*

LEADING FOUNDRY

IN CHINESE MAINLAND

EMPOWERED TECHNOLOGY

ENRICHED SERVICES

ENHANCED COMPETITIVENESS

CONTENTS

7	Section 1 Definitions
9	Section 2 Letter to Shareholders
12	Section 3 Corporate Profile and Principal Financial Indicators
17	Section 4 Management Discussion and Analysis
35	Section 5 Report of the Directors
37	Section 6 Corporate Governance, Environment and Society
73	Section 7 Significant Events
95	Section 8 Changes in Shares and Information of Shareholders
100	Section 9 Financial Report

FORWARD-LOOKING STATEMENTS

This report may contain, in addition to historical information, forward-looking statements. These forward-looking statements are based on SMIC's current assumptions, expectations, beliefs, plans, objectives and projections about future events or performance. SMIC uses words including but not limited to "believe", "anticipate", "intend", "estimate", "expect", "project", "target", "going forward", "continue", "ought to", "may", "seek", "should", "plan", "could", "vision", "goal", "aim", "aspire", "objective", "schedule", "outlook" and other similar expressions to identify forward looking statements. These forward-looking statements are estimates made by SMIC's senior management based on their best judgment and involve significant risks, both known and unknown, uncertainties and other factors that may cause SMIC's actual performance, financial condition or results of operations to be materially different from those suggested by the forward-looking statements including, among others, risks associated with cyclicality and market conditions in the semiconductor industry, intense competition in the semiconductor industry, timely wafer acceptance by SMIC's customers, timely introduction of new technologies, SMIC's ability to ramp new products into volume, supply and demand for semiconductor foundry services, shortages in equipment, parts, raw materials, software and service supports, orders or judgments from pending litigation, common intellectual property litigation in the semiconductor industry, macro-economic conditions, fluctuations in currency exchange rates and the risk of geopolitics.

BEING

TRUSTWORTHY
RELIABLE

FOR OUR CUSTOMERS

SECTION 1 • DEFINITIONS

In this report, unless the context requires otherwise, the following expressions shall have meanings as follows:

Definitions of common terms

the Company, Company or SMIC	for	Semiconductor Manufacturing International Corporation
the Group or We	for	the Company and its subsidiaries
SMIC Shanghai	for	Semiconductor Manufacturing International (Shanghai) Corporation
SMIC Beijing	for	Semiconductor Manufacturing International (Beijing) Corporation
SMIC Tianjin	for	Semiconductor Manufacturing International (Tianjin) Corporation
SMIC Shenzhen	for	Semiconductor Manufacturing International (Shenzhen) Corporation
SMNC	for	Semiconductor Manufacturing North China (Beijing) Corporation
SMSC	for	Semiconductor Manufacturing South China Corporation
SMBC	for	Semiconductor Manufacturing Beijing Corporation
SMOC	for	Semiconductor Manufacturing Oriental Corporation
SMTC	for	Semiconductor Manufacturing Tianjin-Xiqing Corporation
CICT	for	China Information and Communication Technology Group Co., Ltd.
Datang Holdings	for	Datang Telecom Technology & Industry Holdings Co., Ltd.
Datang HK	for	Datang Holdings (Hongkong) Investment Company Limited
China IC Fund	for	China Integrated Circuit Industry Investment Fund Co., Ltd.
China IC Fund II	for	China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.
China IC Fund III	for	China Integrated Circuit Industry Investment Fund (Phase III) Co., Ltd.
Xinxin HK	for	Xinxin (Hongkong) Capital Co., Ltd.
Board	for	the board of directors of the Company
Director(s)	for	the director(s) of the Company
CSRC	for	China Securities Regulatory Commission
HKSE or Hong Kong Stock Exchange	for	The Stock Exchange of Hong Kong Limited
SSE	for	The Shanghai Stock Exchange
SSE STAR Market	for	Shanghai Stock Exchange Science and Technology Innovation Board
Hong Kong Listing Rules	for	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
SSE STAR Market Listing Rules	for	the Rules Governing the Listing of Stocks on the SSE STAR Market, as amended from time to time
IFRS(s)	for	the International Financial Reporting Standard(s) as issued by the International Accounting Standards Board
CAS(s)	for	the China Accounting Standard(s) for Business Enterprises as issued by the PRC Ministry of Finance
Ordinary Share(s)	for	the ordinary share(s) of US$0.004 each in the share capital of the Company
A Share(s)	for	the Ordinary Share(s) issued by the Company on the SSE STAR Market
Hong Kong Share(s)	for	the Ordinary Share(s) issued by the Company on the Hong Kong Stock Exchange
Reporting Period, this period or this year	for	period from January 1, 2025 to December 31, 2025
Corresponding Period, previous period or last year	for	period from January 1, 2024 to December 31, 2024

All references in this report to silicon wafer quantities are to standard logic 8-inch equivalent wafers, unless otherwise specified. The number of standard logic 8-inch equivalent wafers is equal to the number of standard logic 12-inch wafers multiplied by 2.25.

The financial information in this report has been prepared in accordance with the provisions under the IFRSs.

LETTER TO SHAREHOLDERS

SECTION 2 • LETTER TO SHAREHOLDERS

Dear shareholders and investors,

2025 was the 25th anniversary of SMIC's founding, a transformative year for the Company to further deepen reforms comprehensively and drive high-quality development.

This year, the Company continued to focus on its core business development, ensured the smooth progress of its projects, and achieved new heights in its business performance. Confronted with the complex and volatile external environment, the Company remained committed to its long-term strategy of deeply engaging in wafer manufacturing and carried out capacity expansion in a steady manner, and the monthly capacity scale exceeded 1 million standard logic 8-inch equivalent wafers; revenue increased by 16.2% year-on-year to US$9,327 million, continuing to solidify its position as the second-largest pure-play wafer foundry worldwide; utilisation rate increased by 8 percentage points year-on-year to 93.5%; the gross margin increased to 21%, up 3 percentage points year-on-year, despite a substantial increase in depreciation. At the same time, the Company made substantive progress in the projects including acquisition of minority stakes in SMNC, capital injection and share expansion in SMSC, building a solid foundation for its future development.

This year, the Company continued to drive technological breakthroughs, promoted incremental growth through open cooperation, and synergized with the industrial chain for common development. As downstream application scenarios became more diversified, sectors such as artificial intelligence, data centers and autonomous driving led the industry into a new round of rapid growth cycle, smart terminals such as consumer electronics upgraded and iterated, and the local transformation of the industrial chain accelerated. All above further boosted the industry's demand for domestic chip manufacturing in the mid-to high-end areas. In this context, the Company prioritized fostering and developing its new productive forces, and sustained innovation to consolidate its core competitive advantages. In 2025, the Company maintained a high level of R&D investment of US$774 million, accounting for 8.3% of its revenue; the Company refined its technological innovation system, actively responded to customer needs, and continuously promoted process iteration and product upgrading; at the same time, the Company carried out industrial chain cooperation with upstream and downstream partners and established advanced packaging research institute to support the high-quality development of the industry.

This year, the Company continued to strengthen talent force, fostered a heartwarming corporate culture, and fully promoted green and sustainable development. Faced with the profoundly evolving industrial landscape, the Company fully recognized that competition in IC industry boiled down to the competition for talent. The Company selected and cultivated outstanding young cadres, and comprehensively strengthened the development of its talent pipeline. In terms of talent recruitment, the Company kept stepping up the hiring of fresh graduates and proactively introduced professional elites and high-end experts; in terms of talent retention, the Company nurtured employees' sense of responsibility, mission and belonging through measures such as strengthening positive incentives and implementing a diversified compensation system. Adhering to the people-oriented philosophy at all times, the Company consistently practiced its corporate social responsibility of "caring for people, environment and society", consolidated the resilience of green and sustainable development, deepened humanistic care, and achieved the common development of the Company and society.

2026 is a year of strategic opportunity and window for the development of the industry, and is also a pivotal year for SMIC to seize the momentum, serve the overall interests, take proactive actions, embrace innovation for transformation, and pursue collaborative innovation. The Company focuses on ten key priorities: ensuring safety, delivering projects, strengthening technology, expanding new drivers, forging a capable team, optimizing operations, controlling costs, mitigating risks, adapting to changing landscapes and deepening humanistic care. The Company consolidates and expands its competitive edges, overcomes bottleneck constraints, and shores up its weaknesses, so as to seize the strategic initiative in the fierce domestic and international competition, achieve greater breakthroughs of promoting its strategic layout of "one SMIC, global operations", and strive to create a new glory for SMIC in the new era!

Here, on behalf of the Company's board of directors and management, I would like to extend most heartfelt gratitude and sincerest respect to all the shareholders and friends from all walks of life who have cared for and supported the development of SMIC over the years!

刘训峰

Chairman

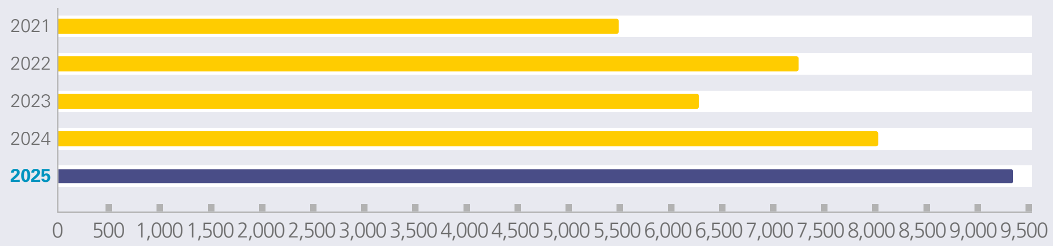
Shanghai, PRC
March 26, 2026

STRIVING FOR RETURNS

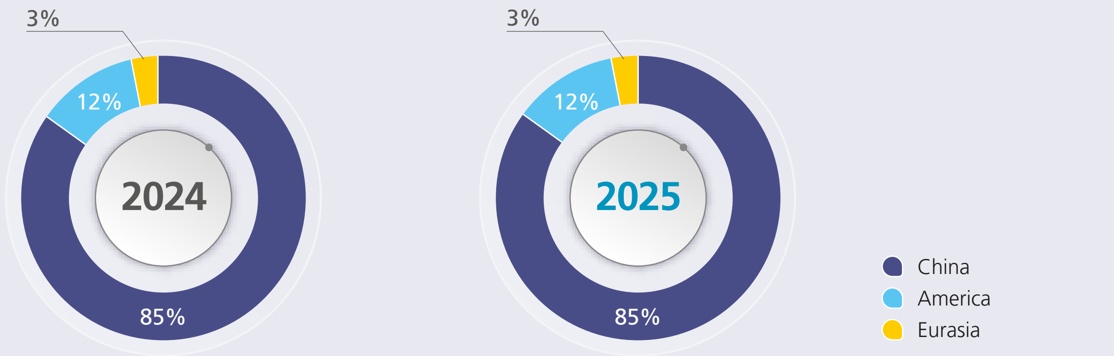
FOR OUR SHAREHOLDERS

Total Revenue

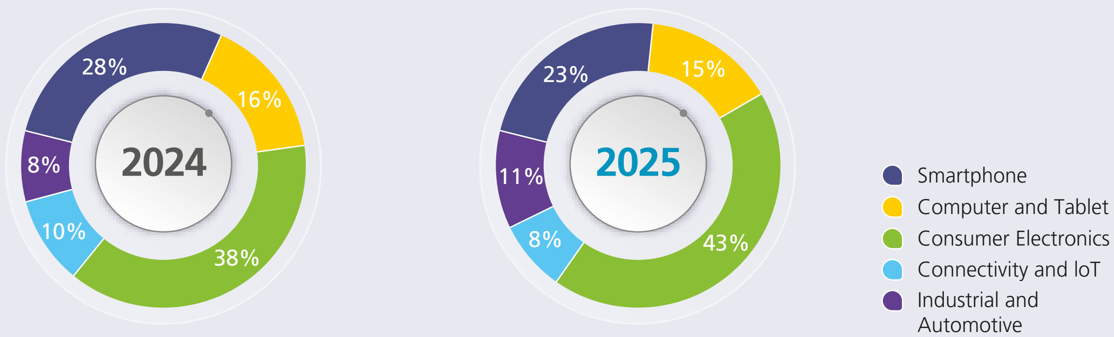
US$ million



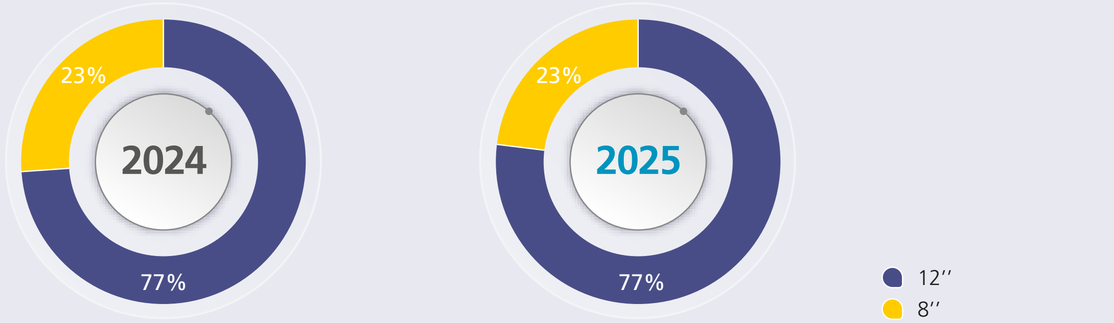
Sales by Region



Wafer Sales by Application



Wafer Sales by Size



I. BASIC CORPORATE INFORMATION

Name of the Company in Chinese	中芯國際集成電路製造有限公司
Chinese abbreviation	中芯國際
Name of the Company in English	Semiconductor Manufacturing International Corporation
English abbreviation	SMIC
Legal representative of the Company(Note)	Liu Xunfeng
Authorized Representatives under Hong Kong Listing Rules	Liu Xunfeng, Guo Guangli
Board Secretary/Company Secretary	Guo Guangli
Registered address of the Company	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands
Office address of the Company	18 Zhangjiang Road, Pudong New Area, Shanghai, PRC
Principal place of business in Hong Kong	29th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong
Postal code of the office address of the Company	201203
Website address	https://www.smics.com/
E-mail	ir@smics.com
Hong Kong Share registrar	Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Custodian of A Shares	Shanghai Branch of China Securities Depository and Clearing Corporation Limited ("China Clearing")

Note: The Company is registered in the Cayman Islands, which does not have the concept of a legal representative, and the Chairman of the Company is Liu Xunfeng.

II. CONTACT PERSONS AND CONTACT METHODS

	Board Secretary (Domestic Representative for Information Disclosure)	Securities Affairs Representative
Name	Guo Guangli	Wen Jiehan
Contact address	18 Zhangjiang Road, Pudong New Area, Shanghai, PRC	18 Zhangjiang Road, Pudong New Area, Shanghai, PRC
Telephone	021-20812800	021-20812800
E-mail	ir@smics.com	ir@smics.com

III. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

Names and websites of the media selected by the Company for information disclosure	Shanghai Securities News (www.cnstock.com), China Securities Journal (www.cs.com.cn), Securities Times (www.stcn.com) and Securities Daily (www.zqrb.cn)
Website of the Shanghai Stock Exchange for publishing the annual report of the Company	https://www.sse.com.cn
Website of the Hong Kong Stock Exchange for publishing the annual report of the Company	https://www.hkexnews.hk
Place available for inspection of the annual report of the Company	Board Affairs Office, 18 Zhangjiang Road, Pudong New Area, Shanghai, PRC

IV. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock exchange and board on which shares are listed	Stock abbreviation	Stock code
A Shares	SSE STAR Market	中芯國際	688981
Hong Kong Shares	Main Board of the Hong Kong Stock Exchange	SMIC	00981

V. OTHER RELEVANT INFORMATION

Auditor engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
	Office address	16th Floor, Ernst & Young Tower, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing, China
	Name of signing accountants	Meng Dong, Gu Fan
Auditor engaged by the Company (overseas)	Name	Ernst & Young Certificated Public Accountant and Registered Public Interest Entity Auditor
	Office address	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Name of signing accountant	Ng Cheung

VI. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST THREE YEARS

(I) PRINCIPAL ACCOUNTING DATA

in USD'000

	Year ended December 31,			
	2025	2024	2025 as compared with 2024 (%)	2023
Revenue	**9,326,799**	8,029,921	16.2	6,321,560
Profit before tax	**1,073,257**	859,558	24.9	1,187,449
Profit for the year attributable to owners of the Company	**685,131**	492,748	39.0	902,526
Profit for the year attributable to owners of the Company, net of non-recurring profit or loss	**575,556**	368,930	56.0	465,963
Net cash generated from operating activities	**3,194,303**	3,175,555	0.6	3,358,294
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	**5,256,378**	4,379,732	20.0	4,064,164

	As of December 31,			
	2025	2024	2025 as compared with 2024 (%)	2023
Equity attributable to owners of the Company	**21,439,670**	20,613,809	4.0	20,116,102
Total assets	**52,271,308**	49,161,248	6.3	47,787,312

(II) PRINCIPAL FINANCIAL INDICATORS

	Year ended December 31,			
	2025	2024	2025 as compared with 2024 (%)	2023
Gross margin	**21.0%**	18.0%	Increased by 3.0 percentage points	19.3%
Net margin	**10.6%**	9.1%	Increased by 1.5 percentage points	17.8%
EBITDA margin	**56.4%**	54.5%	Increased by 1.9 percentage points	64.3%
Basic earnings per share	**$0.09**	$0.06	50.0	$0.11
Diluted earnings per share	**$0.09**	$0.06	50.0	$0.11
Basic earnings per share, net of non-recurring profit or loss	**$0.07**	$0.05	40.0	$0.06
Weighted average return on equity(1)	**3.3%**	2.4%	Increased by 0.9 percentage point	4.6%
Weighted average return on equity, net of non-recurring profit or loss(2)	**2.7%**	1.8%	Increased by 0.9 percentage point	2.4%
Percentage of research and development ("R&D") costs to revenue	**8.3%**	9.5%	Decreased by 1.2 percentage points	11.2%

Notes:

(1) Weighted average return on equity = profit for the year attributable to owners of the Company/weighted average equity attributable to owners of the Company

(2) Weighted average return on equity, net of non-recurring profit or loss = profit for the year attributable to owners of the Company, net of non-recurring profit or loss/weighted average equity attributable to owners of the Company

Profit for the year attributable to owners of the Company, profit for the year attributable to owners of the Company, net of non-recurring profit or loss increased, primarily due to the increase in wafer shipment, the increase in capacity utilisation rate and the product mix change.

Basic earnings per share, diluted earnings per share and basic earnings per share, net of non-recurring profit or loss increased, primarily due to the increase in profit for the year attributable to owners of the Company for this year.

VII. DISCREPANCIES IN ACCOUNTING DATA BETWEEN DIFFERENT ACCOUNTING STANDARDS

(I) DISCREPANCIES IN PROFIT AND EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY IN THE FINANCIAL REPORT DISCLOSED UNDER IFRSs AND UNDER CASs

in USD'000

	Profit attributable to owners of the Company		Equity attributable to owners of the Company	
	Year ended 12/31/25	Year ended 12/31/24	**12/31/25**	12/31/24
Prepared in accordance with CASs	**704,264**	517,851	**21,439,670**	20,613,809
Adjustments to items and amounts prepared in accordance with IFRSs:				
Equity interest in associates being passively diluted(Note)	**(19,133)**	(25,103)	**–**	–
Prepared in accordance with IFRSs	**685,131**	492,748	**21,439,670**	20,613,809

Note: Under the CASs, the impact arising from passive dilution of investments in associates and joint ventures shall adjust the carrying amount of the long-term investment, and be recognised in capital reserve. Under the IFRSs, the impact arising from passive dilution of investments in associates and joint ventures shall adjust the carrying amount of the long-term investment, and be recognised in profit or loss in the current period.

VIII. PRINCIPAL FINANCIAL DATA FOR THE YEAR OF 2025 BY QUARTER

in USD'000

	First Quarter (From January to March)	Second Quarter (From April to June)	Third Quarter (From July to September)	Fourth Quarter (From October to December)
Revenue	2,247,201	2,209,066	2,381,822	2,488,710
Profit attributable to owners of the Company	188,035	132,487	191,758	172,851
Profit attributable to owners of the Company, net of non-recurring profit or loss	161,836	103,654	178,106	131,960
Net cash generated from operating activities	(160,415)	1,069,672	941,112	1,343,934

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

in USD'000

	Year ended December 31,		
	2025	2024	2023
Gain/(loss) on disposal of property, plant and equipment and assets classified as held-for-sale	**26,195**	18,414	(177)
Government funding	**222,637**	187,686	236,425
Net gain arising from items measured at fair value through profit or loss ("FVPL")	**12,588**	2,090	51,265
Other non-recurring profit or loss items	**(68,507)**	136,405	270,998
	192,913	344,595	558,511
Effects on income tax	**(2,414)**	(150,261)	(54,162)
Impact on non-controlling interests (after tax)	**(80,924)**	(70,516)	(67,786)
Total	**109,575**	123,818	436,563

in USD'000

	Year ended December 31,
Other non-recurring profit or loss items	**2025**
Share of net gain arising from items measured at FVPL of associates and a joint venture	23,803
Equity interest in associates being passively diluted	(19,133)
Others	(73,177)

X. EBITDA

in USD'000

	Year ended December 31,	
	2025	2024
Profit for the year	**988,944**	729,993
Finance costs	**373,111**	297,111
Depreciation and amortisation	**3,810,010**	3,223,063
Income tax expense	**84,313**	129,565
EBITDA(2)(3)	**5,256,378**	4,379,732
EBITDA margin(1)(2)(3)	**56.4%**	54.5%

Notes:

(1) EBITDA margin is calculated by dividing EBITDA by revenue.

(2) EBITDA and EBITDA margin are non-IFRS measurement items and may not be comparable to similar measurement items reported by other companies.

(3) EBITDA and EBITDA margin exclude the effects of different capital structures, depreciation policies, and tax burdens, providing readers with information on the Company's core profitability and cash flow status.

The increase in EBITDA and EBITDA margin for this year were mainly due to the increase in wafer shipment, the increase in capacity utilisation rate and the product mix change.

XI. ITEMS MEASURED AT FAIR VALUE

in USD'000

	As of December 31,			
	2025	2024	**Change in the Reporting Period**	**Impact on profit for the Reporting Period**
Equity instruments	**810,501**	138,086	672,415	5,467
Structural deposits and monetary funds	**380,857**	561,544	(180,687)	7,121
Derivative financial instruments – net assets/(net liabilities)	**68,157**	(69,387)	137,544	–
Total	**1,259,515**	630,243	629,272	12,588

XII. BUSINESS PERFORMANCE HIGHLIGHTS FOR THE PREVIOUS FIVE YEARS

(I) PROFIT OR LOSS DATA

in USD'000

	Year ended December 31,				
	2025	2024	2023	2022	2021
Revenue	**9,326,799**	8,029,921	6,321,560	7,273,284	5,443,112
Cost of sales	**(7,370,200)**	(6,581,953)	(5,103,816)	(4,511,636)	(3,767,342)
Gross profit	**1,956,599**	1,447,968	1,217,744	2,761,648	1,675,770
Research and development expenses	**(773,634)**	(765,279)	(707,275)	(733,096)	(638,842)
Selling and marketing expenses	**(42,963)**	(39,847)	(36,162)	(33,834)	(27,642)
General and administration expenses	**(526,237)**	(580,041)	(482,262)	(493,730)	(275,703)
Impairment losses on financial assets, net	**(4,315)**	(107)	1,255	(605)	997
Other operating income	**500,487**	411,206	364,447	335,296	657,982
Profit from operations	**1,109,937**	473,900	357,747	1,835,679	1,392,562
Interest income	**398,080**	546,061	736,591	349,135	223,035
Finance costs	**(373,111)**	(297,111)	(209,424)	(125,582)	(110,143)
Foreign exchange gain	**28,501**	11,261	11,155	6,586	1,407
Other (losses)/gains, net	**(79,955)**	96,837	262,591	26,763	80,785
Share of profit or loss of associates and a joint venture	**(10,195)**	28,610	28,789	121,524	252,678
Profit before tax	**1,073,257**	859,558	1,187,449	2,214,105	1,840,324
Income tax expense	**(84,313)**	(129,565)	(62,514)	(16,023)	(65,166)
Profit for the year	**988,944**	729,993	1,124,935	2,198,082	1,775,158
Profit for the year attributable to:					
Owners of the Company	**685,131**	492,748	902,526	1,817,942	1,701,803
Non-controlling interests	**303,813**	237,245	222,409	380,140	73,355
	988,944	729,993	1,124,935	2,198,082	1,775,158

	Year ended December 31,				
	2025	2024	2023	2022	2021
Earnings per share					
Basic	**$0.09**	$0.06	$0.11	$0.23	$0.22
Diluted	**$0.09**	$0.06	$0.11	$0.23	$0.21
Shares issued and outstanding (share)	**8,000,408,035**	7,976,149,966	7,946,555,760	7,912,664,696	7,903,856,555
Financial ratio					
Gross margin	**21.0%**	18.0%	19.3%	38.0%	30.8%
Net margin	**10.6%**	9.1%	17.8%	30.2%	32.6%
Operating data					
Wafers shipped (in piece)	**9,696,824**	8,020,798	5,866,683	7,098,458	6,747,190

(II) MAJOR FINANCIAL POSITION DATA

in USD'000

	As of December 31,				
	2025	2024	2023	2022	2021
Total assets	**52,271,308**	49,161,248	47,787,312	43,807,784	36,110,941
Property, plant and equipment	**32,557,778**	28,092,037	23,944,961	18,855,532	14,260,783
Financial assets at amortised cost	**5,682,865**	7,954,060	9,840,224	10,676,151	7,564,091
Cash and cash equivalents	**5,872,500**	6,364,189	6,215,058	6,932,587	8,581,746
Total liabilities	**17,250,785**	17,291,590	16,941,696	14,846,363	10,672,798
Borrowings	**12,587,850**	10,964,459	9,550,931	7,986,522	5,726,987
Trade and other payables	**2,965,981**	3,280,365	3,727,922	3,217,001	1,830,415
Total equity	**35,020,523**	31,869,658	30,845,616	28,961,421	25,438,143
Non-controlling interests	**13,580,853**	11,255,849	10,729,514	9,811,445	8,288,479

(III) MAJOR CASH FLOW DATA

in USD'000

	Year ended December 31,				
	2025	2024	2023	2022	2021
Net cash generated from operating activities	**3,194,303**	3,175,555	3,358,294	5,347,916	3,011,895
Profit for the year	**988,944**	729,993	1,124,935	2,198,082	1,775,158
Depreciation and amortisation	**3,810,010**	3,223,063	2,667,291	2,271,361	1,869,302
Net cash used in investing activities	**(6,495,352)**	(4,518,437)	(6,207,572)	(10,391,505)	(6,655,435)
Acquisition of property, plant and equipment	**(8,399,826)**	(7,664,215)	(7,630,407)	(6,172,106)	(4,120,275)
Net cash generated from financing activities	**2,676,455**	1,608,336	2,466,338	3,614,290	2,357,325
Net (decrease)/increase in cash and cash equivalents	**(624,594)**	265,454	(382,940)	(1,429,299)	(1,286,215)

I. PRINCIPAL BUSINESS, BUSINESS MODEL AND INDUSTRY OVERVIEW DURING THE REPORTING PERIOD

(I) PRINCIPAL BUSINESS, MAJOR PRODUCTS OR SERVICES

SMIC is one of the leading semiconductor foundries in the world and also the front runner in Chinese Mainland, with leading manufacturing capability, manufacturing scale and comprehensive services. SMIC Group provides semiconductor foundry and technology services to global customers on 8-inch and 12-inch wafers.

In addition to the IC foundry business, the Group is also committed to creating a platform-based ecological service model, providing customers with one-stop supporting services in design services, IP support, photomask manufacturing, etc., while promoting the collaborations of upstream and downstream of IC industry chain so as to provide a full range of integrated circuit solutions to our customers with the partners in all links of the industry chain.

(II) MAJOR BUSINESS MODEL

1. Profit model

The Company is mainly engaged in IC foundry business based on multiple technology nodes and different technology platforms, as well as supporting services such as design services and IP support, photomask manufacturing, etc.

2. R&D model

The Company has formed a complete and efficient innovation mechanism and a complete R&D process management system, equipped with professional R&D teams. The Company promoted the application platforms' development, further solidified its technical foundation and established its technical thresholds. The R&D procedures principally include seven stages, namely selection of project, feasibility assessment, project establishment, technology development, technology verification, product validation and production, each with strict review procedure, to ensure the successful conversion of R&D projects.

3. Procurement model

The Company mainly purchases materials, parts, equipment, software and technical services for IC foundry services and supporting services from its suppliers. In order to improve productivity and enhance cost control, the Company has established a procurement management system. The Company has an established supplier management system and a relatively comprehensive security system for supply chain management. It has built mechanisms for supplier access, supplier assessment and evaluation, and supplier capability development and improvement. While maintaining long-term collaboration with its major suppliers, the Company continues to take into account the introduction and cultivation of new suppliers to strengthen the sustainability and safety of the supply chain.

4. Production model

The Company plans production capacity based on the market demand and determines production schedule, the details of which are as follows:

(1) Small-batch trial production: The customer designs the products according to the design rules provided by the Company. After completing the design, the Company conducts a small-batch trial production based on the customers' requirements for such product.

(2) Risk production: The samples from the small-batch trial production are packaged, tested, and functionally verified. If they meet the market requirements, the product can enter into the risk production stage. The stage of risk production mainly includes product yield improvement, product process improvement and production capacity expansion.

(3) Mass production: After completing the risk production, and the above mentioned delivery indicators have met the standards, the product can enter into the mass production stage. In the mass production stage, the sales department confirms with customer on the purchase order quantity. The production-planning department arranges production based on customer order requirements, tracks production progress, and provides customers with production progress reports.

5. Marketing and sales model

The Company adopts various marketing methods and actively expands customer base through multiple channels. After forming a cooperative relationship with customers, the Company will maintain direct communication channels with customers and formulate solutions to meet their needs.

Through market research, the Company actively contacts and visits target customers, recommends process and services linked to customer needs and launches a series of customer development activities. The Company also establishes cooperative relations with customers through collaborations with design service companies, IP suppliers, EDA companies, packaging and testing companies, industry associations and various IC industry promotion centers. The Company conducts promotional activities and acquires customers by hosting technical seminars and participating in various professional exhibitions, summits, and forums in the semiconductor industry. Some customers contact the Company for direct cooperation through public channels such as the Company's website and word-of-mouth communication. The Company's sales team executes orders with customers, and provides IC wafer foundry services and relevant supporting services to the customers according to the requirements of the order. Upon completion of manufacturing, the products will be delivered to customers or the downstream packaging and testing manufacturers designated by customers.

The Company has established the current foundry model based on the factors such as market supply and demand situation, upstream and downstream development, the Company's principal business, major products, core technologies, and its own development stage. During the Reporting Period, the aforementioned key factors of business model had no material changes.

(III) INDUSTRY OVERVIEW

1. Development stage, basic features and major technical thresholds of the industry

In 2025, the global semiconductor industry continued its growth, and supply chain synergies became evident. Influenced by the diversification of downstream application scenarios, different sub-sectors exhibited varying evolutionary patterns: driven by generative AI, data centers, autonomous driving and other areas' demand, computing and memory chips contributed the core momentum to the overall market size increase. Driven by the moderate boost from the iterative upgrading of smart terminals, the industry saw a gradual release of replacement demand for products such as consumer electronics smartphones, computers, and wearable devices. The automotive electronics sector experienced a rebound, coupled with a significant increase in demand for localized production across the industrial chain. Domestic wafer fabs achieved automotive-grade certification and realized rapid substitution.

From an industry perspective, the wafer foundry segment continues to highlight its strategic value. In the computing chip field, the demand for logic computing chips is experiencing explosive growth, driving continuous iteration of design tools, process technologies, and heterogeneous packaging technologies, thus building a comprehensive technological barrier encompassing IP cores, EDA toolchains, and process technologies; in the consumer electronics sector, the overall market is experiencing a moderate recovery, with products such as SoCs, sensors, memory chips and etc., continuously building competitive advantages through process optimization and cost control; in the automotive electronics and industrial control fields, due to functional safety certification systems and long-cycle verification requirements, a highly concentrated industrial ecosystem has been formed.

From the perspective of regional development, in the context of the dynamic adjustment of Sino-US trade policies, multinational enterprises are accelerating the regional restructuring of supply chains, the global supply chain system is undergoing multi-dimensional adaptive changes, and the layout of the nearshoring industrial chain has become the strategic focus of major economies. The integrated circuit industry in China Mainland still has substantial growth potential in key areas such as high-end equipment, critical raw materials and parts, IC design capabilities, process development, and chip packaging.

As a core link in the semiconductor industry chain, the wafer foundry industry has high barriers to entry due to technological hurdles, talent requirements, and continuous capital investment.The focus of competition in this field is on nanoscale process accuracy control, the development and application of new semiconductor materials, and the collaborative optimization capabilities of ultra-large-scale manufacturing systems. Leading global companies maintain high levels of R&D investment, continuously strengthening their technological advantages and building industry barriers, while local companies are rapidly filling gaps in the market through collaboration across the industrial chain.

2. Analysis on the industry position of the Company and its changes

SMIC is one of the leading IC wafer foundries in the world and also the front runner in Chinese Mainland, with leading manufacturing capability, manufacturing scale and comprehensive services. According to the global pure-play foundries' latest published sales in 2025, SMIC ranks the second globally and the first among the enterprises in Chinese Mainland.

3. Development of new technologies, new industries, new sectors and new models during the Reporting Period as well as their future development trends

In recent years, the foundry manufacturers attract customers with their core advantages in the field of technological leadership, platform diversity, and device performance differentiation. Meanwhile, the market demand is becoming more diversified. The enterprises pursue not only smaller transistor structures vertically but also the derivative platforms establishment by utilising existing technology nodes as horizontal development, in order to meet the differentiated needs of the huge end market.

At the same time, the technologies' breakthrough in new types of packaging, design services and photomask also empower the wafer foundry technologies iterations. In the field of new packaging technologies, a variety of systematic solutions effectively exceed the limitation of transistor linewidth, and further improve the compatibility of multi-chip integration. In the design services sector, DTCO (Design Technology Co-Optimization) is utilised to evaluate and adjust the coordination between IC design and manufacturing process, to effectively reduce the cost of semiconductor process development and minimise the risk of process going for production. Photomask as a core tool in IC manufacturing industry chain, the process performance of design pattern lithography has been further improved with the evolutions on photomask types and graphic transfer materials.

With the changes in global industrial landscape, the wafer foundry companies begin to pay more attentions to the industrial constructions ecosystem layout instead of just focusing on own technology capability and platform build up. The foundries' capacity scale effect and collaboration capabilities in local industry chain have become one of the important factors for customers' assessment of supply chain stability and completeness.

Regarding the future development trends, the foundry companies continue to strengthen their industry barriers in the aspects of capital, technology and ecosystem through their continuous efforts on capacity scale expansion, new process developing, and industrial chain collaborations, etc. The business format dominated by a small number of companies in the market will exist in long run, and the industry's leading effect will become increasingly evident.

II. DISCUSSION AND ANALYSIS ON BUSINESS

In 2025, impacted by multiple factors such as U.S. tariff policies, geopolitics, and the recovery of emerging markets, the smartphone market has experienced steady growth, while the personal computer market has entered a replacement cycle, leading to an increase in sales; driven by edge AI, consumer electronics, smart wearables, and other devices markets have continued to expand steadily. The localization of supply chains has gained further momentum, with more wafer foundry demand shifting back to domestic.

The Company's operation has demonstrated steady progress with improved quality and efficiency. The Company's operating performance improved steadily, maintaining its position as the world's second-largest pure-play wafer foundry. Capacity construction rolled out solidly, with leading overall capacity utilisation rate in the industry. Process R&D and platform building were steadily expanded, and the product competitiveness and market influence were significantly enhanced. Open cooperation delivered remarkable results. The Company maintained close communication with partners across the industrial and supply chains, and collaborated with universities and research institutes to pioneer new models for talent development. Management empowerment fostered synergy. The Company made solid progress in the digitalization construction, with a firm commitment to open cooperation, consensus-building, and synergy fostering.

During the Reporting Period, the Group recorded revenue of US$9,326.8 million, representing a year-on-year increase of 16.2%. In particular, the wafer revenue amounted to US$8,796.4 million, representing a year-on-year increase of 17.5%.

III. ANALYSIS ON THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) ANALYSIS ON THE CORE COMPETITIVENESS

The Company continued to strengthen its core competitiveness during the Reporting Period as described below:

1. Advantages in R&D platforms

According to the overall strategy and customer demand-oriented, the Company's R&D center has continuously improved its process R&D and innovation capabilities, strengthened platform construction, and upgraded product performance. The R&D project fully benchmarked the technical requirements of the product in the early stage, effectively utilised R&D resources, ensured the quality and reliability of output, actively shortened the cycle from R&D to mass production, and met the market demand for product innovation and rapid iteration, and strived to provide new business growth points for the Company.

2. Advantages in R&D team

Through years of IC R&D practices, the Company has established a high-quality core management team and a professional competent R&D team. The main members of the R&D team comprise of senior experts with many years of R&D and management experience in the industry.

3. Advantages in rich product platforms and well-known brands

The Company has long been focusing on the development of IC process technologies for decades, and provides semiconductor foundry and technology services to global customers on 8-inch and 12-inch wafers, which are applied in various technology platforms. The Company owns mass production capability on many technology platforms, such as logic IC, power/analog, high-voltage displayer driver, embedded non-volatile memory, stand-alone non-volatile memory, mix signal/RF, and CMOS image sensor, etc. The Company is able to provide both IC foundry services and supporting services to customers in the application fields of smartphone, computer and tablet, consumer electronics, connectivity and IoT, industrial and automotive and other areas. Through long-term cooperation with domestic and overseas renowned customers, the Company has formed prominent brand effects, and obtained sound industry recognition.

4. Well-established intellectual property systems

The Company has accumulated many core technologies in the IC field with well-established intellectual property system. As of December 31, 2025, the Company had 14,511 patents in total, including 12,621 invention patents. In addition, the Company also had 94 layout design rights of IC.

5. Internationalised and supply chain layout

The Company is based on the concept of globalised operation and serves customers all over the world. The Company has established an internationalised management team and talent team, and set up service bases and a business network that spans the globe. Meanwhile, the Company has set up marketing offices in the United States, Europe, Japan and Taiwan, China, further expanding the markets and quickly responding to customer needs. The Company pays great attention to the partnerships with upstream and downstream enterprises of the IC industry supply chain, actively enhances supply chain integration and layout capability, and constructs a compact IC ecosystem, in order to provide customers with comprehensive one-stop IC solutions.

6. Sound quality, occupational health, safety and environmental protection systems

The Company has established a comprehensive quality management system through continuously enlarging quality management scope vertically and horizontally. Currently, the Company has obtained many accreditations, such as the Information Security Management System Accreditation (ISO 27001), Quality Management System Accreditation (ISO 9001), Environmental Management System Accreditation (ISO 14001), Occupational Health and Safety Management System Accreditation (ISO 45001), Quality Management System Accreditation for Automotive Supply Chain (IATF 16949), Quality Management System Accreditation for Telecommunication Industry (TL 9000), Hazardous Substance Process Management System Accreditation (QC 080000), Greenhouse Gas Emission Inventory Accreditation (ISO 14064), Energy Management System Accreditation (ISO 50001), and the Road Vehicles – Functional Safety Accreditation (ISO 26262).

(II) CORE TECHNOLOGIES AND R&D PROGRESS

1. Core technologies and the advancement and their changes during the Reporting Period

SMIC has a comprehensive core technology system of IC wafer foundry, helping customers complete product introduction and certification as well as stable mass production efficiently. SMIC has successfully developed diverse technology platforms for 8-inch and 12-inch, offering "one-stop" wafer foundry and technical services.

In 2025, multiple platform projects have been developed as planned. Please refer to the following information on R&D ongoing projects for details.

2. R&D achievements during the Reporting Period

List of intellectual property rights obtained during the Reporting Period:

	Addition during the year		Accumulative number	
	Number of applications	Number of rights obtained	Number of applications	Number of rights obtained
Invention patents	290	509	18,506	12,621
Utility model patents	5	38	1,897	1,890
Layout design rights	–	–	94	94
Total	295	547	20,497	14,605

3. Analysis of R&D costs

in USD'000

	Year ended December 31,		
	2025	2024	2025 as compared with 2024 (%)
Expensed R&D costs	**773,634**	765,279	1.1
Total R&D costs	**773,634**	765,279	1.1
Percentage of total R&D costs to revenue (%)	**8.3**	9.5	Decreased by 1.2 percentage points

4. R&D ongoing projects

No.	Name of project	Progress or milestone achievements	Expected objective	Technology positioning	Specific application prospects
1	28nm ULL Technology Platform R&D Project	The new generation PDK (Process Design Kit) along with corresponding standard cell libraries, memory compilers, and other design toolkits have been released, and are being validated in multiple types of products.	To further improve the layout of platform IPs and expand the application market. To accelerate the platform and to reduce the level of power leakage by process iteration and optimization, meanwhile, to meet the demand for both two major product categories of low power leakage and low power consumption, and to reach mass production.	Chinese Mainland leadership	Mainly applied to various IoT, mobile communication and other industries to meet the needs of smartphones, digital TVs, set-top boxes, image processing and other products demand.
2	28nm SST e-Flash Platform R&D Project	The critical process development has been completed, establishing the entire process flow and demonstrating the basic function of both SRAM and flash bit cell.	To complete platform development, launch model and PDK with IP, and enable mass production to fulfill market gap in high-end MCU.	Chinese Mainland leadership	Mainly applied to high-end MCU scenarios such as vehicle domain controller and ADAS, etc., which require rapid response, low power consumption and large storage capacity.
3	65nm RF-SOI Technology Platforms Continuous R&D Project	The new-generation platform PDK has been released, delivering significantly enhanced performance compared to previous generation, and is now being introduced into new products for testing and validation.	To continuously improve the performance of next generation platform to the industry leading level, to introduce more customers' new products, and to reach mass production.	Chinese Mainland leadership	Mainly applied to RF chips in RF frontend modules for smartphones, Wi-Fi and etc.
4	90nm BCD Technology Platform Continuous R&D Project	The new-generation BCD low-voltage and medium-voltage PDKs have been released respectively. The low-voltage platform further enhances performance, while the medium-voltage platform broadens voltage domain coverage. Both platforms are now in customer new product designs.	To introduce more customers' new products by MV platform technology, and to reach mass production. To further improve the performance of next generation technology of LV platform, to continuously enrich the device variety, and to provide a more competitive technology platform.	Chinese Mainland leadership	Mainly applied to intelligent power management, audio amplifiers, intelligent motor drivers and automotive chips.
5	8'' BCD and Analog Technology Platform Continuous R&D Project	Product engagement for next generation automotive electronics system BCD platform has been completed. Next generation medium and high voltage BCD platform PDK has been released. The process and device development for SOI BCD platform have been completed.	To continuously develop new BCD platforms and to iteratively improve performance of the existing platforms, to release PDK, to implement product introduction and to reach mass production. To continuously expand the breadth and depth of automotive electronics technology platforms.	Chinese Mainland leadership	Mainly applied to power management, industrial applications and automotive chips.
6	0.18μm eNVM for Automotive Electronics Technology Platform R&D Project	The process development of the eNVM technology platform for next generation automotive electronics system has been completed, and PDK is under developing.	To complete platform development and reliability verification, to release models and PDK, lay out IP, to introduce products and to reach mass production.	Chinese Mainland leadership	Mainly applied to industrial applications and automotive chips.
7	Medium & Large Size HV Display Driver Technology Platform Continuous R&D Project	Mass production of next generation of medium size of display driver platform has been achieved. The process development of next generation of large size display driver platform has been completed, and PDK is under developing.	To continuously develop new devices and technology platforms, to release PDK, to introduce products, and to reach mass production. To continuously expand more market share in medium and large display driver field.	Chinese Mainland leadership	Mainly used in medium and large-sized screen display driver chips and car screen display driver chips.

5. R&D staff

Basic information

	2025	2024
Number of R&D staff of the Group (person)	**2,403**	2,330
Proportion of R&D staff to the total number of employees in the Group (%)	**12.0**	12.1
Total compensation of R&D staff (in USD'000)	**195,699**	173,108
Average compensation of R&D staff (in USD'000)	**81**	74

Education level

Education level	Number of persons by education
Doctorate	500
Master	1,336
Bachelor and below	567

Age structure

Age group	Number of persons by age
Aged below 30 (excluding 30)	994
Aged 30-40 (excluding 40)	1,028
Aged 40-50 (excluding 50)	352
Aged 50 and above	29

IV. RISK FACTORS

The IC industry is confronted with a dynamic macro environment and uncertainties. The Company is committed to maintaining stability while pursuing progress as its principal, to fostering sustainable development as its cornerstone, and to serving customers while enhancing core competitiveness as its goal. It strives to better balance security with development, making every effort to minimize the impact of various risk factors on the Company.

(I) RISK OF CORE COMPETITIVENESS

1. The risk of R&D and iteration of technology upgrade

The IC wafer foundry industry in which the Company operates is a technology-intensive industry, it involves the comprehensive application of dozens of disciplines in science technology and engineering, and has the characteristics of fast process technology iteration, large capital investment, long R&D cycle, etc. The IC wafer foundry requires relatively high technical content, the process from early technical demonstration to sustained R&D efforts takes a relatively long period. If the Company fails to keep up with the needs of the industry in the future or correctly identify the direction of R&D, deviations may occur in process technology positioning. The R&D process of the new technology is also relatively complicated, time-consuming and costly, there exists uncertainty. Additionally, the rich terminal application scenarios determine the differences in the mainstream technology nodes and processes of chip products in various markets, and the corresponding market demand changes rapidly.

The Company has insisted on independent R&D and further consolidated its independent core intellectual property rights. By aligning market and R&D efforts to plan the technology roadmap, the Company ensures that its processes and technology platforms are better matched to market demands and remain competitive. Additionally, the Company continues to invest resources in attracting talents.

If the Company's investment in technology R&D in future is insufficient to support the need for technology upgrades, the Company's technology may be overtaken or replaced, which will adversely affect the Company's sustained competitiveness, or the Company fails to launch cost-effective technology platforms that meets market demand in a timely manner, the technology iteration lags significantly behind the process requirements of product application, the Company's competitiveness and market share may diminish, thus adversely affecting the Company's long-term development.

2. The risk of shortage or loss of technical talents

The IC wafer foundry industry is also a talent-intensive industry. IC wafer foundry involves the integration of thousands of processes and dozens of professional disciplines. The requirements for process coordination and error control in each sector are extremely high and it requires relevant professionals to possess not only solid professional knowledge and long-term technical accumulation, but also strong comprehensive capabilities and experience accumulation.

For the past years, the Company has attached great importance to the scientific management of human resources, formulated a relatively reasonable talent policy and salary management system, and implemented multiple incentive measures, including share incentives for outstanding talents, which played a positive role in retaining and attracting technical talents.

In recent years, the number of IC companies has been growing rapidly, resulting in a relatively huge gap between the supply and demand of outstanding technical talents in the industry, and the competition for talents is fierce. If a large number of outstanding technical personnel quit, and the Company is unable to recruit or cultivate experienced technical personnel in a short period of time, the Company's sustainable competitiveness may be adversely affected.

3. The risk of technical leakage

Technology is the core competitiveness in the IC wafer foundry industry, and the Company is driven by technological innovation.

The Company attaches great importance to the protection of core technologies. It has formulated a series of strict and complete confidentiality policies including the information security protection policies, and signed confidentiality agreements and competitive restriction agreements with relevant technical personnel to ensure the confidentiality of core technologies.

However, due to the limitations of technical confidentiality protection measures, the mobility of technical personnel and other factors beyond its control, the Company is exposed to the risk of core technology leakage. The occurrence of any of the above may weaken the Company's technical advantages to a certain extent and has adverse effects.

(II) OPERATING RISKS

1. The risk of continuous huge investment in the Company's R&D and production

The IC wafer foundry industry is a capital-intensive industry. In order to continuously upgrade the existing technology platforms to maintain the advantage of market competitiveness, ensure sufficient production capacity to meet order production requirements, and improve core competitiveness, the Company has to make continuous huge investments.

The Company enhances its overall profitability by optimizing product mix, improving utilisation rate, and refining process technologies etc., while maintaining a diversified strategy in financing channels.

In the future, if the Company fails to generate sufficient operating profit or financing is restricted, which would result in reduced investment, the Company's competitiveness may be adversely affected.

2. The risk of too high or too low customer concentration

The downstream industry market of the global IC wafer foundry industry has a relatively high concentration, however, the market concentration of downstream industry in China's IC wafer foundry industry is relatively fragmented.

The Company has established a relatively stable cooperative relationship with major customers by virtue of its advantages in R&D strength, product quality, capacity support and service response, however, the Company may still face the risk of too high or too low customer concentration.

If there are material issues in the production and operation of major customers in the future, or if customers are scattered, weak and small, and the Company needs to invest more in sales, operation and production costs, the Company's performance stability, operating efficiency and sustained profitability may be adversely affected.

3. The risk of supply chain

The semiconductor industry chain features global division of labor and imposes high requirements on suppliers. There is a limited number of qualified suppliers around the world for certain important raw materials, parts, software, core equipment and service supports, etc.

In the future, the Company's production, operations and sustainable development may be adversely affected if there is a shortage of supply, delay in delivery or a significant rise in price of the required important raw materials, parts, software, core equipment and service supports etc., or there are trade frictions, diplomatic conflicts, wars, etc., between other countries and the countries and/or regions where the suppliers are located, which, in turn, affect the approval of export licenses, supply or rise in price of the related raw materials, parts, software, equipment and service supports etc.

(III) FINANCIAL RISKS

1. The risk of performance fluctuations

Fluctuations in the macroeconomic cycle, change in the industry prosperity of integrated circuit, domestic and foreign customers' order adjustments, price fluctuations of supply chain, unplanned production fluctuations and others caused by events such as facilities, electric power, and equipment verification, continuous capital expenditure, depreciation burden and R&D expenses, may cause the Company to be exposed to the risks of fluctuations in sales revenue, gross margin, profit, etc. within a certain period of time.

2. The risk of impairment on assets

As a capital-intensive enterprise, the Group has a relatively large scale of fixed assets. In the future, if there is a sharp decline in the market price of assets in the period and the decline is remarkably greater than the expected decline due to the passage of time or normal use, or the economic, technological or legal environment where the Company is, and the market where the asset is located experienced or is expected to experience significant changes in the period or in the near future, or the market interest rates or other market investment returns have increased in the period, which affects the Company's calculation of the discount rate applicable for the calculation of the net present value of future cash flows of the assets, this may cause insufficient asset utilisation, termination of use or early disposal of assets, or cause recoverable amount of assets to be lower than the carrying amount, resulting in impairment, which may adversely affect the Group's income statement in the period.

The Company's major customers are integrated circuit design companies and IDM companies at home and abroad with large scale, high credit ratings, and good payment records. Although the possibility of bad debts from major customers is currently low, the Company will still be exposed to the risk of bad debt losses caused by uncollectible accounts receivable if there are adverse changes in the business conditions of some customers in the future.

In addition, in the future, if the net realizable value of some inventories fails to cover the cost resulting from the market demand changes, the Company will be exposed to the risk of an increase in the impairment losses on inventories.

3. The risk of exchange rate and interest rate fluctuations

The functional currency of the Company is U.S. dollars, and some transactions of the Group are denominated in RMB or foreign currencies such as Euro and Japanese Yen. Monetary items in foreign currencies are converted through bookkeeping at the spot exchange rate on the balance sheet date, thus affecting exchange gains or losses. The Company adheres to the principle of "exchange rate risk neutrality" by establishing an exchange rate risk management system, prudently arranging the currency structure of monetary assets and liabilities, and utilising various exchange rate risk-avoiding tools to hedge against the impact of exchange rate fluctuations. However, if the exchange rate of local and foreign currency fluctuates significantly as a result of the changes in domestic and foreign economic environment, political situation, monetary policy and other factors in the future, the Company will still face the risk of exchange losses.

The Company's debt structure includes floating-rate debt instruments, which may expose relevant interest expenses to market interest rate fluctuations. To better manage interest rate risks, the Company maintains an appropriate allocation between fixed-rate and floating-rate debt. Additionally, it takes the use of financial derivatives such as interest rate swaps to flexibly hedge against interest rate volatility. However, future significant fluctuations in market interest rates caused by changes in domestic and international economic conditions, political landscapes, monetary policies, or other factors may still expose the Company to risks of volatile interest expenses.

Details of the Group's related risk management are set out in Note 36 to the consolidated financial statements.

(IV) INDUSTRY RISKS

1. The risk of changes in industry policies

As the foundation and core of the information industry, the IC industry is a strategic industry for national economic and social development. The state has successively issued a series of policies including the "Notice of the State Council on Launching Several Policies to Further Encourage the Development of the Software Industry and Integrated Circuit Industry" (Guo Fa [2011] No.4) and the "Notice of the State Council regarding Certain Policies for Promoting the High-quality Development of the Integrated Circuit (IC) Industry and Software Industry in the New Era" (Guo Fa [2020] No.8) which provide more support for IC companies in taxation, investment and financing, research and development, import and export, talents, intellectual property rights, markets application, international cooperation, etc. In the future, any material unfavorable changes in relevant national industrial policies will adversely affect the Company's development.

2. The risk of industry competition

From a global perspective, the competition in the wafer foundry industry is fierce. Compared with global industry leaders, the Company remains a certain gap in technical capability, and the current market share is relatively limited.

In recent years, various new application areas in the chip industry have continued to emerge. Broad market prospects, growing demand for localized production, and relatively favorable industrial policies, have attracted numerous domestic and foreign enterprises to deploy their businesses in the integrated circuit wafer foundry industry. As a result, the production capacity may fall into a state of structural oversupply, which could further intensify market competition.

In the future, if the Company fails to timely deliver competitive process technologies and platforms, it may face customer loss and weakened pricing power, and the Company's operating results will be adversely affected.

(V) MACRO-ENVIRONMENTAL RISKS

1. The risk of macroeconomic fluctuations and industry cyclicity

Affected by the factors such as global macroeconomic fluctuations and industry prosperity, the IC industry has a certain cyclicity. If the macro-economy fluctuates greatly or remains at a low point for a long time, the market demand of the IC industry may also be affected; in addition, the fluctuation and downturn of downstream market demand may also lead to decline in the demand for IC products, or due to the overheated investment and duplicate construction in the semiconductor industry, the production capacity supply may exceed market demand when the prosperity is relatively weak, which will affect the profitability of IC wafer foundries, and may have a certain adverse impact on the Company's operating results.

2. The risk of geopolitics

As geopolitical conflicts intensify and international export controls tighten, the United States has introduced a series of control policies to restrict exports of semiconductor manufacturing equipment and chips in recent years, and some countries and regions have also introduced similar control measures, posing risks of uncertainty to the stability of the global semiconductor market and chip supply chain.

The Company was added to the U.S. Entity List in 2020, and some of its affiliated companies were added to the U.S. Entity List "Footnote 5" in 2024, bringing certain challenges to the Company's supply chain security and business stability. If export control measures of the United States and other countries/regions against China become more stringent in the future, for example, with further tightening of license review policies, the Company may also face the risk of tight supply on production materials, such as related restricted equipment, raw material, parts, software and service supports, and the risk of business cooperation restriction, etc., which may adversely affect the Company's R&D, production, operating and business. In addition to the foregoing, some investors may be restricted by the requirements under the "Non-SDN Chinese Military-Industrial Complex Entities List" (NS-CMIC List) issued by the U.S. Department of the Treasury, and may not be able to purchase or sell the Company's publicly issued securities.

The Company will strengthen its macroeconomic analysis, conduct in-depth analysis of domestic and international semiconductor industry trends and developments, identify potential risks arising from export controls policies and other policies, and actively deal with the potential impacts of changes in the external economic and policy environment on the Company.

(VI) LEGAL RISKS

1. The risk of differences between the Company's current corporate governance structure and that of the listed companies subject to the applicable laws, regulations and regulatory documents in the PRC

The Company was established under the Companies Act of the Cayman Islands. In accordance with the Circular of the General Office of the State Council on Forwarding the Several Opinions of the CSRC on Launching the Pilot Program of Domestically Issuing Stocks or Depository Receipts by Innovation-oriented Enterprises (Guo Ban Fa [2018] No.21), the pilot red-chip companies' equity structure, corporate governance, and operation specifications may be governed by laws and regulations such as the Company Law of the place of incorporation overseas. As a red-chip company registered in the Cayman Islands, the Company is required to comply with the Companies Act of the Cayman Islands and the Articles of Association, and has enhanced the corporate governance system and operation specifications in accordance with the Hong Kong Listing Rules and SSE STAR Market Listing Rules. The Company's protection of investors' rights and interests are generally no less exacting than legal requirements in the PRC. However, in certain corporate governance arrangements, there are certain differences when compared with the general A Share listed companies registered in the PRC. For details, please refer to "I. Introduction of Corporate Governance" in "Section 6 Corporate Governance, Environment and Society".

2. The risk of changes in laws and regulations

The Company was established in the Cayman Islands, and its subsidiaries were established in and outside the Chinese Mainland. The Company and its subsidiaries should abide by different laws and regulations of different countries and areas. Changes in laws and regulations of the places of registration and business of the Company and its subsidiaries may have an impact on the operation and management of the Company and its subsidiaries.

3. The risk of litigation and arbitration

The IC wafer foundry industry where the Company operates is a key link in driving the integration of the IC industry, and the Company has a large number of customers and suppliers. In its future business development, the Company cannot rule out risks of litigations and arbitrations with customers, suppliers, etc., which will consume the Company's manpower, material resources and distract management efforts. The Company may be exposed to the risk of losing the lawsuit, which may in turn adversely affect the Company's production and operation.

(VII) IT RISKS

The Company pays attention to the protection of core technology and customer information. According to the overall strategic planning, the Company has organised an information security team, formulated information security policies and objectives, and built security technology solutions.

To continuously reduce information technology risks, the Company relies on ISO 27001, the authoritative standards in the field of information security management. The Company carries out information security governance and performs three major tasks of anti-virus, anti-hacking and anti-leakage, establishing a comprehensive confidential information technology protection and monitoring system. By strengthening the capabilities of the security team, optimizing various information security technologies, and enhancing the security awareness of all employees through systematic measures, the Company reduces security risks of key business, systems, and overall operations, ensuring compliance and protecting its reputation.

However, due to uncontrollable factors of the cyber securities threats, including but not limited to Zero-Day Vulnerability, professional hacker attacks etc., the Company still faces to the potential risk of data loss, disruption of customer services or production halt. If any of the above events happens, the business and reputation of the Company may be impacted to some extent.

(VIII) RISKS OF FIRE, EXPLOSIONS, NATURAL DISASTERS AND UTILITY SUPPLY DISRUPTION

SMIC uses flammable, toxic and harmful chemical substances in its production process, which may cause risks of fire, explosion or environmental impact. In addition, global climate change or systemic regional geological changes may cause natural disasters such as extreme climate, weather and destructive earthquakes, which may bring risks such as cold waves, floods, tsunamis, typhoons, droughts and earthquakes, which then may cause the risk of shortages or interruptions of public utilities such as water supply, power supply and gas supply.

SMIC is committed to maintaining a comprehensive risk management system to protect natural resources and safeguard people and assets. For all possible emergencies and natural disasters, the Company has developed comprehensive plans and processes for risk prevention, emergency response, crisis management and business continuity, and regularly conducted drills for emergency response plans, including disaster relief and personnel evacuation. All of our operating fabs have been verified by our environmental management system (ISO 14001) and occupational safety and health management system (ISO 45001), aiming to minimize personal injuries, operational disruptions and financial impacts.

Although none of these risks impacted our operations at our manufacturing facilities during the Reporting Period, these risks still remain. If any of these risks occurs, it could result in some degree of property damage, injury to personnel, business interruption and damage to the Company's reputation.

V. MAIN OPERATION RESULTS DURING THE REPORTING PERIOD

During the Reporting Period, the Group recorded revenue of US$9,326.8 million, representing a year-on-year increase of 16.2%. The Group recorded a profit attributable to owners of the Company of US$685.1 million, representing a year-on-year increase of 39.0%. During the Reporting Period, the Group generated US$3,194.3 million in net cash from operating activities, representing a year-on-year increase of 0.6%; payments for property, plant and equipment, intangible assets and land-use right totaled US$8,403.5 million, representing a year-on-year increase of 9.6%.

(I) ANALYSIS OF PRINCIPAL BUSINESSES

1. Analysis of changes in relevant items in the income statement and cash flow statement

in USD'000

	Year ended December 31,		
	2025	2024	2025 as compared with 2024 (%)
Revenue	**9,326,799**	8,029,921	16.2
Cost of sales	**(7,370,200)**	(6,581,953)	12.0
Gross profit	**1,956,599**	1,447,968	35.1
Research and development expenses	**(773,634)**	(765,279)	1.1
Selling and marketing expenses	**(42,963)**	(39,847)	7.8
General and administration expenses	**(526,237)**	(580,041)	-9.3
Finance income, net	**53,470**	260,211	-79.5
Other (losses)/gains, net	**(79,955)**	96,837	N/A
Income tax expense	**(84,313)**	(129,565)	-34.9
Net cash generated from operating activities	**3,194,303**	3,175,555	0.6
Net cash used in investing activities	**(6,495,352)**	(4,518,437)	43.8
Net cash generated from financing activities	**2,676,455**	1,608,336	66.4

(1) Revenue

The Group's revenue increased by 16.2% from US$8,029.9 million for last year to US$9,326.8 million for this year, primarily due to the increase in wafer shipment during this year. The wafer shipment quantity (standard logic 8-inch equivalent wafers) increased by 20.9% from 8,021 thousand for last year to 9,697 thousand for this year. The average selling price, calculated as the wafer revenue divided by total shipments of the wafers, was US$907 per wafer for this year, compared to US$933 per wafer for last year.

(2) Cost of sales

Cost of sales increased by 12.0% from US$6,582.0 million for last year to US$7,370.2 million for this year, primarily due to the increase in wafer shipment, the product mix change and the increase in depreciation.

(3) Gross profit

Gross profit increased by 35.1% from US$1,448.0 million for last year to US$1,956.6 million for this year, primarily due to the increase in wafer shipment, the increase in capacity utilisation rate and the product mix change for this year.

(4) Profit from operations for the year

Profit from operations for the year increased by 134.2% from US$473.9 million for last year to US$1,109.9 million for this year, primarily due to the combined effect of the changes of revenue, cost of sales and gross profit mentioned above, and the following changes:

Research and development expenses were US$773.6 million for this year, compared to US$765.3 million for last year.

Selling and marketing expenses were US$43.0 million for this year, compared to US$39.8 million for last year.

General and administration expenses were US$526.2 million for this year, compared to US$580.0 million for last year.

(5) Profit for the year

Finance income, net includes interest income, finance costs and foreign exchange gain. The change of finance income, net was mainly due to the decrease in interest income and the increase in interest expenses during this year.

The change in other (losses)/gains, net was primarily due to the gain on disposal of an associate last year, which did not occur for this year. In addition, arbitration award related expense has incurred during this year.

The decrease in income tax expense was primarily due to the income tax arising from the disposal of an associate for last year, which did not occur for this year.

The Group had a profit of US$988.9 million for this year, compared to a profit of US$730.0 million for last year, representing an increase of 35.5%, which was mainly due to the impact of the factors described above.

(6) Cash flows

The change in net cash used in investing activities was mainly due to the increase in cash used in acquisition of plant and equipment, increase in cash payments for investment in financial assets, and the decrease in proceeds from the disposal of equity investments.

The change in net cash generated from financing activities was mainly due to the receipt of capital injection from minority shareholders during this year.

2. *Analysis of revenue and cost*

Please refer to the following tables for details of revenue and cost.

(1) Principal business by industry, by product, by region or by sales model

in USD'000

Principal business by industry

By industry	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared with last year (%)	Change in cost of sales as compared with last year (%)	Change in gross profit margin as compared with last year (%)
IC Industry	9,326,799	7,370,200	21.0	16.2	12.0	Increased by 3.0 percentage points

Principal business by product

By product	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared with last year (%)	Change in cost of sales as compared with last year (%)	Change in gross profit margin as compared with last year (%)
IC wafer foundry	8,796,414	7,000,978	20.4	17.5	13.6	Increased by 2.7 percentage points
Others	530,385	369,222	30.4	-2.3	-11.4	Increased by 7.1 percentage points

Principal business by sales model

By sales model	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared with last year (%)	Change in cost of sales as compared with last year (%)	Change in gross profit margin as compared with last year (%)
Direct sales	9,326,799	7,370,200	21.0	16.2	12.0	Increased by 3.0 percentage points

Revenue by region

	Year ended December 31,	
By region	**2025**	2024
China	**85.6%**	84.6%
America	**11.6%**	12.4%
Eurasia	**2.8%**	3.0%

Analysis on revenue of IC wafer foundry

	Year ended December 31,	
By application	**2025**	2024
Smartphone	**23.1%**	27.8%
Computer and Tablet	**14.8%**	16.6%
Consumer Electronics	**43.2%**	37.8%
Connectivity and IoT	**7.9%**	10.0%
Industrial and Automotive	**11.0%**	7.8%

	Year ended December 31,	
By size	**2025**	2024
8'' wafers	**22.9%**	22.7%
12'' wafers	**77.1%**	77.3%

(2) Analysis of production and sales volumes

Principal product	Unit	Production volume	Sales volume	Inventory	Change in production volume as compared with last year (%)	Change in sales volume as compared with last year (%)	Change in inventory as compared with last year (%)
Wafer	piece	10,126,337	9,696,824	1,596,016	19.7	20.9	36.8

The increase in inventory was primarily due to the pre-build of inventory.

(3) Cost analysis

in USD'000

By industry

By industry	Cost structure	Year ended 12/31/25	Accounting for total costs of 2025 (%)	Year ended 12/31/24	Accounting for total costs of 2024 (%)	Year ended 12/31/25 as compared with 12/31/24 (%)
IC industry	Cost of production	**7,370,200**	**100.0**	6,581,953	100.0	12.0

By product

By product	Cost structure	Year ended 12/31/25	Accounting for total costs of 2025 (%)	Year ended 12/31/24	Accounting for total costs of 2024 (%)	Year ended 12/31/25 as compared with 12/31/24 (%)
IC wafer foundry	Direct material	**457,125**	**6.2**	407,649	6.2	12.1
IC wafer foundry	Direct labor	**100,250**	**1.4**	104,838	1.6	-4.4
IC wafer foundry	Manufacturing expenses	**6,443,603**	**87.4**	5,652,762	85.9	14.0
Others	Cost of production	**369,222**	**5.0**	416,704	6.3	-11.4

(4) Major customers and suppliers

A. Information about the major customers of the Company

During the Reporting Period, sales to the largest customer and the five largest customers accounted for 8.0% and 35.8% of the revenue for the year, respectively. There were no related-party sales among such transactions to the five largest customers.

To the best of the Company's knowledge, in 2025, none of the Company's Directors or other shareholders (which to the knowledge of the Directors own 5% or more of the Company's issued share capital) or their respective associates had interests in any of the Group's five largest customers.

B. Information about the major suppliers of the Company

During the Reporting Period, purchases from the five largest raw materials suppliers accounted for 25.7% of the Company's overall raw materials purchases for the year. There were no related-party purchases among such transactions from the five largest raw materials suppliers.

3. Expenses

For details of changes in the Group's expenses during the Reporting Period, please refer to "V. (I) 1. Analysis of changes in relevant items in the income statement and cash flow statement" in this section.

4. Liquidity and capital sources

(1) Cash flows

For details of changes in items in the statement of cash flows during the Reporting Period, please refer to "V. (I) 1. Analysis of changes in relevant items in the income statement and cash flow statement" in this section.

(2) Net debt

in USD'000

	As of December 31,	
	2025	2024
Borrowings	**12,587,850**	10,964,459
Lease liabilities	**8,331**	26,280
Bonds payable	**–**	605,258
Total debt	**12,596,181**	11,595,997
Less:		
Cash and cash equivalents	**5,872,500**	6,364,189
Restricted cash	**–**	372,514
Financial assets at FVPL – current portion(1)	**380,857**	272,257
Financial assets at amortised cost(2)	**5,682,865**	7,954,060
Net debt	**659,959**	(3,367,023)

Notes:

(1) Mainly include structural deposits and monetary funds.

(2) Mainly include bank time deposits over three months.

At the end of the Reporting Period, the Group's outstanding debts amounted to US$12,596.2 million, consisting of long-term and short-term debts: including secured bank loans of US$6,662.2 million, unsecured bank loans of US$5,925.7 million, and lease liabilities of US$8.3 million. Of these, the amount of debts due within one year, including short-term borrowings and long-term borrowings maturing with one year, amounted to US$2,600.6 million. For details of debt, please refer to Note 17 and 30 to the consolidated financial statements.

(3) Capital expenditure and funding sources

Most of the capital expenditure in the Reporting Period are used for capacity expansion.

The Group's actual expenditure may differ from its planned expenditure for a variety of reasons, including factors such as changes in customers' demand, equipment's delivery, business plan, market condition and industry policies. The Company will closely monitor the global economy, the semiconductor industry, the demands of the customers, cash flow from operations, etc. and will adjust the capital expenditure plans upon approval by the Board as necessary.

The primary sources of capital of the Group include cash generated from operations, bank borrowings and debt or equity issuances, capital injections from minority interests and other forms of financing. The amount of capital required to meet the Group's growth and development targets is difficult to predict in the highly cyclical and rapidly changing semiconductor industry.

(4) Financial instruments used for hedging purposes

The Group utilises hedging instruments for cash flow hedging purposes: managing exchange rate risk by using financial instruments such as forward exchange contracts and cross currency swap contracts; managing interest rate risk by using interest rate swap contracts and cross currency swap contracts.

Details of the Group's exchange rate risk and interest rate risk are set out in "IV. RISK FACTORS" in this section. Details of the Group's related risk management are set out in Note 36 to the consolidated financial statements.

(II) ANALYSIS ON ASSETS AND LIABILITIES

1. *Assets and liabilities*

in USD'000

Items	As of 12/31/25	The closing balance to the total assets in 2025 (%)	As of 12/31/24	The closing balance to the total assets in 2024 (%)	12/31/25 as compared with 12/31/24 (%)	Explanations
Financial assets at fair value through profit or loss – non-current	**810,501**	**1.6**	427,373	0.9	89.6	Increase due to the increase in equity instruments investment in this year.
Financial assets at amortised cost – non-current	**1,532,265**	**2.9**	3,747,134	7.6	-59.1	Decrease mainly due to the decrease in long-term bank deposits maturing more than 1 year in this year.
Derivative financial instruments – net assets/(net liabilities)	**68,157**	**0.1**	(69,387)	(0.1)	N/A	The change was mainly due to the change in fair value of cross currency swap contracts in this year.
Trade and other receivables	**1,432,684**	**2.7**	840,153	1.7	70.5	Increase mainly due to the adjustment in the credit terms of some customers, which led to an increase in trade receivables, and the increase in value-added tax to be deducted in this year.
Contract liabilities	**599,378**	**1.1**	1,185,932	2.4	-49.5	Decrease mainly due to the decrease in advance receipts relevant to sale of goods in this year.
Bond payable – current	**–**	**–**	605,258	1.2	-100.0	Decrease due to the repayment of bond payable maturing within 1 year in this year.
Current tax liabilities	**33,462**	**0.1**	84,828	0.2	-60.6	Decrease mainly due to the corporate income tax caused by the disposal of an associate for the previous year, which was paid in this year.

2. *Major assets subject to restriction by the end of the Reporting Period*

(1) Assets pledged as security

At the end of the Reporting Period, no property, plant and equipment or land-use right have been pledged to secure borrowings of the Group.

(2) Restricted cash

At the end of the Reporting Period, the Group did not have any restricted cash.

3. *Other information*

(1) Capital management

The Group manages its capital to ensure that entities of the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimization of the capital structure.

The Group manages its capital through the issue of new shares, share buy-backs, the issue of new bonds or the repayment of existing bonds to balance its overall capital structure, and reviews the capital structure on an interim basis. The gearing ratio at the end of the Reporting Period was as follows:

in USD'000

	As of December 31,	
Gearing ratio	**2025**	2024
Net debt	**659,959**	(3,367,023)
Equity	**35,020,523**	31,869,658
Net debt to equity ratio	**1.9%**	-10.6%

(2) Capitalised interest

Capitalised interest is added to the cost of the underlying assets and is depreciated over as accounting policy. No interest was capitalised during this year and last year. For this year and last year, the Group recorded depreciation expenses relating to the capitalised interest of US$7.3 million and US$19.2 million, respectively.

(III) ANALYSIS ON INVESTMENTS

1. Overall analysis on equity investment

The following is the paid-in amount of the Company's investment in associates during the Reporting Period:

in USD'000

	Year ended December 31,		
	2025	2024	Change
Capital injection in associates	**125,777**	74,516	68.8%

2. Financial assets at fair value

in USD'000

Assets category	As of 1/1/25	Fair value gains/ (losses) during this period	Cumulative changes in fair value recognised in equity	Amount added in this period	Amount sold/ redeemed in this period	Others	As of 12/31/25
Stocks	6,019	3	–	–	(6,006)	13	29
Private equity funds	132,067	5,450	–	1,391	(9,727)	2,760	131,941
Structural deposits and monetary funds	561,544	7,121	–	284,257	(473,138)	1,073	380,857
Derivative financial instruments – net assets/(net liabilities)	(69,387)	–	130,610	–	–	6,934	68,157
Other equity instruments	–	–	–	678,531	–	–	678,531
Total	630,243	12,574	130,610	964,179	(488,871)	10,780	1,259,515

(1) Descriptions of securities investment

in USD'000

Security type	Stock code	Investment cost as of 12/31/25	Source of funds	As of 1/1/25	Fair value gains during this period	Disposal during this period	Others	As of 12/31/25	Account
Domestic and foreign stocks	Listed Company A	1,140	Internal resources	25	3	–	1	29	Financial assets at fair value through profit or loss
Domestic and foreign stocks	Listed Company B	–		5,994	–	(6,006)	12	–	
Total		1,140		6,019	3	(6,006)	13	29	

(2) Descriptions of derivative financial instruments
Derivative financial instruments for hedging purpose during the Reporting Period

in USD'000

Derivative financial instruments types	Amounts invested as of 12/31/25	As of 1/1/25	Cumulative changes in fair value recognised in equity	Others	As of 12/31/25	The closing balance to equity attributable to owners of the Company (%)
Cross currency swap contracts	–	(62,554)	120,475	7,236	65,157	0.30
Interest rate swap contracts	–	4,814	1,262	(6,076)	–	–
Forward exchange contracts	–	(11,647)	8,873	5,774	3,000	0.02
Total	–	(69,387)	130,610	6,934	68,157	0.32

Explanation for principles regarding accounting policies and methods of hedging transactions during the Reporting Period, and if any significant change occurred as compared with the previous period	Hedge accounting is adopted during the Reporting Period. The portion of gains or losses from hedging instruments that are effective in hedging are directly recognised as other comprehensive income, while the portion that is ineffective in hedging is recognised as profit or loss for the current period. There was no significant change in the accounting policies and specific accounting principles for this period.
Explanation for actual gains or losses during the Reporting Period	Transactions of derivatives entered by the Company during the Reporting Period were all for hedging management purposes, and changes in fair value were recognised in other comprehensive income, with no actual impact on profit or loss for the current period.
Explanation of hedging effect	Please refer to the Announcement of Conducting Hedging Activities in 2025 on the website of SSE (https://www.sse.com.cn) dated May 9, 2025.
Sources of funds for derivative financial instruments	Please refer to the Announcement of Conducting Hedging Activities in 2025 on the website of SSE (https://www.sse.com.cn) dated May 9, 2025.
Explanation for risk analysis and control measures for derivatives during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	Please refer to the Announcement of Conducting Hedging Activities in 2025 on the website of SSE (https://www.sse.com.cn) dated May 9, 2025.
Changes in the market price or product fair value of invested derivatives during the Reporting Period; methods assumptions and parameters used for analysing fair value of derivatives shall be disclosed	The Company followed the regulations and guidelines, namely "IFRS 7 – Financial Instruments: Disclosures", "IFRS 9 – Financial Instruments", "IFRS 13 – Fair Value Measurement", to conduct its corresponding accounting treatment for the proposed foreign exchange hedging activities and reflect in the relevant items of statement of financial position and statement of profit or loss.
Disclosure date for announcement on approval of the Board for investment in derivative financial instruments (if any)	On May 8, 2025, the Board of the Company approved "Proposal for Conducting Hedging Activities in 2025", allowing the Company and its subsidiaries to operate hedging activities relating to production and operation in 2025.
Disclosure date for announcement on approval of the annual general meeting for investment in derivative financial instruments (if any)	The above "Proposal for Conducting Hedging Activities in 2025" was approved at the Company's general meeting of shareholders on June 27, 2025.

(3) Descriptions of investment in private equity funds

in USD'000

Name	Signing time of investment agreement	Investment purpose	Total proposed investment	Investment cost during the Reporting Period	Investment cost as of 12/31/25	Participation role	Capital contribution ratio as of 12/31/25 (%)	Whether control or exert significant influence over the fund	Account	Related parties or not	Fund underlying assets	Effect on profit for the Reporting Period	Accumulated effect on profit
A	March 2011	Financial investment	US$1,000,000	–	16	Limited partner	1.27	No	Financial assets at fair value through profit or loss	No	Invest in integrated circuits and related industries	–	3,585
B	September 2014		RMB100,000,000	–	508		8.92				Invest in integrated circuits and related industries	(2,867)	18,346
C	September 2016		RMB13,000,000	–	44		3.61				Invest in strategic emerging industries	807	6,659
D	May 2017		RMB30,000,000	–	1,623		3.00				Invest in integrated circuits and related industries	–	1,631
E	March 2018		RMB100,000,000	–	1,687		9.05				Invest in integrated circuits and related industries	(1,340)	14,951
F	April 2018		RMB165,000,000	–	1,604		10.21				Invest in integrated circuits and related industries	1,785	5,184
G	June 2018		RMB50,000,000	–	469		16.53				Invest in strategic emerging industries	(670)	4,216
H	August 2020		RMB50,000,000	–	1,440		30.12				Invest in integrated circuits industry	(2,810)	14,258
I	October 2021		RMB30,000,000	–	2,509		3.00				Invest in regional strategic emerging industries	(437)	266
J	November 2021		RMB200,000,000	–	28,430		24.84				Invest in strategic emerging industries	7,909	11,601
K	December 2021		RMB100,000,000	–	14,215		17.21				Invest in strategic emerging industries	3,185	3,185
L	December 2022		RMB100,000,000	1,391	7,108		20.75				Invest in strategic emerging industries	(120)	258
M	October 2023		RMB7,500,000	–	1,066		15.00				Invest in regional strategic emerging industries	8	8
N	May 2024		RMB200,000,000	–	8,529		19.02				Invest in integrated circuits and related industries	–	–
Total				1,391	69,248							5,450	84,148

None of the investments has a value of 5% or more of the Company's total assets as at December 31, 2025.

(IV) SIGNIFICANT ASSET AND EQUITY DISPOSAL

On June 5, 2025, the Company's wholly-owned subsidiary SMIC Holdings Corporation ("SMIC Holdings") and certain other shareholders of Ningbo Semiconductor International Corporation ("NSI") jointly signed the Share Issuance and Cash Payment for Asset Purchase Agreement with Hunan Goke Microelectronics Co., Ltd. ("GOKE"). GOKE proposed to acquire 94.366% equity in NSI through a combination of share issuance and cash payment, including the 14.832% equity in NSI held by SMIC Holdings. The specific purchase method will be finalised in a supplementary agreement once the final transaction price is determined. Upon completion of the transaction, SMIC Holdings will no longer hold any equity in NSI. Please refer to the "Announcement on the Sale of Equity Interest in a Participating Company" disclosed by the Company on June 5, 2025 for further details.

Due to the inability to reach consensus on related matters within the anticipated timeframe, on November 28, 2025, all parties to the transaction jointly signed the "Termination Agreement of the Share Issuance and Cash Payment for Asset Purchase Agreement," deciding to terminate the transaction. Following the termination, SMIC Holdings retains its 14.832% equity in NSI. The termination of the sale of the participating company's equity will not affect the Company's normal production and operations, will not have a material impact on its financial condition, and does not constitute any harm to the interests of the Company or its minority Shareholders. Please refer to the "Announcement on the Termination of the Sale of Equity Interest in NSI" disclosed by the Company on November 28, 2025 for further details.

(V) ANALYSIS OF PRINCIPAL CONTROLLED AND INVESTEE COMPANIES

The major subsidiaries of the Company are SMIC Shanghai, SMIC Beijing, SMIC Tianjin, SMNC, SMIC Shenzhen, SMSC, SMBC, SMOC and SMTC. The followings are the consolidated accounting data of the major subsidiaries:

in USD'000

Total assets	Equity	Revenue	Profit before tax	Profit for the year
50,809,999	32,334,004	9,315,152	1,206,451	1,119,923

For details of each of the major subsidiaries, please refer to Note 19 to the consolidated financial statements.

The Company has no investee companies whose impact on the Company's profit for the year exceeds 10%.

The Company has no acquisitions or disposals of major subsidiaries during the Reporting Period.

VI. DISCUSSION AND ANALYSIS OVER THE FUTURE DEVELOPMENT OF THE COMPANY

(I) INDUSTRY LANDSCAPE AND TRENDS

The wafer foundry enterprises continue to distinguish themselves with more advantages on productivity improvement, product yield assurance, cost control, economies of scale, process platform development cycles, and intellectual property securities. More and more design companies and a certain amount of IDMs tend to establish close and long-term partnership with wafer foundry enterprises, in order to cope with the intensifying industry competitions.

From the perspective of applications, with a new round of intelligent technology application moving towards industrialisations, the semiconductor industrial transformation trend is preliminarily established. The intelligent technology application trend, including but not limited to the fields of home appliance, education, scientific research, business, industry, transportation and medical, etc., needs a large amount of Logic, Analog, RF, Optoelectronic and Sensor devices. This mega trend will bring a new round of market growth for wafer foundry enterprises.

From the perspective of regional developing trend, the trend in localization within the semiconductor industry has become more and more obvious in recent years. Some countries and regions have been actively planning geographical layouts for localised capacity constructions, greatly encouraging local chains collaborations. These measures are to mitigate geopolitical restrictions impact to the globalised industry chains. Overall, the regional semiconductor industry development will obtain the opportunities from the advantages of near market, while also face the challenges of losing industrial resources mobility.

(II) DEVELOPMENT STRATEGIES OF THE COMPANY

The integrated circuit industry is a capital-intensive, technology-intensive, and talent-intensive high-tech industry, and integrated circuit manufacturing is the core link of the integrated circuit industry. SMIC is one of the leading foundries in the world and is also the front runner in integrated circuit manufacturing with leading process manufacturing capabilities, production capacity advantages and service supporting facilities in Chinese mainland.

SMIC adheres to the direction of internationalisation and marketization, is committed to the research and development and production capacity layout of high-quality specialty process technology platform, and is committed to continuous optimization and efficiency improvement of production, operation and related services, to provide better service to customers and achieve its own healthy growth and create long-term value for shareholders.

In addition to the integrated circuit foundry business, SMIC is also committed to creating a platform-based ecological service model, providing customers with one-stop supporting services such as design services and IP support, photomask manufacturing, and promoting the upstream and downstream cooperation of the integrated circuit industry chain, so as to provide customers with a full range of integrated circuit solutions together with partners in all links of the industry chain.

(III) BUSINESS PLAN

Looking ahead to 2026, the effects of industrial chain reshoring from overseas and domestic customers' new products replacing legacy overseas products will persist, creating sustained incremental growth opportunities for the domestic industrial chain. The robust demand for memory chips driven by AI has squeezed the supply for other application sectors such as mobile phones, particularly in the mid-to low-end market. Consequently, end-user companies in these segments are facing pressure from both tight supply and rising prices for memory chips. Even if end-user companies can pass on these cost increases to consumers via end product price rises, such moves will lead to a decline in demand for end products. Leveraging its technological reserves and leading advantages in segmented markets such as BCD, analog, memory, MCU and mid-to high-end display driver, together with customers' product layout, the Company is still well-positioned in the current industry development cycle. The Company will proactively address market demands to drive continued revenue growth in 2026.

Based on the premise that there are no significant changes in the external environment, the Company's guidance for the year 2026 are: The revenue growth is expected to be higher than industry average in the same markets, and the capital expenditure is expected to be roughly flat compared to that of 2025.

SECTION 5 • REPORT OF THE DIRECTORS

I. BUSINESS OVERVIEW

The business overview and the future developments of the Group during the year are described in detail in "II. Discussion and Analysis on Business" and "VI. Discussion and Analysis over the Future Development of the Company" in "Section 4 Management Discussion and Analysis".

The Group has implemented internal controls and other risk management measures designed to mitigate the principal risks which the Group faces in its operations and financial condition. For details, please refer to "IV. Risk Factors" in "Section 4 Management Discussion and Analysis".

We are committed to protecting the environment and have in place various environmental protection, safety and health policies, as well as obtaining international standards certifications. We have complied with all relevant laws and regulations. For details, please refer to "Section 6 Corporate Governance, Environment and Society". The Company will publish a separate environmental, social and governance report on the websites of the Hong Kong Stock Exchange, SSE and the Company in accordance with the relevant Hong Kong Listing Rules and SSE related requirements.

II. BOARD OF DIRECTORS

Members of the Board are elected or re-elected by the shareholders of the Company. The Board shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed by the Board in accordance with the preceding sentence shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

Please refer to "IV. Particulars of Directors and Senior Management" in "Section 6 Corporate Governance, Environment and Society" for details of members of the Board.

III. SUBSIDIARIES

Please refer to Note 19 to the consolidated financial statements for details of the Company's interests in major subsidiaries as of December 31, 2025.

IV. DIVIDENDS AND DIVIDEND POLICY

The Company has not declared or paid any cash dividends on the ordinary shares. For details, please refer to "XI. Profit Distribution Plan or Plan to Convert Capital Reserve into Share Capital" in "Section 6 Corporate Governance, Environment and Society".

V. SHARE CAPITAL

Please refer to Note 27 to the consolidated financial statements for details of movements in the share capital of the Company during the Reporting Period.

VI. DISTRIBUTABLE RESERVE

The Company's reserves available for distribution to shareholders as of December 31, 2025 amounted to US$6,858.2 million.

VII. ISSUANCE OF EQUITY SECURITIES

Please refer to "II. Issuance and Listing of Securities" in "Section 8 Changes in Shares and Information of Shareholders" for details of issuance of equity securities.

VIII. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor its subsidiaries had conducted any repurchase, sale or redemption of any ordinary shares (including sale of treasury shares (as defined under the Hong Kong Listing Rules)). As at December 31, 2025, there were no treasury shares held by the Company.

IX. EQUITY-LINKED AGREEMENTS

The Company has made various stock incentive plans which subsist as of December 31, 2025 as set out in Note 35 to the consolidated financial statements.

Save for the above, the Company has not entered into any equity-linked agreement, nor did any equity-linked agreement subsist as at December 31, 2025.

X. MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

Please refer to "V. (III) Analysis on Investments" and "V. (IV) Significant Asset and Equity Disposal" in "Section 4 Management Discussion and Analysis" for details of the Company's material investments, acquisitions and disposals during the Reporting Period.

XI. CONNECTED TRANSACTIONS

Please refer to "V. Significant Related (Connected) Transactions" in "Section 7 Significant Events" for details of the Company's connected transactions.

XII. RELATED PARTY TRANSACTIONS

Save as "XI. Connected Transactions" in this section, the Group entered into several transactions with multiple parties that are considered as "related parties" under the applicable accounting standards, and these transactions are not regarded as connected transactions under the Hong Kong Listing Rules.

Please refer to Note 39 to the consolidated financial statements for details of related party transactions.

XIII. SUBSTANTIAL SHAREHOLDERS

Please refer to "III. Particulars of Shareholders and De Facto Controllers" in "Section 8 Changes in Shares and Information of Shareholders" for details.

XIV. TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Shares of the Company.

XV. ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in "IV. (IV) The Equity Incentives Granted to the Directors, Senior Management and Core Technicians during the Reporting Period" in "Section 6 Corporate Governance, Environment and Society", at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

XVI. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in "V. Significant Related (Connected) Transactions" in "Section 7 Significant Events", no Director or entity connected with the Directors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

XVII. DIRECTOR'S SERVICE CONTRACTS

No Director proposed for re-election has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within 1 year without payment of compensation, other than statutory compensation.

XVIII. PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, subject to the provisions under relevant laws and regulations, every Director shall be indemnified by the Company against all losses or liabilities which the Directors may sustain or incur in or about the conduct of the Company's business or affairs or in the execution or discharge of his/her duties, powers, authorities or discretions.

The Company has taken out insurance against the liability and costs resulted from defending proceedings which may be brought against the Directors.

XIX. EMOLUMENTS TO THE DIRECTORS

Please refer to "IV. (III) Emoluments of Directors, Senior Management and Core Technicians" in "Section 6 Corporate Governance, Environment and Society" for details.

XX. EMOLUMENTS TO THE KEY MANAGEMENT

Please refer to "IV. (III) Emoluments of Directors, Senior Management and Core Technicians" in "Section 6 Corporate Governance, Environment and Society" for details.

XXI. EMPLOYEES

Please refer to "X. Particulars of Employees at the End of the Reporting Period" in "Section 6 Corporate Governance, Environment and Society" for details.

XXII. REMUNERATION POLICY

Please refer to "X. Particulars of Employees at the End of the Reporting Period" in "Section 6 Corporate Governance, Environment and Society" for details.

XXIII. STOCK INCENTIVE SCHEMES

Please refer to "XII. Information about the Company's Stock Incentive Plans, Employee Equity Incentive Plan or Other Employee Incentive Measures and Their Impacts" in "Section 6 Corporate Governance, Environment and Society" for details.

XXIV. PRE-EMPTIVE RIGHTS

The Company confirms there are no statutory pre-emptive rights under the law of the Cayman Islands.

XXV. PUBLIC FLOAT

Based on publicly available information and within the Directors' knowledge as at the date of this annual report, more than 25% of the Company's issued share capital was held by the public at all times as prescribed by the Listing Rules.

XXVI. MAJOR SUPPLIERS AND CUSTOMERS

Please refer to "V. (I) Analysis of Principal Businesses" in "Section 4 Management Discussion and Analysis" for details of the Group's major suppliers and customers.

XXVII. COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation.

XXVIII. AUDITORS

The financial statements of the Company have been audited by Ernst & Young.

By order of the Board
Semiconductor Manufacturing International Corporation
Board Secretary/Company Secretary
Guo Guangli

Shanghai, China
March 26, 2026

I. INTRODUCTION OF CORPORATE GOVERNANCE

The Company is committed to remaining an exemplary corporate citizen and maintaining a high level of corporate governance in order to protect the interests of its shareholders. The Company is committed to complying with the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Hong Kong Listing Rules and has adopted a set of Corporate Governance Policy (the "CG Policy") since January 25, 2005 as its code of corporate governance, which is amended from time to time (latest amended on May 8, 2025) to comply with the CG Code. In addition, the Company has adopted or put in place various policies, rules and procedures in compliance with the provisions of the CG Policy. The Company had complied with all applicable Code Provisions set out in the CG Code during the year ended December 31, 2025. The current corporate governance situation is as follows:

The Company, being a red chip company established in the Cayman Islands and listed on the Hong Kong Stock Exchange and the SSE STAR Market, has formulated the Articles of Association in accordance with the requirements of the laws of the Cayman Islands and taking into account the actual circumstances.

At the same time, the Company strictly complies with the Hong Kong Listing Rules and the SSE STAR Market Listing Rules, and has developed a well-established corporate governance structure. The general meeting of shareholders and the Board of Directors of the Company operate independently and effectively and perform their duties in accordance with the laws of the Cayman Islands, the Hong Kong Listing Rules, the SSE STAR Market Listing Rules, the Articles of Association and other regulations.

The standing special committees of the Board of Directors of the Company include the Audit Committee, the Compensation Committee, the Nomination Committee and the Strategic Committee, which assist the Board of Directors in discharging its functions in the areas of audit, compensation, nomination and strategy respectively.

In addition, the Company currently employs four professionals as independent non-executive Directors of the Company to participate in decision-making and supervision, so as to enhance the objectivity and scientificity of the decision-making process of the Board. The independent non-executive Directors of the Company have been performing their duties in accordance with the Hong Kong Listing Rules and the standards generally recognised by the Hong Kong securities market.

WHETHER THERE IS ANY MATERIAL DIFFERENCE BETWEEN THE REQUIREMENTS OF CORPORATE GOVERNANCE AND THE LAW, ADMINISTRATIVE REGULATION AND THE RELEVANT REGULATIONS OF THE CSRC ON LISTED COMPANY GOVERNANCE; IF THERE IS A MATERIAL DIFFERENCE, THE REASON SHOULD BE EXPLAINED

The Company is a red chip company established in the Cayman Islands and listed on the Hong Kong Stock Exchange and the SSE STAR MARKET. Its current corporate governance system is mainly formulated based on relevant laws, regulations and rules of the place of registration and listing of the Company, and compared with the current corporate governance model applicable to general A-share listed companies registered in China, there are certain differences. The details are as follows:

(I) THE RIGHTS OF INVESTORS TO OBTAIN ASSET RETURNS

According to the relevant laws of the Cayman Islands and the provisions of the Articles of Association, upon approval of the profit distribution plan by the general meeting of shareholders, the Company may distribute dividends out of the Company's profits (whether realised or unrealised), share premium or other assets as may be permitted under the Companies Act of the Cayman Islands, which is more flexible than general A-share listed companies registered in China. In addition, there is no substantial difference between the Company's system for obtaining asset returns by investors and the requirements of domestic laws and regulations.

(II) THE RIGHTS OF INVESTORS TO PARTICIPATE IN MAJOR DECISIONS

According to the Articles of Association, the remuneration of Directors of the Company, the issuance of general corporate bonds of the Company (excluding the issuance of securities that affect the Company's share capital such as convertible bonds), the Company's provision of guarantees to its consolidated enterprises (excluding those that constitute "connected persons" under the Hong Kong Listing Rules), the change in the use of the Company's proceeds (subject to applicable legal provisions) and other matters will be decided by the Board of Directors, whereas according to the requirements of the domestic market, the aforesaid matters of A-share listed companies are generally required to be submitted to the general meeting of shareholders for consideration.

Notwithstanding the above differences, according to the Articles of Association, the authority to consider major events of the Company, such as fundamental changes in the Company's business, changes in the total number of shares authorized to be issued and the total number of outstanding shares of the Company, amendments to the Articles of Association, re-election of Directors, determination of profit distribution and making up for losses, shall still be vested at the general meeting of shareholders.

In addition, there are certain differences between the Company's related (connected) transaction policy and the arrangements applicable to general domestic A-share listed companies, mainly due to the fact that the criteria for the Company's related (connected) transaction submitted to the general meeting of shareholders for consideration are implemented with reference to the Hong Kong Listing Rules.

According to the Articles of Association, the Directors of the Company shall be appointed and removed by the general meeting of shareholders (except where the appointment or removal is permitted by the Board of Directors in the Articles of Association), and he/she shall be loyal and diligent when deliberating on the operation and management of the Company, and shall safeguard the interests of the Company and all shareholders. Therefore, the division of duties and powers between the general meeting of shareholders and the Board of Directors in the Articles of Association does not prejudice investors' rights to participate in major decisions of the Company.

Apart from the differences in corporate governance as mentioned above, there are certain differences in the Company's other relevant arrangements as compared with the general domestic A-share listed companies in terms of merger, demerger, acquisition, liquidation and dissolution of the Company. However, the current corporate governance model of the Company can ensure that the Company's level of protection of investors' rights and interests is generally not lower than the requirements of domestic laws and regulations.

II. RED-CHIP STRUCTURE CORPORATE GOVERNANCE

DIFFERENCES WITH DOMESTIC LAWS AND REGULATIONS ON RETURN ON ASSETS, PARTICIPATION IN MAJOR DECISION-MAKING, DISTRIBUTION OF RESIDUAL PROPERTY

The rights of the Company's investors in receiving asset returns and participating in major decisions differ to some extent from the requirements of domestic laws and regulations. For details, please refer to "I. Introduction of Corporate Governance" in "Section 6 Corporate Governance, Environment and Society". There is no substantial difference in the rights of the Company's investors to obtain the distribution of residual property between the Company's Articles of Association and the requirements of domestic laws and regulations.

DIFFERENT PROVISIONS OR ARRANGEMENTS FOR THE DUTIES OF THE BOARD AND INDEPENDENT DIRECTORS RESULTED IN THEIR INABILITY TO PERFORM THEIR DUTIES OR EXPRESS THEIR OPINIONS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANY

The independent non-executive Directors of the Company perform their duties in accordance with the Hong Kong Listing Rules. The requirements of the Hong Kong Listing Rules in respect of the qualifications, terms of reference and meeting mechanism of the independent non-executive directors differ to a certain extent when compared with the requirements for independent directors under domestic laws and regulations, such as the "Measures for the Administration of Independent Directors of Listed Companies" of CSRC, but there is no substantial difference in terms of safeguarding the interests of the Company as a whole and the protection of the legitimate rights and interests of small and medium shareholders.

ADJUSTMENT OF APPLICATION OF INFORMATION DISCLOSURE REQUIREMENTS AND ONGOING SUPERVISION REGULATIONS OF SSE

For application matters applicable to the adjustment of the Company's information disclosure, please refer to the "Applications Applicable to Adjustment of Information Disclosure on the STAR Market of Semiconductor Manufacturing International Corporation and the Legal Opinion of AllBright Law Offices" dated February 5, 2021 published by the Company on the website of the SSE (https://www.sse.com.cn).

According to the "Implementation Measures for Continuous Supervision of Domestic Shares or Depository Receipts Issued by Innovative Enterprises upon Listing (Trial)" issued by CSRC, the Company has summarised and disclosed remunerations of senior executives in the annual report, without affecting the integrity of information disclosure.

The applicable matters of the Company's continuous regulatory adjustment shall be implemented in accordance with the special provisions of red chip enterprises in Section 1 of Chapter 13 of the Listing Rules of the Shanghai Stock Exchange on the Science and Technology Innovation Board, unless otherwise stipulated by laws and regulations.

III. SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(I) SHAREHOLDER RIGHTS

To convene an extraordinary general meeting

According to Article 57 of the Company's Articles of Association, members who individually or collectively hold not less than 10% of the voting rights, on a one vote per share basis, of the Company's Shares shall have the right to propose in writing the holding of an extraordinary general meeting to the Board.

To submit enquiries to the Board

Enquiries may be submitted to the Board by contacting either Board Secretary/Company Secretary, or directly at an annual general meeting or an extraordinary general meeting. Questions on the procedures for putting forward proposals at an annual general meeting may also be raised to Board Secretary/Company Secretary by the same means. For detailed contact information of the Company, please refer to "I. Basic Corporate Information" and "II. Contact Persons and Contact Methods" in "Section 3 Corporate Profile and Principal Financial Indicators".

To submit proposals at an annual general meeting

Shareholders who meet the requirements of Article 73 of the Company's Articles of Association or relevant laws and regulations, and comply with the notification provisions stated in the Articles of Association, may submit a written notice of relevant proposals to the Board Secretary/Company Secretary and present them at an annual general meeting of the Company. Shareholders can also enquire with the Board Secretary/Company Secretary about the procedures for submitting proposals at an annual general meeting.

(II) INVESTOR RELATIONS

The Company and the Board recognise the importance of maintaining open and frequent communications with its shareholders.

The key to effectively communicate with shareholders and investors is to release information about the Company in a timely manner. In addition to announcing annual and interim reports, the Company announces its quarterly financial results approximately 45 days after the end of each quarter. The Company holds public conference calls/webcasts regularly, during which the senior management reports the performance, the latest developments, and answers questions from participants. The Company also keeps communication with investors, fund managers, analysts and others through the Company's official website, WeChat official account, investor hotline and e-mail box, stock exchange investor relations interactive platform, announcements, general meetings of shareholders, investor briefing, roadshows and reverse roadshows, investor and brokerage research, brokerage conferences, promotional materials, media interviews, and other legally effective channels, platforms and methods.

The Company holds general meeting each year and the shareholder circular is available to all shareholders in accordance with the Hong Kong Listing Rules and the Articles of Association and other relevant provisions. The circular and the accompanying materials shall set forth information relevant to the proposed resolutions. Separate resolutions are proposed at these annual general meetings on each substantially separate issue, including the re-election of individual Directors. The Chairman of the general meeting will announce the result of the on-site voting on each resolution. The final poll results will then be published in accordance with the requirements of the Hong Kong Listing Rules and STAR Market Listing Rules. Directors, members of the management, as well as the Company's external auditors, are present to answer questions from the shareholders at the date of the general meeting.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy, including the multiple communication channels for shareholders in place and the steps taken to handle shareholders' enquiries as above mentioned, and considered that the shareholders' communication policy has been properly implemented and effective.

IV. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(I) CHANGES IN SHAREHOLDING OF CURRENT AND RESIGNED DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS AND THEIR EMOLUMENTS DURING THE REPORTING PERIOD

Unit: Share

Name	Position	Class of Director	Gender	Age[1]	Commencement date of the term[2]	Cessation date/ Re-election of the term[3]	Number of ordinary shares held at the beginning of the year[4]	Number of ordinary shares held at the end of the year[4]	Changes in shares held for the year	Reason for changes	Receiving remunerations from connected parties of the Company or not[5]
Liu Xunfeng	Chairman and Executive Director	Class II	Male	60	May 11, 2023	the date of 2027 annual general meeting	-	-	-	–	No
Lu Guoqing	Non-executive Director	Class I	Male	63	May 13, 2021	the date of 2026 annual general meeting	-	-	-	–	Yes
Chen Shanzhi	Non-executive Director	Class II	Male	56	June 23, 2009	the date of 2027 annual general meeting	-	-	-	–	Yes
Yang Lumin	Non-executive Director	Class III	Male	46	November 10, 2022	the date of 2028 annual general meeting	-	-	-	–	Yes
Huang Dengshan	Non-executive Director	Class I	Male	58	November 7, 2024	the date of 2028 annual general meeting	-	-	-	–	Yes
Fan Ren Da Anthony	Independent Non-executive Director	Class II	Male	65	June 22, 2018	the date of 2027 annual general meeting	-	-	-	–	No
Liu Ming	Independent Non-executive Director	Class III	Female	61	February 4, 2021	the date of 2028 annual general meeting	-	-	-	–	No
Wu Hanming	Independent Non-executive Director	Class I	Male	73	August 11, 2022	the date of 2026 annual general meeting	-	-	-	–	No
Chen Xinyuan	Independent Non-executive Director	Class III	Male	61	November 7, 2024	the date of 2028 annual general meeting	-	-	-	–	No
Zhao Haijun	Co-Chief Executive Officer	–	Male	62	October 16, 2017	–	-	-	-	–	No
Liang Mong Song	Co-Chief Executive Officer	–	Male	73	October 16, 2017	–	-	-	-	–	No
Guo Guangli	Senior Vice President, Board Secretary and Company Secretary	–	Female	56	November 11, 2020	–	-	-	-	–	No
Wu Junfeng	Senior Vice President, Person-in-charge of Finance	–	Male	52	February 9, 2023	–	-	-	-	–	No
Zhang Xin	Senior Vice President, Core Technician	–	Male	60	April 30, 2020	–	142,000	206,000	64,000	Vesting of STAR Market restricted shares	No
Jin Da	Senior Vice President, Core Technician	–	Male	50	June 30, 2022	–	40,000	72,000	32,000	Vesting of STAR Market restricted shares	No
Yan Dayong	Vice President, Core Technician	–	Male	47	June 30, 2022	–	-	28,000	28,000	Vesting of STAR Market restricted shares	No
Total							182,000	306,000	124,000		

Notes:

(1) Age is calculated as of December 31, 2025.

(2) The commencement date of the term refers to the earliest date of serving as a director, senior management and core technician in the Company.

(3) The relevant Director shall retire from office at the relevant annual general meeting and, if eligible, offer himself/herself from re-election as a Director of the Company.

(4) The number of ordinary shares held at the beginning or at the end of the year only refers to the A share holdings of the Company.

(5) The related parties of the Company refer to the related parties defined in the SSE STAR Market Listing Rules.

The Board of Directors

Executive Director

Liu Xunfeng
Chairman

Non-executive Directors

Lu Guoqing

Chen Shanzhi

Yang Lumin

Huang Dengshan

Independent Non-executive Directors

Fan Ren Da Anthony

Liu Ming

Wu Hanming

Chen Xinyuan

Note: Above photos of Directors only include current Directors.

Name	Major working experience
The Board of Directors	
Liu Xunfeng *Chairman,* *Executive Director*	Dr. Liu Xunfeng serves as the Chairman of the Board and an executive director of the Company. He also serves as a director or Chairman of several subsidiaries of the Company. Dr. Liu concurrently serves as member of the 14th National Committee of the Chinese People's Political Consultative Conference. Dr. Liu has long tenured in large industrial group and has more than 30 years of experience in corporate management. He had successively served as the deputy chief engineer of the ethylene plant, deputy director of the investment engineering department, assistant to the general manager, and deputy general manager of SINOPEC Shanghai Petrochemical Co., Ltd., vice general manager of Shanghai Secco Petrochemical Company Limited, deputy general manager of Shanghai Chemical Industry Park Development Co., Ltd.(SCIP), deputy secretary of the Party Committee, president, secretary of the Party Committee and Chairman of Shanghai Huayi (Group) Co., Ltd., secretary of the Party Committee and Chairman of Shanghai Huayi Group Co., Ltd., Chairman of Shanghai Huayi Holding Group Co., Ltd., vice chairman and executive director of Semiconductor Manufacturing International Corporation, vice chairman of Shanghai Chemical Industry Park Development Co., Ltd.(SCIP), vice president of China Petroleum and Chemical Industry Federation. He has successively won the titles of Shanghai Industrial and Commercial Leader and Shanghai Outstanding Entrepreneur, etc.. Dr. Liu holds a Ph. D. in management science and engineering from Xi'an Jiaotong University, a Master's degree in business administration from China Europe International Business School, a Master's degree in chemical engineering from the Chemical Engineering Department of East China Institute of Chemical Technology (now known as East China University of Science and Technology), and he is a professorate senior engineer.
Lu Guoqing *Non-executive Director*	Mr. Lu Guoqing serves as a non-executive director of the Company. He is currently the external director of China Electronics Technology Group Corporation and China Academy of Machinery Science and Technology Group Co., Ltd. Mr. Lu has long tenured in technology research and development and enterprise management positions. He has served as the main person in charge of the enterprise for many years and has rich experience in operation and management. Mr. Lu served as the secretary of the Party Committee and chairman of the board of directors of China Information and Communication Technology Group Co., Ltd., secretary of the Party Committee, chairman of the board of directors and president of FiberHome Technologies Group Co., Ltd., chairman of the board of directors of Fiberhome Communication Technologies Co., Ltd., chairman of the board of directors of Wuhan Ligong Guangke Co., Ltd. Mr. Lu holds a Bachelor's degree in industrial instrumentation and automation from Tsinghua University and a Master's degree in management from Huazhong University of Science and Technology, and he is a professorate senior engineer.
Chen Shanzhi *Non-executive Director*	Dr. Chen Shanzhi serves as a non-executive director of the Company. Dr. Chen is the vice president, the chief engineer and the head of science and technology committee of China Information and Communication Technology Group Co., Ltd. Dr. Chen is also a fellow of IEEE, The Chinese Institute of Electronics, and China Institute of Communications. Dr. Chen has more than 30 years of experience in communication core technology breakthroughs, international standard development, and product development. Dr. Chen holds a Bachelor's degree from Xidian University, a Master's degree from China Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications, and a Ph.D. from Beijing University of Posts and Telecommunications.
Yang Lumin *Non-executive Director*	Mr. Yang Lumin serves as a non-executive director of the Company. Mr. Yang is currently the deputy secretary of the Party Committee, president and director of Sino IC Capital Co. Ltd. Mr. Yang worked in the International Finance Bureau, Investment Business Bureau, Personnel Bureau and Jiangsu Branch of China Development Bank, and China Development Bank Capital Co., Ltd. He also served on the board of directors of China Integrated Circuit Industry Investment Fund Co., Ltd. and China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd. Mr. Yang obtained a Master's degree in finance from Peking University and is a senior economist.
Huang Dengshan *Non-executive Director*	Mr. Huang Dengshan serves as a non-executive director of the Company. He also serves as a director of SMSC, a subsidiary of the Company. Since May 2015, Mr. Huang has been serving as the vice president of China Integrated Circuit Industry Investment Fund Co., Ltd. Since September 2019, he has been serving as the vice president of China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd. Since August 2024, he has been serving as the vice president of China Integrated Circuit Industry Investment Fund (Phase III) Co., Ltd. Mr. Huang served as the non-executive director of the Company from May 2021 to May 2023. Mr. Huang worked in the Budget Management Department, the Infrastructure Department and the Economic Development Department of the Ministry of Finance of the People's Republic of China from July 1989 to September 2014. Mr. Huang obtained a Bachelor's degree in Economics from Dongbei University of Finance and Economics.
Fan Ren Da Anthony *Independent* *Non-executive Director*	Dr. Fan Ren Da Anthony serves as an independent non-executive director of the Company. Dr. Fan is the chairman of the board and managing director of AsiaLink Capital Limited. Dr. Fan is also an independent non-executive director of Uni-President China Holdings Ltd. (0220.HK) and Shanghai Industrial Urban Development Group Limited (0563.HK), an executive director of Tenfu (Cayman) Holdings Company Limited (6868.HK) and a non-executive director of Hilong Holding Limited (1623.HK). Dr. Fan holds a Ph.D. in Economics. Dr. Fan is the founding president of The Hong Kong Independent Non-Executive Director Association.

Name	Major working experience
Liu Ming *Independent Non-executive Director*	Professor Liu Ming serves as an independent non-executive director of the Company. Professor Liu serves as a professor in Fudan University. She served as an assistant professor in University of Yantai, an associate professor, a professor in Institute of Microelectronics of the Chinese Academy of Sciences. Professor Liu has contributed to research in micro/nano-fabrication, NVM devices and circuits, and new computing during her more than 30 years career in the semiconductor industry. Professor Liu holds Bachelor and Master of Science degree in semiconductor from Hefei University of Technology, and Doctorate in material engineering from Beihang University.
Wu Hanming *Independent Non-executive Director*	Professor Wu Hanming serves as an independent non-executive director of the Company. Dr. Wu is an expert in microelectronics technology and currently serves as a professor and Dean of the Department of Informatics at Zhejiang University. He served as a senior engineer of Intel Corporation of the United States, a technical director, vice president of the R&D department and consultant of SMIC, an independent director of Piotech Inc. (688072.SH), and an independent director of NAURA Technology Group Co., Ltd. (002371.SZ). Dr. Wu has been working in China's integrated circuit industry for a long time and has made outstanding contributions. Dr. Wu was selected as the first "Beijing Scholar", and awarded the title of "the top 10 national outstanding scientists and engineers" and "national outstanding professional and technical talents", etc. He was also the chairman of the China Semiconductor Technology International Conference (CSTIC). Dr. Wu obtained a Bachelor's degree in theoretical physics from the Department of Modern Physics at the University of Science and Technology of China, a Master's degree in plasma science from the Chinese Academy of Sciences, and a Doctorate in plasma and magnetohydrodynamics from the Institute of Mechanics of the Chinese Academy of Sciences. He subsequently served as a visiting scholar in physics at the University of Texas in the United States and a postdoctoral fellow in the department of chemical engineering at the University of California.
Chen Xinyuan *Independent Non-executive Director*	Professor Chen Xinyuan serves as an independent non-executive director of the Company. Professor Chen is currently Professor of Accounting and Director of the School of Advanced Accounting and Auditing at Shanghai University of Finance and Economics, independent director of Shanghai Electric Group Company Limited (601727.SH), and is concurrently the director of the Guiding Committee on Education of Accounting of the Ministry of Education, the vice president of the Accounting Society of China and the president of the Accounting Society of Shanghai. He was formerly the vice president of the Shanghai University of Finance and Economics and the dean of the School of Accounting. Professor Chen has expertise in finance and accounting and corporate governance. He has been awarded the honorary titles of the first Outstanding Faculty Award of the Ministry of Education, the National "May 1" Labour Medal, Shanghai Model Worker, Shanghai Outstanding Communist Party Member, etc., and has been selected in the national "New Century Talents Project". Professor Chen obtained his master degree and doctorate degree in Economics (Accounting) from Shanghai University of Finance and Economics, and is a distinguished professor of the Ministry of Education's "Changjiang Scholars Program" and an expert with special allowances of the State Council.
Senior Management	
Liu Xunfeng	Biographical details are set out on page 41 of this annual report.
Zhao Haijun *Co-Chief Executive Officer*	Dr. Zhao Haijun serves as Co-Chief Executive Officer of the Company. Dr. Zhao also serves as a director of certain subsidiaries and affiliated companies of the Company. Dr. Zhao has more than 30 years of experience in semiconductor operations and technology development. Dr. Zhao served as an executive Director of the Company between 2017 and 2022, and served as the Chief Operating Officer and Executive Vice President of the Company, general manager of SMNC from 2010 to 2016. Dr. Zhao holds a Bachelor's and a Doctor's degree in Electronic Engineering from Tsinghua University and a Master of Business Administration (MBA) degree from the University of Chicago.
Liang Mong Song *Co-Chief Executive Officer*	Dr. Liang Mong Song serves as a Co-Chief Executive Officer of the Company. Dr. Liang has been engaged in the semiconductor industry for over 40 years. Dr. Liang owns over 450 patents and has published over 350 technical papers. Dr. Liang holds a doctor of philosophy degree from the department of electrical engineering and computer sciences at University of California, Berkeley. He is a fellow of the Institute of Electrical and Electronics Engineers.
Guo Guangli *Senior Vice President, Board Secretary and Company Secretary*	Ms. Guo Guangli serves as a senior vice president, Board Secretary and Company Secretary of the Company. Ms. Guo is a guest advisor of Central University of Finance and Economics. Ms. Guo served as the member of the Party Committee, chief accountant of Datang Telecom Technology Industry Group, the Chairman of Datang Telecom finance company, and also a member of the Sixth Session of the Review Committee of the Shanghai Stock Exchange. Ms. Guo has rich experience in corporate governance, financial management and investment and financing projects of capital market. Ms. Guo holds a Bachelor of law degree from Beihang University and a Master of accounting from the Central University of Finance and Economics. She is a Chinese Certified Public Accountant.

Name	Major working experience
Wu Junfeng *Senior Vice President, Person-in-charge of Finance*	Dr. Wu Junfeng serves as a senior vice president and Person-in-charge of Finance of the Company. He also serves as a director of certain subsidiaries of the Company. Dr. Wu is the doctoral tutor for Southwestern University of Finance, an expert of ACCA China Think Tank, an executive director of The Chinese Tax Institute, a contributing researcher of China Government Audit Research Center. Dr. Wu served as a member of the Standing Committee of the Party Committee, the chief accountant, the board secretary of China General Nuclear Power Corporation, the Chairman of CGN Finance Co., Ltd., a member of the leading group and the chief financial officer of New Hope Group Co., Ltd., and the Chairman of New Hope Finance Co., Ltd.; Dr. Wu has rich experience in financial management and capital market investment and financing projects. Dr. Wu holds a Ph.D. from Southwestern University of Finance and Economics. He is a member of ACCA, a Chinese Certified Public Accountant and an Advanced Level Accountant.
Core Technicians	
Zhao Haijun	Biographical details are set out on page 42 of this annual report.
Liang Mong Song	Biographical details are set out on page 42 of this annual report.
Zhang Xin *Senior Vice President*	Mr. Zhang Xin serves as a senior vice president of the Company. He also serves as a director or Chairman of several subsidiaries and affiliated companies of the Company. Mr. Zhang is currently Chairman of the Zhong Guan Cun IC Industry Alliance, and a member of the Expert Committee of the China Integrated Circuit Innovation Alliance (ICIA). Mr. Zhang has been working in the field of Integrated Circuit manufacturing for many years and has a long overseas working experience, serving successively as a high profile in TSMC and Global Foundries. Mr. Zhang received his Bachelor's and Master's degrees in Electronic Physics from the Department of Electronic Engineering at Tsinghua University.
Jin Da *Senior Vice President*	Mr. Jin Da serves as a senior vice president of the Company. Mr. Jin successively served in technical and management positions in research and development and multiple production departments of the Company. He has rich experience in the development of integrated circuit process technology. Mr. Jin holds a Bachelor's degree in materials engineering from Nanyang Technological University, Singapore, and a Master's degree in electrical engineering from the National University of Singapore.
Yan Dayong *Vice President*	Mr. Yan Dayong serves as a vice president of the Company. Mr. Yan successively served as the manager and director of process integration department, senior director and vice president of characteristic process research and development of the Company. He has rich experience in process integration and characteristic process technology research and development. Mr. Yan holds a Bachelor's degree and a Master's degree in engineering from the Department of Electronic Science and Technology of Xi'an Jiaotong University.

(II) POSITIONS OF CURRENT AND RESIGNED DIRECTORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

1. Positions in shareholder entities

Name	Name of shareholder entities	Position held in shareholder entities	Commencement date of term(note)	Cessation date of term
Lu Guoqing	China Information and Communication Technology Group Co., Ltd.	Secretary of the Party Committee and Chairman of the Board	February 2021	March 2025
Lu Guoqing	China Academy of Telecommunications Technology Co., Ltd.	Executive Director and General Manager	April 2021	May 2025
Lu Guoqing	Datang Telecom Technology & Industry Holdings Co., Ltd.	Executive Director and General Manager	April 2021	May 2025
Chen Shanzhi	China Information and Communication Technology Group Co., Ltd.	Vice General Manager	June 2018	–
Chen Shanzhi	China Academy of Telecommunications Technology Co., Ltd.	Vice General Manager	December 2017	–
Chen Shanzhi	Datang Telecom Technology & Industry Holdings Co., Ltd.	Senior Vice President	December 2009	–
Huang Dengshan	China Integrated Circuit Industry Investment Fund Co., Ltd.	Vice President	May 2015	–
Huang Dengshan	China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.	Vice President	September 2019	–

2. Positions in other entities

Name	Name of other entities	Position held in other entities	Commencement date of term (note)	Cessation date of term
Lu Guoqing	China Electronics Technology Group Corporation	External Director	June 2025	–
Lu Guoqing	China Academy of Machinery Science and Technology Group Co., Ltd.	External Director	May 2025	–
Lu Guoqing	Wuhan Research Institute of Posts and Telecommunications	Secretary of the Party Committee, Chairman, General Manager	December 2017	April 2025
Lu Guoqing	FiberHome Technologies Group Co., Ltd.	Secretary of the Party Committee, Chairman, President	August 2016	June 2025
Yang Lumin	Yangtze Memory Technologies Holding Co., Ltd.	Director	September 2021	–
Yang Lumin	Yangtze Memory Technologies Co., Ltd.	Director	September 2021	–
Yang Lumin	Sino IC Capital Co., Ltd.	Director and President	February 2021	–
Huang Dengshan	China Integrated Circuit Industry Investment Fund (Phase III) Co., Ltd.	Vice President	August 2024	–
Fan Ren Da Anthony	Haitong Securities Co., Ltd.	Independent Non-executive Director	October 2023	March 2025
Fan Ren Da Anthony	Hilong Holding Limited	Non-executive Director	July 2022	–
Fan Ren Da Anthony	Tenfu (Cayman) Holdings Company Limited	Executive Director	May 2021	–
Fan Ren Da Anthony	Neo-Neon Holdings Limited	Independent Non-executive Director	August 2014	June 2025
Fan Ren Da Anthony	Technovator International Limited	Independent Non-executive Director	September 2011	June 2025
Fan Ren Da Anthony	Shanghai Industrial Urban Development Group Limited	Independent Non-executive Director	July 2010	–
Fan Ren Da Anthony	Uni-President China Holdings Ltd.	Independent Non-executive Director	September 2007	–
Fan Ren Da Anthony	AsiaLink Capital Limited	Chairman and Managing Director	October 2003	–
Fan Ren Da Anthony	CITIC Resources Holdings Limited	Independent Non-executive Director	August 2000	March 2025
Liu Ming	Fudan University	Professor	January 2021	–
Wu Hanming	Zhejiang University	Dean of the Department of Informatics	July 2025	–
		Dean of the School of Integrated Circuits (formerly the School of MicroNano Electronics)	January 2020	July 2025
Wu Hanming	Zhejiang ICsprout Semiconductor Co., Ltd.	Director	January 2021	–
Wu Hanming	University of Science and Technology of China	Dean of the National MicroNano Electronics School	April 2020	November 2025
Wu Hanming	NAURA Technology Group Co., Ltd.	Independent Director	December 2019	May 2025
Chen Xinyuan	Shanghai Electric Group Company Limited	Independent Director	December 2025	–
Chen Xinyuan	Shanghai University of Finance and Economics	Professor	January 1988	–
Zhao Haijun	Toppan Sensing Electronics (Shanghai) Co., Ltd.	Vice Chairman of the Board	June 2017	–
Zhao Haijun	Zhejiang Juhua Co., Ltd.	Director	November 2016	December 2025
Guo Guangli	China Fortune-Tech Capital Co., Ltd.	Director	March 2024	–

Note: The commencement date of term refers to the earliest date of holding the above positions in other entities.

(III) EMOLUMENTS OF DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

1. *Emoluments of Directors, senior management and core technicians*

The Company has formulated Policy on Directors and Senior Management Remuneration, according to which, formal and transparent procedures are implemented to formulate remuneration packages for Directors and senior management. Remuneration level should be maintained at a reasonable level and sufficient to attract and retain Directors and senior management to run the Company successfully. No Directors or senior management should be involved in deciding his or her own remuneration.

The decision-making procedure for the remunerations of Directors and senior management	The remuneration of executive Directors shall be approved by the Compensation Committee and reported to the Board in accordance with the Company's executive director remuneration policy and structure; the remuneration of non-executive Directors shall be proposed by the Compensation Committee to the Board and approved by the Board; the remuneration of senior management shall be determined according to the remuneration management policy formulated by the Company upon the approval of the Compensation Committee.
Whether Directors evade from discussions on their remuneration at the Board	Yes
Details of the Compensation Committee issuing recommendations on remuneration matters for Directors and senior management	During the Reporting Period, members of Compensation Committee fully discussed about remuneration matters for Directors and senior management, and formed a consensus.
The basis for determining remunerations of Directors and senior management	Policy on Director and Senior Management Remuneration approved by the Board.
Actual payment of remunerations of Directors and senior management	During the Reporting Period, remunerations of Directors, senior management and core technicians of the Company were in line with relevant remuneration policy and appraisal standards of the Company, and were granted in strict compliance with appraisal results. There were no events in violation of the remuneration management policy of the Company. The actual payment of remunerations was consistent with that as disclosed by the Company.
Total actual remunerations received by all Directors and senior management during the Reporting Period	US$7.1 million
Total actual compensations received by core technicians during the Reporting Period	US$5.8 million
Performance metrics and achievement status for actual compensation received by all Directors and senior management at the end of the Reporting Period	Independent non-executive Directors receive allowances, and non-executive Directors do not receive salaries; therefore, they are not subject to performance evaluation; executive Directors and Co-Chief Executive Officer are evaluated based on their achievement of the Company's objectives; other senior management are evaluated based on their annual senior management performance. All performance targets were met this year.
Deferred payment arrangements for actual compensation received by all Directors and senior management at the end of the Reporting Period	Independent non-executive Directors receive allowances, and non-executive Directors do not receive salaries; therefore, they are not subject to relevant regulations; performance bonus for executive Directors and senior management are paid in installments with deferred payment arrangements.
Recovery status of withheld compensation for all Directors and senior management at the end of the Reporting Period	N/A

Note: Total remunerations before tax received from the Company during the Reporting Period of Directors, senior management and core technicians include basic salaries, bonus, allowances, subsidies, employee benefits and various insurance fees, provident funds and remunerations otherwise received from the Company, exclude share incentive received.

2. *Remuneration to the Senior Management*

The remuneration to the senior management for the year ended December 31, 2025 is as follows.

in USD'000

	2025
Salaries, bonus and benefits	6,847
State-managed pension(Note)	38
Total	6,885

Note: The employees of the Group in Chinese Mainland participate in the pension insurance and unemployment insurance scheme administered by the local government. The Group contributes on a monthly basis to these schemes based on certain percentages of the salaries of the employees. After retirement, the local government is responsible for paying pensions to the retired employees.

(IV) THE EQUITY INCENTIVES GRANTED TO THE DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS DURING THE REPORTING PERIOD

1. *Stock options of Directors and chief executives*

(1) 2014 Stock Option Plan – Hong Kong Share

Unit: Share

Name	Position	Options grant date	Exercise price at grant date per share (HKD)	Unexercised number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Exercised number during the Reporting Period	Weighted average closing price of Hong Kong Shares immediately before exercise dates (HKD)	Unexercised number as of 12/31/2025	Closing price of Hong Kong Shares immediately before grant dates (HKD)	Exercisable period
Fan Ren Da Anthony	Independent Non-executive Director	9/13/2018	8.57	187,500	–	–	–	187,500	79.55	–	8.35	9/13/2018-9/12/2028
		5/31/2021	24.50	32,877	–	–	–	32,877	79.55	–	24.15	5/31/2021-5/30/2031
Liu Ming	Independent Non-executive Director	5/31/2021	24.50	187,500	–	–	–	187,500	48.00	–	24.15	5/31/2021-5/30/2031
Zhao Haijun	Co-Chief Executive Officer	9/7/2017	7.90	1,687,500	–	–	–	–	–	1,687,500	7.83	9/7/2017-9/6/2027
		5/25/2020	18.10	219,706	–	–	–	–	–	219,706	16.92	5/25/2020-5/24/2030
		5/31/2021	24.50	277,149	–	–	–	–	–	277,149	24.15	5/31/2021-5/30/2031
Liang Mong Song	Co-Chief Executive Officer	5/25/2020	18.10	659,117	–	–	–	–	–	659,117	16.92	5/25/2020-5/24/2030
				3,251,349	–	–	–	407,877		2,843,472		

2. *Restricted Share Units ("RSUs") of Directors and chief executives*

(1) 2014 Equity Incentive Plan – Hong Kong Share

Unit: Share

Name	Position	RSUs grant date	Purchase price per share (HKD)	Held number as of 1/1/2025	Unvested number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Vested number during the Reporting Period	Weighted average closing price of Hong Kong Shares immediately before vesting dates (HKD)	Unvested number as of 12/31/2025	Held number as of 12/31/2025	Closing price of Hong Kong Shares immediately before grant dates (HKD)	Vesting period
Wu Hanming	Independent Non-executive Director	9/5/2022	0.031	94,350	94,350	–	–	–	94,350	48.66	–	94,350	15.00	8/11/2022-8/11/2025
Zhao Haijun	Co-Chief Executive Officer	5/31/2021	0.031	34,513	34,513	–	–	–	34,513	53.60	–	–	24.15	3/1/2021-3/1/2025
		4/8/2022	0.031	200,769	200,769	–	–	–	100,384	53.60	100,385	100,385	16.80	3/1/2022-3/1/2026
		4/1/2023	0.031	31,912	31,912	–	–	–	31,912	46.10	–	–	18.60	4/1/2023-4/1/2025
Liang Mong Song	Co-Chief Executive Officer	4/8/2022	0.031	200,769	200,769	–	–	–	100,384	53.60	100,385	100,385	16.80	3/1/2022-3/1/2026
		4/1/2023	0.031	31,912	31,912	–	–	–	31,912	46.10	–	–	18.60	4/1/2023-4/1/2025
				594,225	594,225	–	–	–	393,455		200,770	295,120		

(2) 2024 Equity Incentive Plan – Hong Kong Share

Unit:Share

Name	Position	RSUs grant date	Consideration for the grant per share (HKD)	Held number as of 1/1/2025	Unvested number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Vested number during the Reporting Period	Weighted average closing price of Hong Kong Shares immediately before vesting dates (HKD)	Unvested number as of 12/31/2025	Held number as of 12/31/2025	Closing price of Hong Kong Shares immediately before grant dates (HKD)	Vesting period
Liu Xunfeng	Chairman and Executive Director	4/1/2024	0.031	123,468	123,468	–	–	–	74,081	46.10	49,387	106,308	15.16	4/1/2024-4/1/2026
		4/1/2025	0.031	–	–	124,377	–	–	62,189	46.10	62,188	124,377	46.10	4/1/2025-4/1/2027
Fan Ren Da Anthony	Independent Non-executive Director	7/1/2024	0.031	47,008	47,008	–	–	–	47,008	31.80	–	–	17.12	7/1/2024-1/1/2025
Liu Ming	Independent Non-executive Director	4/1/2024	0.031	83,908	83,908	–	–	–	83,908	31.80	–	–	15.16	2/4/2024-1/1/2025
Zhao Haijun	Co-Chief Executive Officer	4/1/2024	0.031	227,029	113,514	–	–	–	68,109	46.10	45,405	45,405	15.16	4/1/2024-4/1/2026
		4/1/2025	0.031	–	–	74,563	–	–	37,282	46.10	37,281	37,281	46.10	4/1/2025-4/1/2027
Liang Mong Song	Co-Chief Executive Officer	4/1/2024	0.031	227,029	113,514	–	–	–	68,109	46.10	45,405	45,405	15.16	4/1/2024-4/1/2026
		4/1/2025	0.031	–	–	74,563	–	–	37,282	46.10	37,281	37,281	46.10	4/1/2025-4/1/2027
				708,442	481,412	273,503	–	–	477,968		276,947	396,057		

Note: Please refer to "XII. Information about the Company's Stock Incentive Plans, Employee Equity Incentive Plan or Other Employee Incentive Measures and Their Impacts" in this section for details of the performance targets, the fair value of the RSUs at the date of grant and the accounting standard and policy adopted in respect of the RSUs granted during the Reporting Period.

3. Type II Restricted Shares

(1) 2021 STAR Market Restricted Share Incentive Scheme – A Share

Unit: Share

Name	Position	Restricted Shares grant date	Grant price per share (RMB)	Unvested number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Vested number during the Reporting Period	Weighted average closing price of A Shares immediately before vesting dates (RMB)	Unvested number as of 12/31/2025	Closing price of A Shares immediately before grant dates (RMB)	Vesting period
Zhang Xin	Senior Vice President, Core Technician	7/19/2021	20	64,000	–	–	–	64,000	56.94	–	54.03	7/20/2022-7/17/2026
Jin Da	Senior Vice President, Core Technician	7/19/2021	20	32,000	–	–	–	32,000	56.94	–	54.03	7/20/2022-7/17/2026
Yan Dayong	Vice President, Core Technician	7/19/2021	20	28,000	–	–	–	28,000	56.94	–	54.03	7/20/2022-7/17/2026
				124,000	–	–	–	124,000		–		

Note: Please refer to "XII. Information about the Company's Stock Incentive Plans, Employee Equity Incentive Plan or Other Employee Incentive Measures and Their Impacts" in this section for the principle terms of the above-mentioned stock incentive plans.

4. The interests and rights of Directors and chief executives required to be disclosed under the Hong Kong Listing Rules

As at December 31, 2025, the interests or short positions of the Directors and the chief executive officer in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), and as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name	Long/short position	Nature of interests	Number of ordinary shares held	Derivatives		Total interests (share)	Percentage of aggregate interests to total issued share capital of the Company[1]
				Options (Hong Kong Share)[2]	Restricted Share Units (Hong Kong Share)[2]		
Executive Director							
Liu Xunfeng	Long Position	Beneficial Owner	140,628	–	230,685	371,313	0.005%
Non-executive Directors							
Lu Guoqing	—	—	–	–	–	–	–
Chen Shanzhi	—	—	–	–	–	–	–
Yang Lumin	—	—	–	–	–	–	–
Huang Dengshan	—	—	–	–	–	–	–
Independent Non-executive Directors							
Fan Ren Da Anthony	Long Position	Beneficial Owner	405,754	–	–	405,754	0.005%
Liu Ming	Long Position	Beneficial Owner	83,908	–	–	83,908	0.001%
Wu Hanming	Long Position	Beneficial Owner	91,575	–	94,350	185,925	0.002%
Chen Xinyuan	—	—	–	–	–	–	–
Co-Chief Executive Officers							
Zhao Haijun	Long Position	Beneficial Owner	472,775	2,184,355	183,071	2,840,201	0.036%
Liang Mong Song	Long Position	Beneficial Owner	499,182	659,117	183,071	1,341,370	0.017%

Notes:

(1) Based on 8,000,408,035 Shares in issue as of December 31, 2025.

(2) As of December 31, 2025, the interests held by Directors and Co-CEOs were all in Hong Kong Shares. For details of the options (Hong Kong Share) and RSUs (Hong Kong Share), please refer to "2014 Stock Option Plan-Hong Kong Share", "2014 Equity Incentive Plan-Hong Kong Share" and "2024 Equity Incentive Plan-Hong Kong Share" in this section.

(V) EVALUATION MECHANISM FOR SENIOR MANAGEMENT AND THE ESTABLISHMENT AND IMPLEMENTATION OF INCENTIVE MECHANISM DURING THE REPORTING PERIOD

The Compensation Committee under the Board is responsible for formulating the remuneration policy of the Company's senior management personnel. In addition to the basic salary, the Company's senior management personnel are granted short-term and long-term incentives linked to the Company's performance. The appraisal spirit of the Compensation Committee under the Board is strictly implemented adhering to performance orientation by performing appraisal on senior management personnel on an annual basis.

V. OVERVIEW OF THE BOARD

(I) THE RESPONSIBILITY OF THE BOARD

As the core institution of corporate governance, the Board bears key decision-making and supervisory responsibilities. The Board is responsible to the shareholders of the Company, overseeing and managing the Company's affairs, and making decisions that are in line with the best interests of the Company. The Board exercises its powers directly or through its subordinate committees, participates in and is responsible for establishing the overall strategy of the Company, setting corporate objects and targets, and supervising the implementation process. The Board is responsible for supervising the Company's financial performance and accounting preparation, developing corporate governance systems and policies, and reviewing the Company's internal control system. The management of the Company is responsible for the implementation of the overall strategy of the Company and its daily operations and management. Each board member can consult or communicate with the senior management regarding the operations or financial situation of the Company.

(II) THE COMPOSITION OF THE BOARD

As at the date of this report, the Board has 9 members, including 1 Chairman (executive Director), 4 non-executive Directors and 4 independent non-executive Directors. There are no relationships among members of the Board. The personal information of each Director is set out in "IV. Particulars of Directors and Senior Management" in this section, and published on the Company's website.

Independent non-executive Directors account for at least one-third of the total number of Board members. On an annual basis, each independent non-executive Director confirms his or her independence to the Company, and the Company considers these Directors to be independent (as defined under Rule 3.13 of the Hong Kong Listing Rules).

Members of the Board have different professional backgrounds, and they actively provide their valuable experiences to the Board to promote the best interests of the Company and shareholders. Independent non-executive Directors are committed to ensuring that the Board safeguards the interests of all shareholders of the Company and ensures independence and objectivity.

(III) THE CHAIRMAN AND THE EXECUTIVE OFFICER

For the year ended December 31, 2025, the roles of Chairman and Co-Chief Executive Officers are segregated. The role of Chairman is performed by Dr. Liu Xunfeng and the roles of Co-Chief Executive Officers are performed by Dr. Zhao Haijun and Dr. Liang Mong Song.

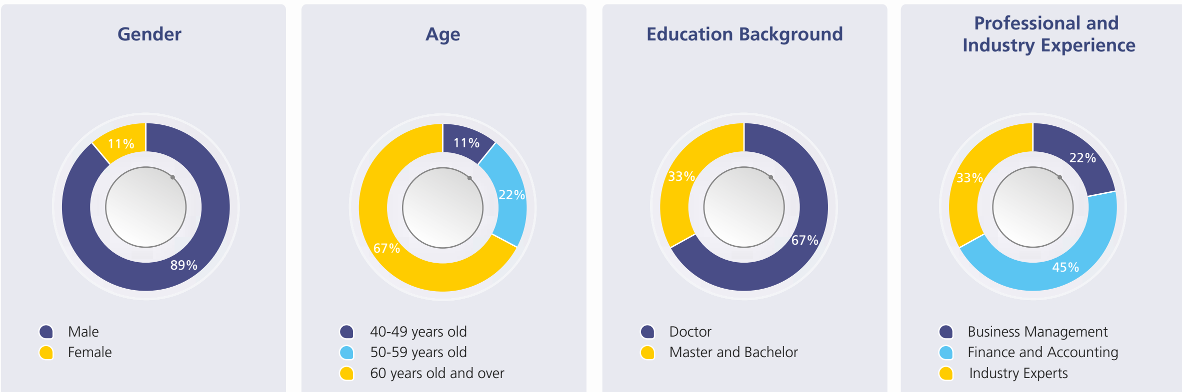
(IV) PROCEDURE REGARDING THE APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company's Article of Associations and related regulations, the Company has adopted the standard procedure regarding the appointment of Directors, setting forth the process by which individuals are appointed as members of the Board. Under the policy, the Board will consider, among other factors: (1) the skills, qualifications, experience, background and nationality of the nominee, including other directorships held in listed companies in the last three years and other major appointments; (2) any shares, class or number of shares in the Company held or beneficially owned by the nominee (if any); (3) board diversity; and (4) any other information relating to the nominee required to be disclosed in accordance with the rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. The Board will decide whether to appoint such nominee to fill a casual vacancy on the Board or as an addition to the existing Directors, and then to appoint such nominee into one of the three classes of Directors as stipulated in the Articles of Association of the Company.

Directors appointed by the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. Directors may hold office until the expiration of their respective term upon an election passed at a general meeting by holders of a majority of the Company's issued shares being entitled to vote in person or by proxy at such meeting. The Board is divided into three classes with one class of Directors eligible for re-election at each annual general meeting of the Company. Each class of Directors (including all non-executive Directors) serves a term of three years.

(V) BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy. The Board considers that a diversity of perspectives is beneficial to the Company and believes that a diversity of perspectives can be achieved through the consideration of factors such as a diversity of skills, professional and industry experience, cultural and educational background, ethnicity, length of service, gender and age. Board appointments will also be made on the principle of meritocracy and objective criteria, taking into account factors based on the Company's business model and specific needs from time to time. The Nomination Committee of the Board will give consideration to this policy when identifying qualified candidates to become members of the Board. The Board will review the Board Diversity Policy on a regular basis to ensure its effectiveness. During the Reporting Period, the Nomination Committee added one female member, the Company has met the diversity requirement under the Hong Kong Listing Rules. Directors of different genders exist in both the Board and the Nomination Committee.



(VI) DIRECTORS' TRAINING AND DEVELOPMENT

All Directors should keep abreast of the responsibilities as a director, and of the conduct and business activities of the Company.

The Company is responsible for arranging its Directors to take adequate training and is responsible for the training expenses. Each newly appointed Director is provided with training with respect to such Director's responsibilities under the Hong Kong Listing Rules and the SSE STAR Market Listing Rules, as well as the Company's corporate governance policies and practices. The Company also provides each Director with ethics & compliance training, arranges director trainings organized by relevant PRC institutions, and regularly distributes securities regulatory updates to Directors regarding interpretations of new regulations and regulatory guidance for the SSE STAR Market and HKSE. The Board Secretary/Company Secretary maintains the training records of all Directors. In 2025, the Directors complied with Code Provision C.1.1 of the CG Code through participation in the above-mentioned continuous professional development and reading relevant materials and journals to develop and refresh their knowledge and skills.

(VII) COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LIST ISSUERS

The Company has developed Management System and Implementation Rules for Insiders which encompasses the requirements of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules (the "Model Code"). The Company, having made specific enquiry to all Directors, received confirmation that all Directors have complied with the Management System and Implementation Rules for Insiders of the Company and the Model Code throughout the year ended December 31, 2025.

All directors, senior management, and employees of the Company and its subsidiaries are also required to comply with the Management System and Implementation Rules for Insiders of the Company and relevant provisions stipulated by CSRC and SSE in relation to inside trading.

(VIII) MECHANISMS TO ENSURE INDEPENDENT VIEWS AND INPUT ARE AVAILABLE TO THE BOARD

The Company has established mechanisms to ensure independent views and input are available to the Board. The mechanisms may be covered in the following aspects: (1) independent non-executive director's nomination process (e.g. independent non-executive director's time commitments and qualification), (2) number of independent non-executive directors and their time contribution, (3) evaluation of independent non-executive directors' contribution, and (4) other channels where independent views are available (e.g. directors' access to external independent professional advice to assist performance of their duties).

The Chairman of the Board holds meetings with the independent non-executive Directors without the presence of other Directors at least once a year.

The Board has reviewed the implementation and effectiveness of such mechanisms in 2025.

(IX) CORPORATE GOVERNANCE FUNCTIONS

Pursuant to the Company's Corporate Governance Policy as amended in May 2025, the Board (or any of its committees) is responsible for performing the following corporate governance duties:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG code and disclosure in the Corporate Governance Report.

During the year ended December 31, 2025, the aforesaid corporate governance functions had been carried out by the Board pursuant to the Corporate Governance Policy.

(X) PROCEEDINGS OF THE BOARD

The Board meets at least four times a year at approximately quarterly intervals and on such other occasions as may be required to discuss and vote upon significant issues affecting the Company. The Board Secretary/Company Secretary assists the Chairman in preparing the agenda for the Board meetings and also assist the Board in complying with applicable laws, rules and regulations. The relevant papers for the Board meetings are dispatched to Board members in accordance with the CG Code. Directors may include matters for discussion in the agenda if the need arises. Upon the conclusion of the Board meeting, minutes are circulated to all Directors for their review and comments prior to their approval of the minutes at the following or subsequent Board meeting. Furthermore, the Board has established the procedures pursuant to which a Director, upon reasonable request, may seek independent professional advice at the Company's expense in order for such Director to discharge his duties. Transactions in which any Directors are considered to have a conflict of interest which the Board has determined to be material are dealt with by physical Board meetings rather than written resolutions and the interested Directors are not counted in the quorum of such Board meetings and shall abstain from voting on the relevant matters.

VI. PERFORMANCE OF DUTIES BY DIRECTORS

(I) ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND GENERAL MEETINGS

For the year ended December 31, 2025, the Directors' attendance at the Board meetings and general meetings are set out below:

		Attendance at Board meetings						Attendance at the general meetings
Name of Director	Independent Director or not	Required attendance for the year (times)	Attendance in person (times)	Attendance by proxy (times)	Absence (times)	Attendance by way of teleconference (times)	Any failure in attending in person for two consecutive meetings	Attendance (times)/Required attendance (times)
Liu Xunfeng	No	9	9	0	0	0	No	1/1
Lu Guoqing	No	9	4	2	5	0	No	1/1
Chen Shanzhi	No	9	8	6	1	0	No	1/1
Yang Lumin	No	9	7	4	2	0	No	1/1
Huang Dengshan	No	9	5	1	4	0	No	1/1
Fan Ren Da Anthony	Yes	9	8	4	1	0	No	1/1
Liu Ming	Yes	9	8	5	1	0	No	1/1
Wu Hanming	Yes	9	4	2	5	0	No	1/1
Chen Xinyuan	Yes	9	9	3	0	0	No	1/1

Number of Board meetings held in the year	9
Including: Number of physical meetings	3
Number of meetings held by way of teleconference	0
Number of meetings held in combination of physical meetings and teleconference	6

VII. SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established four special committees, including the Audit Committee, the Compensation Committee, the Nomination Committee and the Strategic Committee. Each special committee performs its respective duties and authorities entrusted by the Board in accordance with the charters of each special committee. The Company has disclosed the charters of the Audit Committee, the Compensation Committee and the Nomination Committee on the websites of the Company and the Hong Kong Stock Exchange in accordance with the requirements of the Hong Kong Listing Rules.

(I) AUDIT COMMITTEE

The responsibilities of the Audit Committee

The Audit Committee shall be mainly responsible for (1) supervising the accounting and financial reporting system and procedures of the Company; (2) reviewing the Company's financial statements and related disclosures; (3) supervising and evaluating the work of the Company's internal audit department and external auditors; (4) supervising the Company's risk management and internal control system.

The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2025.

Performance of the Audit Committee

As of the publication date of this annual report, the members of the Company's audit committee (the "Audit Committee") are Professor Chen Xinyuan (chairman of the Audit Committee), Dr. Fan Ren Da Anthony, Professor Liu Ming and Professor Wu Hanming.

During the year ended December 31, 2025, the Audit Committee held a total of 4 meetings and made 4 written resolutions. Details of the Directors' attendance at the Audit Committee meetings and the main proposals reviewed are set forth below:

Audit Committee	Actual attendance/ Required attendance (times)
Independent Non-executive Directors	
Chen Xinyuan	4/4
Fan Ren Da Anthony	4/4
Liu Ming	4/4
Wu Hanming	4/4

The reviewed proposals mainly include:

- 2024 annual report and 2025 interim report
- quarterly financial results announcements and guidance
- proposal for re-appointment of Ernst & Young to provide non-audit services
- the Audit Committee's annual duty performance report in 2024
- the Company's assessment report on the performance of accounting firms in 2024
- re-appointment of auditors in 2025
- conducting hedging activities in 2025
- internal audit reports for 2024 and 2025 interim
- quarterly external auditor's report and 2025 audit plan
- 2024 internal control evaluation report
- 2025 risk management report
- report on the provision of asset impairment for the first three quarters of 2025
- The draft report on the acquisition of 49% of equity interests in SMNC through the issuance of RMB Shares and related party transaction and its review report on the pro forma financial statements of the Company

(II) COMPENSATION COMMITTEE

The responsibilities of the Compensation Committee

The Compensation Committee is mainly responsible for evaluating and reviewing (1) the compensation plan of the Company's Directors and senior management and (2) the Company's share scheme matters.

Performance of the Compensation Committee

As of the publication date of this annual report, the members of the Company's compensation committee (the "Compensation Committee") are Dr. Fan Ren Da Anthony (chairman of the Compensation Committee), Mr. Lu Guoqing, Professor Liu Ming and Professor Chen Xinyuan.

During the year ended December 31, 2025, the Compensation Committee held a total of 3 meetings. Details of the Directors' attendance at the Compensation Committee meetings and the main proposals reviewed are set forth below:

Compensation Committee	Actual attendance/ Required attendance (times)
Independent Non-executive Directors	
Fan Ren Da Anthony	3/3
Liu Ming	3/3
Chen Xinyuan	3/3
Non-executive Director	
Lu Guoqing	3/3

The reviewed proposals mainly include:

- annual performance bonus and the Hong Kong Stock grant for executive Directors and senior management
- the Hong Kong Stock grant plan for employees
- non-executive directors bonus plan
- proposal on compensation for Directors' re-election

Summary of material matters relating to the share scheme reviewed by the Compensation Committee

Grant RSUs under the 2024 Equity Incentive Plan

There were 2,876,943 RSUs granted to 434 grantees (including Directors and senior management of the Group) by the Company under the 2024 Equity Incentive Plan on April 1, 2025. The vesting period of all or part of RSUs granted is shorter than 12 months because such grant of RSUs formed part of the grantees' remuneration and such grant was subject to the fulfillment of the relevant performance targets for the year 2024 and such conditions had been fulfilled as at the grant date. The Compensation Committee approved such arrangements and believed that such arrangements aligns with the purpose of the 2024 Equity Incentive Plan as it retains and motivates the relevant grantees (including Directors and senior management) of the Group for their contributions to the growth and profits of the Company.

Performance Target

The grant of RSUs shall be conditional upon the achievement of certain targets based on both the Company's and individual performance indicators, including but not limited to revenue, profit, project completion status and other relevant indicators. Each target can be presented on an absolute and/or relative basis.

Clawback Mechanism

Any unvested RSUs will automatically lapse immediately under all circumstances, including but not limited to: (i) the relevant grantee's employment or service with the Group terminates for any reason, save for retirement, death, and disability and other special circumstances; (ii) the portion of the awards subject to vesting which had not been vested due to the failure to achieve certain vesting condition; or (iii) the portion of the awards subject to vesting which had not been vested due to violation of the internal code of the Group and had been subject to internal disciplinary action.

For details of the above-mentioned grant, please refer to the announcement of the Company on the website of HKSE (https://www.hkexnews.hk) dated April 1, 2025.

(III) NOMINATION COMMITTEE

The responsibilities of the Nomination Committee

The Nomination Committee shall be mainly responsible for (1) identifying and recommending candidates suitable for serving as Directors; (2) making recommendations to the Board on the appointment and succession of Directors; (3) ensuring the Company has a Board of an effective size, structure and composition.

Nomination Policy

This policy sets out the principles which guide the Nomination Committee of the Company to identify and evaluate a candidate suitably qualified to become a director of the Board and make recommendations to the Board on the selection of candidates nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

Nomination Criteria

The Nomination Committee shall consider a number of factors in making nominations in accordance with the relevant requirements under the Hong Kong Listing Rules, including but not limited to the following:

- Skills and Experience: The candidate should possess the skills, knowledge and experience which are relevant to the operations of the Company and its subsidiaries.
- Diversity: Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the Board Diversity Policy of the Company and the balance of skills and experience in board composition.
- Commitment: The candidate should be able to devote sufficient time to attend board meetings and participate in induction, trainings and other board associated activities. In particular, if the proposed candidate will be nominated as an independent non-executive director ("INED") and will be holding his/her seventh (or more) listed company directorship, the Nomination Committee should consider the reason given by the candidate for being able to devote sufficient time to the Board.
- Standing: The candidate must satisfy the Board, Hong Kong Stock Exchange and SSE that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a director of the Company.
- Independence: The candidate to be nominated as an INED must satisfy the independence criteria set out in Rule 3.13 of the Hong Kong Listing Rules.

Nomination Procedures

1. If the Nomination Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate.
2. The Nomination Committee may propose to the Board a candidate as a nominee for election to the Board.
3. The Board may appoint the candidate as director to fill a casual vacancy or as an addition to the Board or recommend.
4. The shareholders of the Company approve the election of candidate, who stands for election at the next following annual general meeting, as a director.

Performance of the Nomination Committee

As of the publication date of this annual report, the members of the Company's nomination committee (the "Nomination Committee") are Dr. Liu Xunfeng (chairman of the Nomination Committee), Mr. Huang Dengshan, Professor Liu Ming, Professor Wu Hanming and Professor Chen Xinyuan.

During the year ended December 31, 2025, the Nomination Committee held 1 meeting. Details of Directors' attendance at the Nomination Committee meetings and the main proposals reviewed are set forth below:

Nomination Committee	Actual attendance/ Required attendance (times)	Note
Executive Director		
Liu Xunfeng	1/1	
Non-executive Director		
Huang Dengshan	1/1	
Independent Non-executive Directors		
Liu Ming	0/0	Appointed as a member of the Nomination Committee on May 8, 2025
Wu Hanming	1/1	
Chen Xinyuan	1/1	
Fan Ren Da Anthony	1/1	Ceased to serve as a member of the Nomination Committee on May 8, 2025
The reviewed proposals mainly include:		
• re-election of Directors		

(IV) STRATEGIC COMMITTEE

The responsibilities of the Strategic Committee

The purpose of the Strategic Committee is to assist the Board and the management of the Company to evaluate and consider various strategic alternatives. The main responsibilities of the Strategic Committee include, among other things: (1) evaluate and consider any strategic alternative of the Company; (2) make recommendations to the Board on major matters of the Company and major investment and financing options; (3) contribute and participate in discussions with potential strategic partners with respect to strategic alternative; and (4) make recommendations to the Board and the management of the Company with respect to strategic alternative.

Performance of the Strategic Committee

As of the publication date of this annual report, the members of the Company's strategic committee (the "Strategic Committee") are Dr. Chen Shanzhi (chairman of the Strategic Committee), Mr. Yang Lumin, Professor Liu Ming and Professor Wu Hanming.

During the year ended December 31, 2025, the Strategic Committee held 1 meeting. Details of Directors' attendance at the Strategic Committee meeting and the main proposals reviewed are set forth below:

Strategic Committee	Actual attendance/ Required attendance (times)
Non-executive Directors	
Chen Shanzhi	1/1
Yang Lumin	1/1
Independent Non-executive Directors	
Liu Ming	1/1
Wu Hanming	1/1

The reviewed proposals mainly include:

- evaluated the Compamy's strategic planning
- made recommendations to the Board and the Company's management on strategic planning

VIII. DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and the Group. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The statement by the auditors of the Company regarding their reporting responsibilities is set out in the independent auditor's report.

IX. COMPANY SECRETARY

As of the publication date of this report, Ms. Guo Guangli acts as the Company Secretary of the Company. The biographical detail of Ms. Guo Guangli is set out in "V. (I) Changes in Shareholding of Current and Resigned Directors, Senior Management and Core Technicians and Their Emoluments during the Reporting Period" of this section.

The Company Secretary reports to the Chairman of the Board. All Directors have access to the Company Secretary, who is responsible for assisting the Board in complying with applicable procedures regarding compliance matters. The Company Secretary continuously updates all Directors on the latest development of the Hong Kong Listing Rules and other applicable regulatory requirements to assist the Company's compliance with and maintenance of good corporate governance practices.

Pursuant to Rule 3.29 of the Hong Kong Listing Rules, Ms. Guo Guangli had taken no less than 15 hours of relevant professional training for the year ended December 31, 2025.

X. PARTICULARS OF EMPLOYEES AT THE END OF THE REPORTING PERIOD

(I) PARTICULARS OF EMPLOYEES

Number of in-service employees of the Company	–
Number of in-service employees of major subsidiaries	19,952
Total number of in-service employees	19,952
The number of retired employees whose expenses are borne by the Company and major subsidiaries	–

Composition of professions

Type of profession	Number of persons by profession
Operation and production staff	16,113
Research and development staff	2,403
Marketing and sales staff	253
Platform and support staff	1,183
Total	19,952

Education level

Type of education level	Number of persons
Doctorate	849
Master	7,117
Bachelor	7,155
Junior college and below	4,831
Total	19,952

Gender level

Gender	Percentage (%)
Male	66.6
Female	33.4

The Company firmly believes that employees are the core driving force of sustainable development. The Group provides every employee with the freedom and space to develop in a safe and stable workplace that has an equal and diversified working atmosphere. Meanwhile, adhering to the people-oriented philosophy, the Group cares for the well-being of the employees, continues to improve welfare system, builds training systems, and sets up various employee communication channels. The Group recruits excellent talents extensively from all over the world through diversified recruitment channels, providing employment opportunities for talents with or without disabilities from different countries, ethnic groups, and cultural backgrounds. The Group encourages gender diversity across its workplace with maintaining workplace gender equality while building talent teams and firmly believes that a diversified talent pipeline will help for fuel innovative capacity into corporate development, improve scientific research efficiency and better meet the complex and diverse customer demands, thus driving the business growth.

During the Reporting Period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

(II) REMUNERATION POLICY

The Group pays employees in the form of fixed salary and performance incentives, based on the positions, abilities and performance of employees. Among them, the fixed salary is the part that employees enjoy according to their position, and attendance, etc. The performance incentives shall be issued according to the company's business achievement and the individual performance, and it will be assessed according to the company policy. According to the relevant national and local regulations, the Group pays social insurance and housing provident fund for employees on the job, and also provides employees with rich benefits, including company welfare paid annual leave, commercial insurance, welfare rental, meal allowance, etc.

(III) TRAINING PROGRAMS

Adhering to the talent management concept of "creating the future with SMIC", the Company is committed to creating a talent training and development system with the characteristics of the integrated circuit industry and highlighting corporate values. It focused on management and professional technical talents, implemented hierarchical and classified training, and developed a talent team with excellent leadership and strong professional and technical capabilities, which laid a solid talent foundation for the realisation of the Company's long-term goals and achieved the common development of the industry, the Company and employees.

The Company built an international, professional, and systematic talent training and development system with reference to domestic and foreign first-class enterprises, established a Company's key and core talent pool by defining talent standards, building a talent evaluation mechanism and promoting talent inventory, while providing targeted training programs and courses for talents with different characteristics. In 2025, the Company conducted diversified training projects and courses in combination with offline teaching, online learning and team building. Training was completed over 500,000 person-time, with online and offline coverage rate achieving 100%.

XI. PROFIT DISTRIBUTION PLAN OR PLAN TO CONVERT CAPITAL RESERVE INTO SHARE CAPITAL

(I) FORMULATION, IMPLEMENTATION AND ADJUSTMENT OF CASH DIVIDEND POLICIES

1. Formulation and adjustment of profit distribution policy

To further improve the profits distribution mechanism, ensure the stability of the Company's profit distribution policy, enhance the transparency and operability of profit distribution decisions and protect the rights and interests of shareholders, the Company considered and approved the "Profit Distribution Policy of Semiconductor Manufacturing International Corporation" at an extraordinary general meeting held on June 1, 2020 in accordance with relevant provisions of relevant laws, regulations and regulatory documents, including the Securities Law of the People's Republic of China, the Notice of CSRC on Further Implementation of Cash Dividends of Listed Companies, Guidelines No.3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies and the SSE STAR Market Listing Rules, in combination with the Memorandum of Association and Articles of Association of Semiconductor Manufacturing International Corporation and the Company's own conditions.

2. Implementation of the profit distribution

During the Reporting Period, the Company strictly followed the Company's profit distribution policy.

(II) SPECIAL EXPLANATION OF CASH DIVIDEND POLICY

Whether it is in line with the provisions of the Company's Articles of Association or requirement of resolutions of the general meeting of shareholders	Yes
Whether the standard and proportion of dividends are clear	Yes
Whether the relevant decision-making procedures and system are complete	Yes
Whether the independent Directors have performed their duties and played their roles	Yes
Whether small and medium shareholders have opportunities to fully express their opinions and demands, whether their legitimate rights have been adequately protected	Yes

(III) PROVIDED THAT THE COMPANY HAS MADE PROFITS AND ITS PROFITS DISTRIBUTABLE TO ORDINARY SHAREHOLDERS ARE POSITIVE DURING THE REPORTING PERIOD, BUT NO CASH PROFIT DISTRIBUTION PLAN FOR ORDINARY SHARES HAS BEEN PROPOSED, THE COMPANY SHALL DISCLOSE IN DETAIL THE REASONS THEREFOR AND THE PLAN FOR THE USE OF UNDISTRIBUTED PROFITS

The Company expects to maintain a significant capital expenditure in 2026, which is expected to exceed 20% of the Company's latest audited net assets. As to the high demand for funding, the Company needs to reserve sufficient funds to meet the expansion of production capacity and the development of core business, fully ensuring the stable operation and healthy development of the Company.

Undistributed profits are mainly used for capacity expansion and the development of the Company's core business.

(IV) CASH DIVIDEND FOR THE LAST THREE FINANCIAL YEARS

in USD'000

Profit for the year attributable to owners of the Company in the consolidated financial statement for the latest financial year	685,131
Retained earnings in the parent's financial statement for the latest financial year	6,858,206
Cumulative cash dividend amount over the last three financial years (tax inclusive) (1)	–
Cumulative amount repurchased and cancelled over the last three financial years (2)	–
Aggregate amount of cash dividend and amount repurchased and cancelled over the last three financial years (3)=(1)+(2)	–
Average profit for the year attributable to owners of the Company for the last three financial years (4)	693,468
Cash dividend payout ratio over the last three financial years (%)(5)=(3)/(4)	–
Cumulative R&D costs over the last three financial years	2,246,188
Proportion of cumulative R&D costs to cumulative revenue over the last three financial years (%)	9.5

XII. INFORMATION ABOUT THE COMPANY'S STOCK INCENTIVE PLANS, EMPLOYEE EQUITY INCENTIVE PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

(I) THE OVERALL INFORMATION OF STOCK INCENTIVE

1. *Stock incentive plans during the Reporting Period*

Name of plan	Incentive method	Number of target shares (share)(1)	Percentage of target shares (%)(2)	Number of participants(3)	Percentage of participants (%)(4)	Price of target shares granted(5)
2014 Stock Option Plan	Stock option	320,737,712	4.01	1,995	10.00	HKD13.35
2014 Equity Incentive Plan	Restricted Share Units	80,184,428	1.00	2,399	12.02	HKD0.031
2021 STAR Market Restricted Share Incentive Scheme	Type II Restricted Shares	75,650,400	0.95	4,616	23.14	RMB20
2024 Equity Incentive Plan	Restricted Share Units	596,812,206	7.46	469	2.35	HKD0.031

Notes:

(1) The number of target shares is the maximum number of ordinary shares can be granted under the stock incentive plans;

(2) The percentage of target shares is the proportion of the target shares to the total share capital of the Company as at the end of the Reporting Period;

(3) The number of participants is the total number of participants after deducting the duplicate participants;

(4) The percentage of participants is the proportion of the number of participants to the number of persons of the Company as at the end of the Reporting Period;

(5) The price of target shares granted is the weighted average price of the accumulated target shares granted under the plan as of the end of the Reporting Period. For details of price for each grant under the respective plan, please refer to "IV. (IV) The Equity Incentives Granted to the Directors, Senior Management and Core Technicians during the Reporting Period" and the below disclosure under this section.

2. *Implementation progress of the stock incentive during the Reporting Period*

Unit: Share

Name of plan	Number of Stock Incentives granted at the beginning of the year	Number of newly granted Stock Incentives during the Reporting Period	Number of Stock Incentives to be vested/exercised during the Reporting Period	Number of vested/exercised Stock Incentives during the Reporting Period	Grant price/exercise price	Number of Stock Incentives granted at the end of the year	Number of vested/exercised Stock Incentives at the end of the year
2014 Stock Option Plan	66,879,993	–	15,182,801	6,021,105	Note(1)	66,879,993	36,257,624
2014 Equity Incentive Plan	71,928,257	–	3,268,614	3,268,614	HKD0.031	71,928,257	57,382,927
2021 STAR Market Restricted Share Incentive Scheme	63,049,849	–	11,208,220	11,203,420	RMB20	62,195,389	61,099,549
2024 Equity Incentive Plan	8,784,806	2,876,943	3,964,219	3,964,219	HKD0.031	11,661,749	8,336,751

Note:

(1) The details of grant prices of each period are set out in the following information: 2014 Stock Option Plan.

As the 2004 Stock Option Plan was terminated on November 15, 2013, and the 2014 Stock Option Plan and the 2014 Equity Incentive Plan were terminated on November 10, 2023, there have been no stock options or awards available for grant under the respective plan since its termination. In addition, the Company had undertaken not to issue or grant further restricted shares under the 2021 STAR Market Restricted Share Incentive Scheme upon the effective date of the 2024 Equity Incentive Plan (i.e. November 10, 2023). Accordingly, under the aforesaid shares schemes, there were no stock options or awards available for grant at the beginning and the end of this period. Under the 2024 Equity Incentive Plan, there were 588,259,648 RSUs available for grant at the beginning of this period, and there were 585,542,511 RSUs available for grant at the end of this period.

There were no stock options available for exercise under the 2004 Stock Option Plan at the beginning of this period, therefore the Hong Kong Shares to be issued in accordance with such plan was nil.

During the year, the number of Hong Kong Shares that may be issued in respect of all options and awards granted under all Hong Kong Share schemes (including the 2014 Stock Option Plan, the 2014 Equity Incentive Plan and the 2024 Equity Incentive Plan) of the Company divided by the weighted average number of Hong Kong Shares in issue at the end of this period is 0.23%.

During the year, the number of A Shares that may be issued in respect of the awards granted under the A Share scheme (i.e. the 2021 STAR Market Restricted Share Incentive Scheme) of the Company divided by the weighted average number of A Shares in issue for this period is 0.06%.

During the year, there were no options or awards granted under the 2014 Stock Option Plan, the 2014 Equity Incentive Plan and the 2021 STAR Market Restricted Share Incentive Scheme. There were 2,876,943 RSUs granted under the 2024 Equity Incentive Plan on April 1, 2025 with fair value of HKD44.27 which was based on ordinary share price on the grant date. Such RSUs granted had been or will be vested in accordance with the vesting period as disclosed in the Company's announcement dated April 1, 2025. For the performance targets for the RSUs granted during this period, please refer to "VII. (II) Compensation Committee" in this section.

Please refer to Note 4 and 35 to the consolidated financial statements for the relevant accounting standards and policies adopted for options and RSUs and the fair value on the grant date.

(1) 2014 Stock Option Plan – Hong Kong Share

The Company's shareholders adopted the 2014 Stock Option Plan that became effective on November 15, 2013 when the 2014 Stock Option Plan was registered with the PRC State Administration of Foreign Exchange.

Movement of the options granted to employees of the Group (except Directors of the Company) under the 2014 Stock Option Plan during the year ended December 31, 2025 is as follows:

Unit: Share

Options grant date	Exercise price at grant date per share (HKD)	Unexercised number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Exercised number during the Reporting Period	Weighted average closing price of Hong Kong Shares immediately before exercise dates (HKD)	Unexercised number as of 12/31/2025	Closing price of Hong Kong Shares immediately before grant dates (HKD)	Exercisable period
5/20/2015	8.30	2,916	–	2,916	–	–	–	–	8.20	5/20/2015-5/19/2025
5/25/2016	6.42	30,450	–	–	–	–	–	30,450	6.50	5/25/2016-5/24/2026
5/22/2017	8.48	6,937	–	–	–	–	–	6,937	8.35	5/22/2017-5/21/2027
9/7/2017	7.90	1,687,500	–	–	–	–	–	1,687,500	7.83	9/7/2017-9/6/2027
5/23/2018	10.51	2,647,920	–	–	–	1,083,695	43.17	1,564,225	10.40	5/23/2018-5/22/2028
5/25/2020	18.10	3,918,174	–	–	–	1,532,058	47.46	2,386,116	16.92	5/25/2020-5/24/2030
11/23/2020	23.00	1,664,633	–	64,036	–	738,270	43.74	862,327	22.75	11/23/2020-11/22/2030
5/31/2021	24.50	2,456,453	–	8,318	–	1,185,123	48.56	1,263,012	24.15	5/31/2021-5/30/2031
9/15/2021	23.18	180,400	–	15,500	–	87,400	35.49	77,500	22.95	9/15/2021-9/14/2031
11/19/2021	22.41	2,300,429	–	30,118	–	986,682	46.92	1,283,629	22.35	11/19/2021-11/18/2031
Total		14,895,812	–	120,888	–	5,613,228		9,161,696		

In accordance with the terms of the 2014 Stock Option Plan, the Board and the Compensation Committee may respectively approve to accelerate the vesting period of the stock options granted to the Directors of the Company and employees of the Group.

As the 2024 Equity Incentive Plan has been approved at the annual general meeting held on June 28, 2023 and the Board has resolved to terminate the 2014 Stock Option Plan, the 2014 Stock Option Plan shall become expired on the effective date of the 2024 Equity Incentive Plan. Upon termination of the 2014 Stock Option Plan, no further options may be offered, but the options granted before the termination shall be retained and continue to vest in accordance with, and subject to the terms of the 2014 Stock Option Plan.

Summary of the 2014 Stock Option Plan is as follows:

Purpose

The purposes of the 2014 Stock Option Plan are to attract, retain and motivate employees and Directors of the Company; to provide a means of long-term incentives for their contributions to the growth and profits of the Company; and to allow such employees and Directors to participate in such growth and profitability.

Participants

The Company's 2014 Stock Option Plan is administered by the Company's Compensation Committee. The Company's 2014 Stock Option Plan provides for the grant of options to the Company's employees, officers or Directors, or to a trust established in connection with any employee benefit plan of the Company.

Options granted under the 2014 Stock Option Plan may not be transferred in any manner other than by will or by the laws of descent and distribution, or pursuant to a domestic relations order or as determined by the Compensation Committee.

Maximum number of shares

The number of ordinary shares available for issue under the 2014 Stock Option Plan shall not, in aggregate, exceed 320,737,712 ordinary shares (as adjusted according to the impact of the Share Consolidation), representing 4.01% of the issued ordinary shares as at the date of the annual report.

Total number of shares available for issue

As at the date of the annual report, the total number of shares available for issue under the 2014 Stock Option Plan was 9,161,696 shares, representing approximately 0.11% of the issued shares of the Company.

Maximum entitlement of each participant

The total number of options (including both exercised and outstanding) granted in any 12-month period to each participant may not exceed at any time 1% of the then issued and outstanding ordinary shares.

Exercise period

The stock options granted shall be exercised within ten years from the grant date, subject to changes under the Hong Kong Listing Rules, as determined by the Compensation Committee of the Company.

Vesting period

Options granted under the 2014 Stock Option Plan vest over a four-year period.

Options granted before January 1, 2018 and issued to new employees and then-existing employees available for subscription generally vest at a rate pursuant to which 25% of the shares shall vest on the first anniversary of the vesting commencement date, an additional 1/36 of the remaining shares shall vest monthly upon the second, third and fourth anniversary of the vesting commencement date, respectively.

Options granted after January 1, 2018 and issued to new employees and existing employees available for subscription generally vest at a rate of 25% upon the first, second, third and fourth anniversary of the vesting commencement date, respectively.

Acceptance and payments

2014 Stock Option Plan does not provide for any payment upon application or acceptance of an option.

Exercise price and the determination basis

The exercise price of stock options must be at least equal to the fair market value of the ordinary shares on the date of grant. Such fair market value will be the higher of (i) the closing price of the shares on the Hong Kong Stock Exchange's daily quotation sheet on the applicable date of grant (which must be a business day), and (ii) the average closing price of the shares on the Hong Kong Stock Exchange (as stated in the relevant daily quotation sheets of the Hong Kong Stock Exchange) for the five business days immediately preceding the date of grant subject to such changes from time to time to applicable Hong Kong Listing Rules, as determined by the Compensation Committee.

Remaining life of the scheme

The 2014 Stock Option Plan will terminate ten years from the date of registration of the Plan with the PRC State Administration of Foreign Exchange, unless it is terminated earlier by the Board. The Board may amend or terminate the 2014 Stock Option Plan at any time without necessary of asking for shareholders' approval of the amendment unless required by applicable law. As the 2024 Equity Incentive Plan has taken effect on November 10, 2023, the 2014 Stock Option Plan was terminated on the same date.

(2) 2014 Equity Incentive Plan – Hong Kong Share

The Company's shareholders adopted the 2014 Equity Incentive Plan that became effective on November 15, 2013 when the 2014 Equity Incentive Plan was registered with the PRC State Administration of Foreign Exchange.

Movement of the RSUs granted to employees of the Group (except Directors of the Company) under the 2014 Equity Incentive Plan during the year ended December 31, 2025 is as follows:

Unit: Share

RSUs grant date	Purchase price per share (HKD)	Unvested number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Vested number during the Reporting Period	Weighted average closing price of Hong Kong Shares immediately before vesting dates (HKD)	Unvested number as of 12/31/2025	Closing price of Hong Kong Shares immediately before grant dates (HKD)	Vesting period
5/31/2021	0.031	315,759	–	3,071	–	312,688	53.60	–	24.15	10/16/2020-3/1/2025
9/15/2021	0.031	25,500	–	6,000	–	19,500	44.62	–	22.95	4/1/2021-6/10/2025
11/19/2021	0.031	354,734	–	7,692	–	347,042	53.69	–	22.35	3/1/2021-9/27/2025
4/8/2022	0.031	2,478,876	–	73,779	–	1,236,523	53.59	1,168,574	16.80	11/1/2021-3/1/2026
5/20/2022	0.031	59,985	–	–	–	29,992	39.00	29,993	15.88	1/4/2022-2/9/2026
9/5/2022	0.031	86,805	–	–	–	43,402	45.33	43,403	15.00	4/1/2022-6/28/2026
11/18/2022	0.031	223,350	–	–	–	111,674	67.19	111,676	17.40	8/29/2022-9/27/2026
4/1/2023	0.031	1,161,682	–	18,018	–	1,073,443	47.80	70,221	18.60	10/9/2022-1/16/2027
Total		4,706,691	–	108,560	–	3,174,264		1,423,867		

In accordance with the terms of the 2014 Equity Incentive Plan, the Compensation Committee may approve to accelerate the vesting period of the RSUs granted to the Directors of the Company and the employees of the Group.

As the 2024 Equity Incentive Plan has been approved at the annual general meeting held on June 28, 2023 and the Board has resolved to terminate the 2014 Equity Incentive Plan, the 2014 Equity Incentive Plan shall become expired on the effective date of the 2024 Equity Incentive Plan. Upon termination of the 2014 Equity Incentive Plan, no further RSUs may be offered, but RSUs granted before the termination shall be retained and continue to vest in accordance with, and subject to the terms of the 2014 Equity Incentive Plan.

Summary of the 2014 Equity Incentive Plan is as follows:

Purpose

The purposes of the 2014 Equity Incentive Plan are to attract, retain and motivate employees and Directors of the Company, to provide a means of long-term incentives for their contributions to the growth and profits of the Company, and to allow such employees and Directors to participate in such growth and profitability.

Participants

The Company's 2014 Equity Incentive Plan is administered by the Company's Compensation Committee. The Company's 2014 Equity Incentive provides for the grant of awards to the Company's employees, officers or Directors, or to a trust established in connection with any employee benefit plan of the Company.

Awards granted under the 2014 Equity Incentive Plan may not be transferred in any manner other than by will or by the laws of descent and distribution, or pursuant to a domestic relations order or as determined by the Compensation Committee.

Maximum number of shares

The aggregate number of the ordinary shares available for award under the 2014 Equity Incentive Plan may not exceed 80,184,428 ordinary shares (as adjusted according to the impact of the Share Consolidation), representing 1.00% of the issued ordinary shares as at the date of the annual report.

Total number of shares available for issue

As at the date of the annual report, the total number of shares available for issue under the 2014 Equity Incentive Plan was 1,423,867 shares, representing approximately 0.02% of the issued shares of the Company.

Maximum entitlement of each participant

The total number of RSUs (including both vested and outstanding) granted in any 12-month period to each participant may not exceed at any time 1% of the then issued and outstanding ordinary shares.

Vesting period

Awards granted under the 2014 Equity Incentive Plan vest over a four-year or three-year period. Awards may vest based on time or achievement of performance conditions.

The RSUs issued before April 1, 2023 to new employees and existing employees generally vest at a rate of 25% upon the first, second, third and fourth anniversary of the vesting commencement date, respectively.

The RSUs issued after April 1, 2023 (included) to existing employees generally vest at a rate of 50%, 30%, 20% on the vesting commencement date and on the subsequent first and second anniversary, respectively.

Acceptance and payments

Save as the purchase price below, the 2014 Equity Incentive Plan does not provide for any payment upon application or acceptance of RSUs.

Purchase price and the determination basis

The purchase price of HKD0.031 per share awarded by vesting of the RSUs was determined by the Compensation Committee of the Company and subject to the applicable Cayman Islands laws.

Remaining life of the scheme

The Board may amend or terminate the 2014 Equity Incentive Plan at any time without necessary of asking for shareholders' approval of the amendment unless otherwise required by applicable law. As the 2024 Equity Incentive Plan has taken effect on November 10, 2023, the 2014 Stock Option Plan was terminated on the same date.

(3) 2021 STAR Market Restricted Share Incentive Scheme – A Share

On June 25, 2021, the Company's general meeting adopted the 2021 STAR Market Restricted Share Incentive Scheme.

Movement of restricted shares granted under the 2021 STAR Market Restricted Share Incentive Scheme to employees of the Group (except Directors of the Company) during the year ended December 31, 2025 is as follows:

Unit: Share

Restricted Shares grant date	Grant price per share (RMB)	Unvested number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Vested number during the Reporting Period	Weighted average closing price of A Shares immediately before vesting dates (RMB)	Unvested number as of 12/31/2025	Closing price of A Shares immediately before grant dates (RMB)	Vesting period
7/19/2021	20	10,446,880	–	–	615,000	9,831,880	56.94	–	54.03	7/20/2022-7/17/2026
6/21/2022	20	2,706,840	–	–	239,460	1,371,540	66.46	1,095,840	45.68	6/22/2023-6/18/2027
Total		13,153,720	–		854,460	11,203,420		1,095,840		

Summary of the 2021 STAR Market Restricted Share Incentive Scheme is as follows:

Purpose

The purposes of the scheme are to improve the Company's long-term incentive mechanism, attract and retain outstanding personnel, fully mobilise the enthusiasm of the Company's employees, effectively bond the interests of shareholders, the Company and core teams together, enable all parties to jointly pay attention to the long-term development of the Company.

Scope of awardees

The total number of awardees for the first grant and reserved grant proposed under the Scheme represents approximately 23.14% of the Company's employees as of December 31, 2025. The Awardees include Directors, senior management, core technicians, middle and senior business management and key technical and business staff of the Company.

Source of the restricted shares to be granted

The form of incentive adopted under the Scheme is Type II Restricted Shares. The source of all Restricted Shares under the Scheme will be A-share ordinary listed on the STAR market of the Shanghai Stock Exchange shares to be issued by the Company to the awardees.

Number of restricted shares to be granted

The total amount of restricted shares available for award under the Scheme will not exceed 75,650,400 A-share ordinary shares, representing approximately 0.95% of the total issued share capital of the Company as at the date of the annual report. Among them, 67,535,200 restricted shares were granted as the first grant, representing approximately 90.00% of the total number of restricted shares under the Scheme and approximately 0.84% of the total issued share capital of the Company as at the date of the annual report. 8,115,200 restricted shares were reserved for the reserved grant, representing approximately 10.00% of the total number of restricted shares under the Scheme and approximately 0.10% of the total issued share capital of the Company as at the date of the annual report.

Total number of shares available for issue

As at the date of the annual report, the total number of shares available for issue under the 2021 STAR Market Restricted Share Incentive Scheme was 1,095,840 shares, representing approximately 0.01% of the issued shares of the Company.

Maximum entitlement of each awardee

The cumulative amount of the Company's shares granted to each awardee through all valid equity incentive plans shall not exceed 1% of the total share capital of the Company.

Attribution arrangements under the scheme

The restricted shares granted under the scheme may be vested in tranches as per the agreed proportions of 30%, 25%, 25%, 20% upon the awardees satisfying the corresponding vesting conditions. A vest date must be a trading day within the validity period of the scheme, and shall not fall within the lock-up periods.

Acceptance and payment

Save as the grant price below, the 2021 STAR Market Restricted Share Incentive Scheme does not provide for any payment upon application or acceptance of the Restricted Shares granted.

Grant price and the determination basis

The grant price of the restricted shares for the first grant shall be RMB20 per Share. An awardee who has satisfied the conditions for grant and attribution may purchase A-share ordinary shares issued by the Company at such price. The grant price of the restricted shares for the reserved grant shall be the same as the grant price of the restricted shares for the first grant, i.e. RMB20 per share. The grant price was determined by comprehensive methodology which included the then average trading price of the RMB Shares listed on the STAR Market, the relevant PRC regulations and requirements on price determination and the incentive needs of the Company at the material time. For details of the determination basis, please further refer to the Company's circular dated June 8, 2021.

Validity period of the scheme

The validity period of the scheme will commence from the grant date of the first grant, until the date on which all restricted shares granted to awardees have been vested or lapsed, such period shall not exceed 72 months.

Performance assessment requirements at the Company level

The Company has selected the average revenue and the average EBITDA from 2018 to 2020 as the performance basis, and the growth rate of the definite proportion of the cumulative revenue and the cumulative EBITDA in 2021, 2022, 2023 and 2024 to the performance basis, the target value shall not be less than 22%, 152%, 291% and 440% respectively, the trigger value is not less than 19%, 145%, 276% and 415%.

Assessment model of comprehensive weight and stepped vesting is set accordingly, and the company-level vesting ratios in each year are comprehensively calculated based on the coefficients corresponding to the completion of the above two indicators.

Performance assessment requirements at awardee's individual level

The assessment result of an awardee consists of two parts: personal punishment verification and personal performance assessment. Then, the number of shares for the year actually attributed to the Awardee will be determined as per the corresponding individual attribution ratio in the following assessment rating table:

Punishment verification results	No punishment record of demerit or above	Punishment record of demerit or above
Individual attribution ratio	100%	0%

Performance assessment results	A	B	C	C-	D\E
Individual attribution ratio	100%	100%	100%	80%	0%

For details of the STAR Market Incentive Scheme, please refer to the 2021 STAR Market Restricted Share Incentive Scheme (Draft) dated May 20, 2021 and the Announcement on Adjustment of Matters related to the 2021 STAR Market Restricted Share Incentive Scheme dated July 20, 2021 published on the website of SSE (https://www.sse.com.cn/).

(4) 2024 Equity Incentive Plan – Hong Kong Share

The Company's shareholders adopted the 2024 Equity Incentive Plan that became effective on November 10, 2023 when the 2024 Equity Incentive Plan was registered with the PRC State Administration of Foreign Exchange.

Movement of the RSUs granted to employees of the Group (except Directors of the Company) under the 2024 Equity Incentive Plan during the year ended December 31, 2025 is as follows:

Unit: Share

RSUs grant date	Consideration for the grant per share (HKD)	Unvested number as of 1/1/2025	Number of new grants during the Reporting Period	Lapsed number during the Reporting Period	Cancelled number during the Reporting Period	Vested number during the Reporting Period	Weighted average closing price of Hong Kong Shares immediately before vesting dates (HKD)	Unvested number as of 12/31/2025	Closing price of Hong Kong Shares immediately before grant dates (HKD)	Vesting period
4/1/2024	0.031	3,925,642	–	114,457	–	2,320,650	46.15	1,490,535	15.16	4/1/2024-4/1/2026
4/1/2025	0.031	–	2,752,566	45,349	–	1,376,383	46.10	1,330,834	46.10	4/1/2025-4/1/2027
Total		3,925,642	2,752,566	159,806	–	3,697,033		2,821,369		

According to the terms of the 2024 Equity Incentive Plan, the Compensation Committee may approve the acceleration of the vesting period of RSUs granted to Directors of the Company and employees of the Group.

Summary of the 2024 Equity Incentive Plan is as follows:

Purpose

The purposes of the 2024 Equity Incentive Plan are to attract, retain and motivate employees and Directors of the Company, to provide a means of long-term incentives for their contributions to the growth and profits of the Company, and to allow such employees and Directors to participate in such growth and profitability.

Participants

The Company's 2024 Equity Incentive Plan is administered by the Company's Compensation Committee. The Company's 2024 Equity Incentive provides for the grant of awards to the Company's employees, officers or Directors, or to a trust established in connection with any employee benefit plan of the Company.

Awards granted under the 2024 Equity Incentive Plan may not be transferred in any manner other than by will or by the laws of descent and distribution, or pursuant to a domestic relations order or as determined by the Compensation Committee.

Maximum number of shares

The aggregate number of the ordinary shares available for award under the 2024 Equity Incentive Plan may not exceed 596,812,206 ordinary shares (as adjusted according to the impact of the Share Consolidation), representing 7.46% of the issued ordinary shares as at the date of the annual report.

Total number of shares available for issue

As at the date of the annual report, the total number of shares available for issue under the 2024 Equity Incentive Plan was 588,475,455 shares, being the total number of (i) 2,932,944 shares to be issued upon 2,932,944 RSUs granted but not yet vested and (ii) 585,542,511 shares to be issued upon 585,542,511 RSUs that may be granted, which represented approximately 7.36% of the issued shares of the Company.

Maximum entitlement of each participant

The total number of RSUs (including both vested and outstanding) granted in any 12-month period to each participant may not exceed at any time 1% of the then issued and outstanding ordinary shares.

Vesting period

Awards granted under the plan shall vest no earlier than the first anniversary of the date on which the Award is granted. However, subject to the terms of the plan and the relevant rules under the compensation committee charter, the Compensation Committee may determine a shorter vesting period for such award at its discretion.

Part of employees of the Group participate in the Company's 2024 Equity Incentive Plan. The RSUs issued to participants by the Group generally vest at a rate of 50%, 30%, 20% on the vesting commencement date and on the subsequent first and second anniversary, respectively.

Acceptance and payments

An award of RSUs shall consist of a promise of the Company to pay or deliver one or more Hong Kong Share(s) on a specified date for a consideration equivalent to the aggregate par value of the number of Hong Kong Share(s) granted to the eligible participants (the "Consideration") and the provision of services or such minimum payment as may be required by the applicable laws and rules or for such other consideration as the Compensation Committee may specify in connection with the grant. The Consideration shall be payable upon the acceptance of the grant of the RSUs but in any event no later than the date of vesting of the RSUs.

Purchase price and the determination basis

The 2024 Equity Incentive Plan does not provide any purchase price for each Hong Kong Share awarded.

Remaining life of the scheme

The 2024 Equity Incentive Plan will terminate ten years from the date of registration of the plan with the PRC State Administration of Foreign Exchange, unless it is terminated earlier by the Board. The Board may amend or terminate the 2024 Equity Incentive Plan at any time without necessary of asking for shareholders' approval of the amendment unless required by applicable law. As at the date of the annual report, the remaining life of the 2024 Equity Incentive Plan is approximately 7 years and 7 months.

3. Completion of stock incentive assessment indicators and the share-based payment recognised during the Reporting Period

in USD'000

Name of plan	Completion of assessment indicators at the Company level during the Reporting Period	Total share-based payment recognised during the Reporting Period
2014 Stock Option Plan	N/A	(94)
2014 Equity Incentive Plan	N/A	2,910
2021 STAR Market Restricted Share Incentive Scheme	100%	9,444
2024 Equity Incentive Plan	N/A	15,779
Total		28,039

(II) RELEVANT SHARE INCENTIVE EVENTS THAT HAVE BEEN DISCLOSED IN THE PROVISIONAL ANNOUNCEMENTS AND WITH NO PROGRESS OR CHANGE IN SUBSEQUENT IMPLEMENTATION

Summary of the event	Inquiry index
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: January 10, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: February 17, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: March 6, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: March 31, 2025

Summary of the event	Inquiry index
On April 1, 2025, the Company granted Restricted Share Units under the 2024 Equity Incentive Plan.	For details, please see the GRANT OF RESTRICTED SHARE UNITS as disclosed on the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk) on April 1, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: April 3, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: April 7, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: July 1, 2025
On July 21,2025, the Board of Directors of the Company considered and approved the Proposal on the Fourth Attribution Period of the First Grant that Complies with the Attribution Conditions under the Company's 2021 STAR Market Restricted Share Incentive Scheme, the Proposal on the Third Attribution Period of the Reserved Grant that Complies with the Attribution Conditions under the Company's 2021 STAR Market Restricted Share Incentive Scheme and the Proposal on Lapsed Part of Restricted Shares under the 2021 STAR Market Restricted Share Incentive Scheme by way of written resolutions.	For details, please see the Announcement on the Fourth Attribution Period of the First Grant and the Third Attribution Period of the Reserved Grant that Complies with the Attribution Conditions under the Company's 2021 STAR Market Restricted Share Incentive Scheme (2025-017), and the Announcement on Lapsed Part of Restricted Shares under the 2021 STAR Market Restricted Share Incentive Scheme (2025-018), as disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on July 22, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: September 1, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: September 2, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: September 12, 2025

Summary of the event	Inquiry index
On September 12, 2025, the Company completed the registration of shares of the Fourth Attribution Period of the First Grant and the Third Attribution Period of the Reserved Grant under the Company's 2021 STAR Market Restricted Share Incentive Scheme.The date of listing and circulation of the vested shares is September 18, 2025.	For details, please see the Announcement of the Company on the Vesting Results of the Fourth Vesting Period of the First Grant and the Third Vesting Period of the Reserved Grant of the 2021 STAR Market Restricted Share Incentive Scheme and Listing of Shares(2025-027), as disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on September 16, 2025, and Next day disclosure return on the Hong Kong Stock Exchange: September 15, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: September 30, 2025
Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: October 2, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: October 10, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: November 25, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: November 28, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: December 1, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of options granted under the 2014 Stock Option Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: December 11, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: December 12, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: December 19, 2025
Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2024 Equity Incentive Plan other than by Directors of the Company; Issue of ordinary shares pursuant to exercise of Restricted Share Units granted under the 2014 Equity Incentive Plan other than by Directors of the Company.	Next day disclosure return on the Hong Kong Stock Exchange: December 24, 2025

XIII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

Pursuant to Basic Standards for Enterprise Internal Control and supporting guidelines, along with other regulatory requirements on internal control, and in accordance with the Company's internal control policies and assessment measures, the Board has assessed the effectiveness of the Company's internal controls for 2025. This assessment was based on both ongoing and ad hoc monitoring of internal controls. For details, please refer to the 2025 Internal Control Assessment Report disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on March 27, 2026.

(I) RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for ensuring the establishment and maintenance of appropriate and effective risk management and internal control systems for the Group. It exercises ongoing oversight over the management's design, implementation and monitoring of these systems. The internal audit department is responsible for analyzing and assessing the adequacy and effectiveness of the Company's risk management and internal control systems. Under the Corporate Governance Code issued by the Hong Kong Stock Exchange, the management has confirmed to the Board that the Company's risk management and internal control systems are effective. The Group's risk management and internal control systems are designed to ensure the achievement of business objectives in operations, reliability and completeness of financial reporting and compliance with applicable laws and regulations. They are also designed to manage, rather than completely eliminate, risks impacting the Group's ability to achieve its business objectives. Accordingly, these systems can only provide reasonable but not absolute assurance that the financial statements do not contain a material misstatement or omission.

The Board supervises the management's designing, implementing and monitoring the risk management and internal control systems to ensure the effectiveness of these systems. The implementation methods of the management are as follows:

- identifying risks, such as operational risk, strategy risk, market risk, legal risk and financial risk, etc.;
- assessing the identified risks by considering the impacts (including financial, reputation, business continuity & operational) and likelihoods of their occurrence; and
- designing, operating and monitoring internal control systems, and evaluating the effectiveness of implementation to mitigate and control such risks.

The Audit Committee under the Board has reviewed the effectiveness of risk management and internal control systems of the Group once a year and has required strengthening the comprehensive anti-fraud mechanism ensured that the risk management and internal control systems in place are effective.

(II) INTERNAL AUDIT

Internal audit is an independent and objective supervisory, evaluative, and advisory function. By applying systematic and standardized methodologies, it examines and assesses the appropriateness and effectiveness of business operations and internal controls, thereby enhancing corporate governance, increasing value, and achieving operational objectives. The Internal Audit Department is responsible to the Board and reports its work to the Audit Committee of the Board. The Internal Audit Department shall be subject to the supervision and guidance of the Audit Committee during its supervision and inspection processes. Based on the Company's strategic implementation and key priorities, the Internal Audit Department adopts a risk-oriented approach to identify audit priorities and formulate the annual audit plan. Subsequently, the annual audit plan, budgetary requirements, and staffing proposals are submitted to the Audit Committee and Chairman for approval.

Responsibilities of the internal audit include:

- Establishing and improving the Company's internal audit mechanism, and refining the internal audit system framework;
- Formulating the annual audit plan and organizing its implementation;
- Inspecting and evaluating the completeness, reasonableness, and operational effectiveness of internal control systems across all internal departments and controlled subsidiaries;
- Auditing the legality, compliance, authenticity, and completeness of accounting records, other economic documentation, financial transactions, and related economic activities across all internal departments and controlled subsidiaries;
- Conducting special management audits for critical business operations and major projects based on strategic and risk-oriented approaches;
- Supervising the rectification and implementation of issues identified through audits;
- Assisting in establishing and improving the anti-fraud mechanisms, while monitoring and examining potential fraudulent activities during internal audits;
- Reporting to the Audit Committee at least quarterly, covering (but not limited to) internal audit plan progress and identified issues;
- Submitting internal audit reports to the Audit Committee following the end of the fiscal year and half-year period. All internal control deficiencies and implementation issues discovered must be faithfully reflected in these reports. Follow-up actions shall be conducted post-reporting to ensure relevant departments have promptly implemented appropriate corrective measures.

The Internal Audit Department maintains an independent status within the Company and is not be involved in the day-to-day operation management of the Company. The Internal Audit Department is granted the authority necessary to perform its duties, including but not limited to accessing relevant records, reviewing relevant systems, and contacting relevant personnel.

(III) INSIDE INFORMATION

The Company formulated the Management System and Implementation Rules for Insiders, which clarify the scope and confidentiality requirements of insider information, as well as the range and management methods of insiders. The Company will update the relevant systems from time to time in accordance with the requirements of applicable laws and regulations.

XIV. THE MANAGEMENT AND CONTROL ON THE COMPANY'S SUBSIDIARIES DURING THE REPORTING PERIOD

The Company implements group integrated management, and uniformly manages the Company's standardized operation, personnel management, financial management, operation management, major event reporting and other matters.

XV. EXPLANATION OF THE INTERNAL CONTROL AUDIT REPORT

Disclosure of Internal Control Audit Report: Yes

Type of Opinion in Internal Control Audit Report: Unqualified Opinion

Whether a non-standard internal control audit opinion was issued for the Reporting Period or last year: No

XVI. ETHICS COMPLIANCE

The Company's Code of Business Conduct and Ethics ("Ethics Code") applies to all employees, directors, contractors, consultants, agents and business partners, to ensure the Company's compliance with all applicable laws, regulations and standards of business conduct. The Company's Ethics Code is committed to anti-corruption, anti-fraud, compliance with public interest, protection of intellectual property, safety and environmental protection, etc.

The Company has established an independent Ethics Compliance Office ("ECO"), which is responsible for ethics compliance management and independent investigation, providing channels for reporting any potential violation on anonymous basis.

The ECO is responsible for formulating ethics compliance related policies and procedures, monitoring and ensuring that the professional ethics and business practices of the Company and its employees comply with the Company's Ethics Code, managing and maintaining the hotline clues, timely investigating any clues of fraud, pursuing legal liability if violations of laws or crimes are suspected. The ECO is also responsible for organizing ethics compliance training for employees to improve their awareness, and promoting ethics hotline.

XVII. STATEMENT FROM THE BOARD ON THE ESG

RESPONSIBILITY OF THE BOARD

As a responsible corporate citizen, SMIC fully recognises the importance of environment, social and governance ("ESG") on the path to a shared development, and joins hands with all stakeholders to make the world a better place. SMIC's Board undertakes the ultimate responsibility for the ESG governance system, and is accountable for developing the Company's ESG strategy, goal setting and progress, as well as ESG performance.

An ESG Steering Committee is set under the Board to be responsible for the Company's ESG management. It formulates ESG strategy, objectives and direction by analyzing the internal and external environments, and deliberating corporate development strategy. The ESG Steering Committee leads and guides the ESG Committee in discussing, planning and promoting ESG-related issues, supervises ESG implementation across functional departments, so as to ensure legally compliant operation, and assists the Company in achieving ESG goals, reflecting how the Company cares for people, the environment and society. The ESG Steering Committee reviews the annual ESG Report and submits it to the Board for approval.

ISSUE ANALYSIS

Keeping abreast of the external environment and peer performance, the ESG Committee communicates closely with our internal and external stakeholders, identifies and assesses material issues, develops working plans based on ESG objectives, and reviews relevant progress regularly.

The ESG Committee is responsible for identifying, managing, overseeing and controlling the Company's ESG-related risks, as well as facilitating the decision-making of the Board by providing risk analysis. The Board of Directors is responsible for overseeing material issues.

DAILY IMPLEMENTATION

An ESG Office has been set up at SMIC to optimize the ESG information collection system. Based on the nature of our business, the ESG Office analyses and formulates corresponding strategies, goals and action plans to promote a company-wide ESG strategy and integrate it into our daily operation, thereby continuously improving our ESG governance ability.

XVIII. OVERALL ESG WORK ACHIEVEMENTS

(I) ESG PRACTICES WITH INDUSTRY CHARACTERISTICS DURING THE YEAR

SMIC places a high priority on ESG information disclosure, adhering to industry-relevant ESG information disclosure standards. The Company prepares and publishes comprehensive ESG reports in alignment with international standards and industry guidelines, such as the Global Reporting Initiative (GRI) Sustainability Reporting Standards issued by the GRI and the Guidelines for Social Responsibility in the Electronics and Information Industry issued by China Electronics Standardization Association. Furthermore, SMIC actively supports and complies with the Responsible Business Alliance Code of Conduct, which is designed to ensure a safe working environment across the electronics supply chain, respectful and responsible treatment of employees, and environmentally accountable production processes.

SMIC is actively engaged in ESG-related initiatives within the industry, contributing to the green development of the semiconductor sector. For instance, the Company has actively embraced the United Nations Sustainable Development Goals, positioning green development as a core driver of its sustainable growth. Beyond its commitment to technological innovation and operational efficiency, SMIC takes energy conservation, emission reduction, and environmental protection as integral responsibilities, embedding these principles into every aspect of its daily operations.

Additionally, SMIC actively participates in industry seminars and collaborative exchanges, working with partners across the supply chain to reflect on past experiences and chart a roadmap for the industry's future. In these forums, SMIC actively shares its ESG practices and achievements while learning from the best practices of other companies, collectively advancing the ESG performance of the semiconductor industry.

(II) ESG RATING PERFORMANCE DURING THE YEAR

ESG rating system	ESG rating agencies	Rating results of the Company for the current year
HSI ESG Index	Hang Seng Indexes Company Limited	A+
Wind ESG	Wind Information Co., Ltd.	A
China Securities Index	China Securities Index Co., Ltd.	A
CNI Index	Shenzhen Securities Information Co., Ltd.	AAA

(III) TRACKING BY ESG THEMED INDEX FUNDS DURING THE YEAR

During the year, SMIC was included in the Hang Seng Corporate Sustainability Index, CSI 300 ESG Index and others. Funds tracking the relevant indices include Hang Seng Corporate Sustainability Index Fund, CSI 300 ESG Benchmark ETF and others.

XIX. ENVIRONMENTAL INFORMATION OF THE LISTED COMPANY AND ITS MAJOR SUBSIDIARIES INCLUDED IN THE MANDATORY ENVIRONMENTAL INFORMATION DISCLOSURE LIST

Number of the entities included in the mandatory environmental information disclosure list	6	
No.	**Name of entity**	**Inquiry index of the mandatory environmental information report**
1	SMOC	https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp
2	SMIC Beijing	https://hjxxpl.bevoice.com.cn:8002/home
3	SMNC	https://hjxxpl.bevoice.com.cn:8002/home
4	SMBC	https://hjxxpl.bevoice.com.cn:8002/home
5	SMIC Shenzhen	https://gdee.gd.gov.cn/gdeepub/front/dal/dal/newindex
6	SMIC Tianjin	https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym

XX. PERFORMANCE OF SOCIAL RESPONSIBILITIES

(I) PRINCIPAL BUSINESS SOCIAL CONTRIBUTION AND INDUSTRY KEY INDICATORS

1. Principal business social contribution

In terms of logic IC, SMIC is representing the leading level of independent R&D of integrated circuit manufacturing technology in Chinese Mainland. In terms of specialty technologies, SMIC has successively launched the leading specialty technologies for segmented market in Chinese Mainland, and cooperated closely with customers, effectively understood the demands and development of end-user companies and the entire system industry, and has done its best to meet customer demand.

In addition to the IC foundry business, SMIC is also committed to creating a platform-based ecological service model, providing customers with one-stop supporting services such as design services and IP support, photomask manufacturing, and promoting the upstream and downstream cooperation of the integrated circuit industry chain, so as to provide customers with a full range of integrated circuit solutions together with partners in all links of the industry chain.

With excellent R&D technical strength, strong manufacturing capability, well-established supporting service system, and rich market practical experience, SMIC has formed prominent brand effects, obtained sound industry recognition, and accumulated a wide range of domestic and foreign customer resources. The Company has carried out in-depth cooperation with many well-known IC design companies and system manufacturers at home and abroad, and has won general recognition and good feedback from customers.

2. *Industry key indicators*

(1) Number of intellectual property

By the end of 2025, SMIC filed 20,403 patent applications in total, of which 14,511 were granted. SMIC is leading the Chinese Mainland semiconductor industry in terms of the numbers of applied and granted patents.

(2) Shipments, wafer production capacity

In 2025, the Group's shipments were 9,697 thousand standard logic 8-inch equivalent wafers; the monthly capacity reached 1,058,750 standard logic 8-inch equivalent wafers by the end of 2025.

(II) PROMOTION OF SCIENTIFIC AND TECHNOLOGICAL INNOVATION

SMIC consistently regards technological innovation as the core driving force for high-quality corporate development. We have formulated clear and effective innovation strategies and objectives, and established a systematic R&D management process and framework. While maintaining continuous investment in R&D resources and driving technological breakthroughs, we place great emphasis on identifying and managing various types of risks during the R&D process. Targeted risk management strategies are developed to effectively reduce the likelihood of potential risks arising in the course of R&D and innovation. To continuously strengthen our innovation and R&D management capabilities, we have implemented advanced product and process quality planning and control procedures, and built an open innovation management system that integrates internal cultivation, external collaboration, and practical innovation activities.

SMIC continues to maintain a high level of R&D investment, improve R&D management processes and team development, and actively create diversified technology application platforms, thereby safeguarding the Company's technological advancement with efficient and professional innovation capabilities. During the Reporting Period, the number of R&D personnel accounted for 12% of the Groups total employees, and total R&D expenditure reached USD774 million, representing 8.3% of revenue. As of the end of the Reporting Period, SMIC had cumulatively obtained 14,511 authorized patents, including 12,621 invention patents and 1,890 utility model patents; the Company had also received 94 layout design rights in total.

Please refer to "III. Analysis on the Core Competitiveness During the Reporting Period" in "Section 4 Management Discussion and Analysis" for details of core technologies and R&D progress.

(III) COMPLIANCE WITH SCIENTIFIC AND TECHNOLOGICAL ETHICS

As an integrated circuit manufacturing enterprise, SMIC's primary business is to provide chip manufacturing services to customers. During the Reporting Period, SMIC fully recognized the importance of science and technology ethics in its work and strictly adhered to relevant norms in all R&D and business activities. The Company's main business does not involve any scientific research activities in areas that are sensitive from the perspective of science and technology ethics.

(IV) DATA SECURITY AND PRIVACY PROTECTION

SMIC places great importance on information security and customer privacy protection. It strictly complies with the requirements of relevant national laws and regulations such as the *Cybersecurity Law of the People's Republic of China*. By establishing a comprehensive internal management system and conducting a wide range of safety education and training activities, SMIC ensures efficient and controllable management in all aspects, including information collection, security maintenance, and data processing.

SMIC has established a comprehensive information security protection system, which encompasses independent and secure data storage facilities and network environments, ensuring strict monitoring and management of information usage throughout the production process. Moreover, SMIC extends the scope of information security management to all third – party partners, including suppliers, customers, and visitors, thereby achieving physical security, data security, production area security, and personal information security. Meanwhile, SMIC has constructed a thorough confidential information technology protection and monitoring system, including data classification protection strategies, zoned storage management, collection procedures, regular inspection mechanisms, real – time monitoring measures, and audit procedures, to fully safeguard the security and compliance of confidential information.

(V) TYPE AND CONTRIBUTIONS OF PUBLIC CHARITY ACTIVITIES ENGAGED

Type	Amount/Number	Descriptions
Public Welfare Projects		
Funds	RMB2,459 thousand	SMIC Liver Transplant Program for Children
Number of beneficiaries (persons)	283	
Rural Revitalization		
Funds	RMB255 thousand	Support for rural education

1. SPECIFIC CONDITIONS OF PUBLIC CHARITY ACTIVITIES ENGAGED

Public charity

In 2013, SMIC launched the "SMIC Liver Transplant Program for Children" charity project. The project collaborating with suppliers has donated a total of more than RMB55 million over the past thirteen years. By the end of 2025, 1,226 children from the Chinese Mainland had been helped.

SMIC's responsibility in the community

We have always placed great importance on collaborative progress with the communities where we operate. By launching a variety of community programs and activities within our own campuses, we actively fulfill our responsibilities to our neighboring communities. Meanwhile, the Group encourages employees to participate in community development in various forms, including supporting local charitable organizations, serving as volunteers for community projects, and taking part in beach cleanup activities, jointly contributing to community development and environmental protection.

Support for education

The Company regards support for education as an important part to fulfill social responsibility. Through investing in the establishment of high-quality schools, we prioritize meeting the educational needs of employees' children. With quality educational resources and competitive fees, we also serve more children from non-employee families, sharing the benefits of our development. The Company and employees actively engage in external education-related public welfare activities. For example, teachers and students from SMIC High School Department went to the Daliang Mountains to promote English study exchange between students of two regions, and supported equal access to education and growth through practical actions.

2. SPECIFIC CONDITIONS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

Rural Assistance

The Company has always been deeply committed to rural development and the well-being of local communities, with a particular focus on addressing the practical needs of left-behind children and elderly residents. This year, in collaboration with the Beijing Red Cross, we carried out targeted assistance in the Aba region of Sichuan Province. We donated a total of 13 cubic meters of care packages, including clothing, toys, and books, to extend a helping hand and deliver warmth through concrete actions. These efforts contribute to rural revitalization and reflect our genuine commitment to social care and corporate responsibility. In addition, we actively respond to the principles of resource recycling and digital inclusion, and continue to donate fully functional second-hand computer monitors to charitable organizations. These donations provide essential hardware support to regions with relatively limited educational resources, embodying our corporate responsibility by promoting technology for good and facilitating resource sharing.

(VI) PROTECTION OF THE INTEREST OF SHAREHOLDERS AND CREDITORS

In order to effectively protect the legitimate rights and interests of shareholders and investors, in accordance with the requirements of applicable laws, regulations and regulatory documents, the Company has formulated the Articles of Association, the Rules of Procedures for General Meetings (《股東大會議事規則》), the Management System for Information Disclosure (《信息披露事務管理制度》) and the Management System for Investor Relations (《投資者關係管理制度》), in order to ensure the good communication among the Company and shareholders and investors, continue to improve the corporate governance structure, establish and improve the internal control system, implement a solid financial policy, standardise the Company's operating, increase shareholders', investors' and creditors' understanding, trust and recognition of the Company, further improve the level of corporate governance, maximise the Company's value and protect the legitimate rights and interests of shareholders, investors and creditors.

Furthermore, in order to strengthen the Company's market value management, promote the enhancement of the Company's investment value, increase investor returns, and safeguard investor interests, the Company has formulated the Market Value Management System (《市值管理制度》) in accordance with the China Securities Regulatory Commission's "Regulatory Guidelines for Listed Companies No. 10 – Market Value Management" and other relevant laws and regulations. This system was approved by the Board through a written resolution on March 27, 2025, and has taken effect on the date of approval and been implemented on an ongoing basis.

(VII) PROTECTION OF THE INTEREST OF EMPLOYEES

SMIC has always regarded safeguarding employee rights as a cornerstone of corporate responsibility and strictly complies with relevant international and domestic laws and regulations. Building upon this foundation, we actively develop a more comprehensive rights protection system aligned with the Company's strategic development goals, striving to achieve mutual growth and shared value between employees and the Company.

SMIC provides a comprehensive and competitive salary and benefit system. This system encompasses not only market-competitive compensation, such as wages, bonuses, and stock options containing both short-term and long-term incentives, but also covers comprehensive social insurance and supplementary commercial insurance, paid leave, and a diverse range of other welfare benefits.

Employee health & safety

SMIC consistently prioritizes employee health and safety. Since its inception, the Company has strictly adhered to internationally recognized Occupational Health and Safety Management System standards (ISO 45001). We have implemented a three-tier defense framework encompassing "Root Cause Prevention-Critical Issue Resolution-Continuous Improvement" to scientifically identify, assess, and control occupational health and safety risks. To enhance the digitalization and intelligence of safety management, we officially launched the SMIC Headquarters Emergency Command Center, enabling real-time integration of comprehensive management platform data and efficient emergency coordination across all facilities. To comply with Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, we organize regular occupational health examinations for employees exposed to occupational hazard factors. Each SMIC fabrication site is equipped with fully furnished and resource-sufficient health centers. As part of further strengthening employee care, we have introduced special initiatives such as the "Love Care Card" program and the "SMIC Cloud Clinic." In terms of mental health, the Company offers psychological wellness courses spanning from onboarding through the entire career lifecycle, delivering multi-perspective and multi-role support for employee mental well-being.

Employee Benefits

To safeguard employees work experience and quality of life, SMIC comprehensively addresses staff living needs. In addition to comfortable residential campuses, we provide convenient shuttle bus services and nutritious catering options. We organize numerous employee care activities and recreational sports events, dedicated to creating a pleasant and harmonious leisure environment for employees beyond work hours.

Employee shareholding

Number of employees holding shares (person)	3,450
Proportion of employee shareholding in the total number of employees (%)	17.29
Number of shares held by employees (million shares)	124.97
Proportion of employee shareholding in total share capital (%)	1.56

Note: The number of employees and the number of shares held by employees are the number of active employees of the Company vested under stock incentives plans and the total number of shares held by themselves as at the end of the year, excluding the shares of the Company held by employees in the secondary market.

(VIII) PROTECTION OF THE RIGHTS AND INTERESTS OF SUPPLIERS, CUSTOMERS, AND CONSUMERS

SMIC has always upheld the principles of win-win cooperation and transparency, establishing and deepening strategic partnerships with global supplier partners. We have put in place a full lifecycle management system for suppliers, continuously enhancing the overall capability of the supply chain, effectively reducing procurement risks, and ensuring stable and compliant material supply. In areas such as supplier qualification, evaluation, and strategic allocation, the Company has formulated clear management measures to guarantee quality stability in the production supply process, systematically elevating the overall standard of the supply chain.

SMIC consistently practices a customer-oriented corporate value system. In all aspects of product design, manufacturing, and after-sales service, we strictly comply with relevant domestic and international laws and regulations, adhere to responsible marketing practices, and make every effort to protect consumer safety and product compliance. The Company has established professional service teams across multiple locations, including Shanghai, Beijing, Tianjin, Shenzhen, Taiwan (China), California (USA), Munich (Germany), Milan (Italy), and Tokyo (Japan), dedicated to providing high-quality, localized support. In addition, we have implemented a comprehensive complaint tracking and resolution system, ensuring that all customer complaints are promptly investigated by the relevant departments, with continuous efforts to improve customer satisfaction.

(IX) PRODUCT SAFETY ASSURANCE

To ensure that products meet the highest standards, SMIC has established stringent product quality inspection criteria and product recall procedures. We adhere to the Hazardous Substance Process Management System (QC 080000), implementing comprehensive controls over health and safety risks throughout the product lifecycle. This ensures that our products comply with both domestic and international regulations, as well as customer requirements.

(X) INTELLECTUAL PROPERTY PROTECTION

SMIC attached great importance to the protection of intellectual property rights, and established a professional team for intellectual property protection and management. In accordance with laws and regulations, based on the actual situation, combined with the progress of technological innovation and the needs of the market environment, the Company flexibly formulated intellectual property protection strategies suitable for the Company's development, so as to protect and utilise technological innovation achievements reasonably while continuously improving its own competitiveness, and protect the high-quality development of the Company.

(XI) OTHER SITUATION IN TERMS OF SOCIAL RESPONSIBILITY

SMIC strictly complies with all legal provisions in corporate governance, financial accounting and information disclosure. Our business practices are also ethical, safe, environmental friendly, and fair to our employees, in accordance with the laws, rules, and regulations applicable in the countries where we operate. In addition to obeying applicable legal duties and obligations, we continue to practice and strive for corporate social responsibility. Through our CSR Program (https://www.smics.com/en/site/responsibility_social), we hope to promote social, environmental, and ethical responsibility according to internationally recognised standards.

To achieve the following goals:

- Declare our support for the Responsible Business Alliance (Formerly the Electronic Industry Citizenship Coalition) ("RBA") Code of Conduct (https://www.smics.com/en/site/responsibility_criterion) and will actively pursue conformance to the Code and participation by our suppliers.

- Uphold the human rights of our staff and the highest standards of business integrity, as required by the RBA Code, the SMIC Code of Business Conduct & Ethics (https://www.smics.com/uploads/ethic_codebusiness.pdf), SMIC Human Resources policies, and all other SMIC policies.

- Strive to maintain a safe workplace for our employees and a healthy environment for the public while minimising adverse effects on the community, environment, and natural resources, consistent with our Environmental Protection, Safety & Health Policy and our related ISO and other international certifications (https://www.smics.com/en/site/about_HSE).

- Develop and maintain management systems to implement this CSR Policy with continual improvement as part of a holistic CSR Program. See our latest ESG Report at: https://www.smics.com/en/site/responsibility_report_honor.

In the practices of fulfilling CSR, we comply with the laws applicable in the place where we operate and align with the leading international standards for our industry. Our CSR practices have led to the Company to be awarded with HSI ESG rating A+, while continuing to be included in the Hang Seng Corporate Sustainability Index. Given our outstanding performance in environmental, social and governance aspects, SMIC has been newly included in the HSI ESG Enhanced Index and HSI ESG Enhanced Select Index. For details, please refer to https://www.hsi.com.hk.

XXI. OTHER CORPORATE GOVERNANCE

(I) INVESTOR RELATIONS AND PROTECTION

Type	Times	Relevant information
Convening the earnings calls/webcasts	4	Hold earnings calls/webcasts regularly to facilitate shareholders and investors to have a more comprehensive and timely in-depth understanding of the Company's operating performance, and answer questions from investors, fund managers and analysts.
Conducting investor relations management activities by virtue of new media	19	Distribute annual report and quarterly earnings report summary (four times a year), press releases of participation in industrial exhibitions and public welfare activities, etc., through the Company's WeChat public account.
Setting up investor relations column on the official website	Yes	Set up the investor relations section on the Company's official website to comprehensively display information of interest to investors, fund managers, analysts, etc.

Specific details of investor relations management and protection

SMIC has established a department of investor relations, with specialized staff dedicated to carrying out investor relations management work. The Company facilitates the exercise of shareholders' rights, strengthens communication with investors, and enhances investors' understanding and recognition of the Company through information disclosure, interactive communication, and handling of requests etc., in order to improve the Company's governance and overall value as well as to realize the goal of respecting, rewarding and protecting our investors.

Other ways to communicate with investors

SMIC carries out investor relations management work through multiple channels, platforms and methods. We maintain communication with investors, fund managers, analysts and others through the Company's official website, WeChat official account, investor hotline and e-mail box, stock exchange investor relations interactive platform, announcements, general meetings of shareholders, investor briefing, roadshows, reverse roadshows, Investor and broker research, brokerage conferences, promotional materials, media interviews, and other legally effective channels, platforms and methods.

(II) TRANSPARENCY OF INFORMATION DISCLOSURE

In order to standardize the information disclosure, promote the standardized operation, and safeguard the legitimate rights and interests of the shareholders of the Company, especially the public shareholders, the Company has formulated and revised the Management System for Information Disclosure (《信息披露事務管理制度》) (latest revised on November 13, 2025) and the Management System for Investor Relations (《投資者關係管理制度》) (latest revised on November 7, 2024) from time to time on April 30, 2020, in accordance with the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》) and other relevant laws, regulations and normative documents to ensure that shareholders and investors can obtain timely, truthful, accurate and complete materials and information related to the Company.

(III) PARTICIPATION OF INSTITUTIONAL INVESTORS IN CORPORATE GOVERNANCE

During the Reporting Period, institutional investors expressed their views through voting at general meeting of shareholders held by the Company and increased their monitoring of the Company's management. In addition, the Company also increased institutional investors' participation in corporate governance by maintaining continuous two-way communication, listening carefully, engaging in substantive dialogue on business performance and strategy, and collecting their suggestions on corporate governance, ESG and etc.

(IV) OPERATION OF ANTI-COMMERCIAL BRIBERY AND ANTI-CORRUPTION MECHANISMS

SMIC integrates integrity and compliance management into daily operations. The ECO is established to take full responsibility for formulating and effectively implementing policies related to ethics and compliance, preventing and managing compliance risks. Through regular risk assessments and audits, the Company ensures its legal and compliant operations. Meanwhile, the Company strengthens compliance training to enhance employees' compliance awareness and capabilities, and promotes the ethics whistle-blowing hotline. To reinforce the prevention and control of integrity risks, the Company conducts an annual assessment on risks such as commercial bribery and occupational embezzlement and formulates corresponding prevention and control measures and training plans based on the assessment results to ensure the integrity and compliance of its operations.

I. PERFORMANCE OF UNDERTAKINGS

(I) UNDERTAKINGS OF THE DE FACTO CONTROLLER OF THE COMPANY, SHAREHOLDERS, RELATED PARTIES, ACQUIRER AND THE COMPANY DURING OR SUBSISTING TO THE REPORTING PERIOD

Background of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time of the undertaking	Term of the undertaking	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertaking
Commitments in relation to the initial public offering	Resolve peer competition	Substantial shareholders, domestic shareholders indirectly holding over 5% of shares	See note 1	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Resolve related (connected) transaction	The Company, substantial shareholders, domestic shareholders indirectly holding over 5% of shares, Directors and senior management personnel	See note 2	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Other (share repurchase and commitment on share repurchase)	The Company	See note 3	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Other (share repurchase commitment for fraudulent offering and listing)	The Company, substantial shareholders, domestic shareholders indirectly holding over 5% of shares	See note 4	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Other (commitment to remedy diluted immediate returns)	The Company, Directors and senior management personnel	See note 5	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Dividends	The Company	See note 6	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Other (commitment to bear compensation or liability according to law)	The Company, substantial shareholders, domestic shareholders indirectly holding over 5% of shares, Directors and senior management personnel	See note 7	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Other (binding measures should the commitments be violated)	The Company, substantial shareholders, domestic shareholders indirectly holding over 5% of shares, Directors and senior management personnel	See note 8	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A
	Other (commitments on applicable laws and competent courts)	The Company, Directors and senior management personnel	See note 9	July 16, 2020	Effective for a long time	No	Yes	N/A	N/A

Background of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time of the undertaking	Term of the undertaking	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertaking
Commitments in connection with the material asset restructuring	Share lock-up	China IC Fund, Beijing Semiconductor Manufacturing and Equipment Equity Investment Center (Limited Partnership), Beijing E-Town International Investment and Development Co., Ltd., Zhongguancun Development Group Co., Ltd. and Beijing Industrial Development Investment Management Co., Ltd. (collectively referred to as the "Counterparties")	See Note 10	September 8, 2025	The shares of the Company obtained from this transaction may not be transferred within 12 months from the date of completion of the share issuance.	Yes	Yes	N/A	N/A
	Others (commitment on the authenticity, accuracy and completeness of information provided)	The Company and its Directors and senior management, shareholders of the Company with shareholding of more than 5%, Counterparties, SMNC (the "target company")	See Note 11	September 8, 2025	During the period until the completion of this transaction	No	Yes	N/A	N/A
	Others (commitment on no disclosure of inside information of this transaction or insider trading)	The Company and its Directors and senior management, shareholders of the Company with shareholding of more than 5%, Counterparties, the target company	See Note 12	September 8, 2025	During the period until the completion of this transaction	No	Yes	N/A	N/A
	Others (commitment on no violation of laws and regulations and good credit standing)	The Company and its Directors and senior management, Counterparties, the target company	See Note 13	September 8, 2025	During the period until the completion of this transaction	No	Yes	N/A	N/A
	Others (commitment on measures related to making up for diluted immediate returns)	Directors and senior management of the Company	See Note 14	September 8, 2025	Effective for a long time	No	Yes	N/A	N/A
	Others (commitment on share reduction plan)	Shareholders of the Company with shareholding of more than 5%	See Note 15	September 8, 2025	During the period until the completion of this transaction	No	Yes	N/A	N/A
	Others (commitment on reducing and regulating related party transactions)	Shareholders of the Company with shareholding of more than 5%	See Note 16	December 29, 2025	Effective for a long time	No	Yes	N/A	N/A
	Others (commitment on avoiding horizontal competition)	Shareholders of the Company with shareholding of more than 5%	See Note 17	December 29, 2025	Effective for a long time	No	Yes	N/A	N/A
	Others (commitment on maintaining the independence of the Company)	Shareholders of the Company with shareholding of more than 5%	See Note 18	September 8, 2025	Effective for a long time	No	Yes	N/A	N/A

Background of the undertaking	Type of the undertaking	Undertaking party	Details of the undertaking	Time of the undertaking	Term of the undertaking	Whether there is a term for performance	Whether performed timely and strictly	Specific reasons for the failure to timely honor the undertaking	Further plans in the event of failing to timely honor the undertaking
	Others (commitment on the diluted immediate returns from this restructuring and the corresponding remedial measures)	Shareholders of the Company with shareholding of more than 5%	See Note 19	September 8, 2025	Effective for a long time	No	Yes	N/A	N/A
	Others (commitment on the ownership of the equity interests in the target company held)	Counterparties	See Note 20	December 29, 2025	During the period until the completion of this transaction	No	Yes	N/A	N/A

Note 1:

Commitments by substantial shareholders and domestic shareholders indirectly holding over 5% of shares

1. As of the date of this undertaking, the Company and subsidiaries directly or indirectly controlled by the Company have not, directly or indirectly, engaged in any business in any way within or outside China that constitutes peer competition or potential peer competition with the principal business of the issuer or its subsidiaries, including but not limited to develop, operate or assist in operating, participating in, and engaging in relevant businesses, not independently or in conjunction with, on behalf of any person, firm or company (enterprise, unit).

2. As of the date of this undertaking, the Company undertakes that it will not: (1) independently or with a third party, in the form of direct or indirect control, engage in a business or activity that constitutes peer competition or potential peer competition with issuer's or its subsidiaries' principal business that has a significant adverse impact ("competitive business"); (2) if the Company and its subsidiaries directly or indirectly controlled by the Company obtained new investment opportunities in any way to own the controlling shares, equity or interests of companies engaged in competitive business with the issuer and its affiliates, the Company will notify the issuer in writing. If within the reasonable period specified in the notice, the issuer makes a written reply that it is willing to accept the new investment opportunity, the Company or its subsidiaries directly or indirectly controlled by the Company (except the issuer and its subsidiaries) will procure as permitted by law that these new investment opportunities to be first provided to the issuer or its subsidiaries on reasonable and fair terms and conditions.

3. The undertaking takes effect from the date of making the undertaking until any of the following occurs: (1) the Company and parties acting in concert (if any) directly or indirectly hold less than 5% (exclusive) of the issuers' shares; (2) the issuer's shares are terminated from listing on the Shanghai Stock Exchange (except for the suspension of trading of the issuer's shares for any reason); (3) when there is no statutory requirement for the content of a certain undertaking, the relevant part shall be automatically terminated.

4. For any party of the letter of undertaking, "subsidiaries" shall mean any other enterprise or entity (1) holds or controls 50% or more issued share capital or 50% or more voting rights, if applicable; or (2) is entitled 50% or more profits after tax; or (3) has the right to control the composition of the board of directors or control in any other form, regardless of whether it has legal personality or not, and the subsidiaries of the enterprise or entity.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Note 2:

Commitments by the Company

1. To implement the statutory approval procedures for related (connected) transaction in strict accordance with the relevant laws and regulations of the place of listing, and strictly implement the related (connected) transaction avoidance system;

2. To ensure that independent non-executive Directors exercise their powers according to law, ensure the fairness of prices of related (connected) transactions and the compliance of approval procedures, and protect the interests of other shareholders to the maximum;

3. Where there are related (connected) transactions between the Company's substantial shareholders and affiliates and the Company, it will perform related (connected) transaction decision-making procedures, and disclose information in a timely manner to ensure not to harm the legitimate rights and interests of the Company and other shareholders by virtue of such related (connected) transactions in strict accordance with the requirements of relevant laws, regulations and regulatory documents.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Commitments by substantial shareholders and domestic shareholders indirectly holding over 5% of shares

1. Without adversely affecting the interests of the issuer and other shareholders, the Company will take measures to regulate and minimize related (connected) transactions with the issuer.

2. For related (connected) transactions required in normal course of business, the Company will sign a standardised transaction agreement with the issuer according to law, fulfill or cooperate with the issuer to perform review and approval procedures and avoidance of voting and information disclosure obligations in accordance with relevant laws, regulations, regulatory documents and the requirements of issuer's internal control systems including the Memorandum of Association and Articles of Association of Semiconductor Manufacturing International Corporation applicable after the A Share offering, and guarantee such related (connected) transactions will be implemented based on the basic principles of related (connected) transactions, such as fairness, impartiality and openness.

3. Undertakes not to harm the interests of the issuer and other shareholders by virtue of the related (connected) transactions.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Commitments by Directors and senior management personnel

1. Without adversely affecting the interests of the issuer and other shareholders, I will take measures to regulate and minimize related (connected) transactions with the issuer.

2. For related (connected) transactions in normal course of business or unavoidable for other reasonable reasons, I will sign a regulated transaction agreement with the issuer according to law, fulfill review and approval procedures and avoidance of voting and information disclosure obligations in accordance with relevant laws, regulations, regulatory documents, the issuer's Memorandum of Association and Articles of Association of Semiconductor Manufacturing International Corporation applicable after the A Share offering and the requirements of relevant internal control systems, and guarantee such related (connected) transactions will be implemented based on the principles of related (connected) transactions.

3. Undertakes not to harm the interests of the issuer and other shareholders by virtue of the related (connected) transactions.

The commitments made by me shall comply with applicable laws, regulations and regulatory documents, as well as the regulatory requirements of the securities regulatory authority and other competent authorities. In violation of the above-mentioned commitment, I will undertake corresponding obligations in accordance with the Letter of Commitment of Directors and Senior Management Personnel of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments.

Note 3:

Commitments by the Company

1. If securities regulatory departments or other competent departments determine that there is any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus for the A Share offering such that there is a material and substantial impact on determining whether the Company meets the conditions for issuance as specified in laws, and the Company has obtained registration of the issuance by fraud and has the shares listed, the Company hereby undertakes to repurchase all new shares issued under the A Share offering in accordance with laws.

2. When the triggering condition for stabilizing the share price as specified in the Company's plan for Stabilisation of the Price of RMB Ordinary Shares (A Shares) for the Three Years after the Initial Public Offering and Listing on the STAR Market of the Shanghai Stock Exchange of Semiconductor Manufacturing International Corporation is satisfied, the Company will perform its obligations to repurchase the shares in accordance with the provisions in such plan.

In violation of the above-mentioned commitments, the Company will undertake corresponding liabilities in accordance with its Letter of Commitment of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments.

Note 4:

Commitments by the Company

1. The Company undertakes that the A Share offering by the issuer is not fraudulent.

2. If the Company obtains registration of the issuance by fraud, and has issued and listed shares when it does not meet the conditions for issuance and listing, the Company will start share repurchase procedures to repurchase all new shares issued under the A Share offering within 5 working days after being confirmed by the China Securities Regulatory Commission and other competent departments.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Commitments by the substantial shareholders and domestic shareholders indirectly holding over 5% of shares

1. Undertake that the Company's A Share issuance is not fraudulent.

2. If the Company obtains registration of the issuance by fraud, and has issued and listed shares when it does not meet the conditions for issuance and listing, urge the Company to start share repurchase procedures to repurchase all new shares issued under the A Share offering within 5 working days after being confirmed by the China Securities Regulatory Commission and other competent departments.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Note 5:

Commitments by the Company

The Company will take active measures in compensation for the diluted immediate return. If it violates the relevant commitments, it will undertake corresponding liabilities in accordance with its Letter of Commitment of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments. In the meantime, the Company shall make supplementary or substitutive commitments to the investors, so as to protect the investors' interests to the greatest extent possible. Such supplementary or substitutive commitments shall be fulfilled after being considered and approved at a general meeting.

Commitments by Directors and senior management personnel

1. I will not transfer any interests to other entities or individuals without consideration or with unfair conditions, nor otherwise damage the interests of the Company.

2. I will impose constraints on position-related consumption behavior.

3. I will not make any investment or consumption activity irrelevant to my performance of duties using the Company's assets.

4. I will propel to link the remuneration policy formulated by the Board or the Compensation Committee with the implementation of the issuer's remedial measures for diluted immediate returns.

5. In the case that any equity incentive scheme is introduced hereafter, I will actively support to link the vesting conditions of equity incentive with the implementation of the issuer's remedial measures for diluted immediate returns.

6. During the date of this commitment to the completion of the A Share offering, if China Securities Regulatory Commission or the Shanghai Stock Exchange issue other new regulatory provisions on the remedial measures for diluted immediate returns and its commitments, and when the above commitments fail to meet the aforementioned requirements, I will make supplementary commitments in accordance with the aforementioned provisions.

7. I undertake to conscientiously fulfill the measures formulated by the issuer's remedial measures for diluted immediate returns and any commitments made thereon regarding remedial measures for diluted immediate returns, in breach of such commitments and resulting in losses to the issuer or investors, I am willing to bear the compensation liability to the issuer or investor according to law.

The commitments I made shall comply with applicable laws, regulations and regulatory documents, as well as the regulatory requirements of the securities regulatory authorities and other competent authorities. In violation of the above-mentioned commitment, I will undertake corresponding obligations in accordance with the Letter of Commitment of Directors and Senior Management Personnel of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments.

Note 6:

Commitments by the Company

The Company will implement the profit distribution policy strictly in accordance with the Notice on Further Implementation of Cash Dividends of Listed Companies issued by the China Securities Regulatory Commission, the Memorandum of Association and Articles of Association of Semiconductor Manufacturing International Corporation, and the Profit Distribution Policy and Dividend Return Plan for the Three Years after the Initial Public Offering and Listing of RMB Ordinary Shares (A Shares) on the STAR Market of the Shanghai Stock Exchange of Semiconductor Manufacturing International Corporation applicable after the A Share offering.

In violation of the above-mentioned commitments, the Company will undertake corresponding liabilities in accordance with its Letter of Commitment of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments.

Note 7:

Commitments by the Company

1. Contents contained in the Prospectus for the A Share offering have no misrepresentation, misleading statement or material omission, and the Company will be liable for the truthfulness, accuracy and completeness of the contents contained in the Prospectus.

2. If the China Securities Regulatory Commission or other competent departments determine(s) that there is any misrepresentation, misleading statement or material omission in the contents contained in the prospectus such that there is a material and substantial impact on determining whether the Company meets the conditions for issuance as specified in laws, and the Company has obtained registration of the issuance by fraud and has the shares listed, the Company hereby undertakes to repurchase all new shares issued under the A Share offering in accordance with laws.

3. In case any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus leads to any losses of investors in securities transactions, the Company will compensate for their losses in accordance with laws. The specific procedures are as follows:

   (1) When securities regulatory departments or other competent departments determine that there is any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus such that the Company shall be liable, the Company will initiate relevant procedures to compensate for the losses of investors within five working days after receiving such written confirmation;

   (2) The Company will communicate with the relevant intermediaries and investors actively to negotiate and confirm the scope, sequence, amount and form of compensation;

   (3) After confirming the compensation amount through the above-mentioned method, or by securities regulatory departments or other competent departments, the Company will make compensation in the form confirmed through the above-mentioned method or such other forms required by laws.

In violation of the above-mentioned commitments, the Company will undertake corresponding liabilities in accordance with its Letter of Commitment of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments.

Commitments by substantial shareholders

1. Contents contained in the Prospectus for the A Share offering have no misrepresentation, misleading statement or material omission, and the Company will be liable for the truthfulness, accuracy and completeness of the contents contained in the Prospectus.

2. In case any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus leads to any losses of investors in securities transactions, the Company will compensate for their losses in accordance with laws. The specific procedures are as follows:

   (1) When securities regulatory departments or judicial authority determine that there is any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus such that the Company shall be liable, the Company will initiate relevant procedures to compensate for the losses of investors within ten working days after receiving such written confirmation;

   (2) The Company will communicate with the investors actively to negotiate and confirm the scope, sequence, amount and form of compensation;

   (3) After confirming the compensation amount through the above-mentioned method, or by securities regulatory departments or the judicial authority, the Company will make compensation accordingly.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Commitments by domestic shareholders indirectly holding over 5% of shares

1. Contents contained in the Prospectus for the A Share offering have no misrepresentation, misleading statement or material omission, and the Company will be liable for the truthfulness, accuracy and completeness of the contents contained in the Prospectus.

2. In case any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus leads to any losses of investors in securities transactions, the Company will compensate for their losses in accordance with laws. The specific procedures are as follows:

   (1) When securities regulatory departments or judicial authority determine that there is any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus such that the Company shall be liable, the Company will initiate relevant procedures to compensate for the losses of investors within three working days after receiving such written confirmation;

   (2) The Company will communicate with the investors actively to negotiate and confirm the scope, sequence, amount and form of compensation;

   (3) After confirming the compensation amount through the above-mentioned method, or by securities regulatory departments or the judicial authority, the Company will make compensation accordingly.

If the Company fails to perform such obligations under the commitments above, the Company shall bear corresponding liabilities in accordance with the binding measures applicable to the failure of performance.

Commitments by Directors and senior management personnel

1. Contents contained in the Prospectus for the A Share offering and other application documents have no misrepresentation, misleading statement or material omission, and I will be liable for the truthfulness, accuracy and completeness of the contents contained in the Prospectus.

2. In case any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus and other application documents leads to any losses of investors in securities transactions, I will compensate for their losses in accordance with laws. The specific procedures are as follows:

   (1) When securities regulatory departments or other competent authorities determine that there is any misrepresentation, misleading statement or material omission in the contents contained in the Prospectus and other application documents such that I shall be liable, I will initiate relevant procedures to compensate for the losses of investors within three working days after receiving such written confirmation;

   (2) I will communicate with the issuer, other intermediaries and the investors actively to negotiate and confirm the scope, sequence, amount and form of compensation;

   (3) After confirming the compensation amount through the above-mentioned method, or by securities regulatory departments or the judicial authority, I will make compensation in the form confirmed through the above-mentioned method or such other forms required by laws.

The commitments made by me shall comply with applicable laws, regulations and regulatory documents, as well as the regulatory requirements of the securities regulatory authority and other competent authorities. In violation of the above-mentioned commitments, I will undertake corresponding obligations in accordance with the Letter of Commitment of Directors and Senior Management Personnel of Semiconductor Manufacturing International Corporation on Binding Measures when Failing to Fulfill Relevant Commitments.

Note 8:

Commitments by the Company

1. All public commitments made by the Company in the course of the A Share offering (hereinafter referred to as the "Company Commitments") are true and binding on the Company. The Company voluntarily accepts the supervision by regulatory authorities, self-regulatory organisations and the public. The Company will perform all obligations and take all responsibilities under the Company Commitments strictly.

2. If the Company fails to fulfill the Company Commitments fully and effectively for reasons except force majeure, the Company hereby undertakes to adopt the following binding measures:

   (1) Taking corresponding remedial measures or making new commitments (such commitments shall fulfill relevant approval and information disclosure procedure in accordance with laws, regulations, regulatory documents, the Memorandum of Association and Articles of Association of Semiconductor Manufacturing International Corporation, and the provisions in relevant internal control policy);

   (2) Within 30 days after securities regulatory departments or other competent departments determine that the Company breaks or fails to fulfill the Company Commitments, or 30 days after determining that the investors suffer losses in securities transactions due to the Company's breaking of or failure to fulfill the Commitments, the Company will compensate for the losses of the investors in accordance with laws. The compensation amounts shall be negotiated and confirmed by and between the Company and the investors, or decided or determined by means as permitted by securities regulatory departments or other competent departments.

Commitments by substantial shareholders and domestic shareholders indirectly holding over 5% of shares

1. All public commitments made by the Company in the course of the A Share offering of issuers (hereinafter referred to as the "Shareholders Commitments") are true and binding on the Company. The Company voluntarily accepts the supervision by regulatory authorities, self-regulatory organisations and the public. The Company will perform all obligations and take all responsibilities under the Shareholders Commitments strictly.

2. If the Company fails to fulfill the Shareholders Commitments fully and effectively for reasons except force majeure, the Company hereby undertake to adopt the following binding measures:

   (1) Taking corresponding remedial measures or making new commitments (such commitments shall fulfill relevant approval and information disclosure procedure in accordance with laws, regulations, regulatory documents, the Articles of Association, and the provisions in relevant internal control policy);

   (2) If securities regulatory departments or judicial authority determine that the Company break or fail to fulfill foregoing Shareholders Commitments and shall assume corresponding responsibility, the Company will assume corresponding responsibility in accordance with laws.

Commitments by Directors and senior management personnel

1. All public commitments made by me in the course of the A Share offering (hereinafter referred to as the "Individual Commitments") are true and binding on me. I voluntarily accept the supervision by regulatory authorities, self-regulatory organisations and the public. I will perform all obligations and take all responsibilities under the Individual Commitments strictly.

2. If I fail to fulfill the Individual Commitments fully and effectively for reasons except force majeure, I hereby undertake to adopt the following binding measures:

   (1) Taking corresponding remedial measures or making new commitments (such commitments shall fulfill relevant approval and information disclosure procedure in accordance with laws, regulations, regulatory documents, the Memorandum of Association and Articles of Association of Semiconductor Manufacturing International Corporation, and the provisions in relevant internal control policy);

   (2) Within 30 days after securities regulatory departments or other competent departments determine that I break or fail to fulfill foregoing Individual Undertakings, or 30 days after determining that the investors suffer losses in securities transactions due to my breaking of or failure to fulfill the Individual Commitments, I voluntarily compensate investors in advance from all salary and/or allowances I received from the issuer.

Note 9:

Commitments by the Company

1. Any dispute arising from the initial public offering and listing of RMB Ordinary Shares (A Shares) on the STAR Market of the Shanghai Stock Exchange and during the listing period of the Company on STAR Market shall be governed by the laws of the People's Republic of China (excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) (hereinafter referred to as "China"), and be adjudicated by competent courts in China. The Company will not raise any objection to the above-mentioned applicable law and competent court.

2. The "disputes" stipulated in foregoing paragraph 1 shall include:

   (1) where Directors or senior management personnel violate laws and regulations or the Company's Articles of Association in performing their duties and cause losses to the Company, or others infringe on the legal rights and interests of the Company and cause losses to the Company, derivative litigation filed by shareholders who individually or collectively hold more than 1% of the Company's RMB Ordinary Shares (A Shares) for more than 180 consecutive days;

   (2) where the Company fails to disclose information in accordance with regulations, or there is misrepresentation, misleading statement or material omission in securities issuance documents, regular reports, interim reports and other information disclosure materials, which causes holders of RMB Ordinary Shares (A Shares) to suffer losses in securities transactions, civil lawsuits filed by holders of RMB Ordinary Shares (A Shares) against the issuer and other responsible persons.

Commitments by Directors and senior management personnel

1. Any dispute arising from and during the A Share offering and listing and during the listing period of the Company on STAR Market shall be governed by the laws of the People's Republic of China (excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) (hereinafter referred to as "China"), and be adjudicated by competent courts in China.

2. I will not raise any objection to the above-mentioned applicable law and competent court.

Note 10:

Commitments by the Counterparties

1. The shares of the listed company obtained by our company/enterprise from this transaction shall not be transferred within 12 months from the date of completion of the share issuance. After the completion of this transaction, during the share lock-up period, any additional shares of the listed company acquired by our company/enterprise through this transaction as a result of stock dividends, capitalization of share premium and other such events of the listed company shall also be subject to the aforesaid share lock-up arrangements.

2. In the event that the aforesaid lock-up arrangements for the shares of the listed company obtained from this transaction are inconsistent with the currently effective laws and regulations and the latest regulatory opinions of the securities regulatory authorities, our company/enterprise agrees to make corresponding adjustments in accordance with the currently effective laws and regulations and the regulatory opinions of the securities regulatory authorities; upon the expiration of the aforesaid share lock-up period, the relevant provisions of the China Securities Regulatory Commission (the "CSRC") and the Shanghai Stock Exchange (the "SSE") shall be followed.

3. Our company/enterprise hereby authorizes the listed company to go through the lock-up procedures for the shares of the listed company acquired by our company/enterprise through this transaction during the lock-up period.

Note 11:

Commitments by the Company

1. The Company has provided the intermediaries engaged to render professional services such as audit, valuation, legal and financial advisory services in connection with this transaction with all the necessary documents, materials, oral statements and explanations in respect of this transaction as at the present stage, which are true, accurate and complete in all material respects and free from any false records, misleading statements or material omissions; all the duplicate materials or copies provided are consistent and in conformity with the original materials or originals; all signatures and seals on the provided documents and materials are genuine, and the legal procedures required for such signatures and seals have been completed and legal authorization has been obtained; all facts stated and explained are consistent with the actual facts that have occurred;

2. The Company warrants that it has fulfilled its statutory disclosure and reporting obligations and that there are no contracts, agreements, arrangements or other matters that should be disclosed but have not been disclosed;

3. In accordance with the progress of this transaction, the Company shall timely provide relevant information and documents in accordance with the relevant provisions of laws, regulations, rules, the CSRC and the SSE, and warrants that the information and documents to be provided continue to meet the requirements of truthfulness, accuracy and completeness;

4. The Company hereby undertakes and warrants that the information disclosure and application documents in connection with this transaction are true, accurate and complete in all material respects, free from any false records, misleading statements or material omissions, and is willing to bear the corresponding legal liabilities.

Commitments by the Directors and senior management of the Company

1. I have provided the listed company and the intermediaries engaged to render professional services such as audit, valuation, legal and financial advisory services in connection with this transaction with all relevant materials in respect of this transaction, which are true, accurate and complete in all material respects and free from any false records, misleading statements or material omissions; all the duplicate materials or copies provided are consistent and in conformity with the original materials or originals; all signatures and seals on the provided documents and materials are genuine; all facts stated and explained are consistent with the actual facts that have occurred;

2. In the event that this transaction is filed for investigation by judicial authorities or filed for examination by the CSRC on suspicion that the information provided or disclosed contains false records, misleading statements or material omissions, prior to the confirmation of the investigation conclusion, if I hold shares in the listed company, I shall not transfer the equity interests in the listed company held by me, and shall submit a written application for suspension of transfer and the securities account to the board of directors of the listed company within two trading days upon receipt of the notice of the investigation, and the board of directors shall apply to the stock exchange and the securities registration and clearing institution for the lock-up on my behalf; if I fail to submit the lock-up application within two trading days, I authorize the board of directors to verify and directly submit my identity information and account information to the stock exchange and the securities registration and clearing institution for lock-up application; if the board of directors fails to submit my identity information and account information to the stock exchange and the securities registration and clearing institution, I authorize the stock exchange and the securities registration and clearing institution to directly lock up the relevant shares. If the investigation conclusion finds that there are illegal or irregular acts, I hereby undertake that the locked-up shares shall be voluntarily used for the compensation arrangements for relevant investors;

3. In accordance with the progress of this transaction, I shall timely provide relevant information and documents in accordance with the relevant provisions of laws, regulations, rules, the CSRC and the SSE, and warrants that the information and documents to be provided continue to meet the requirements of truthfulness, accuracy and completeness;

4. I hereby undertake and warrant that the information disclosure and application documents in connection with this transaction are true, accurate and complete in all material respects, free from any false records, misleading statements or material omissions, and am willing to bear the corresponding legal liabilities in accordance with the law.

Commitments by the shareholders of the Company holding more than 5% of the shares

1. Our enterprise has provided the listed company and the intermediaries engaged to render professional services such as audit, valuation, legal and financial advisory services in connection with this transaction with all relevant materials in respect of this transaction, which are true, accurate and complete in all material respects and free from any concealment, falsification or material omissions; all the duplicate materials or copies provided are consistent and in conformity with the original materials or originals; all signatures and seals on the provided documents and materials are genuine; all facts stated and explained are consistent with the actual facts that have occurred;

2. In the event that this transaction is filed for investigation by judicial authorities or filed for examination by the CSRC on suspicion that the information provided or disclosed by our enterprise contains false records, misleading statements or material omissions, prior to the confirmation of the investigation conclusion, if our enterprise holds shares in the listed company, we shall not transfer the equity interests in the listed company held by us, and shall submit a written application for suspension of transfer and the securities account to the board of directors of the listed company within two trading days upon receipt of the notice of the investigation, and the board of directors shall apply to the stock exchange and the securities registration and clearing institution for the lock-up on our behalf; if we fail to submit the lock-up application within two trading days, we authorize the board of directors to verify and directly submit our enterprise's identity information and account information to the stock exchange and the securities registration and clearing institution for lock-up application; if the board of directors fails to submit our enterprise's identity information and account information to the stock exchange and the securities registration and clearing institution, we authorize the stock exchange and the securities registration and clearing institution to directly lock up the relevant shares. If the investigation conclusion finds that there are illegal or irregular acts, our enterprise hereby undertakes that the locked-up shares shall be voluntarily used for the compensation arrangements for relevant investors;

3. Our enterprise warrants that during its participation in this transaction, it shall timely disclose information in respect of this transaction to the listed company in accordance with the relevant provisions of applicable laws, regulations, rules, the CSRC and the SSE, and warrants the truthfulness, accuracy and completeness of such information;

4. The facts stated in this commitment letter by our enterprise are free from any false records, misleading statements or material omissions, and we shall bear the corresponding legal liabilities in accordance with the law for the truthfulness, accuracy and completeness thereof.

Commitments by the Counterparties

1. Our company/enterprise warrants that all information provided in connection with this transaction is true, accurate and complete, all duplicate materials or copies are consistent with the original materials or originals, all signatures and seals on the documents are genuine, the signatories of such documents have signed the documents upon legal authorization and validly, and there are no false records, misleading statements or material omissions; in the event that the information disclosure contains false records, misleading statements or material omissions, we shall bear the corresponding legal liabilities in accordance with the law.

2. Our company/enterprise warrants that all statements and confirmations issued in connection with this transaction are true, accurate and complete in all material respects, free from any false records, misleading statements or material omissions, and we shall bear the corresponding legal liabilities for any false records, misleading statements or material omissions therein.

3. In accordance with the progress of this transaction, our company/enterprise shall timely provide the listed company with relevant information in respect of this transaction in the course of participating in this transaction, and warrants that the information provided is true, accurate and complete in all material respects, free from any false records, misleading statements or material omissions; if the listed company or investors suffer losses due to the existence of false records, misleading statements or material omissions in the information provided, our enterprise shall bear the corresponding legal liabilities in accordance with the law.

4. In the event that this transaction is filed for investigation by judicial authorities or filed for examination by the CSRC on suspicion that the information provided or disclosed contains false records, misleading statements or material omissions, prior to the confirmation of the investigation conclusion, our enterprise shall suspend the transfer of the equity interests in the listed company held by us, and shall submit a written application for suspension of transfer and the securities account to the board of directors of the listed company within two trading days upon receipt of the notice of the investigation, and the board of directors shall apply to the stock exchange and the securities registration and clearing institution for the lock-up on our behalf; if we fail to submit the lock-up application within two trading days, we authorize the board of directors to verify and directly submit our enterprise's identity information and account information to the stock exchange and the securities registration and clearing institution for lock-up application; if the board of directors fails to submit our enterprise's identity information and account information to the stock exchange and the securities registration and clearing institution, we authorize the stock exchange and the securities registration and clearing institution to directly lock up the relevant shares. If the investigation conclusion finds that there are illegal or irregular acts, our enterprise hereby undertakes that the locked-up shares shall be voluntarily used for the compensation arrangements for relevant investors.

Commitments by the target company

1. Our company and all its directors, supervisors and senior management have provided the listed company and the intermediaries engaged to render professional services such as audit, valuation, legal and financial advisory services in connection with this transaction with all the necessary documents, materials, oral statements and explanations in respect of this transaction as at the present stage, which are true, accurate and complete in all material respects and free from any false records, misleading statements or material omissions; all the duplicate materials or copies provided are consistent and in conformity with the original materials or originals; all signatures and seals on the provided documents and materials are genuine, and the legal procedures required for such signatures and seals have been completed and legal authorization has been obtained; all facts stated and explained are consistent with the actual facts that have occurred.

2. Our company and all its directors, supervisors and senior management warrant that they have fulfilled their statutory disclosure and reporting obligations and that there are no contracts, agreements, arrangements or other matters that should be disclosed but have not been disclosed; the information and documents provided in connection with this transaction are true, accurate and complete in all material respects, free from any false records, misleading statements or material omissions, and we are willing to bear the corresponding legal liabilities.

3. In accordance with the progress of this transaction, our company and all its directors, supervisors and senior management shall timely provide relevant information and documents in accordance with the relevant provisions of laws, regulations, rules, the CSRC and the SSE, and warrants that the information and documents to be provided continue to meet the requirements of truthfulness, accuracy and completeness.

Note 12:

Commitments by the Company

1. As of the date of this commitment letter, the Company and the enterprises controlled by the Company are not in any circumstance that disables them from participating in any material asset restructuring of a listed company pursuant to Article 12 of the *Regulatory Guidelines for Listed Companies No.7 – Supervision over Abnormal Stock Trading in Connection with Material Asset Restructuring of Listed Companies* or Article 30 of the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No.6 – Material Asset Restructuring*. Namely, the Company and the enterprises controlled by the Company are not under investigation or criminal investigation on suspicion of insider trading in connection with this transaction, and have not been subject to administrative penalties by the CSRC or criminal liabilities by judicial organs for insider trading in connection with this transaction in the most recent 36 months.

2. As of the date of this commitment letter, the Company has not improperly disclosed any inside information in connection with this transaction or conducted insider trading by taking advantage of such inside information, and undertakes to take necessary measures to keep strictly confidential the materials and information in relation to this transaction.

3. The Company undertakes to bear corresponding legal liabilities in accordance with the law if it breaches the above commitments.

Commitments by the Directors and senior management of the Company

1. As of the date of this commitment letter, I am not in any circumstance that disables me from participating in any material asset restructuring of a listed company pursuant to Article 12 of the *Regulatory Guidelines for Listed Companies No.7 – Supervision over Abnormal Stock Trading in Connection with Material Asset Restructuring of Listed Companies* or Article 30 of the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No.6 – Material Asset Restructuring*. Namely, I am not under investigation or criminal investigation on suspicion of insider trading in connection with this transaction, and have not been subject to administrative penalties by the CSRC or criminal liabilities by judicial organs for insider trading in connection with this transaction in the most recent 36 months.

2. As of the date of this commitment letter, I have not improperly disclosed any inside information in connection with this transaction or conducted insider trading by taking advantage of such inside information.

3. I undertake to bear corresponding legal liabilities in accordance with the law for any losses suffered by the listed company or other investors due to my breach of the above commitments.

Commitments by the shareholders of the Company holding more than 5% of the shares

1. Our enterprise is not in any circumstance that disables it from participating in any material asset restructuring of a listed company pursuant to Article 12 of the *Regulatory Guidelines for Listed Companies No.7 – Supervision over Abnormal Stock Trading in Connection with Material Asset Restructuring of Listed Companies* or Article 30 of the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No.6 – Material Asset Restructuring*. Namely, our enterprise is not under investigation or criminal investigation on suspicion of insider trading in connection with this transaction, and has not been subject to administrative penalties by the CSRC or criminal liabilities by judicial organs for insider trading in connection with material asset restructuring in the most recent 36 months.

2. Our enterprise has not improperly disclosed any inside information in connection with this transaction or conducted insider trading by taking advantage of such inside information.

3. Our enterprise is willing to bear corresponding legal liabilities in accordance with the law if it breaches the above commitments.

Commitments by the Counterparties

1. As of the date of this commitment letter, our company/enterprise, its controlling shareholder (if any), actual controller (if any), directors (if any), supervisors (if any), senior management and the institutions controlled by the aforesaid parties (if any) are not in any circumstance that disables them from participating in any material asset restructuring of a listed company pursuant to Article 12 of the *Regulatory Guidelines for Listed Companies No.7 – Supervision over Abnormal Stock Trading in Connection with Material Asset Restructuring of Listed Companies* or Article 30 of the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No.6 – Material Asset Restructuring*. Namely, the aforesaid parties are not under investigation or criminal investigation on suspicion of insider trading in connection with this transaction, and have not been subject to administrative penalties by the CSRC or criminal liabilities by judicial organs for insider trading in connection with material asset restructuring in the most recent 36 months.

2. As of the date of this commitment letter, our company/enterprise, its controlling shareholder (if any), actual controller (if any), directors (if any), supervisors (if any) and senior management have not improperly disclosed any inside information in connection with this transaction or conducted insider trading by taking advantage of such inside information, and our company/enterprise undertakes to take necessary measures to keep strictly confidential the materials and information in relation to this transaction.

3. Our company/enterprise shall bear corresponding legal liabilities in accordance with the law for any losses suffered by the listed company or other investors due to the breach of the above commitments.

Commitments by the target company

1. The company is not in any circumstance that disables it from participating in any material asset restructuring of a listed company pursuant to Article 12 of the *Regulatory Guidelines for Listed Companies No.7 – Supervision over Abnormal Stock Trading in Connection with Material Asset Restructuring of Listed Companies* or Article 30 of the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No.6 – Material Asset Restructuring*.

2. As of the date of this commitment letter, the company has not improperly disclosed any inside information in connection with this transaction or conducted insider trading by taking advantage of such information, and undertakes to take necessary measures to keep strictly confidential the materials and information in relation to this transaction.

3. The company is willing to bear legal liabilities in accordance with the law if it breaches the above commitments.

Note 13:

Commitments by the Company

1. As of the date of this commitment letter, the Company is not under criminal investigation by judicial organs on suspicion of a crime or under investigation by the CSRC on suspicion of violation of laws or regulations; in the most recent three years, the Company has not been subject to criminal penalties, nor has it been subject to administrative penalties by the CSRC for violation of securities laws, administrative regulations or rules.

2. In the most recent three years, the Company has maintained a good credit standing, and has not been included in the list of joint disciplinary targets for untrustworthiness or the list of persons subject to enforcement for untrustworthiness, nor has it committed any serious untrustworthy acts in the securities market; in the most recent twelve months, the Company has not committed any acts that seriously damage the legitimate rights and interests of investors and the public interest, nor has it been publicly condemned by the stock exchange or committed any other major untrustworthy acts.

3. All facts stated in this commitment letter by the Company are objective and true, free from any false records, misleading statements or material omissions, and the Company shall bear legal liabilities for the truthfulness, accuracy and completeness thereof.

Commitments by the Directors and senior management of the Company

1. In the most recent three years, I have not been subject to administrative penalties or criminal penalties in connection with the securities market, nor have I been publicly condemned by the stock exchange in the most recent year.

2. In the most recent three years, I have not been listed as a person subject to enforcement for untrustworthiness by the people's court due to failure to repay large-sum debts on schedule, nor have I been subject to administrative penalties by the CSRC or disciplinary sanctions by the stock exchange.

3. I am not under criminal investigation by judicial organs on suspicion of a crime or under investigation by the CSRC on suspicion of violation of laws or regulations.

4. All facts stated in this commitment letter by me are objective and true, free from any false records, misleading statements or material omissions, and I shall bear legal liabilities for the truthfulness, accuracy and completeness thereof.

Commitments by the Counterparties

1. Our company/enterprise and its current key management personnel have not been subject to administrative penalties (except for those obviously irrelevant to the securities market) or criminal penalties, nor have they been involved in any major civil litigation or arbitration cases in connection with economic disputes in the most recent five years.

2. Our company/enterprise and its current key management personnel have maintained a good credit standing in the most recent five years, and have not failed to repay large-sum debts on schedule, failed to perform commitments, been subject to administrative supervision measures by the CSRC or disciplinary sanctions by the stock exchange.

3. As of the date of this commitment letter, our company/enterprise and its current key management personnel are not a party to any outstanding major litigation, arbitration or administrative penalty cases that may have a material adverse impact on this transaction.

4. Our company/enterprise undertakes to bear corresponding legal liabilities in accordance with the law if it breaches the above statements and commitments.

Commitments by the target company

1. In the most recent three years, the company has not been subject to criminal penalties, nor has it been subject to administrative penalties by the CSRC for violation of securities laws, administrative regulations or rules.

2. In the most recent three years, the company has maintained a good credit standing, and has not been included in the list of joint disciplinary targets for untrustworthiness or the list of persons subject to enforcement for untrustworthiness, nor has it committed any serious untrustworthy acts in the securities market; in the most recent twelve months, the Company has not committed any acts that seriously damage the legitimate rights and interests of investors and the public interest.

3. As of the date of this commitment letter, the company has no outstanding or foreseeable major litigation, arbitration or administrative penalty cases, nor is it under criminal investigation by judicial organs on suspicion of a crime or under investigation by the CSRC on suspicion of violation of laws or regulations.

Note 14:

Commitments by the Directors and senior management of the Company

1. I undertake not to transfer benefits to any other entity or individual free of charge or on unfair terms, nor to damage the interests of the listed company by any other means.

2. I undertake to exercise restraint over my duty-related consumption.

3. I undertake not to use the assets of the listed company for any investment or consumption activities unrelated to the performance of my duties.

4. I undertake to make every effort to ensure that the remuneration system formulated by the board of directors or the remuneration committee is linked to the implementation of the measures for remedying the diluted immediate returns of the listed company.

5. If the listed company implements equity incentive in the future, I undertake to make every effort to ensure that the exercise conditions of the proposed equity incentive of the listed company are linked to the implementation of the measures for remedying the diluted immediate returns of the listed company.

6. From the date of this commitment letter to the completion of this transaction of the listed company, if the CSRC and other securities regulatory authorities formulate any new regulatory provisions on the measures for remedying the diluted immediate returns and the relevant commitments, and the above commitments fail to meet such provisions, I undertake to issue corresponding supplementary commitments in accordance with the latest provisions of the securities regulatory authorities applicable to me. I undertake to faithfully perform the measures for remedying the diluted immediate returns formulated by the listed company and any commitments made by me in this regard.

7. I undertake to bear corresponding legal liabilities in accordance with the law for any losses suffered by the listed company or other investors due to my breach of the above commitments.

Note 15:

Commitments by the shareholders of the Company holding more than 5% of the shares

1. Our enterprise undertakes that from the date of this commitment letter to the completion of this transaction, if we intend to reduce our A-share holdings based on actual operational needs or market changes, we shall act in strict compliance with the relevant provisions of laws, regulations, the CSRC and the Shanghai Stock Exchange, disclose the A-share share reduction plan in a timely manner, and strictly implement the relevant provisions and requirements of laws and regulations on the reduction of A-share holdings.

2. Our enterprise undertakes to bear corresponding legal liabilities in accordance with the law for any losses suffered by the listed company or other investors due to our breach of the above commitments.

Note 16:

Commitments by the shareholders of the Company holding more than 5% of the shares

1. On the premise of not causing any adverse impact on the legitimate interests of the listed company and other shareholders, our enterprise shall take measures to regulate and minimize related transactions with the listed company.

2. For related transactions that are necessary for normal business operations or incurred for reasonable reasons, our enterprise shall sign a standardized transaction agreement with the listed company in accordance with the basic principles of fairness, impartiality and openness for related transactions, and perform or cooperate with the listed company to perform the review and approval procedures, recusal from voting and information disclosure obligations in accordance with the relevant laws, regulations, normative documents and the internal control systems of the listed company such as the *Memorandum and Articles of Association of Semiconductor Manufacturing International Corporation*.

3. We undertake not to damage the legitimate interests of the listed company and other shareholders by taking advantage of related transactions.

Our enterprise shall bear corresponding legal liabilities in accordance with the law if it breaches the above commitments.

Note 17:

Commitments by the shareholders of the Company holding more than 5% of the shares

1. As of the date of this commitment letter, our company/enterprise and subsidiaries directly or indirectly controlled by us have not, directly or indirectly, engaged in any business in any way within or outside China that constitutes peer competition or potential peer competition with the principal business of the issuer/listed company or its subsidiaries, including but not limited to develop, operate or assist in operating, participating in, and engaging in relevant businesses, not independently or in conjunction with, on behalf of any person, firm or company (enterprise, unit).

2. As of the date of this commitment letter, our enterprise/company undertakes that it will not:

   (1) independently or with a third party, in the form of direct or indirect control, engage in a business or activity that constitutes peer competition or potential peer competition with issuer/listed company's or its subsidiaries' principal business that has a significant adverse impact (hereinafter referred to as the "competitive business"); (2) if our enterprise/company and its subsidiaries directly or indirectly controlled by us obtained new investment opportunities in any way to own the controlling shares, equity or interests of companies engaged in competitive business with the issuer/listed company and its subsidiaries, our enterprise/company will notify the issuer/listed company in writing. If within the reasonable period specified in the notice, the issuer/listed company makes a written reply that it is willing to accept the new investment opportunity, our enterprise/company or its subsidiaries directly or indirectly controlled by us (except the issuer/listed company and its subsidiaries) will procure as permitted by law that these new investment opportunities to be first provided to the issuer/listed company or its subsidiaries on reasonable and fair terms and conditions.

3. The undertaking takes effect from the date of making the undertaking until any of the following occurs: (1) our enterprise/company and parties acting in concert (if any) directly or indirectly hold less than 5% (exclusive) of the issuer/listed company's shares; (2) the issuer/listed company's shares are terminated from listing on the Shanghai Stock Exchange (except for the suspension of trading of the issuer/listed company's shares for any reason); (3) when there is no statutory requirement for the content of a certain undertaking, the relevant part shall be automatically terminated.

4. For any party of the letter of undertaking, "subsidiaries" shall mean any other enterprise or entity (1) holds or controls 50% or more issued share capital or 50% or more voting rights, if applicable; or (2) is entitled 50% or more profits after tax; or (3) has the right to control the composition of the board of directors or control in any other form, regardless of whether it has legal personality or not, and the subsidiaries of the enterprise or entity.

Note 18:

Commitments by the shareholders of the Company holding more than 5% of the shares

1. Upon the completion of this transaction, our enterprise shall strictly comply with the relevant rules and regulations of the CSRC and the Shanghai Stock Exchange, as well as the relevant provisions of the *Memorandum and Articles of Association of Semiconductor Manufacturing International Corporation* applicable to the listed company, exercise shareholder rights and perform shareholder obligations in accordance with the law, not seek improper interests by virtue of its status as a shareholder holding more than 5% of the shares, not interfere with the listed company's complete separation from other enterprises controlled by us in terms of personnel, assets, finance, organizations and business, and not affect the independence of the listed company in terms of business, assets, personnel, finance and organizations;

2. Our enterprise undertakes to bear corresponding legal liabilities in accordance with the law for any losses suffered by the listed company or other investors due to our breach of the above commitments.

Note 19:

Commitments by the shareholders of the Company holding more than 5% of the shares

1. Our enterprise shall not interfere in the business and management activities of the listed company beyond its authority, nor shall it encroach on the interests of the listed company;

2. Our enterprise shall faithfully perform the measures for remedying the diluted returns formulated by the listed company and this commitment. If our enterprise breaches or refuses to perform this commitment and causes losses to the listed company or investors, we agree to bear corresponding legal liabilities in accordance with the relevant provisions of laws, regulations and securities regulatory authorities;

3. From the date of this commitment letter to the completion of this transaction of the listed company, if the CSRC or the stock exchange formulates any new regulatory provisions on the measures for remedying the diluted returns and the relevant commitments, and the above commitments fail to meet such provisions, our enterprise undertakes to issue supplementary commitments in accordance with the latest provisions of the CSRC or the stock exchange.

All facts stated in this commitment letter by our enterprise are objective and true, free from any false records, misleading statements or material omissions, and we shall bear legal liabilities for the truthfulness, accuracy and completeness thereof. Our enterprise shall bear corresponding legal liabilities in accordance with the law if it breaches the above commitments.

Note 20:

Commitments by the Counterparties

1. Our enterprise is a legally established and validly existing enterprise. We are not in any circumstance that requires termination or dissolution pursuant to the provisions of laws, regulations or the articles of association/partnership agreement, and have the qualification to act as the counterparty of this transaction.

2. As of the date of this commitment letter, our enterprise has fulfilled the capital contribution obligation to the target company in accordance with the provisions of the *Articles of Association* of the target company. All capital contribution funds are our own funds, which are true and fully paid-in. We have not committed any acts in violation of the obligations and liabilities as a shareholder such as false capital contribution or capital withdrawal, and there is no circumstance that may affect the legal existence of the target company. As a shareholder of the target company, our enterprise legally holds the equity of the target company.

3. As of the date of this commitment letter, our enterprise has legal and complete ownership or disposition right to the equity of the target company held by us. Such equity has a clear ownership title, free from any entrusted shareholding, trust arrangement, income right arrangement, option arrangement or equity holding on behalf of others. No mortgage, pledge or other encumbrances have been created on such equity, and there are no other equity arrangements that prohibit or restrict the transfer thereof, nor has such equity been subject to any restraint such as seizure, attachment or freezing by judicial organs that limits the rights thereunder, or any other circumstance that hinders the transfer of the ownership title.

4. The equity assets of the target company held by our enterprise have a clear ownership title, free from any ownership disputes or potential disputes of any form.

5. Prior to the completion of this transaction, our enterprise undertakes not to create any third-party rights such as mortgage or pledge on the equity of the target company held by us.

All facts stated in this commitment letter by our enterprise are free from any false records, misleading statements or material omissions, and we shall bear legal liabilities for the truthfulness, accuracy and completeness thereof. Our enterprise shall bear corresponding legal liabilities in accordance with the law if it breaches the above commitments.

II. THE APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

in USD'000

	Current appointment
Name of domestic accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Remuneration of domestic accounting firm	560
Number of years of audit by domestic accounting firm	5 years
Name of certified public accountants of the domestic accounting firm	Meng Dong, Gu Fan
Accumulated term of auditing service of certified public accountants of domestic accounting firm	Meng Dong (5 years), Gu Fan (3 years)
Name of overseas accounting firm	Ernst & Young
Remuneration of overseas accounting firm	840
Number of years of audit by overseas accounting firm	5 years
Name of certified public accountant of the overseas accounting firm	Ng Cheung
Term of auditing of certified public accountant of the overseas accounting firm	5 years

	Name	Remuneration
Accounting firm for internal control audit	Ernst & Young Hua Ming LLP (Special General Partnership)	140

III. MATERIAL LITIGATION AND ARBITRATION

On May 7, 2020, SMIC New Technology Research and Development (Shanghai) Corporation ("SMIC New Technology"), a subsidiary of the Company, received an arbitration notice issued by the Hong Kong International Arbitration Center, whereby PDF SOLUTIONS, INC. ("PDF") filed an arbitration request with the Hong Kong International Arbitration Center. On November 12, 2025, the Tribunal rendered an award under which SMIC New Technology is to pay the relevant fees to PDF. SMIC New Technology contends that the arbitral award is manifestly improper, containing material procedural irregularities and substantive errors in the application of pivotal legal principles. As at the date of this report, SMIC New Technology has filed an application with the High Court of the Hong Kong Special Administrative Region to set aside the arbitral award.

IV. SUSPECTED VIOLATION OF LAWS AND REGULATIONS BY AND PUNISHMENT AND RECTIFICATION OF THE LISTED COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT PERSONNEL, CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

Hong Kong Securities and Futures Commission ("SFC") published a news release on March 14, 2025, stating that it has commenced legal proceedings in the Court of First Instance to seek disqualification and compensation orders against eight former directors of Hong Kong Resources Holdings Company Limited (2882.HK) ("HKRH") (now renamed as "3DG Holdings (International) Limited"), including Dr. Fan Ren Da Anthony (the independent non-executive director of the Company). SFC alleged that the eight directors breached their duties owed to HKRH. As of the date of this report, the Court of First Instance had not made any binding decisions against Dr. Fan Ren Da Anthony brought by the SFC.

V. SIGNIFICANT RELATED (CONNECTED) TRANSACTIONS

(I) NON-EXEMPT CONNECTED TRANSACTIONS DISCLOSED IN ACCORDANCE WITH THE REQUIREMENTS OF HONG KONG LISTING RULES

1. Acquisition of the 49% Equity Interests in SMNC Involving Issuing RMB Shares under Specific Mandate

On September 8, 2025, the Company entered into an acquisition agreement with the China IC Fund, Beijing Semiconductor Manufacturing and Equipment Equity Investment Center (Limited Partnership)* (北京集成電路製造和裝備股權投資中心(有限合夥)) ("Semi Investment Center"), Beijing E-Town International Investment and Development Co., Ltd.* (北京亦莊國際投資發展有限公司) ("E-Town Capital"), Zhongguancun Development Group Co., Ltd.* (中關村發展集團股份有限公司) ("ZGC Development"), and Beijing Industrial Development Investment Management Co., Ltd.* (北京工業發展投資管理有限公司) ("Beijing Industrial Investment") (collectively referred to as the "Counterparties"), pursuant to which, (i) the Company conditionally agreed to purchase and the Counterparties conditionally agreed to sell a total of 49% equity interests in SMNC held by the Counterparties (the "Proposed Acquisition"); and (ii) the Company proposed to pay the total consideration for the Proposed Acquisition by way of issuance of the consideration shares (the "Consideration Shares"), i.e. the issuance of RMB Shares.

On December 29, 2025, the Company entered into a supplemental agreement with the Counterparties, pursuant to which, the final consideration for the Proposed Acquisition and the number of the Consideration Shares proposed to be issued have been determined by the parties.

The Proposed Acquisition is conducive to further improving the Company's asset quality and promoting the Company's long-term development. For details regarding the Proposed Acquisition, please refer to the Company's announcements dated September 8, 2025 and December 29, 2025, respectively and the circular of the Company dated January 28, 2026 published on the website of HKSE (https://www.hkexnews.hk).

Implications under the Hong Kong Listing Rules

As one or more of the applicable percentage ratios in relation to the Proposed Acquisition exceeds 5% but are less than 25%, the Proposed Acquisition constitutes a discloseable transaction of the Company under the Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting and announcement.

As at the date of the Proposed Acquisition, as (i) China IC Fund holds 32% equity interests in SMNC; and (ii) E-Town Capital holds 24.51% equity interests in SMBC, a subsidiary of the Company, each of China IC Fund and E-Town Capital is a connected person of the Company at the subsidiary level. Accordingly, the transaction contemplated under the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the Proposed Acquisition involves issue of RMB Shares by the Company under the Specific Mandate, the Proposed Acquisition does not constitute an exempt connected transaction and hence the Company is subject to the reporting, announcement and Independent shareholders' approval requirements.

2. New JV Agreement and the New Capital Injection and Share Expansion Agreement in relation to SMSC

On December 29, 2025, SMIC Holdings entered into a new JV agreement (the "New JV Agreement") and a new capital injection and share expansion agreement (the "New Capital Injection and Share Expansion Agreement") with China IC Fund, China IC Fund II, China IC Fund III, Shanghai Integrated Circuit Industry Investment Fund Co., Ltd.* (上海集成電路產業投資基金股份有限公司) ("Shanghai IC Fund"), Shanghai Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.* (上海集成電路產業投資基金(二期)有限公司) ("Shanghai IC Fund II"), Shanghai Taixin Dingji Enterprise Development Co., Ltd.* (上海泰新鼎吉企業發展有限公司) ("Taixin Dingji"), and Shanghai SCI Pioneer IC Private Equity Investment Fund Partnership (Limited Partnership)* (上海國投先導集成電路私募投資基金合夥企業(有限合夥)) ("Pioneer IC Fund"), to amend the previous joint venture agreement, pursuant to which: (i) the registered capital of SMSC will be increased from US$6.5 billion to US$10.0773 billion; and (ii) SMSC will be owned as to 41.561%, 9.392%, 14.885%, 8.361%, 7.939%, 11.253%, 5.545% and 1.063% by SMIC Holdings, China IC Fund, China IC Fund II, China IC Fund III, Shanghai IC Fund, Shanghai IC Fund II, Taixin Dingji and Pioneer IC Fund, respectively.

The capital contribution will be conducive to reducing the asset-liability ratio of SMSC and establishing a more robust financial structure for the Group. For details regarding this capital contribution, please refer to the Company's announcement dated December 29, 2025 published on the website of HKSE (https://www.hkexnews.hk).

Implications under the Hong Kong Listing Rules

As SMIC Holdings is entitled to appoint the majority of the directors in SMSC's board of directors and those directors can veto certain material matters discussed in the board meeting of SMSC at its sole discretion, the Company has actual control over SMSC through SMIC Holdings and therefore SMSC is a subsidiary of the Company. As at the date of the capital injection, China IC Fund, China IC Fund II, Shanghai IC Fund and Shanghai IC Fund II holds 14.562%, 23.077%, 12.308% and 11.538% of the equity interests in SMSC, respectively, thus they are the substantial shareholders (as defined in the Hong Kong Listing Rules) of SMSC and connected persons of the Company at the subsidiary level. Accordingly, the New JV Agreement, the New Capital Injection and Share Expansion Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in relation to the New JV Agreement, the New Capital Injection and Share Expansion Agreement and the transactions contemplated thereunder exceeds 5% but are less than 25%, the New JV Agreement, the New Capital Injection and Share Expansion Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the Chapter 14 of the Hong Kong Listing Rules.

As (i) the Board has approved the New JV Agreement, the New Capital Injection and Share Expansion Agreement as well as the transactions contemplated thereunder; and (ii) the Board (including the independent non-executive Directors) has confirmed that the terms of the New JV Agreement, the New Capital Injection and Share Expansion Agreement and the transactions contemplated thereunder are fair and reasonable, and are on normal commercial terms and better and in the interests of the Company and its Shareholders as a whole, the Company is only subject to reporting and announcement requirements, but is exempted from the circular, the independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Hong Kong Listing Rules.

(II) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS DISCLOSED UNDER THE HONG KONG LISTING RULES

Datang Holdings Framework Agreement – 2025 to 2027

Datang Holdings is the holding company of Datang HK, which is a substantial shareholder of the Company. Datang Holdings is therefore an associate of Datang HK and hence a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules.

On February 11, 2025, the Company entered into a renewed framework agreement with Datang Holdings for a term of three years commencing on January 1, 2025 and ended on December 31, 2027 (the "Datang Holdings Framework Agreement"), pursuant to which the Group and Datang Holdings (including its related companies) agreed to engage in business collaboration including but not limited to wafer processing service. For details of the transactions under the Datang Holdings Framework Agreement, please refer to the announcement of the Company dated February 11, 2025 published on the website of HKSE (https://www.hkexnews.hk).

In 2025, the annual cap and actual transaction amounts generated by the Group under the Datang Holdings Framework Agreement are set out below.

Transactions	Annual caps in 2025 (USD in million)	Actual amount during the Reporting Period (USD in million)
The revenue generated by the Group under the Datang Holdings Framework Agreement	36	17

Conclusion

The Company has confirmed that the execution and enforcement of the agreement under the continuing connected transactions disclosed above in the section headed "(II) Non-exempt Continuing Connected Transactions Disclosed under the Hong Kong Listing Rules" have followed the relevant pricing principles of such continuing connected transactions. None of the transaction amounts exceeded the annual caps in 2025.

The independent non-executive Directors of the Company have confirmed to the Board that they have reviewed all non-exempt continuing connected transactions and are of the view that:

(a) those transactions were entered into in the ordinary and usual course of business of the Group;

(b) those transactions were conducted on normal commercial terms or better; and

(c) those transactions were conducted in accordance with the relevant agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Auditor review of continuing connected transactions

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its conclusions in accordance with Rule 14A.56 of the Hong Kong Listing Rules and confirmed that the aforesaid continuing connected transactions:

(a) have been approved by the Board;

(b) were in all material respects, in accordance with the pricing policies of the Group if the transactions involved the provision of goods or services by the Group;

(c) were entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

(d) have not exceeded the annual caps.

(III) RELATED PARTY TRANSACTIONS IN RELATION TO DAILY OPERATION

Matters that have been disclosed in temporary announcements and have developments or changes in subsequent implementation

Summary of the event	Inquiry index
On February 11, 2025, the Board of the Company reviewed and approved the Proposal on Renewal of 2025-2027 Related (Connected) Transactions Framework Agreement between SMIC and Datang Holdings.	For details, please refer to the Announcement on Entering into the 2025 Framework Agreement and Related (Connected) Transactions with Datang Holdings dated February 12, 2025 published on Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, and on the website of SSE (https://www.sse.com.cn), and the Announcement on Continuing Connected Transactions in Relation to Entering into the 2025 Framework Agreement with Datang Holdings dated February 11, 2025 published on the website of HKSE (https://www.hkexnews.hk).

The actual amounts during the Reporting Period of the daily related transactions, of which annual caps in USD are approved in this year and disclosed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, are as follows:

Related party	Related transaction	Annual caps in 2025 (USD in million)	Actual amount during the Reporting Period (USD in million)
Datang Holdings and its related parties	Sales of goods and services	36	17

(IV) RELATED PARTY TRANSACTIONS IN THE ACQUISITION OR SALE OF ASSETS OR EQUITY

Matters that have been disclosed in temporary announcements and have developments or changes in subsequent implementation

Summary of the event	Inquiry index
The Company intends to acquire a 49.00% equity interest in SMNC held by China IC Fund, Semi Investment Center, E-Town Capital, ZGC Development, and Beijing Industrial Investment, through the issuance of RMB Shares. This transaction is not expected to constitute a major asset reorganization or a backdoor listing but will constitute a related (connected) transaction. From September 1, 2025 to September 8, 2025, the Company suspended trading to plan for the issuance of RMB Ordinary Shares (A-shares) to acquire assets and conduct a related (connected) transaction. On September 8, 2025, the Company convened a board meeting to consider and approve resolutions, including the "Proposal on the 'Plan for the Issuance of Shares by Semiconductor Manufacturing International Corporation to Acquire Assets and Conduct a Related Transaction' and Its Summary." On December 29, 2025, the Company convened a board meeting to consider and approve resolutions, including the "Proposal on the 'Report (Draft) on the Issuance of Shares by Semiconductor Manufacturing International Corporation to Acquire Assets and Conduct a Related Transaction' and Its Summary." On February 12, 2026, the Company convened an extraordinary general meeting and reviewed and approved the relevant proposals for the issuance of shares to acquire assets and conduct a related transaction. On February 25, 2026, the Company's application for issuing shares to acquire assets and conduct a related transactions were accepted by the SSE.	For details, please refer to the relevant announcements dated August 30, 2025, September 9, 2025, December 30, 2025, February 13, 2026 and February 26, 2026 published on the website of the SSE (https://www.sse.com.cn), as well as the relevant announcements dated August 29, 2025, September 8, 2025, December 29, 2025, February 12, 2026 and February 25, 2026 published on the website of HKSE (https://www.hkexnews.hk).

(V) SIGNIFICANT RELATED TRANSACTIONS FOR JOINT FOREIGN INVESTMENT

Matters that have been disclosed in temporary announcements and have no developments or changes in subsequent implementation

Summary of the event	Inquiry index
On December 29, 2025, SMIC Holdings entered into the New JV Agreement and the New Capital Injection and Share Expansion Agreement with China IC Fund, China IC Fund II, China IC Fund III, Shanghai IC Fund, Shanghai IC Fund II, Taixin Dingji and Pioneer IC Fund, to amend the previous joint venture agreement, pursuant to which: (i) the registered capital of SMSC will be increased from US$6.5 billion to US$10.0773 billion; and (ii) SMSC will be owned as to 41.561%, 9.392%, 14.885%, 8.361%, 7.939%, 11.253%, 5.545% and 1.063% by SMIC Holdings, China IC Fund, China IC Fund II, China IC Fund III, Shanghai IC Fund, Shanghai IC Fund II, Taixin Dingji and Pioneer IC Fund, respectively.	For details, please refer to the Announcement on Signing of the New JV Agreement and the New Capital Injection and Share Expansion Agreement and Related Transactions for SMSC dated December 30, 2025 published on Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily, and on the website of SSE (https://www.sse.com.cn), and the Announcement on Discloseable Transaction and Connected Transaction – Entering into the New JV Agreement and the New Capital Injection and Share Expansion Agreement in Relation to SMSC dated December 29, 2025 published on the website of HKSE (https://www.hkexnews.hk).

VI. MATERIAL CONTRACTS AND THE IMPLEMENTATION THEREOF

(I) GUARANTEES

in USD'000

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)	
Total guarantees incurred during the Reporting Period (excluding those provided for subsidiaries)	–
Total balance of guarantees as at the end of the Reporting Period (A) (excluding those provided for subsidiaries)	–

Guarantees provided by the Company and its subsidiaries for its subsidiaries	
Total guarantees to subsidiaries incurred during the Reporting Period	4,989,481
Total balance of guarantees to subsidiaries as at the end of the Reporting Period (B)	6,665,108

Aggregate guarantees of the Company (including those provided for subsidiaries)	
Aggregate guarantees (A+B)	6,665,108
Percentage of aggregate guarantees to equity attributable to owners of the Company (%)	31.1
Including:	
Amount of guarantees provided for shareholders, de facto controller and related parties (C)	–
Amount of debt guarantees directly or indirectly provided for guaranteed parties with gearing ratio over 70% (D)	90,266
Excess amount of aggregate guarantees over 50% of equity attributable to owners of the Company (E)	–
Aggregate amount of the above three categories (C+D+E)	90,266

(II) ENTRUSTED CASH ASSET MANAGEMENT

1. Entrusted wealth management

in USD'000

Type	Risk Profile	Outstanding balance	Amounts overdue but not yet recovered
Structural deposits	low risk	309,661	–
Monetary funds	low risk	57,232	–

SECTION 8 • CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

I. CHANGES IN SHARES

(I) TABLE OF CHANGES IN SHARES

1. Table of changes in Shares

Unit: Share

	Prior to the change		Increase/(decrease) in the change					After the change	
	Number	Proportion (%)	Issuance of new shares	Shares dividend	Conversion of capital reserves into share capital	Others	Sub-total	Number	Proportion (%)
I. Tradable shares not subject to selling restrictions	7,976,149,966	100.00	11,203,420	-	-	13,054,649	24,258,069	8,000,408,035	100.00
1. RMB Ordinary Shares	1,988,359,129	24.93	11,203,420	-	-	-	11,203,420	1,999,562,549	24.99
2. Overseas-listed foreign shares[2]	5,987,790,837	75.07	-	-	-	13,054,649	13,054,649	6,000,845,486	75.01
II. Total shares	7,976,149,966	100.00	11,203,420	-	-	13,054,649	24,258,069	8,000,408,035	100.00

Notes:

(1) This table does not include the impact of refinancing business on share changes.

(2) Overseas-listed foreign shares in this table are ordinary shares listed on the Hong Kong Stock Exchange.

2. Description of changes in shares

(1) The change of the Company's A-share capital is due to the registration completion of 11,203,420 Restricted Shares vested during the fourth vesting period of the first grant and the third attribution period of the reserved grant of the 2021 STAR Market Restricted Share Incentive Scheme of the Company on September 12, 2025. For details, please refer to the announcement of the company on the website of SSE (https://www.sse.com.cn) dated September 16, 2025.

(2) During the Reporting Period, the number of Hong Kong shares increased by 13,054,649 shares due to the new shares issued under the Hong Kong share incentive plans.

3. The impact (if any) of share changes on financial indicators, such as earnings per share and equity per share for the most recent year and period

During the Reporting Period, the Company's share capital increased due to the vesting of STAR Market restricted shares and the new shares issued under the Hong Kong share incentive plans. The change has no significant impact on financial indicators, such as earnings per share and net assets per share.

(II) REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor its subsidiaries had conducted any repurchase, sale or redemption of any ordinary shares (including sale of treasury shares, as defined under the Hong Kong Listing Rules). As at December 31, 2025, there were no treasury shares held by the Company.

II. ISSUANCE AND LISTING OF SECURITIES

(I) ISSUANCE OF SECURITIES DURING THE REPORTING PERIOD

Unit: Share

Type of shares and derivative securities	Issue date	Issue price	Issue amounts	Listing date	Amounts approved for listing	Ending date for transaction
RMB Ordinary Shares (A Shares)	September 12, 2025	RMB20	11,203,420	September 18, 2025	11,203,420	/

The above table only lists the issuance of the Company's A Shares. For details on the changes in the total number of the Company's shares, please refer to "I. Changes in Shares" in this section.

(II) CHANGES IN THE TOTAL NUMBER OF SHARES AND SHAREHOLDER STRUCTURE OF THE COMPANY AND CHANGES IN THE COMPANY'S ASSET AND LIABILITY STRUCTURE

For details on the changes in the total number of the Company's shares, please refer to "I. Changes in Shares" in this section.

III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) TOTAL NUMBER OF SHAREHOLDERS

Total number of shareholders of ordinary shares as of the end of the Reporting Period[(1)]	322,045
Total number of shareholders of ordinary shares as at the end of the month preceding the day when the annual report was disclosed[(2)]	319,066

Notes:

(1) As at the end of the Reporting Period, 322,045 registered shareholders consist of 312,092 shareholders holding A Shares and 9,953 shareholders holding Hong Kong Shares.

(2) As of February 28, 2026, 319,066 registered shareholders consist of 309,227 shareholders holding A Shares and 9,839 shareholders holding Hong Kong Shares.

(II) SUBSTANTIAL SHAREHOLDERS' INTERESTS

As of December 31, 2025, based on the notice of disclosure of interests and public information, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in 5% or more of the issued shares and underlying shares which are required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which are recorded in the register required to be kept by the Company under Section 336 of the SFO:

Unit: Share

Name of shareholders	Long/short position	Nature of interests	Number of ordinary shares held		Derivatives	Total interests (shares)	Percentage of total interests to total issued share capital[(1)]
			Held directly	Held indirectly			
China Information and Communication Technology Group Co., Ltd.	Long Position	Beneficial owner/interest of corporation controlled	72,470,855[(2)]	1,125,042,595[(2)]	–	1,197,513,450	14.97%
China Integrated Circuit Industry Investment Fund Co., Ltd.	Long Position	Beneficial owner/interest of corporation controlled	357,343,396[(3)]	382,902,023[(3)]	–	740,245,419	9.25%

Notes:

(1) Based on 8,000,408,035 shares in issue as of December 31, 2025.

(2) Based on the notice of the disclosure of interests dated April 7, 2025 filed by CICT, 1,125,042,595 shares are held by Datang Holdings (Hongkong) Investment Company Limited which is a wholly-owned subsidiary of Datang Telecom Technology & Industry Holdings Co., Ltd., which in turn is wholly-owned by CICT. In addition, CICT directly holds 72,470,855 ordinary shares denominated in RMB, for a total of 1,197,513,450 shares.

(3) Based on the notice of the disclosure of interests dated December 29, 2025 filed by China IC Fund, 357,343,396 shares are interested by China IC Fund and the 382,902,023 shares are held by Xinxin (Hongkong) Capital Co., Ltd., a wholly-owned subsidiary of Xunxin (Shanghai) Investment Co., Ltd., which in turn is wholly-owned by China IC Fund.

(4) Based on the notice of the disclosure of interests dated January 7, 2026 filed by China IC Fund, 357,343,396 shares are interested by China IC Fund and the 359,700,023 shares are held by Xinxin (Hongkong) Capital Co., Ltd., a wholly-owned subsidiary of Xunxin (Shanghai) Investment Co., Ltd., which in turn is wholly-owned by China IC Fund.

(III) PARTICULARS OF SHAREHOLDINGS OF THE TOP TEN SHAREHOLDERS AND THE TOP TEN FLOATING SHAREHOLDERS (OR SHAREHOLDERS NOT SUBJECT TO SELLING RESTRICTIONS) AS OF THE END OF THE REPORTING PERIOD

1. As of the end of the Reporting Period, the Company had issued 6,000,845,486 shares in Hong Kong, accounting for approximately 75.01% of the total share capital of the Company and 1,999,562,549 shares in SSE STAR Market, accounting for approximately 24.99% of the total share capital of the Company.

2. The Company's register of members in Hong Kong consists of HKSCC NOMINEES LIMITED and other registered shareholders, among which, shares held by HKSCC NOMINEES LIMITED on behalf of non-registered shareholders account for approximately 99.8% of the Company's Hong Kong Shares; shares held by other registered shareholders account for approximately 0.2% of the Company's Hong Kong Shares.

3. Pursuant to the Hong Kong Securities and Futures Ordinance, shareholders holding interests in 5% or more of any class of voting shares of the Company are required to make their own declaration of interests. According to the declaration of shareholders' interests, Datang HK held 1,125,042,595 Hong Kong Shares and Xinxin HK held 382,902,023 Hong Kong Shares. The Company has excluded the number of shares held by the aforesaid shareholders from the number of shares held by HKSCC NOMINEES LIMITED.

4. Nature of A shareholders is reported according to the nature of holders of shares as set out in the A Share register of China Clearing.

Unit: Share

Particulars of shareholdings of top ten shareholders (excluding shares lent through securities financing)								
					Pledged, marked or frozen			
Name of shareholders	Increase/(decrease) during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held with selling restrictions	Status of shares	Number	Nature of shareholders
HKSCC NOMINEES LIMITED	237,375,542	4,479,200,864	55.99	–	Unknown	–	Unknown
Datang Holdings (Hongkong) Investment Company Limited	8,190,000	1,125,042,595	14.06	–	Nil	–	Overseas legal person
Xinxin (Hongkong) Capital Co., Ltd.	(234,312,781)	382,902,023	4.79	–	Nil	–	Overseas legal person
China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.	–	127,458,120	1.59	–	Nil	–	Others
China Information and Communication Technology Group Co., Ltd.	–	72,470,855	0.91	–	Nil	–	State-owned legal person
China Merchants Bank Co., Ltd. – ChinaAMC SSE STAR 50 Exchange Traded Funds* (華夏上證科創板50成份交易型開放式指數證券投資基金)	(50,080,245)	64,509,310	0.81	–	Pledged	1,625,000	Others
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Funds* (易方達上證科創板50成份交易型開放式指數證券投資基金)	(8,575,987)	60,320,949	0.75	–	Nil	–	Others
Industrial and Commercial Bank of China – SSE 50 Exchange-Traded Open-End Index Securities Investment Fund* (上證50交易型開放式指數證券投資基金)	(369,529)	36,987,194	0.46	–	Nil	–	Others
CITIC Securities Company Limited-Harvest SGX-STEM Chip Traded Open-end Index Securities Investment Fund* (嘉實上證科創板芯片交易型開放式指數證券投資基金)	7,679,327	33,463,630	0.42	–	Nil	–	Others
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-ended Index Securities Investment Fund* (華泰柏瑞滬深300交易型開放式指數證券投資基金)	(1,408,559)	32,990,677	0.41	–	Nil	–	Others

Particulars of shareholding of top ten shareholders not subject to selling restrictions (excluding shares lent through securities financing)			
		Type and number of shares	
Name of shareholders	Number of tradable shares held without selling restrictions	Type	Number
HKSCC NOMINEES LIMITED	4,479,200,864	Overseas listed foreign shares	4,479,200,864
Datang Holdings (Hongkong) Investment Company Limited	1,125,042,595	Overseas listed foreign shares	1,125,042,595
Xinxin (Hongkong) Capital Co., Ltd.	382,902,023	Overseas listed foreign shares	382,902,023
China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.	127,458,120	RMB Ordinary Shares	127,458,120
China Information and Communication Technology Group Co., Ltd.	72,470,855	RMB Ordinary Shares	72,470,855
China Merchants Bank Co., Ltd. – ChinaAMC SSE STAR 50 Exchange Traded Funds* (華夏上證科創板50成份交易型開放式指數證券投資基金)	64,509,310	RMB Ordinary Shares	64,509,310
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Funds* (易方達上證科創板50成份交易型開放式指數證券投資基金)	60,320,949	RMB Ordinary Shares	60,320,949
Industrial and Commercial Bank of China – SSE 50 Exchange-Traded Open-End Index Securities Investment Fund* (上證50交易型開放式指數證券投資基金)	36,987,194	RMB Ordinary Shares	36,987,194
CITIC Securities Company Limited-Harvest SGX-STEM Chip Traded Open-end Index Securities Investment Fund* (嘉實上證科創板芯片交易型開放式指數證券投資基金)	33,463,630	RMB Ordinary Shares	33,463,630
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-ended Index Securities Investment Fund* (華泰柏瑞滬深300交易型開放式指數證券投資基金)	32,990,677	RMB Ordinary Shares	32,990,677
Explanations on affiliated relationship or parties acting in concert among the abovementioned shareholders	1. Datang HK is a wholly-owned subsidiary of CICT. 2. Xinxin HK is a wholly-owned subsidiary of China IC Fund. 3. Zhang Xin (張新), Xu Wenli (徐文立), Li Guohua (李國華), Tang Xuefeng (唐雪峰) and Yang Gaofeng (楊高峰), directors of China IC Fund, also serve as the directors of China IC Fund II. Supervisors Qin Bin (秦斌) and Lu Wei (盧偉) also serve as supervisors of China IC Fund II. 4. As the fund manager, Sino IC Capital Co., Ltd. manages China IC Fund and China IC Fund II in accordance with the respective entrusted management agreements. 5. China IC Fund and China IC Fund II have some of the same shareholders. Apart from these, the Company does not know whether the other shareholders mentioned above have affiliated relationship or parties acting in concert.		

(IV) STRATEGIC INVESTORS OR GENERAL LEGAL PERSONS BECOMING TOP 10 SHAREHOLDERS BECAUSE OF THE NEW SHARE PLACING/DEPOSITARY RECEIPTS

Name of strategic investors or general legal persons	Stipulated start date of shareholding	Stipulated end date of shareholding
China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.	July 16, 2020	Nil
China Information and Communication Technology Group Co., Ltd.	July 16, 2020	Nil
Explanation on agreed shareholding period of strategic investors or general legal persons participating in placing of new shares	The lock-up period was within twelve months from the date of initial public offering of shares and listing on SSE STAR Market.	

IV. CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

During the Reporting Period, the shareholding of any single shareholder of the Company is below 30%. The number of Directors nominated by each shareholder is less than 1/2 of the total number of Directors. There are no circumstances in which a single shareholder may determine the selection of more than half of the Company's Board by actually controlling the voting rights of the Company's shares, or has a significant impact on the resolutions of the general meeting, and there is no relationship or concerted relationship between the substantial shareholders of the Company. Therefore, the Company does not have a controlling shareholder or a de facto controller.

V. OTHER LEGAL PERSON SHAREHOLDERS HOLDING 10% OR MORE OF SHARES

Name of legal person shareholder	Person in charge or legal representative of the unit	Date of establishment	Organization code	Registered capital	Principal activities or management activities
China Information and Communication Technology Group Co., Ltd.	He Shuping	August 15, 2018	91420100MA4L0GG411	RMB30 billion	Information and Communication
Datang Holdings (Hongkong) Investment Company Limited	Shao Xiaoxia	December 3, 2008	N/A	HKD1,000	Investment Holding

Note: For details of shareholding, please refer to "III. (II) Substantial shareholders" in this section.

SECTION 9

FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話：+852 2846 9888
Fax 傳真：+852 2868 4432
ey.com

To the shareholders of Semiconductor Manufacturing International Corporation
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Semiconductor Manufacturing International Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 103 to 160, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on 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 *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including 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 consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of a joint venture and associates' portfolio investments	
Acting as a limited partner, the Group has invested in a number of portfolio investments through several investment funds, which were accounted for as investments in a joint venture or associates using equity method. The investment funds measured their portfolio investments at fair value. The valuation of such portfolio investments is primarily based on a combination of adoption of applicable valuation methodology and application of appropriate assumptions in the valuation. The Group has applied various valuation techniques to determine the fair values of portfolio investments. These valuation techniques, particularly those requiring significant unobservable inputs, usually involve management's judgement and assumptions. Valuation results can vary significantly when different valuation techniques and assumptions are applied. Due to the significance of the balance of the investment funds, the quantity of the Group's joint venture and associates' portfolio investments, the degree of complexity involved in valuing portfolio investments and the significant degree of judgement exercised by management in determining the valuation methodology and assumptions used in the valuation process, fair value measurement of a joint venture and associates' portfolio investments is considered a key audit matter. Relevant disclosures are included in Note 4, Note 5 and Note 20 to the consolidated financial statements.	Our audit procedures included, among others, Obtaining an understanding of the management's internal control and assessment process of fair value measurement of a joint venture and associates' portfolio investments, evaluating the design and operating effectiveness of key controls over the valuation of fair value measurement of a joint venture and associates' portfolio investments; Evaluating the Group's methodology valuing the investment funds and the significant assumptions used with the assistance of our valuation specialists, and testing the accuracy of mathematical calculation applied in the valuation models. We performed the following procedures on a sample basis: • for portfolio investments that traded in active markets, we assessed the fair values by comparing the fair value of the investments with publicly available market data; • for portfolio investments that had recent equity transactions, we assessed the fair values by reading the recent investment agreements, understanding the relevant investment terms and comparing the fair values of investments with the transaction prices specified in the related agreements; • for portfolio investments that did not have direct open market value or recent equity transaction, we assessed the appropriateness of the valuation methodology (e.g., market approach) adopted and the key assumptions in the valuation based on our industry knowledge as well as the information of comparable companies.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting standards as issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group'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 the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- 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 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our 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 the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Cheung (practising certificate number: P04900).

Ernst & Young
Certified Public Accountants

Hong Kong
March 26, 2026

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(In USD'000, except per share data)

	Notes	2025	2024
Revenue	6	9,326,799	8,029,921
Cost of sales		(7,370,200)	(6,581,953)
Gross profit		1,956,599	1,447,968
Research and development expenses		(773,634)	(765,279)
Selling and marketing expenses		(42,963)	(39,847)
General and administration expenses		(526,237)	(580,041)
Impairment losses on financial assets, net	36	(4,315)	(107)
Other operating income	7	500,487	411,206
Profit from operations		1,109,937	473,900
Interest income		398,080	546,061
Finance costs	8	(373,111)	(297,111)
Foreign exchange gain		28,501	11,261
Other (losses)/gains, net	9	(79,955)	96,837
Share of profit or loss of associates and a joint venture		(10,195)	28,610
Profit before tax		1,073,257	859,558
Income tax expense	10	(84,313)	(129,565)
Profit for the year	11	988,944	729,993
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translating foreign operations		32,684	(8,481)
Cash flow hedges	28	127,580	(92,569)
Total comprehensive income for the year		1,149,208	628,943
Profit for the year attributable to:			
Owners of the Company		685,131	492,748
Non-controlling interests		303,813	237,245
		988,944	729,993
Total comprehensive income for the year attributable to:			
Owners of the Company		845,450	391,704
Non-controlling interests		303,758	237,239
		1,149,208	628,943
Earnings per share			
Basic	14	$0.09	$0.06
Diluted	14	$0.09	$0.06

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2025

(In USD'000)

	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	16	**32,557,778**	28,092,037
Right-of-use assets	17	**374,956**	432,148
Intangible assets	18	**20,397**	24,268
Investments in associates	20	**1,309,570**	1,252,507
Investment in a joint venture	20	**79**	13
Deferred tax assets	10	**35,212**	29,212
Financial assets at fair value through profit or loss	21	**810,501**	427,373
Financial assets at amortised cost	21	**1,532,265**	3,747,134
Restricted cash	23	**–**	372,514
Other assets		**5,521**	327
Total non-current assets		**36,646,279**	34,377,533
Current assets			
Inventories	24	**3,629,802**	2,958,350
Prepayment and prepaid operating expenses		**67,518**	56,394
Trade and other receivables	25	**1,432,684**	840,153
Financial assets at fair value through profit or loss	21	**380,857**	272,257
Financial assets at amortised cost	21	**4,150,600**	4,206,926
Derivative financial instruments	22	**87,151**	66,054
Cash and cash equivalents	23	**5,872,500**	6,364,189
		15,621,112	14,764,323
Assets classified as held-for-sale	26	**3,917**	19,392
Total current assets		**15,625,029**	14,783,715
Total assets		**52,271,308**	49,161,248

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2025

(In USD'000)

	Notes	2025	2024
Equity and liabilities			
Capital and reserves			
Ordinary shares	27	32,002	31,905
Share premium	27	14,394,785	14,266,359
Other reserves	28	154,677	142,470
Retained earnings	29	6,858,206	6,173,075
Equity attributable to owners of the Company		21,439,670	20,613,809
Non-controlling interests		13,580,853	11,255,849
Total equity		35,020,523	31,869,658
Non-current liabilities			
Borrowings	30	9,994,773	8,038,148
Lease liabilities	17	838	7,751
Deferred tax liabilities	10	60,207	73,627
Deferred income	32	377,903	374,801
Derivative financial instruments	22	–	37,576
Total non-current liabilities		10,433,721	8,531,903
Current liabilities			
Trade and other payables	33	2,965,981	3,280,365
Contract liabilities	6	599,378	1,185,932
Borrowings	30	2,593,077	2,926,311
Lease liabilities	17	7,493	18,529
Bonds payable	31	–	605,258
Deferred income	32	188,930	198,645
Accrued liabilities	34	409,749	361,954
Derivative financial instruments	22	18,994	97,865
Current tax liabilities		33,462	84,828
Total current liabilities		6,817,064	8,759,687
Total liabilities		17,250,785	17,291,590
Total equity and liabilities		52,271,308	49,161,248

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2025

(In USD'000)

	Ordinary shares (Note 27)	Share premium (Note 27)	Equity-settled employee benefit reserve (Note 28)	Foreign currency translation reserve (Note 28)
As at January 1, 2024	31,786	14,117,072	120,981	(137,325)
Profit for the year	–	–	–	–
Other comprehensive income for the year	–	–	–	(8,475)
Total comprehensive income for the year	–	–	–	(8,475)
Issue of shares under share incentive plans	119	149,287	(97,209)	–
Share-based compensation	–	–	44,846	–
Share of other capital reserve of associates	–	–	–	–
Capital injection from non-controlling interests	–	–	–	–
Dilution of interests in subsidiaries	–	–	–	–
Distribution to non-controlling interests	–	–	–	–
Subtotal	119	149,287	(52,363)	–
As at December 31, 2024 and January 1, 2025	31,905	14,266,359	68,618	(145,800)
Profit for the year	–	–	–	–
Other comprehensive income for the year	–	–	–	32,739
Total comprehensive income for the year	–	–	–	32,739
Issue of shares under share incentive plans	97	128,426	(82,021)	–
Share-based compensation	–	–	25,772	–
Share of other capital reserve of associates	–	–	–	–
Capital injection from non-controlling interests	–	–	–	–
Dilution of interests in subsidiaries	–	–	–	–
Distribution to non-controlling interests	–	–	–	–
Subtotal	97	128,426	(56,249)	–
As at December 31, 2025	32,002	14,394,785	12,369[1]	(113,061)[1]

(1) These reserve accounts comprise the other reserves of US$154,677 thousand (December 31, 2024: US$142,470 thousand) in the consolidated statement of financial position.

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2025

(In USD'000)

Cash flow hedges reserve (Note 28)	Others	Retained earnings (Note 29)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
14,300	288,961	5,680,327	**20,116,102**	10,729,514	**30,845,616**
–	–	492,748	**492,748**	237,245	**729,993**
(92,569)	–	–	**(101,044)**	(6)	**(101,050)**
(92,569)	–	492,748	**391,704**	237,239	**628,943**
–	–	–	**52,197**	–	**52,197**
–	–	–	**44,846**	5,660	**50,506**
–	17,481	–	**17,481**	–	**17,481**
–	–	–	**–**	281,865	**281,865**
–	(8,521)	–	**(8,521)**	8,521	**–**
–	–	–	**–**	(6,950)	**(6,950)**
–	8,960	–	**106,003**	289,096	**395,099**
(78,269)	297,921	6,173,075	**20,613,809**	11,255,849	**31,869,658**
–	–	685,131	**685,131**	303,813	**988,944**
127,580	–	–	**160,319**	(55)	**160,264**
127,580	–	685,131	**845,450**	303,758	**1,149,208**
–	–	–	**46,502**	–	**46,502**
–	–	–	**25,772**	2,267	**28,039**
–	5,564	–	**5,564**	–	**5,564**
–	–	–	**–**	1,923,866	**1,923,866**
–	(97,427)	–	**(97,427)**	97,427	**–**
–	–	–	**–**	(2,314)	**(2,314)**
–	(91,863)	–	**(19,589)**	2,021,246	**2,001,657**
49,311[(1)]	206,058[(1)]	6,858,206	**21,439,670**	13,580,853	**35,020,523**

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

(In USD'000)

	Notes	2025	2024
Operating activities			
Profit for the year		**988,944**	729,993
Adjustments for:			
Income tax expense	10	**84,313**	129,565
Depreciation and amortisation	11	**3,810,010**	3,223,063
Equity-settled share-based payment expense	11	**28,039**	50,506
Interest income		**(398,080)**	(546,061)
Finance costs	8	**373,111**	297,111
Gain on disposal of property, plant and equipment and assets classified as held-for-sale		**(26,400)**	(18,513)
Loss/(gain) on deemed disposal and disposal of associates	9	**19,133**	(95,668)
Recognition of impairment losses	11	**91,872**	74,269
Fair value gains, net and dividend income from financial assets	9	**(12,588)**	(2,090)
Net (gain)/loss on foreign exchange from non-operating activities		**(77,836)**	13,930
Share of profit or loss of associates and a joint venture		**10,195**	(28,610)
Others		**2,055**	7,204
		4,892,768	3,834,699
Adjustments for the movements in working capital:			
(Increase)/decrease in trade and other receivables		**(579,236)**	323,804
Increase in inventories		**(759,009)**	(296,590)
Decrease in restricted cash relating to operating activities		**–**	46
(Increase)/decrease in other operating assets		**(16,318)**	49,642
Decrease in trade and other payables		**(179,568)**	(88,874)
Decrease in contract liabilities		**(586,554)**	(867,290)
(Decrease)/increase in deferred income		**(6,613)**	93,738
Increase in other operating liabilities		**47,795**	75,976
Cash generated from operations		**2,813,265**	3,125,151
Interest paid		**(216,867)**	(205,958)
Interest received		**671,949**	304,667
Income taxes paid		**(74,044)**	(48,305)
Net cash generated from operating activities		**3,194,303**	3,175,555

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

(In USD'000)

	2025	2024
Investing activities		
Acquisition of financial assets at fair value through profit or loss	**(964,192)**	(807,401)
Proceeds from sale of financial assets at fair value through profit or loss	**495,866**	795,377
Acquisition of financial assets at amortised cost	**(1,912,852)**	(855,710)
Proceeds from maturity of financial assets at amortised cost	**4,358,779**	2,939,764
Acquisition of property, plant and equipment	**(8,399,826)**	(7,664,215)
Proceeds from disposal of property, plant and equipment and assets classified as held-for-sale	**15,376**	29,205
Acquisition of intangible assets	**(3,645)**	(5,592)
Acquisition of land-use right	**–**	(84)
Proceeds from disposal of land-use right	**32,765**	–
Capital injection in associates	**(125,777)**	(74,516)
(Payments for)/proceeds from sale of equity interests in associates and a joint venture	**(14,344)**	1,006,426
Dividends received from associates	**6,458**	2,985
Guarantee deposits refunded	**–**	24,136
Proceeds from settlement of derivative financial instruments	**16,040**	91,188
Net cash used in investing activities	**(6,495,352)**	(4,518,437)
Financing activities		
Proceeds from borrowings	**6,475,526**	3,412,203
Repayment of borrowings	**(5,121,097)**	(1,873,404)
Repayment of the principal portion of the lease liabilities	**(17,314)**	(32,345)
Repayment of bonds	**(600,000)**	–
Proceeds from issue of shares under share incentive plans	**46,502**	52,197
Capital injection from non-controlling interests	**1,923,866**	281,865
Distribution to non-controlling interests	**(2,314)**	(6,950)
Payments for settlement of derivative financial instruments	**(28,714)**	(225,230)
Net cash generated from financing activities	**2,676,455**	1,608,336
Net (decrease)/increase in cash and cash equivalents	**(624,594)**	265,454
Cash and cash equivalents at the beginning of the year	**6,364,189**	6,215,058
Effects of exchange rate changes on cash and cash equivalents	**132,905**	(116,323)
Cash and cash equivalents at the end of the year	**5,872,500**	6,364,189

1. GENERAL INFORMATION

The Company was established under the laws of the Cayman Islands on April 3, 2000. The Company's ordinary shares are listed on the mainboard of Stock Exchange of Hong Kong Limited and the SSE STAR Market, respectively. The registered address is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands.

The Company is an investment holding company. The subsidiaries of the Company are engaged in the manufacture and testing of integrated circuits wafer (silicon wafers and various compound semiconductors), the rendering of the development, design and technical services related to integrated circuits, the manufacture of photomask, the testing and sale of self-produced products, and other services. The subsidiaries and their activities are set out in Note 19.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments, monetary funds and derivative financial instruments which have been measured at fair value. Assets classified as held-for-sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in Note 4.

These financial statements are presented in United States dollars ("USD") and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

IFRS ACCOUNTING STANDARDS MANDATORILY EFFECTIVE FOR THE YEAR

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

IFRS ACCOUNTING STANDARDS MANDATORILY EFFECTIVE FOR THE YEAR *(continued)*

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples.

IFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following new and amended IFRS Accounting Standards, which have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*(2)
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures* (2)
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*(1)
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*(1)
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*(3)
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*(2)
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7(1)

(1) Effective for annual periods beginning on or after January 1, 2026
(2) Effective for annual/reporting periods beginning on or after January 1, 2027
(3) No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

IFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE *(continued)*

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments:* Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

4. MATERIAL ACCOUNTING POLICIES

INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and a joint venture is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's investments in the associates or a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Upon the acquisition of the ownership interest in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

FAIR VALUE MEASUREMENT

The Group measures its derivative financial instruments, monetary funds and equity investments at fair value at the end of each reporting period. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than 1 year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

When the contract contains a financing component which provides the Group with a significant financial benefit for more than 1 year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is 1 year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Revenues are recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

REVENUE RECOGNITION *(continued)*

Revenue from contracts with customers (continued)

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the stand-alone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

Sale of goods

The Group manufactures semiconductor wafers for its customers based on the customers' designs and specifications pursuant to manufacturing agreements and/or purchase orders. The Group also sells certain semiconductor standard products to customers. Revenue from the sale of wafer is recognised at the point in time when control of the asset is transferred to the customer.

Customers have the right of return within 1 year pursuant to warranty provisions. The Group typically performs tests of its products prior to shipment to identify yield rate per wafer. Occasionally, product tests performed after shipment may identify yields rate below the level agreed with the customer. In those circumstances, the customer arrangement may provide for a reduction to the price paid by the customer or for the costs to return products and ship replacement products to the customer. The Group estimates the amounts of sales returns and the cost of replacement products based on the historical trend of returns and warranty replacements relative to sales as well as consideration of any current information regarding specific known product defects at customers that may exceed historical trends.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group satisfies performance obligation under the contract (i.e., transfers control of the related goods or services to the customer).

Rendering of services

Revenue from the rendering testing services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the Reporting Period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

FOREIGN CURRENCIES

These consolidated financial statements are presented in United States dollars ("USD"), which is the Company's functional currency and the Group's presentation currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the Reporting Period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currencies of certain subsidiaries, joint ventures and associates are currencies other than the United States dollar. As at the end of the Reporting Period, the assets and liabilities of these entities are translated into United States dollars at the exchange rates prevailing at the end of the Reporting Period and their statements of profit or loss are translated into United States dollars at the average exchange rates that for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates that approximate to those prevailing at the dates of the transactions are used. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

EVENT AFTER THE REPORTING PERIOD

If the Group receives information after the Reporting Period, but prior to the date of authorisation for issue, about conditions that existed at the end of the Reporting Period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the Reporting Period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Reporting Period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

GOVERNMENT FUNDING

Government funding is recognised at their fair value where there is reasonable assurance that the funding will be received and all attaching conditions will be complied with. When the funding relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the funding relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

OTHER EMPLOYEE BENEFITS

Retirement benefits

The Group's Chinese employees are entitled to a retirement benefit based on their salary and their length of service in accordance with a state-managed pension plan. The PRC government is responsible for the pension liability to these retired staff. The Group is required to make contributions to the state-managed retirement plan at a rate equal to 14.0% to 16.0% of the monthly basic salary of current employees. The Group has no further payment obligations once the contributions have been paid and there are no forfeited contributions that may be used by the Group. The costs are recognised in profit or loss or in underlying assets as they become payable.

SHARE-BASED PAYMENT ARRANGEMENTS

The Company operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled transactions is expensed on a graded vesting basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. When share options are exercised, the amount previously recognised in the reserve will be transferred to share premium.

Service and non-market performance conditions are not taken into account when determining the grant date fair value, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an equity instrument, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an equity instrument and lead to an immediate expensing of an equity instrument unless there are other service and/or performance conditions.

For equity instruments that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where equity instruments include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where an equity-settled equity instrument is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the equity instrument is recognised immediately. This includes any equity instrument where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new equity instrument is substituted for the cancelled equity instrument, and is designated as a replacement equity instrument on the date that it is granted, the cancelled and new equity instruments are treated as if they were a modification of the original equity instrument, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Reporting Period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the Reporting Period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- when the deferred tax liability arises from the initial recognition of goodwill or 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 does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from 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 does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their costs, less accumulated depreciation and any impairment losses. Such cost comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

The Group constructs certain of its plant and equipment. In addition to costs under the construction contracts, the costs that are directly related to the construction and acquisition of such plant and equipment are capitalised. Depreciation is recorded at the time assets are ready for their intended use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	25 years	4%
Machinery and equipment	5 to 10 years	10% to 20%
Office equipment	3 to 5 years	20% to $33^1/_3$%

An item at property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

INTANGIBLE ASSETS (OTHER THAN GOODWILL)

The Group's intangible assets consist primarily of Intellectual Property licenses ("IP licenses"), which are acquired separately and measured on initial recognition at cost. Intangible assets are subsequently amortised over the useful economic life of 3 to 15 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and non-current assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

LEASES

The Group assesses at contract inception whether a contract is, or contains, a 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	5 to 6 years
Machinery and equipment	3 to 5 years
Land-use right	50 to 70 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

LEASES *(continued)*

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of vehicle and computer (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised in profit or loss in the period in which they are earned.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 Revenue from Contracts with Customers to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group acts as a seller – lessee

For sale and leaseback transactions in which a transfer of the asset satisfies the requirements in IFRS 15 to be accounted for as a sale, the Group measure the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller–lessee and accordingly recognises only the amount of the gain that relates to the rights transferred to the buyer–lessor. For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

RESTRICTED CASH

Restricted cash consists of bank deposits pledged against foreign exchange trading, letters of guarantee, borrowings, etc. In the consolidated statement of cash flows, change of restricted cash to be only paid for property, plant and equipment is presented as an investing activity. Change of restricted cash pledged against borrowings is presented as a financing activity. Change of restricted cash pledged against letter of credit is presented as an operating activity.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

NON-CURRENT ASSETS HELD-FOR-SALE

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held-for-sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property equipment and intangible assets classified as held for sale are not depreciated or amortised.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments. Dividends on the equity investments are also recognised as other gain in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

INVESTMENTS AND OTHER FINANCIAL ASSETS *(continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, lease liabilities, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, derivative financial instruments, bonds payable and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised costs

After initial recognition, trade and other payables, borrowings, lease liabilities, and bonds payable are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

4. MATERIAL ACCOUNTING POLICIES *(continued)*

FINANCIAL LIABILITIES *(continued)*

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, cross currency swap contracts and interest rate swap contracts. Further details of derivative financial instruments are disclosed in Note 21 and Note 36, respectively.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured at fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its 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 Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, 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. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for as described above.

REPURCHASE OF SHARES

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the Reporting Period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENTS

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

As disclosed in Note 10 to the financial statements, the Group has tax losses carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on deferred taxes are disclosed in Note 10 to the financial statements.

ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the Reporting Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 37 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

Fair value measurement of associates and a joint venture's portfolio investments

The Group has invested in a number of portfolio investments through several investment funds, which were accounted for as investments in associates or a joint venture using equity method. The investment funds measured their equity investments in portfolio investments at fair value. The valuation of such portfolio investments is primarily based on a combination of adoption of applicable valuation methodology and the application of appropriate assumptions in the valuation. The unlisted equity investments in portfolio investments have been valued based on a market-based valuation technique as detailed in Note 20 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity. The Group classifies the fair value of these investments as Level 3.

Impairment of inventories

The Group periodically assesses the net realizable value of its inventories and provides for inventory impairment based on the difference between the cost of the inventory and the net realizable value. When estimating the net realizable value of inventories, management considers the purpose for which the inventories are held, as well as future use or sales as the basis for estimation. Where the expectation is different from the original estimate, such difference will impact on the carrying value of the inventories and write-down of inventories in the period in which such estimates have been changed.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

6. SEGMENT INFORMATION AND REVENUE

DESCRIPTION OF SEGMENTS

For management purposes, the Group operates in one segment, engaging principally in the manufacture and sale of integrated circuits. Management makes high-level strategic decisions and reviews the consolidated results of the Group.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's operating revenue from customers is detailed as below:

	Revenue from external customers	
	2025	2024
	USD'000	USD'000
By region		
China	**7,987,219**	6,797,714
America	**1,079,205**	992,527
Eurasia	**260,375**	239,680
	9,326,799	8,029,921
By type of goods or services		
Wafers	**8,796,414**	7,486,934
Masks, testing and others	**530,385**	542,987
	9,326,799	8,029,921
By timing of revenue recognition		
Goods transferred at a point in time	**9,309,454**	7,945,327
Services transferred over time	**17,345**	84,594
	9,326,799	8,029,921

LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognised the liabilities related to contracts with customers as contract liabilities of US$599.4 million as of December 31, 2025 (December 31, 2024: US$1,185.9 million). The contract liabilities comprise of the prepayments received from customers, to whom the wafers have not been transferred. Revenue recognised that was included in the contract liabilities as at the beginning of the year was US$1,164.3 million (2024: US$1,506.0 million). Amount of US$599.4 million is expected to be recognised as revenue within 1 year as all related contracts have a duration of 1 year or less.

PERFORMANCE OBLIGATIONS

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally made within a certain period of time after advance payment or invoicing. Some contracts provide customers with a right of return and exchange goods.

Rendering of services

The performance obligation is satisfied over time as services are rendered and settle regularly according to the service progress.

SEGMENT ASSETS

The Group will continue to incur capital expenditures and depreciation expenses as it equips and ramps-up additional fabs and expand its capacity at the existing fabs. The non-current assets were mainly located in Chinese Mainland.

SIGNIFICANT CUSTOMERS

During the year ended December 31, 2025, there was no single customer or its subsidiaries whose sales revenue accounted for 10% or more of the total revenue.

7. OTHER OPERATING INCOME

	2025 USD'000	2024 USD'000
Government funding	**472,721**	401,602
Others	**27,766**	9,604
	500,487	411,206

8. FINANCE COSTS

	2025 USD'000	2024 USD'000
Interest on:		
Bank and other borrowings	**216,080**	213,042
Leases (Note 17)	**346**	1,143
Corporate bonds (Note 31)	**2,821**	16,915
Cash flow hedges	**153,864**	66,011
	373,111	297,111

9. OTHER (LOSSES)/GAINS, NET

	2025 USD'000	2024 USD'000
Fair value gains, net and dividend income from financial assets:		
Structural deposits and monetary funds	**7,121**	9,627
Equity instruments	**5,467**	(7,537)
	12,588	2,090
(Loss)/gain on deemed disposal of associates(1)	**(19,133)**	4,698
Gain on disposal of an associate	**–**	90,970
Others(2)	**(73,410)**	(921)
	(79,955)	96,837

(1) Loss/gain on deemed from disposal of associates represents the impact of dilution of the Group's equity interests in associates as a result of capital injection to associates by other investors.

(2) Others mainly included recognised related expenses for an arbitration award during the current year.

10. INCOME TAX EXPENSE

INCOME TAX EXPENSE

	2025 USD'000	2024 USD'000
Current tax		
– Land Appreciation Tax	3,535	1,036
– Enterprise Income Tax	99,271	111,257
Deferred tax	(18,493)	17,272
	84,313	129,565

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2025 USD'000	2024 USD'000
Profit before tax	1,073,257	859,558
Income tax expense calculated at 25%	268,314	214,890
Effect of different tax rate in other jurisdictions	(3,697)	(2,984)
Share of profit or loss of associates and a joint venture	8,500	3,909
Expenses not deductible for tax	6,739	3,603
Effect of tax holiday and tax concession	(219,510)	(143,281)
Additional deduction	(121,094)	(130,677)
Temporary differences and tax losses not recognised	146,423	190,629
Income not subjected to tax	(4,897)	(7,560)
Land appreciation tax	3,535	1,036
	84,313	129,565

DEFERRED TAX BALANCES

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets	Property, plant and equipment USD'000	Intangible assets USD'000	Impairment USD'000	Accrued liabilities USD'000	Deferred income USD'000	Cash flow hedges USD'000	Total USD'000
As at January 1, 2024	20,917	875	6,110	4,727	–	–	32,629
Recognise in profit or loss	(1,553)	(188)	7,668	11,194	–	–	17,121
As at December 31, 2024 and January 1, 2025	19,364	687	13,778	15,921	–	–	49,750
Recognise in profit or loss	(1,431)	(188)	(1,020)	2,500	3,468	–	3,329
Recognise in other reserves	–	–	–	–	–	57	57
As at December 31, 2025	17,933	499	12,758	18,421	3,468	57	53,136

10. INCOME TAX EXPENSE *(continued)*

DEFERRED TAX BALANCES *(continued)*

Deferred tax liabilities	Fair value adjustments of investments USD'000	Cash flow hedges USD'000	Property, plant and equipment USD'000	Total USD'000
As at January 1, 2024	24,876	–	33,472	58,348
Recognise in profit or loss	41,484	–	(7,091)	34,393
Recognise in other reserves	–	2,173	–	2,173
Exchange realignment	(749)	–	–	(749)
As at December 31, 2024 and January 1, 2025	**65,611**	**2,173**	**26,381**	**94,165**
Recognise in profit or loss	**(6,707)**	**–**	**(8,457)**	**(15,164)**
Recognise in other reserves	**–**	**(2,173)**	**–**	**(2,173)**
Exchange realignment	**1,303**	**–**	**–**	**1,303**
As at December 31, 2025	**60,207**	**–**	**17,924**	**78,131**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is the net deferred tax balances of the Group for financial reporting purposes:

	2025 USD'000	2024 USD'000
Net deferred tax assets	**35,212**	29,212
Net deferred tax liabilities	**60,207**	73,627

Deferred tax assets have not been recognised in respect of the following items:

	2025 USD'000	2024 USD'000
Tax losses	**3,758,770**	4,340,839
Deductible temporary differences	**985,391**	352,768
	4,744,161	4,693,607

At the end of the Reporting Period, no deferred tax asset was recognised in respect of tax losses of US$3,758.8 million (December 31, 2024: US$4,340.8 million). It is not considered probable that taxable profits will be available against which the tax losses can be utilised. The tax losses amounted of US$2.5 million, US$176.4 million, US$0.2 million, US$197.6 million and US$3,382.1 million will expire in 2026, 2027, 2028, 2029, 2030 and thereon, respectively.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by US$636.3 million.

The Group currently did not expect to distribute the retained earnings of the subsidiaries to outside of Chinese mainland as of December 31, 2025, therefore the Group did recognise any deferred tax liability for the potential withholding tax in connection with the distributable retained profits of the Groups subsidiaries in Chinese Mainland.

INCOME TAX RATE

The Company is incorporated in the Cayman Islands, and not currently subject to taxation. The applicable corporate income tax rates for the Group's entities located in Chinese Mainland are as follows:

According to tax laws and regulations of the Peoples Republic of China, the standard corporate income tax rate is 25%. Some subsidiaries of the Company were qualified as high-tech enterprises and were entitled to enjoy the preferential corporate income tax rate of 15% in 2025.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which some subsidiaries of Group operate.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2025 financial information for the constituent entities. By assessing and considering the transitional safe harbour test relief and top-up tax for the tax jurisdictions where the constituent entities of the Group is located in 2025, the Group does not expect a material exposure to Pillar Two income taxes.

The Group continues to follow Pillar Two legislative developments, as more countries enact the Pillar Two model rules to evaluate the potential future impact on its financial statements.

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2025 USD'000	2024 USD'000
Cost of sales		
Cost of wafers sold	7,000,978	6,165,249
Cost of others sold	369,222	416,704
	7,370,200	6,581,953
Recognition/(reversal) of impairment losses		
Addition in allowance on doubtful trade receivables (Note 36)	4,197	363
Addition/(reversal) in allowance on doubtful other receivables (Note 36)	118	(256)
Impairment losses recognised on inventories	87,557	74,162
	91,872	74,269
Depreciation and amortisation		
Depreciation of property, plant and equipment (Note 16)	3,776,721	3,167,628
Depreciation of right-of-use assets (Note 17)	25,773	41,169
Amortisation of intangible assets (Note 18)	7,516	14,266
	3,810,010	3,223,063
Employee benefits expense		
Wages and salaries	751,404	698,343
State-managed pension	98,234	90,214
Bonus	247,586	216,491
Non-monetary benefits	54,451	54,653
Equity-settled share-based payment expense (Note 35)	28,039	50,506
	1,179,714	1,110,207
Other expense/(gain)		
Royalties expense	30,759	25,227
Foreign exchange gain	(28,501)	(11,261)
Auditors' remuneration		
Audit services – annual report related	1,543	1,431
Audit services – others	248	79
Non-audit services[(1)]	82	66
	1,873	1,576

(1) The non-audit services consist of consultation of ESG report.

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

	2025 USD'000	2024 USD'000
Salaries, bonus and benefits	5,450	4,322
State-managed pension	17	20
Equity-settled share-based payment expense	1,554	1,925
	7,021	6,267

The Group has no contributions to pension schemes for directors or past directors, except for the state-managed pension for the executive director or the chief executives.

DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

2025	Salaries, bonus and benefits USD'000	State-managed pension USD'000	Total remuneration USD'000
Executive Director:			
Liu Xunfeng	1,254	10	1,264
Non-executive Directors:			
Lu Guoqing	–	–	–
Chen Shanzhi	–	–	–
Yang Lumin	–	–	–
Huang Dengshan	–	–	–
	–	–	–
Independent non-executive Directors:			
Fan Ren Da Anthony	126	–	126
Liu Ming	–	–	–
Wu Hanming	–	–	–
Chen Xinyuan	129	–	129
	255	–	255
Co-CEOs:			
Liang Mong Song	1,975	–	1,975
Zhao Haijun	1,966	7	1,973
	3,941	7	3,948
	5,450	17	5,467

The bonus is determined on the basis of the basic salary and the performance of the Group and the individual.

In 2025, no emoluments were paid by the Group to any of the directors or chief executives of the Company as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office (2024: nil).

EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE

The equity-settled share-based payments granted to directors include stock options, RSUs and restricted shares.

The directors and chief executives during the year held stock options and RSUs. The related expense for the year ended December 31, 2025 was as follows:

	2025 USD'000
Liu Xunfeng	608
Wu Hanming	42
Liang Mong Song	449
Zhao Haijun	455
	1,554

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals during the year included one (2024: one) executive director and two (2024: two) Co-CEOs, details of whose emoluments are set out in Note 12 above. Details of the emoluments of the remaining two (2024: two) highest paid individuals (except directors and Co-CEOs) for the year are as follows:

	2025 USD'000
Salaries and benefits	612
Bonus	1,319
State-managed pension	21
Equity-settled share-based payment expense	428
	2,380

The bonus is determined on the basis of the basic salary and the performance of the Group and the individual.

In 2025, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office (2024: nil).

The emoluments of the remaining two highest paid individuals (except Directors and Co-CEOs) fell within the following band is as below:

	2025
Approximately US$1,152,001 to US$1,216,000	1
Approximately US$1,216,001 to US$1,280,000	1
	2

14. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	(In USD'000, except share and per share data)	
	2025	2024
Earnings used in the calculation of basic earnings per share	685,131	492,748
Weighted average number of ordinary shares for the purposes of basic earnings per share (share)	7,988,352,563	7,958,902,288
Basic earnings per share	$0.09	$0.06

DILUTED EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	(In USD'000, except share and per share data)	
	2025	2024
Earnings used in the calculation of diluted earnings per share	685,131	492,748
Weighted average number of ordinary shares used in the calculation of basic earnings per share (share)	7,988,352,563	7,958,902,288
Adjustments for share incentive plans (share)	20,650,685	25,040,758
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (share)	8,009,003,248	7,983,943,046
Diluted earnings per share	$0.09	$0.06

During the year ended December 31, 2024, 6,822,292 weighted average outstanding stock options were excluded the computation of diluted earnings per share, because the exercise price was higher than the average market price of the ordinary shares.

15. DIVIDEND

The board of director did not recommend the payment of any dividend for the year ended December 31, 2025 (December 31, 2024: nil).

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings USD'000	Machinery and equipment USD'000	Office equipment USD'000	Construction in progress USD'000	Total USD'000
Cost					
As at January 1, 2024	1,510,139	28,638,456	505,185	10,889,732	41,543,512
Additions	–	–	–	7,321,089	7,321,089
Transfers	501,074	5,318,480	98,060	(5,917,614)	–
Disposals	(1,800)	(118,003)	(3,988)	–	(123,791)
As at December 31, 2024 and January 1, 2025	**2,009,413**	**33,838,933**	**599,257**	**12,293,207**	**48,740,810**
Additions	**–**	**146,813**	**–**	**8,097,689**	**8,244,502**
Transfers	**122,772**	**6,991,132**	**90,316**	**(7,204,220)**	**–**
Disposals	**(19)**	**(162,559)**	**(14,812)**	**–**	**(177,390)**
As at December 31, 2025	**2,132,166**	**40,814,319**	**674,761**	**13,186,676**	**56,807,922**
Accumulated depreciation and impairment					
As at January 1, 2024	460,199	16,764,868	365,805	7,679	17,598,551
Depreciation	75,621	3,005,291	86,716	–	3,167,628
Disposals	(168)	(106,245)	(3,890)	–	(110,303)
Impairment loss written off	–	(7,103)	–	–	(7,103)
As at December 31, 2024 and January 1, 2025	**535,652**	**19,656,811**	**448,631**	**7,679**	**20,648,773**
Depreciation	**85,234**	**3,594,709**	**96,778**	**–**	**3,776,721**
Disposals	**(15)**	**(156,505)**	**(14,808)**	**–**	**(171,328)**
Impairment loss written off	**–**	**(4,022)**	**–**	**–**	**(4,022)**
As at December 31, 2025	**620,871**	**23,090,993**	**530,601**	**7,679**	**24,250,144**
Net carrying amount					
As at December 31, 2024	1,473,761	14,182,122	150,626	12,285,528	28,092,037
As at December 31, 2025	**1,511,295**	**17,723,326**	**144,160**	**13,178,997**	**32,557,778**

17. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts for various items of buildings, machinery and equipment, and other equipment used in its operations. Lump sum payments were made to acquire the land-use right with lease periods of 50 to 70 years and no ongoing payments will be made. Leases of buildings generally have lease terms between 5 and 6 years, and leases of machinery and equipment generally have lease terms between 3 and 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value.

Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings USD'000	Machinery and equipment USD'000	land-use right USD'000	Total USD'000
As at January 1, 2024	2,336	55,454	416,007	473,797
Additions	–	–	84	84
Depreciation	(621)	(31,296)	(9,252)	(41,169)
Transfer out	–	–	(564)	(564)
As at December 31, 2024 and January 1, 2025	**1,715**	**24,158**	**406,275**	**432,148**
Additions	**644**	**–**	**–**	**644**
Depreciation	**(763)**	**(16,105)**	**(8,905)**	**(25,773)**
Termination/transfer out	**–**	**(232)**	**(30,543)**	**(30,775)**
Revision of a lease term arising from a change in the non-cancellable period of a lease	**–**	**(1,288)**	**–**	**(1,288)**
As at December 31, 2025	**1,596**	**6,533**	**366,827**	**374,956**

Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 USD'000	2024 USD'000
As at January 1	**26,280**	58,620
New leases	**644**	–
Interest charged	**346**	1,143
Repayment	**(17,660)**	(33,488)
Revision of a lease term arising from a change in the non-cancellable period of a lease	**(1,288)**	–
Exchange realignment	**9**	5
As at December 31	**8,331**	26,280
Current portion	**7,493**	18,529
Non-current portion	**838**	7,751
	8,331	26,280

The maturity analysis of lease liabilities is disclosed in Note 36 to the financial statements.

Profit or loss in relation to leases

The amounts recognised in profit or loss in relation to leases are as follows:

	2025 USD'000	2024 USD'000
Interest expense	**346**	1,143
Depreciation of right-of-use assets	**25,773**	41,169
Expense relating to short-term and low value leases	**17,706**	14,895

17. LEASES *(continued)*

THE GROUP AS A LESSEE *(continued)*

Cash outflow in relation to leases

The total cash outflow for leases is disclosed in Note 38 to the consolidated financial statements.

THE GROUP AS A LESSOR

The Group leases parts of its buildings under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was US$25.4 million (2024: US$25.7 million).

As of December 31, 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 **USD'000**	2024 USD'000
Within 1 year	**3,287**	4,024
1-2 years	**1,566**	2,084
Over 2 years	**1,502**	690
	6,355	6,798

18. INTANGIBLE ASSETS

	IP licenses USD'000
Cost	
As at January 1, 2024	470,607
Additions	4,872
As at December 31, 2024 and January 1, 2025	**475,479**
Additions	**3,645**
Disposals	**(2,341)**
As at December 31, 2025	**476,783**
Accumulated amortisation and impairment	
As at January 1, 2024	436,945
Amortisation	14,266
As at December 31, 2024 and January 1, 2025	**451,211**
Amortisation	**7,516**
Disposals	**(2,341)**
As at December 31, 2025	**456,386**
Net carrying amount	
As at December 31, 2024	24,268
As at December 31, 2025	**20,397**

19. SUBSIDIARIES

The subsidiaries of the Company at the end of the Reporting Period are as follows:

Name of entity	Place of establishment/ incorporation and operation	Kind of legal entity	Issued share capital/registered capital	Percentage of equity attributable to the Company		Principal activities
SMIC Shanghai #	PRC	Limited corporation	USD2,440,000,000	Indirectly	100.00%	Manufacturing and selling of semiconductor products
SMIC Beijing #	PRC	Limited corporation	USD1,000,000,000	Indirectly	100.00%	Manufacturing and selling of semiconductor products
SMIC Tianjin #	PRC	Limited corporation	USD1,290,000,000	Indirectly	100.00%	Manufacturing and selling of semiconductor products
SMIC Shenzhen #	PRC	Limited corporation	USD2,415,000,000	Indirectly	55.05%	Manufacturing and selling of semiconductor products
SMNC #	PRC	Limited corporation	USD4,800,000,000	Indirectly	51.00%	Manufacturing and selling of semiconductor products
SMSC #	PRC	Limited corporation	USD10,077,300,000	Indirectly	40.06%	Manufacturing and selling of semiconductor products
SMBC #	PRC	Limited corporation	USD5,000,000,000	Indirectly	54.04%	Manufacturing and selling of semiconductor products
SMOC #	PRC	Limited corporation	USD5,500,000,000	Indirectly	69.97%	Manufacturing and selling of semiconductor products
SMTC #	PRC	Limited corporation	USD5,000,000,000	Indirectly	100.00%	Manufacturing and selling of semiconductor products
SMIC New Technology #	PRC	Limited corporation	USD400,000,000	Indirectly	100.00%	Research and development activities
Hulintong Industrial (Shanghai) Co., Ltd	PRC	Limited corporation	USD8,000,000	Indirectly	100.00%	Trading of semiconductor products and provision of services
Better Way Enterprises Limited	Samoa	Limited corporation	USD1,000,000	Directly	100.00%	Provision of marketing related activities
SMIC, Americas	United States of America	Limited corporation	USD500,000	Directly	100.00%	Provision of marketing related activities
SMIC Japan Corporation	Japan	Limited corporation	JPY10,000,000	Directly	100.00%	Provision of marketing related activities
SMIC Europe S.R.L	Italy	Limited corporation	EUR100,000	Directly	100.00%	Provision of marketing related activities
Semiconductor Manufacturing International (BVI) Corporation	British Virgin Islands	Limited corporation	USD10	Directly	100.00%	Provision of marketing related activities
SMIC Investment (Shanghai) Corporation #	PRC	Limited corporation	USD465,800,000	Directly	100.00%	Investment holding
SMIC Tianjin (Cayman) Corporation	Cayman Islands	Limited corporation	USD50,000	Directly	100.00%	Investment holding
SilTech Semiconductor Corporation	Cayman Islands	Limited corporation	USD10,000	Directly	100.00%	Investment holding
SilTech Semiconductor (Hong Kong) Corporation Limited	Hong Kong, China	Limited corporation	HKD1,000	Indirectly	100.00%	Investment holding
SilTech Semiconductor (Shanghai) Corporation Limited #	PRC	Limited corporation	USD12,000,000	Indirectly	100.00%	Investment holding
SMIC Holdings Corporation #	PRC	Limited corporation	USD5,950,000,000	Directly	100.00%	investment holding
Magnificent Tower Limited	British Virgin Islands	Limited corporation	USD50,000	Indirectly	100.00%	investment holding
China IC Capital Co., Ltd #	PRC	Limited corporation	RMB3,458,000,000	Indirectly	100.00%	Investment holding
China IC Capital (Ningbo) Co., Ltd #	PRC	Limited corporation	RMB4,000,000,000	Indirectly	100.00%	Investment holding
Shanghai Hexin Investment Management Limited Partnership #	PRC	Limited partnership	RMB50,000,000	Indirectly	99.00%	Investment holding
Shanghai SMIC Private School #	PRC	Non-profit private school	RMB4,000,000	Indirectly	100.00%	Private education
Beijing SMIC Private School #	PRC	Non-profit private school	RMB5,000,000	Indirectly	100.00%	Private education

For identification purposes only.

19. SUBSIDIARIES *(continued)*

MATERIAL NON-CONTROLLING INTERESTS

The non-wholly owned subsidiaries of the Company that have material non-controlling interests are SMIC Shenzhen, SMNC, SMSC, SMBC and SMOC. The combined summary of financial information is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 **USD'000**	2024 USD'000
Current assets	**9,016,866**	10,869,418
Non-current assets	**28,728,709**	23,790,821
Current liabilities	**(7,952,872)**	(8,897,656)
Non-current liabilities	**(2,309,298)**	(3,079,843)
Net assets	**27,483,405**	22,682,740
Equity attributable to owners of the Company	**13,902,552**	11,428,252
Non-controlling interests	**13,580,853**	11,254,488
Net assets	**27,483,405**	22,682,740

	2025 **USD'000**	2024 USD'000
Revenue	**6,414,471**	5,424,034
Expense	**(5,941,298)**	(5,081,563)
Other income	**(95,965)**	(52,729)
Profit for the year	**377,208**	289,742
Profit attributable to owners of the Company	**74,370**	54,422
Profit attributable to the non-controlling interests	**302,838**	235,320
Profit for the year	**377,208**	289,742
Total comprehensive income attributable to owners of the Company	**74,370**	54,422
Total comprehensive income attributable to the non-controlling interests	**302,838**	235,320
Total comprehensive income for the year	**377,208**	289,742
Dividends paid to non-controlling interests	**–**	–
Net cash inflow from operating activities	**1,824,596**	2,529,459
Net cash outflow from investing activities	**(4,554,576)**	(5,530,402)
Net cash inflow from financing activities	**2,475,050**	4,197,475
Net cash outflow	**(254,930)**	1,196,532

20. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

The details of the Group's material associates at the end of the Reporting Period are as follows:

Name of entity	**Place of establishment and operation**	**Particulars of shares / registered capital held**	**Percentage of ownership interest attributable to the Group**	
			2025	2024
Sino IC Leasing	Shanghai, PRC	Registered capital	**8.17%**	8.17%
NSI	Zhejiang, PRC	Registered capital	**14.83%**	14.83%
UNTC	Zhejiang, PRC	Ordinary shares	**11.85%**	14.08%

Among the above enterprises, NSI is a non-listed company. UNTC is listed on the Shanghai Stock Exchange. Sino IC Leasing issued bonds on the Shanghai Stock Exchange.

In accordance with the Articles of Association of the investees, the Group has significant influence through the right to appoint director(s) to the board of directors of the above companies.

20. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE *(continued)*

All of these associates are accounted for using the equity method in these consolidated financial statements. Summarised financial information in respect of the Group's material associates, which include Sino IC Leasing, NSI and UNTC is below:

	2025 USD'000	2024 USD'000
Current assets	2,988,355	3,405,860
Non-current assets	11,272,260	11,384,131
Current liabilities	(1,859,983)	(1,654,221)
Non-current liabilities	(7,228,362)	(7,693,627)
Net assets	5,172,270	5,442,143
Less: non-controlling interests	(813,863)	(1,129,082)
Equity attributable to owners of the associates	4,358,407	4,313,061
Share of equity of associates	433,342	469,572
Goodwill	1,452	1,452
Less: unrealised profit	(5,206)	(8,892)
Carrying amount of the Group's interest	429,588	462,132

	2025 USD'000	2024 USD'000
Total revenue	1,562,270	1,351,152
Profit attributable to owners	(195,473)	(242,657)
Total comprehensive income attributable to owners	(114,338)	(300,684)
Dividends received from the associates	3,479	–

The following table illustrates the financial information of the Group's remaining associates and a joint venture:

	Investments in associates		Investment in joint venture	
	2025 USD'000	2024 USD'000	2025 USD'000	2024 USD'000
Share of profit for the year	14,549	45,448	477	(2,238)
Share of total comprehensive income for the year	34,809	33,564	67	(2,255)
Aggregate carrying amount of the Group's investments	879,982	790,375	79	13

The associates and the joint venture included several investment funds, which measured their equity investments in portfolio investments at fair value. As of December 31, 2025, the carrying amount of those investment funds was US$726.1 million (December 31, 2024: US$682.3 million). The valuation of such portfolio investments is primarily based on a combination of adoption of applicable valuation methodology and the application of appropriate assumptions in the valuation. The unlisted equity investments in portfolio investments have been valued using recent transaction price or market approach, the listed equity investments in portfolio investments have been valued using quoted market prices adjusted for marketability and liquidity.

21. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group holds the following financial instruments:

Financial assets	2025 USD'000	2024 USD'000
Non-current portion		
Financial assets at fair value through profit or loss		
Equity instruments – listed companies	29	6,019
Equity instruments – unlisted companies	810,472	132,067
Structural deposits	–	289,287
Financial assets at amortised cost		
Bank deposits maturing more than 1 year	1,532,265	3,747,134
Other financial assets at amortised cost		
Restricted cash (Note 23)	–	372,514
Current portion		
Financial assets at fair value through profit or loss		
Structural deposits	323,806	186,893
Monetary funds	57,051	85,364
Financial assets at amortised cost		
Bank deposits maturing more than 3 months and within 1 year	4,150,600	4,206,926
Other financial assets at amortised cost		
Cash and cash equivalents	5,872,500	6,364,189
Financial assets included in trade and other receivables[1] (Note 25)	962,871	490,045
Derivative financial instruments		
Cross currency swap contracts – cash flow hedges	84,151	61,240
Forward exchange contracts – cash flow hedges	3,000	–
Interest rate swap contracts – cash flow hedges	–	4,814
	13,796,745	15,946,492

(1) Financial assets included in trade and other receivables excluded the value-added tax to be deducted and tax recoverables.

Financial liabilities	2025 USD'000	2024 USD'000
Non-current portion		
Financial liabilities at amortised cost		
Borrowings (Note 30)	9,994,773	8,038,148
Lease liabilities (Note 17)	838	7,751
Derivative financial instruments		
Cross currency swap contracts – cash flow hedges	–	37,576
Current portion		
Financial liabilities at amortised cost		
Financial liabilities included in trade and other payables and accrued liabilities	2,946,616	3,195,306
Borrowings (Note 30)	2,593,077	2,926,311
Lease liabilities (Note 17)	7,493	18,529
Bonds payable (Note 31)	–	605,258
Derivative financial instruments		
Cross currency swap contracts – cash flow hedges	18,994	86,218
Forward exchange contracts – cash flow hedges	–	11,647
	15,561,791	14,926,744

The Group's exposure to various risks associated with the financial instruments is discussed in Note 36.

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments included cross currency swap contracts, interest rate swap contracts and forward exchange contracts, the carrying amounts of those derivative financial instruments were presented in Note 21.

CROSS CURRENCY SWAP CONTRACTS – CASH FLOW HEDGE

Cross currency swap contracts are designated as hedging instruments in cash flow hedges of outstanding bank deposits and debts denominated in foreign currency ("FC"). It is the policy of the Group to enter into cross currency swap contracts to mitigate the impact of volatility of future cash flows caused by the changes in exchange rates associated with the balance of bank deposits and debts denominated in foreign currency.

The following table details the notional amounts and remaining terms of the cross currency swap contracts outstanding at the end of the Reporting Period:

	Average exchange rate		Notional value			
	2025	2024	**2025 FC'000**	2024 FC'000	**2025 USD'000**	2024 USD'000
Buy RMB						
Within 1 year	**7.0725**	7.1890	**48,043,782**	37,511,422	**6,793,000**	5,217,915
1-5 years	**–**	6.7728	**–**	3,615,000	**–**	533,753
Sell RMB						
Within 1 year	**7.0583**	6.9749	**776,413**	3,714,145	**110,000**	532,500
Sell JPY						
Within 1 year	**154.6800**	152.1810	**54,138,000**	156,746,400	**350,000**	1,030,000
Sell EUR						
Within 1 year	**0.8584**	–	**257,511**	–	**300,000**	–

The impacts of the cross currency swap contracts on the statement of financial position are as follows:

2025	**Notional amount FC'000**	**Carrying amount Assets USD'000**	**Carrying amount Liabilities USD'000**	**Line item in the statement of financial position**	**Change in fair value used for measuring hedge ineffectiveness for the year USD'000**
Buy RMB	**48,043,782**	**78,565**	**(16,241)**	Derivative financial instrument	**147,248**
Sell RMB	**776,413**	**–**	**(1,148)**	Derivative financial instrument	**(14,202)**
Sell JPY	**54,138,000**	**5,586**	**–**	Derivative financial instrument	**(10,356)**
Sell HKD	**–**	**–**	**–**	Derivative financial instrument	**410**
Sell EUR	**257,511**	**–**	**(1,605)**	Derivative financial instrument	**(2,627)**

2024	Notional amount FC'000	Carrying amount Assets USD'000	Carrying amount Liabilities USD'000	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year USD'000
Buy RMB	41,126,422	15,659	(123,794)	Derivative financial instrument	(232,906)
Sell RMB	3,714,145	14,486	–	Derivative financial instrument	119,584
Sell JPY	156,746,400	31,095	–	Derivative financial instrument	56,992

22. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

CROSS CURRENCY SWAP CONTRACTS – CASH FLOW HEDGE *(continued)*

The effects of the cross currency swap contracts on the statement of profit or loss and other comprehensive income are as follows:

2025	Total hedging gain/(loss) recognised in other comprehensive income USD'000	Hedge ineffectiveness recognised in profit or loss USD'000	Amount reclassified from other comprehensive income to profit or loss USD'000	Line item in the statement of profit or loss
Buy RMB	**147,248**	**–**	**(29,594)**	Foreign exchange gain, Finance costs
Sell RMB	**(14,202)**	**–**	**8,943**	Foreign exchange gain, Finance costs
Sell JPY	**(10,356)**	**–**	**20,116**	Foreign exchange gain, Finance costs
Sell HKD	**410**	**–**	**(410)**	Foreign exchange gain, Finance costs
Sell EUR	**(2,627)**	**–**	**3,987**	Foreign exchange gain, Finance costs

2024	Total hedging gain/(loss) recognised in other comprehensive income USD'000	Hedge ineffectiveness recognised in profit or loss USD'000	Amount reclassified from other comprehensive income to profit or loss USD'000	Line item in the statement of profit or loss
Buy RMB	(232,906)	–	140,305	Foreign exchange gain, Finance costs
Sell RMB	119,584	–	(93,198)	Foreign exchange gain, Finance costs
Sell JPY	56,992	–	(65,304)	Foreign exchange gain, Finance costs

The Group does not enter into any cross currency swap contract for speculative purposes.

INTEREST RATE SWAP CONTRACTS – CASH FLOW HEDGE

Interest rate swap contracts are designated as hedging instruments in cash flow hedges of debts with variable interest rates. Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and on the cash flow exposures of the issued variable rate debt.

The following table details the notional amounts and remaining terms of interest rate swap contracts outstanding at the end of the Reporting Period.

	Average interest rate		Notional value	
	2025	2024	**2025 USD'000**	2024 USD'000
Receive floating pay fixed rates				
Within 1 year	**–**	1.51%	**–**	142,000

The impacts of the interest rate swap contracts on the statement of financial position are as follows:

2025	Notional amount USD'000	Carrying amount Assets USD'000	Carrying amount Liabilities USD'000	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year USD'000
Receive floating pay fixed rates	**–**	**–**	**–**	Derivative financial instrument	**1,264**

2024	Notional amount USD'000	Carrying amount Assets USD'000	Carrying amount Liabilities USD'000	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year USD'000
Receive floating pay fixed rates	142,000	4,814	–	Derivative financial instrument	14,677

22. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

INTEREST RATE SWAP CONTRACTS – CASH FLOW HEDGE *(continued)*

The effects of the interest rate swap contracts on the statement of profit or loss and other comprehensive income are as follows:

2025	Total hedging gain recognised in other comprehensive income USD'000	Hedge ineffectiveness recognised in profit or loss USD'000	Amount reclassified from other comprehensive income to profit or loss USD'000	Line item in the statement of profit or loss
Receive floating pay fixed rates	**1,264**	**–**	**(5,896)**	Finance costs

2024	Total hedging gain recognised in other comprehensive income USD'000	Hedge ineffectiveness recognised in profit or loss USD'000	Amount reclassified from other comprehensive income to profit or loss USD'000	Line item in the statement of profit or loss
Receive floating pay fixed rates	14,677	–	(24,566)	Finance costs

The interest rate swaps are settled on a quarterly basis. The floating rate on the interest rate swaps is based on Secured Overnight Financing Rate. The difference between the fixed and floating interest rates will be settled on a net basis.

FORWARD EXCHANGE CONTRACTS – CASH FLOW HEDGE

Forward exchange contracts are designated as hedging instruments in cash flow hedges of outstanding bank deposits and debs denominated in foreign currency. It is the policy of the Group to enter into forward exchange contracts to mitigate the impact of volatility of future cash flows caused by the changes in exchange rates associated with the balance of bank deposits and debs denominated in foreign currency.

The following table details the notional amounts and remaining terms of the forward exchange contracts outstanding at the end of the Reporting Period:

	Average exchange rate		Notional value			
	2025	2024	**2025 RMB'000**	2024 RMB'000	**2025 USD'000**	2024 USD'000
Buy RMB						
Within 1 year	**7.1680**	7.0670	**788,480**	2,561,805	**110,000**	362,500
Sell RMB						
Within 1 year	**6.9847**	–	**6,984,736**	–	**1,000,000**	–

The impacts of the forward exchange contracts on the statement of financial position are as follows:

2025	Notional amount RMB'000	Carrying amount Assets USD'000	Carrying amount Liabilities USD'000	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year USD'000
Buy RMB	**788,480**	**2,850**	**–**	Derivative financial instrument	**8,993**
Sell RMB	**6,984,736**	**150**	**–**	Derivative financial instrument	**(120)**

2024	Notional amount RMB'000	Carrying amount Assets USD'000	Carrying amount Liabilities USD'000	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year USD'000
Buy RMB	2,561,805	–	(11,647)	Derivative financial instrument	(23,115)

22. DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

FORWARD EXCHANGE CONTRACTS – CASH FLOW HEDGE *(continued)*

The effects of the forward exchange contracts on the statement of profit or loss and other comprehensive income are as follows:

2025	Total hedging gain/ (loss) recognised in other comprehensive income USD'000	Hedge ineffectiveness recognised in profit or loss USD'000	Amount reclassified from other comprehensive income to profit or loss USD'000	Line item in the statement of profit or loss
Buy RMB	**8,993**	**–**	**(2,250)**	Foreign exchange gain
Sell RMB	**(120)**	**–**	**(156)**	Foreign exchange gain

2024	Total hedging gain/ (loss) recognised in other comprehensive income USD'000	Hedge ineffectiveness recognised in profit or loss USD'000	Amount reclassified from other comprehensive income to profit or loss USD'000	Line item in the statement of profit or loss
Buy RMB	(23,115)	–	17,135	Foreign exchange gain

23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

	2025 USD'000	2024 USD'000
Cash and bank balances	**5,744,303**	6,364,189
Non-pledged time deposits with original maturity of less than three months when acquired	**128,197**	–
Cash and cash equivalents as stated in the statement of financial position and in the statement of cash flows	**5,872,500**	6,364,189

CURRENCIES IN WHICH CASH AND CASH EQUIVALENTS ARE HELD

	2025 USD'000	2024 USD'000
RMB	**4,305,282**	4,960,735
USD	**866,228**	170,550
JPY	**537,257**	1,110,304
EUR	**148,122**	108,179
HKD	**14,414**	13,455
TWD	**1,197**	966
	5,872,500	6,364,189

RESTRICTED CASH

	2025 USD'000	2024 USD'000
Non-current portion	**–**	372,514

As of December 31, 2025, there was no restricted cash (December 31, 2024: US$372.5 million).

24. INVENTORIES

	2025 USD'000	2024 USD'000
Raw materials	**1,786,581**	1,520,167
Work in progress	**1,490,075**	1,105,683
Finished goods	**353,146**	332,500
	3,629,802	2,958,350

25. TRADE AND OTHER RECEIVABLES

	2025 USD'000	2024 USD'000
Trade receivables	881,991	407,588
Allowance on doubtful trade receivables (Note 36)	(5,231)	(1,034)
	876,760	406,554
Other receivables	7,773	9,175
Allowance on doubtful other receivables (Note 36)	(275)	(157)
	7,498	9,018
Notes receivables	44,523	50,783
Value-added tax to be deducted	458,582	332,297
Tax recoverables	11,231	17,811
Investment receivables	14,790	17,533
Dividend receivables	1,486	–
Refundable deposits and surety	17,814	6,157
	1,432,684	840,153

The following is an aging analysis of trade receivables presented based on the invoice date at the end of the Reporting Period.

Age of trade receivables	2025 USD'000	2024 USD'000
Not overdue	794,937	354,897
Within 1 year	82,237	52,370
1-2 years	4,611	245
2-3 years	183	–
Over 3 years	23	76
	881,991	407,588

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business, which are generally due for settlement within 30-90 days. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures at amortised cost using the effective interest method. The Group does not hold any collateral or other credit enhancements over the trade receivable balances. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 36.

The following is an aging analysis of other receivables at the end of the Reporting Period.

Age of other receivables	2025 USD'000	2024 USD'000
Within 1 year	7,073	8,972
1-2 years	609	64
2-3 years	60	33
Over 3 years	31	106
	7,773	9,175

Due to the short-term nature of the current receivables, the carrying amounts of trade and other receivables are considered to be the same as their fair value.

26. ASSETS CLASSIFIED AS HELD-FOR-SALE

As of December 31, 2025, the assets related to employee's living quarters recognised as assets classified as held-for-sales was US$3.9 million (December 31, 2024: US$19.4 million). The expected disposal expense was US$0.1 million (December 31, 2024: US$4.2 million).

27. SHARES AND ISSUED CAPITAL

ISSUED AND FULLY PAID ORDINARY SHARES

	Number of shares	Ordinary shares USD'000	Share premium USD'000
As at January 1, 2024	7,946,555,760	31,786	14,117,072
Issue of shares under share incentive plans (Note 35)	29,594,206	119	149,287
As at December 31, 2024 and January 1, 2025	**7,976,149,966**	**31,905**	**14,266,359**
Issue of shares under share incentive plans (Note 35)	**24,258,069**	**97**	**128,426**
As at December 31, 2025	**8,000,408,035**	**32,002**	**14,394,785**

28. OTHER RESERVES

EQUITY-SETTLED EMPLOYEE BENEFIT RESERVE

The equity-settled employee benefit reserve related to share options, RSUs and restricted shares granted by the Company to the Group's employees under stock incentive plans. Items included in equity-settled employee benefit reserve will not be reclassified subsequently to profit or loss.

FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. United States dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) will be reclassified to profit or loss upon the disposal or deconsolidation of the foreign operation.

CASH FLOW HEDGES

To mitigate the impact of volatility of future cash flows caused by the changes in exchange rates and interest rate associated with outstanding debts, the Group entered into several cross currency swap contracts, interest rate swap contracts and forward exchange contracts, which were designated as hedging instruments. Any gains or losses arising from changes in fair value of these hedging instruments are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income/(loss) and later reclassified to profit or loss when the hedged item affects profit or loss.

The hedging reserve is used to record gains or losses on derivatives designated and qualified as cash flow hedges that are recognised in other comprehensive income. Amounts will be reclassified to profit or loss when the associated hedged transaction affects profit or loss.

	2025 USD'000	2024 USD'000
Other comprehensive income on cash flow hedges recognised		
Fair value gain/(loss)	**130,610**	(64,768)
Offset foreign exchange loss	**(135,438)**	(18,548)
Added/(deducted) finance cost	**130,178**	(7,080)
Deferred tax liabilities	**2,230**	(2,173)
	127,580	(92,569)
As at January 1	**(78,269)**	14,300
As at December 31	**49,311**	(78,269)

29. RETAINED EARNINGS

As stipulated by the relevant PRC laws and regulations applicable to foreign investment enterprise, the Company's subsidiaries established in Chinese Mainland are required or allowed to make appropriations to non-distributable reserves. The general reserve fund requires annual appropriation of 10% of after tax profit, which determined under CAS, after offsetting accumulated losses from prior years, until the accumulative amount of such reserve fund reaches 50% of the registered capital of the relevant subsidiaries. The general reserve fund can only be used to increase the registered capital and eliminate future losses of the relevant subsidiaries under the PRC regulations.

30. BORROWINGS

At amortised cost	2025 USD'000	2024 USD'000
Short-term bank borrowings – unsecured	490,710	148,901
Long-term bank borrowings – secured		
– Guaranteed loans	6,662,227	2,823,130
– Pledged loans	–	200,738
Long-term bank borrowings – unsecured	5,434,913	7,791,690
	12,587,850	10,964,459
Current portion		
Short-term bank borrowings	490,710	148,901
Long-term bank borrowings maturing within 1 year	2,102,367	2,777,410
	2,593,077	2,926,311
Non-current portion		
Long-term bank borrowings maturing more than 1 year	9,994,773	8,038,148
	12,587,850	10,964,459
Borrowing by repayment schedule		
Within 1 year	2,593,077	2,926,311
1-2 years	1,790,459	2,542,005
2-5 years	1,437,005	2,396,414
Over 5 years	6,767,309	3,099,729
	12,587,850	10,964,459

As of December 31, 2025, there was no pledged loans (December 31,2024: US$200.7 million) secured by the pledge of bank deposits (Note 23).

As of December 31, 2025, the bank borrowings up to US$6,662.2 million (December 31, 2024: US$2,823.1 million) were guaranteed by the Company's subsidiaries.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2025 USD'000	2024 USD'000
RMB	12,097,140	10,421,541
USD	490,710	542,918
	12,587,850	10,964,459

The weighted average effective interest rates of borrowings are set out as follows:

	2025 USD'000	2024 USD'000
RMB	1.74%	1.68%
USD	3.84%	3.26%

The above interest rates do not include the impact of hedging Instruments.

31. BONDS PAYABLE

On February 27, 2020, the Company issued 5-year unsecured corporate bonds for a total amount of US$600.0 million on the Singapore Exchange. The corporate bonds carry a coupon interest rate of 2.693% with bond interest payable semi-annually on February 27 and August 27. As of the issue date, the net book value of the liabilities amounted to US$596.4 million after deducting transaction cost in connection with the offering of the bonds.

	USD'000
Principal amount	600,000
Discount of bonds payable	(3,232)
Transaction cost	(368)
	596,400

The movement of the corporate bonds is set out below:

	USD'000
As at January 1, 2024	599,115
Interest charged	16,915
Interest payable recognised	(10,772)
As at December 31, 2024 and January 1, 2025	**605,258**
Interest charged (Note 8)	**2,821**
Interest payable recognised	**(8,079)**
Repayment	**(600,000)**
As at December 31, 2025	**–**

32. DEFERRED INCOME

Government funding is recorded as deferred income upon receipt and recognised as other operating income over the useful life of equipment or until the milestones specified in the terms of the funding have been reached. In 2025, the Group receives government funding of US$193.0 million (2024: US$261.8 million) and recognised US$199.6 million (2024: US$168.0 million) as other operating income.

33. TRADE AND OTHER PAYABLES

	2025 **USD'000**	2024 USD'000
Payables for property, plant and equipment	**1,633,573**	1,818,770
Trade payables	**849,343**	789,525
Deposits received	**291,743**	468,376
Others	**191,322**	203,694
	2,965,981	3,280,365

Trade and other payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

The following is an aging analysis of trade payables and payables for property, plant and equipment presented based on the invoice date at the end of the Reporting Period:

Age of payables	**2025** **USD'000**	2024 USD'000
Within 30 days	**2,328,915**	2,431,182
31-60 days	**116,333**	126,139
Over 60 days	**37,668**	50,974
	2,482,916	2,608,295

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

34. ACCRUED LIABILITIES

The amounts of accrued liabilities as of December 31, 2025 and 2024 were US$409.7 million and US$362.0 million, within which the amounts of accrued bonus were US$325.2 million and US$278.7 million, respectively.

35. SHARE-BASED PAYMENT

SHARE INCENTIVE PLANS

The below share incentive plans allow the Company to offer the below incentive awards to employees of the Group.

The expense arising from equity-settled share-based payments for the year ended December 31, 2025 was US$28.0 million (2024: US$50.5 million).

2014 Stock option plan

As the 2024 Equity Incentive Plan has been approved at the annual general meeting held on June 28, 2023 and the Board has resolved to terminate the 2014 Stock Option Plan, the 2014 Stock Option Plan shall become expired on the effective date of the 2024 Equity Incentive Plan. Upon termination of the 2014 Stock Option Plan, no further options may be offered, but the options granted before the termination shall be retained and continue to vest in accordance with, and subject to the terms of the 2014 Stock Option Plan.

The options are granted at the fair market value of the Company's ordinary shares and expire 10 years from the date of grant and vest over a requisite service period of 4 years. Options to purchase ordinary shares granted before January 1, 2018 and issued to new employees and then-existing employees generally vest at a rate pursuant to which 25% of the shares shall vest on the first anniversary of the vesting commencement date, an additional 1/36 of the remaining shares shall vest monthly upon the second, third, and fourth anniversary of the vesting commencement date, respectively. Options to purchase ordinary shares granted after January 1, 2018 and issued to new employees and existing employees generally vest at a rate of 25% upon the first, second, third, and fourth anniversary of the vesting commencement date, respectively.

2014 Equity Incentive Plan

As the 2024 Equity Incentive Plan has been approved at the annual general meeting held on June 28, 2023 and the Board has resolved to terminate the 2014 Equity Incentive Plan, the 2014 Equity Incentive Plan shall become expired on the effective date of the 2024 Equity Incentive Plan. Upon termination of the 2014 Equity Incentive Plan, no further RSUs may be offered, but RSUs granted before the termination shall be retained and continue to vest in accordance with, and subject to the terms of the 2014 Equity Incentive Plan.

RSUs granted under the 2014 Equity Incentive Plan vest over a four-year or three-year period. RSUs may vest based on time or achievement of performance conditions. The RSUs issued before April 1, 2023 to new employees and existing employees generally vest at a rate of 25% upon the first, second, third, and fourth anniversary of the vesting commencement date, respectively. The RSUs issued after April 1, 2023 (included) to existing employees generally vest at a rate of 50%,30%,20% on the vesting commencement date and on the subsequent first and second anniversary, respectively.

2024 Equity Incentive Plan

Part of employees of the Group participate in the Company's 2024 Equity Incentive Plan. The RSUs issued to participants by the Group generally vest at a rate of 50%, 30%, 20% on the vesting commencement date and on the subsequent first and second anniversary, respectively.

2021 STAR Market Restricted Share Incentive Scheme

The restricted shares granted under the scheme may be vested in tranches as per the agreed proportions 30%, 25%, 25%, 20% upon the awardees satisfying the corresponding vesting conditions. A vest date must be a trading day within the validity period of the scheme, and shall not fall within the lock-up periods.

The validity period of the scheme will commence from the grant date of the first grant, until the date on which all restricted shares granted to awardees have been vested or lapsed, such period shall not exceed 72 months.

35. SHARE-BASED PAYMENT *(continued)*

MOVEMENTS DURING THE YEAR

2014 Stock Option Plan

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, stock options during the year:

	2025 Number	**2025 WAEP**	2024 Number	2024 WAEP
Outstanding at January 1	**15,303,689**	**HKD17.88**	21,124,955	HKD17.75
Lapsed during this year	**(120,888)**	**HKD22.62**	(880,841)	HKD20.76
Exercised during this year	**(6,021,105)**	**HKD19.31**	(4,940,425)	HKD16.84
Outstanding at December 31	**9,161,696**	**HKD16.87**	15,303,689	HKD17.88
Exercisable at December 31	**9,161,696**	**HKD16.87**	13,837,576	HKD17.29

The weighted average closing price of the Company's shares immediately before the dates while the stock options were exercised was HKD47.38 (2024: HKD26.63).

The range of exercise prices for options outstanding at the end of the year was from HKD6.42 to HKD24.50 (2024: from HKD6.42 to HKD24.50).

No stock options were granted in 2025 and 2024.

2014 Equity Incentive Plan

The following table illustrates the number and purchase price of, and movements in, 2014 RSUs during the year:

	2025 Number	**2025 Purchase price**	2024 Number	2024 Purchase price
Unvested at January 1	**4,801,041**	**HKD0.031**	9,982,902	HKD0.031
Lapsed during this year	**(108,560)**	**HKD0.031**	(293,738)	HKD0.031
Vested during this year	**(3,268,614)**	**HKD0.031**	(4,888,123)	HKD0.031
Unvested at December 31	**1,423,867**	**HKD0.031**	4,801,041	HKD0.031

The weighted average closing price of the Company's shares immediately before the dates on which the 2014 RSUs were vested was HKD51.73 (2024: HKD16.47).

No 2014 RSUs were granted in 2025 and 2024.

2024 Equity Incentive Plan

The following table illustrates the number and purchase price of, and movements in, 2024 RSUs during the year:

	2025 Number	**2025 Purchase price**	2024 Number	2024 Purchase price
Unvested at January 1	**4,180,026**	**HKD0.031**	–	–
Granted during this year	**2,876,943**	**HKD0.031**	8,784,806	HKD0.031
Lapsed during this year	**(159,806)**	**HKD0.031**	(232,248)	HKD0.031
Vested during this year	**(3,964,219)**	**HKD0.031**	(4,372,532)	HKD0.031
Unvested at December 31	**2,932,944**	**HKD0.031**	4,180,026	HKD0.031

The weighted average closing price of the Company's shares immediately before the dates on which the 2024 RSUs were vested was HKD45.65 (2024: HKD15.20).

2024 RSUs was granted on April 1, 2025 with the fair value of HKD44.27 (April 1 and July 1, 2024: HKD15.13, HKD17.09).

The valuation of the 2024 RSUs is based on ordinary stock price on grant date.

35. SHARE-BASED PAYMENT *(continued)*

MOVEMENTS DURING THE YEAR *(continued)*

2021 STAR Market Restricted Share Incentive Scheme

The following table illustrates the number and grant price of, and movements in, restricted shares during the year:

	2025 Number	**2025 Grant price**	2024 Number	2024 Grant price
Unvested at January 1	**13,153,720**	**RMB20**	29,640,860	RMB20
Lapsed during this year	**(854,460)**	**RMB20**	(1,737,183)	RMB20
Vested during this year	**(11,203,420)**	**RMB20**	(14,749,957)	RMB20
Unvested at December 31	**1,095,840**	**RMB20**	13,153,720	RMB20

The weighted average closing price of the Company's shares immediately before the dates on which the restricted shares were vested was RMB57.72 (2024: RMB45.92).

No restricted shares were granted in 2025 and 2024.

36. RISK MANAGEMENT

CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the capital structure.

The Group balances its overall capital structure through new share issues, share buy-backs, the issue of new debt or the repayment of existing debt, and reviews the capital structure on an interim basis.

This section sets out an analysis of net debt as below:

Net Debt	**2025 USD'000**	2024 USD'000
Borrowings	**12,587,850**	10,964,459
Lease liabilities	**8,331**	26,280
Bonds payable	**–**	605,258
Subtotal	**12,596,181**	11,595,997
Less:		
Cash and cash equivalents	**5,872,500**	6,364,189
Restricted cash	**–**	372,514
Financial assets at fair value through profit or loss – current portion	**380,857**	272,257
Financial assets at amortised cost	**5,682,865**	7,954,060
	659,959	(3,367,023)

The gearing ratio at end of the Reporting Period was as follows:

	2025 USD'000	2024 USD'000
Net debt	**659,959**	(3,367,023)
Equity	**35,020,523**	31,869,658
Net debt to equity ratio	**1.9%**	-10.6%

FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments, other than derivatives, comprise borrowings, lease liabilities, bonds payables, restricted cash, cash and cash equivalents, and bank deposits maturing more than 3 months. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally cross currency swaps and interest rate swaps. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

36. RISK MANAGEMENT *(continued)*

MARKET RISK

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- cross currency swap contracts and forward exchange contracts to mitigate the impact of volatility of future cash flows caused by the fluctuation in exchange rates associated with outstanding long-term debts and financial asset at amortised cost denominated in a currency other than the USD; and
- interest rate swaps to mitigate the risk of rising interest rates.

Market risk exposures are measured using the sensitivity analysis and the analysis in the following sections relate to the position as of December 31, 2025.

There has been no change in the Group's exposure to market risks or the manner in which these risks are managed and measured.

FOREIGN CURRENCY RISK

The Group undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, considering the effects of derivative financial instruments, at the end of the Reporting Period are as follows:

	Liabilities		Assets	
	2025 USD'000	2024 USD'000	**2025 USD'000**	2024 USD'000
EUR	**181,704**	107,303	**451,488**	108,179
JPY	**186,835**	116,986	**537,393**	1,110,336
RMB	**6,998,280**	6,501,194	**7,422,305**	8,069,219
Others	**5,599**	141,734	**15,666**	16,209

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of RMB.

The following table details the Group's sensitivity to a 5% increase in the USD against RMB, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. For a 5% decrease of the USD against RMB, there would be an equal and opposite impact on the profit or loss after tax below predicted.

	2025 USD'000	2024 USD'000
Profit after tax	**2,245**	(74,606)

INTEREST RATE RISK

The Group is exposed to interest rate risk related primarily to the Group's long-term borrowing obligations, which the Group generally assumes to fund capital expenditures and working capital requirements. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts.

36. RISK MANAGEMENT *(continued)*

INTEREST RATE RISK *(continued)*

Interest rate sensitivity analysis

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. To manage this mix in a cost-effective manner, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At December 31, 2025, after taking into account the effect of the interest rate swaps, approximately 47% (2024: 79%) of the Group's interest-bearing borrowings bore interest at fixed rates.

The following table demonstrates the sensitivity to a 50bps increase in interest rates, with all other variables held constant, of the Group's profit after tax (through the impact on floating rate borrowings) and the Group's equity. For a 50bps decrease of interest rates, there would be an equal and opposite impact on the profit or loss after tax below predicted.

	2025 **USD'000**	2024 USD'000
Profit after tax	**(34,235)**	(13,916)

PRICE RISK

The Group's exposure to equity instruments price risk arises from investments held by the Group and classified in the consolidated statement of financial position as at fair value through profit or loss (Note 21).

On December 31, 2025, 5% increase/(decrease) in equity instruments price would result in increase/(decrease) in profit by US$30.4 million (December 31, 2024: US$5.2 million).

CREDIT RISK

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is mainly exposed to credit risk from trade receivables, other receivables, other financial assets at amortised cost, including bank deposits, interest receivables, notes receivables, restricted cash, investment receivables, refundable deposits and surety, and the financial assets at fair value through profit or loss, including structural deposits, monetary funds and derivative financial instruments.

Customer credit risk is managed subject to the Group's established policy. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and is offered credit terms only with the approval from Finance and Sales Division. Credit quality of a customer is assessed using publicly available financial information and its own trading records to rate its major customers. The Group's exposure and credit ratings of its counterparties are continuously monitored. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the end of the Reporting Period, the Group had certain concentrations of credit risk as 16.9% (2024: 20.3%) and 53.2% (2024: 50.4%) of the Group's trade receivables were due from the Group's largest customer and five largest customers, respectively.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and aging.

The loss allowance as of December 31, 2025 for trade receivables was determined using simplified approach as follows:

2025	**Balance**	**Expected loss rate**	**Allowance on doubtful receivables**
Not overdue	**794,937**	**–**	**–**
Within 1 year	**82,237**	**5.69%**	**4,682**
1-2 years	**4,611**	**9.86%**	**454**
2-3 years	**183**	**39.59%**	**72**
Over 3 years	**23**	**100%**	**23**
	881,991		**5,231**

36. RISK MANAGEMENT *(continued)*

CREDIT RISK *(continued)*

2024	Balance	Expected loss rate	Allowance on doubtful receivables
Not overdue	354,897	–	–
Within 1 year	52,370	1.75%	918
1-2 years	245	16.26%	40
Over 3 years	76	100%	76
	407,588		1,034

For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on other receivables has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month ECL. Based on the assessment, the impairment loss added during the year for other receivables was US$0.1 million.

The closing allowance on doubtful trade receivables and other receivables as of December 31, 2025 reconcile to the opening balance as follows:

	2025 USD'000	2024 USD'000
As at January 1	**1,191**	1,171
Addition in allowance on doubtful trade receivables	**4,197**	363
Addition/(reversal) in allowance on doubtful other receivables	**118**	(256)
Write off in allowance on doubtful trade receivables	**–**	(87)
As at December 31	**5,506**	1,191

The main credit risk on bank deposits, interest receivables, notes receivables, restricted cash, structural deposits, monetary funds and derivative financial instruments is limited because the counterparties are banks and financing institutions with high credit-ratings.

The above-mentioned financial assets are considered to have low credit risk as there is no significant increase in credit risk since the initial recognition. The maximum exposure at the end of the year is the carrying amount. The credit exposure of the above-mentioned other financial assets at amortised cost are classified as stage 1, for which the loss allowance is measured at an amount equal to 12-month ECLs.

36. RISK MANAGEMENT *(continued)*

LIQUIDITY RISK

The Group monitors its risk to a shortage of funds considering the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, lease liabilities and bonds.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the Reporting Period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2025		Weighted average effective interest rate	Less than 3 months USD'000	3 months to 1 year USD'000	1 to 5 years USD'000	Over 5 years USD'000	Total USD'000
Interest-bearing bank and other borrowings	Fixed	1.66%	115,312	1,864,649	3,474,248	1,615,691	7,069,900
	Floating	2.00%	268,655	552,964	1,069,403	5,041,531	6,932,553
Lease liabilities		3.70%-5.00%	3,661	3,922	865	–	8,448
Financial liabilities included in trade and other payables and accrual liabilities			2,624,209	322,407	–	–	2,946,616
			3,011,837	2,743,942	4,544,516	6,657,222	16,957,517

2024		Weighted average effective interest rate	Less than 3 months USD'000	3 months to 1 year USD'000	1 to 5 years USD'000	Over 5 years USD'000	Total USD'000
Interest-bearing bank and other borrowings	Fixed	1.62%	235,155	691,067	4,164,281	2,425,973	7,516,476
	Floating	2.01%	21,205	2,153,231	1,593,777	425,700	4,193,913
Lease liabilities		3.70%-5.00%	8,259	10,614	7,753	–	26,626
Bonds payable		2.69%	608,079	–	–	–	608,079
Financial liabilities included in trade and other payables and accrual liabilities			2,892,724	296,337	–	–	3,189,061
			3,765,422	3,151,249	5,765,811	2,851,673	15,534,155

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the Reporting Period.

Interest rates above do not include effect by hedging instruments.

36. RISK MANAGEMENT *(continued)*

LIQUIDITY RISK *(continued)*

The following table details the Group's liquidity analysis for the cross currency swap contracts and interest rate swap contract. The table has been drawn up based on the undiscounted inflows and outflows on those derivatives.

2025	**Less than 3 months USD'000**	**3 months to 1 year USD'000**	**1 year to 5 years USD'000**	**Over 5 years USD'000**	**Total USD'000**
Cross currency swap contracts — cash flow hedges					
Gross settled:					
– inflows	**7,292,482**	**306,522**	**–**	**–**	**7,599,004**
– outflows	**(7,282,948)**	**(307,344)**	**–**	**–**	**(7,590,292)**
Forward exchange contracts — cash flow hedges					
Gross settled:					
– inflows	**1,112,083**	**–**	**–**	**–**	**1,112,083**
– outflows	**(1,102,883)**	**–**	**–**	**–**	**(1,102,883)**
	18,734	**(822)**	**–**	**–**	**17,912**

2024	Less than 3 months USD'000	3 months to 1 year USD'000	1 year to 5 years USD'000	Over 5 years USD'000	Total USD'000
Cross currency swap contracts — cash flow hedges					
Gross settled:					
– inflows	2,637,322	4,166,832	513,217	–	7,317,371
– outflows	(2,580,658)	(4,190,041)	(552,433)	–	(7,323,132)
Interest rate swap contracts — cash flow hedges					
Gross settled:					
– inflows	2,323	5,914	–	–	8,237
– outflows	(524)	(1,334)	–	–	(1,858)
Forward exchange contracts — cash flow hedges					
Gross settled:					
– inflows	188,928	167,428	–	–	356,356
– outflows	(193,000)	(169,500)	–	–	(362,500)
	54,391	(20,701)	(39,216)	–	(5,526)

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

FAIR VALUE OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, financial assets at amortised cost, financial assets included in trade and other receivables, lease liabilities, financial liabilities included in trade and other payables and accrued liabilities, borrowings and bonds payable approximate to their carrying amounts.

VALUATION PROCESSES

The finance department performs the valuations of financial assets required for financial reporting purposes and reports directly to the Person-in-charge of Finance. Discussions of valuation processes, results and change analyses are held by the Person-in-charge of Finance and the financial team annually, in line with the Group's yearly reporting periods. The valuation is reviewed by the audit committee.

VALUATION TECHNIQUES AND ASSUMPTIONS APPLIED FOR THE PURPOSES OF MEASURING FAIR VALUE

The fair values of financial instruments are based on quoted market prices in active markets and valuation techniques that use observable market-based inputs or unobservable inputs that are corroborated by market data. Pricing information that the Group obtains from third parties is internally validated for reasonableness prior to use in the consolidated financial statements. When observable market prices are not readily available, the Group generally estimates the fair value using valuation techniques that rely on alternate market data or inputs that are generally less readily observable from objective sources and are estimated based on pertinent information available at the time of the applicable reporting periods. In certain cases, fair values are not subject to precise quantification or verification and may fluctuate as economic and market factors vary and the Group's evaluation of those factors changes.

FAIR VALUE MEASUREMENTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following tables provide an analysis of financial instruments that are measured at fair value on a recurring basis subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. There is no transfer within different levels of the fair value hierarchy in the year ended December 31, 2025:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

FAIR VALUE MEASUREMENTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

2025	Valuation techniques	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Financial assets					
Equity instruments – listed companies	Quoted market prices	**29**	**–**	**–**	**29**
Equity instruments – unlisted companies	Valuation multiples or the latest price method of financing	**–**	**–**	**810,472**	**810,472**
Structural deposits	Monte Carlo simulation	**–**	**–**	**323,806**	**323,806**
Monetary funds	Observable prices	**57,051**	**–**	**–**	**57,051**
Cross currency swap contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	**–**	**84,151**	**–**	**84,151**
Forward exchange contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	**–**	**3,000**	**–**	**3,000**
		57,080	**87,151**	**1,134,278**	**1,278,509**
Financial liabilities					
Cross currency swap contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	**–**	**18,994**	**–**	**18,994**

2024	Valuation techniques	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Financial assets					
Equity instruments – listed companies	Quoted market prices	6,019	–	–	6,019
Equity instruments – unlisted companies	Valuation multiples or the latest price method of financing	–	–	132,067	132,067
Structural deposits	Monte Carlo simulation	–	–	476,180	476,180
Monetary funds	Observable prices	85,364	–	–	85,364
Cross currency swap contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	–	61,240	–	61,240
Interest rate swap contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	–	4,814	–	4,814
		91,383	66,054	608,247	765,684
Financial liabilities					
Cross currency swap contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	–	123,794	–	123,794
Forward exchange contracts – cash flow hedges	The present value of the estimated future cash flows based on observable yield curves	–	11,647	–	11,647
		–	135,441	–	135,441

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

The following table presents the changes in level 3 instruments for the year ended:

	Equity instruments -restricted listed companies USD'000	Equity instruments-unlisted companies USD'000	Structural deposits USD'000	Total USD'000
As at January 1, 2024	30,009	167,821	393,065	590,895
Additions	–	9,056	740,648	749,704
Disposals	–	(33,809)	(661,111)	(694,920)
Transfer out	(30,457)	–	–	(30,457)
Gain/(loss) recognised	448	(8,874)	7,161	(1,265)
Exchange realignment	–	(2,127)	(3,583)	(5,710)
As at December 31, 2024 and January 1, 2025	**–**	**132,067**	**476,180**	**608,247**
Additions	**–**	**679,922**	**284,257**	**964,179**
Disposals	**–**	**(9,727)**	**(442,383)**	**(452,110)**
Gain recognised	**–**	**5,450**	**4,878**	**10,328**
Exchange realignment	**–**	**2,760**	**874**	**3,634**
As at December 31, 2025	**–**	**810,472**	**323,806**	**1,134,278**

VALUATION INPUTS AND RELATIONSHIPS TO FAIR VALUE

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

2025	**Fair value USD'000**	**Valuation techniques**	**Unobservable input**
Equity instruments – unlisted companies	**810,472**	**Valuation multiples or the latest price method of financing**	**Average Price/Earnings ("PE"), Price/Sales ("PS"), Enterprise Value/Sales ("EVS") multiple of peers and the latest price of financing**
Structural deposits	**323,806**	**Monte Carlo simulation**	**Brownian motion process**

2024	Fair value USD'000	Valuation techniques	Unobservable input
Equity instruments – unlisted companies	132,067	Valuation multiples or the latest price method of financing	Average PE, PS, EVS multiple of peers and the latest price of financing
Structural deposits	476,180	Monte Carlo simulation	Brownian motion process

The sensitivity analysis of unobservable inputs as of December 31, 2025 is summarised as below:

The higher the average PE, PS, EVS multiple of peers, the higher the fair value.

The higher the latest price of financing, the higher the fair value.

The higher the liquidity discounts, the lower the fair value.

38. CASH FLOW INFORMATION

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities from financing activities	Borrowings USD'000	Lease liabilities USD'000	Bonds payable USD'000	Total USD'000
As at January 1, 2024	9,550,931	58,620	599,115	10,208,666
Net cash flows in/(out)	1,538,799	(32,345)	–	1,506,454
Interest charged	213,042	1,143	16,915	231,100
Interest payable recognised	(194,043)	(1,143)	(10,772)	(205,958)
Exchange realignment	(144,270)	5	–	(144,265)
As at December 31, 2024 and January 1, 2025	**10,964,459**	**26,280**	**605,258**	**11,595,997**
Net cash flows in/(out)	**1,354,429**	**(17,314)**	**(600,000)**	**737,115**
New leases	**–**	**644**	**–**	**644**
Interest charged	**216,080**	**346**	**2,821**	**219,247**
Interest payable recognised	**(208,442)**	**(346)**	**(8,079)**	**(216,867)**
Revision of a lease term arising from a change in the non-cancellable period of a lease	**–**	**(1,288)**	**–**	**(1,288)**
Exchange realignment	**261,324**	**9**	**–**	**261,333**
As at December 31, 2025	**12,587,850**	**8,331**	**–**	**12,596,181**

NON-CASH INVESTING AND FINANCING ACTIVITIES

	2025 USD'000	2024 USD'000
Increase of right-of-use assets (excluded land-use right)	**644**	–
Revision of a lease term arising from a change in the non-cancellable period of a lease	**(1,288)**	–

TOTAL CASH OUTFLOW OF LEASES

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 USD'000	2024 USD'000
Within operating activities	**18,052**	16,038
Within financing activities	**17,314**	32,345
	35,366	48,383

39. RELATED PARTY TRANSACTIONS

The names of the related parties which had transactions with the Group for the year ended December 31, 2025 and the relationships with the Group are disclosed below:

Related party name	Relationship
Datang Holdings and its related parties ("Datang")	Datang Holdings through Datang HK indirectly holding more than 5% shares of the Company
Toppan Sensing Electronics (Shanghai) Co., Ltd. ("Toppan")	An associate of the Group
Brite Semiconductor (Shanghai) Co., Ltd. ("Brite") and its subsidiaries	An associate of the Group
China Fortune-Tech Capital Co., Ltd. ("China Fortune-Tech")	An associate of the Group
Sino IC Leasing and its subsidiaries	An associate of the Group
NSI	An associate of the Group
Semiconductor Global Solutions Corporation ("SGS") and its subsidiaries	An associate of the Group
Semiconductor Technology Innovation Center (Beijing) Co., Ltd. ("Beijing Innovation Center")	An associate of the Group
Shanghai Furui Technology Co., Ltd. ("Furui")	An associate of the Group
Shanghai IC Fund II	Directly holding more than 10% of the shares of a subsidiary of the Group
Key Management Personnel who have transactions with the Group	Directors and senior management personnel

TRADING TRANSACTIONS

During the year, the Group's transactions with related parties that are not members of the Group are as below:

		2025 USD'000	2024 USD'000
Sale of goods and services			
Brite and its subsidiaries	Sale of goods and services	**49,756**	74,247
NSI	Sale of goods	**28,145**	22,277
Beijing Innovation Center	Sale of goods and services	**25,773**	114,456
Datang(1)	Sale of goods and services	**16,579**	12,498
Furui	Sale of services	**105**	–
Purchase of goods and services			
Beijing Innovation Center	Purchase of services	**7,712**	7,131
Toppan	Purchase of goods	**4,844**	9,580
SGS and its subsidiaries	Purchase of goods and services	**1,190**	468
China Fortune-Tech	Purchase of services	**724**	487
Transfer of assets			
Sino IC Leasing and its subsidiaries	Purchase of equipment	**129,923**	–
SGS and its subsidiaries	Purchase of equipment	**37,571**	2,904
Group as a lessor			
Toppan	Rent income	**5,487**	5,437
China Fortune-Tech	Rent income	**809**	930
SGS and its subsidiaries	Rent income	**373**	591
Beijing Innovation Center	Rent income	**18**	79
NSI	Rent income	**–**	3
Group as a lessee			
Sino IC Leasing and its subsidiaries	Payment of lease liabilities	**16,782**	32,717

39. RELATED PARTY TRANSACTIONS *(continued)*

The following balances were outstanding at the end of the Reporting Period:

	Amounts due from related parties		Amounts due to related parties	
	2025 USD'000	2024 USD'000	**2025 USD'000**	2024 USD'000
Brite and its subsidiaries	**5,916**	6,769	**83**	347
SGS and its subsidiaries	**2,712**	8,385	**5,546**	2,113
Toppan	**1,080**	1,016	**183**	375
Beijing Innovation Center	**10,481**	15,960	**8,207**	10,530
China Fortune-Tech	**–**	15	**71**	71
Sino IC Leasing and its subsidiaries	**–**	–	**6,581**	24,403
Datang	**444**	13	**5,865**	1,196
NSI	**5,745**	4,924	**10,005**	1,933

CAPITAL CONTRIBUTION

The Group engaged with Shanghai IC Fund II [(1)] to jointly injected capital into a subsidiary of the Group, of which Shanghai IC Fund II contributed US$835.0 million during this year.

(1) The related party transactions above constituted non-exempt connected transactions and non-exempt continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules. The other party transactions did not constitute non-exempt connected transactions and non-exempt continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules.

The balances are unsecured and interest-free and repayable on demand.

The pricing of trading transactions with related parties that are not members of the Group refers to the pricing standards of third parties for comparable product or services at the same time and in the same region.

EMOLUMENTS OF KEY MANAGEMENT PERSONNEL

Directors and senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The emoluments of directors and senior management personnel during the year are as follows:

	2025 USD'000	2024 USD'000
Salaries, bonus and benefits	**7,102**	5,633
State-managed pension	**38**	41
Equity-settled share-based payment expense	**1,989**	2,312
	9,129	7,986

The emoluments of directors and senior management personnel is determined by the Compensation Committee in regard to the Group's profitability, business achievement, individual performance and market trends.

The numbers of senior management whose remuneration including salaries, bonus, benefits and state-managed pension fell within the following bands for the years ended December 31, 2025 are as follows:

	2025
Approximately US$576,001 to US$640,000	**1**
Approximately US$1,024,001 to US$1,088,000	**1**
Approximately US$1,216,001 to US$1,280,000	**1**
Approximately US$1,920,001 to US$1,984,000	**2**
	5

40. FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF FINANCIAL POSITION

	2025 USD'000	2024 USD'000
Assets		
Non-current assets		
Property, plant and equipment	160	4,623
Investments in subsidiaries	12,302,958	11,596,709
Investments in associates	222,452	221,383
Other assets	6,215	295,502
Total non-current assets	12,531,785	12,118,217
Current assets		
Prepayment and prepaid operating expenses	936	917
Trade and other receivables	1,624	24,371
Due from subsidiaries	8,387,712	8,748,799
Financial assets at fair value through profit or loss	294,392	–
Financial assets at amortised cost	23	37,589
Derivative financial instruments	86,383	51,568
Cash and cash equivalents	657,187	1,573,683
Total current assets	9,428,257	10,436,927
Total assets	21,960,042	22,555,144
Equity and liabilities		
Capital and reserves		
Ordinary shares	32,002	31,905
Share premium	14,394,785	14,266,359
Other reserves	154,677	142,470
Retained earnings	6,858,206	6,173,075
Total equity	21,439,670	20,613,809
Non-current liabilities		
Borrowings	417,922	413,137
Derivative financial instruments	–	37,576
Total non-current liabilities	417,922	450,713
Current liabilities		
Trade and other payables	2,079	45,195
Due to subsidiaries	70,588	401,866
Borrowings	4,432	336,536
Bonds payable	–	605,258
Accrued liabilities	6,224	3,902
Derivative financial instruments	16,241	97,865
Current tax liabilities	2,886	–
Total current liabilities	102,450	1,490,622
Total liabilities	520,372	1,941,335
Total equity and liabilities	21,960,042	22,555,144

40. FINANCIAL INFORMATION OF THE COMPANY *(continued)*

STATEMENT OF CHANGES IN EQUITY

	Ordinary shares USD'000	Share premium USD'000	Other reserves USD'000	Retained earnings USD'000	Total equity USD'000
As at January 1, 2024	31,786	14,117,072	286,917	5,680,327	20,116,102
Profit for the year	–	–	–	492,748	492,748
Other comprehensive income for the year	–	–	(101,044)	–	(101,044)
Total comprehensive income for the year	–	–	(101,044)	492,748	391,704
Issue of shares under share incentive plans	119	149,287	(97,209)	–	52,197
Share-based compensation	–	–	44,846	–	44,846
Share of other capital reserve of associates	–	–	17,481	–	17,481
Dilution of interests in subsidiaries	–	–	(8,521)	–	(8,521)
Subtotal	119	149,287	(43,403)	–	106,003
As at December 31, 2024 and January 1, 2025	**31,905**	**14,266,359**	**142,470**	**6,173,075**	**20,613,809**
Profit for the year	**–**	**–**	**–**	**685,131**	**685,131**
Other comprehensive income for the year	**–**	**–**	**160,319**	**–**	**160,319**
Total comprehensive income for the year	**–**	**–**	**160,319**	**685,131**	**845,450**
Issue of shares under share incentive plans	**97**	**128,426**	**(82,021)**	**–**	**46,502**
Share-based compensation	**–**	**–**	**25,772**	**–**	**25,772**
Share of other capital reserve of associates	**–**	**–**	**5,564**	**–**	**5,564**
Dilution of interests in subsidiaries	**–**	**–**	**(97,427)**	**–**	**(97,427)**
Subtotal	**97**	**128,426**	**(148,112)**	**–**	**(19,589)**
As at December 31, 2025	**32,002**	**14,394,785**	**154,677**	**6,858,206**	**21,439,670**

41. COMMITMENTS

The Group had the following contractual commitments at the end of the Reporting Period:

	2025 USD'000	2024 USD'000
Commitments for building and facility construction	**353,747**	258,061
Commitments for acquisition of machinery and equipment	**10,701,400**	6,652,728
Commitments for acquisition of intangible assets	**23,494**	13,118
Commitments for capital contributions	**22,787**	121,307
	11,101,428	7,045,214

42. SUBSEQUENT EVENTS

There is no material subsequent event undertaken by the Group after December 31, 2025.

43. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on March 26, 2026.

APPENDIX II

REPRODUCTION OF THE ISSUER'S CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

The information set out below is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2025.

SG Issuer
Société Anonyme

Condensed interim financial statements,
Report of the Executive Board and Corporate Governance Statement and
Report of the Réviseur d’entreprises agréé on review of the condensed interim financial statements

As at and for the six-month period ended 30 June 2025

10 Porte de France,
L-4360 Esch-Sur-Alzette
R.C.S. Luxembourg: B121.363

Table of contents

As at 30 June 2025

EXECUTIVE BOARD MEMBERS ..... - 1 -
SUPERVISORY BOARD MEMBERS ..... - 2 -
AUDIT COMMITTEE MEMBERS ..... - 3 -
MANAGEMENT AND ADMINISTRATION ..... - 4 -
LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ ..... - 5 -
REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT ..... - 6 -
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS ..... - 12 -
INTERIM STATEMENT OF FINANCIAL POSITION ..... - 14 -
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..... - 15 -
INTERIM STATEMENT OF CHANGES IN EQUITY ..... - 16 -
INTERIM STATEMENT OF CASH FLOWS ..... - 17 -
NOTE 1 - CORPORATE INFORMATION ..... - 18 -
NOTE 2 - MATERIAL ACCOUNTING POLICIES ..... - 19 -
NOTE 3 - CASH AND CASH EQUIVALENTS ..... - 32 -
NOTE 4 - FINANCIAL INSTRUMENTS ..... - 33 -
NOTE 5 - LOANS AND RECEIVABLES ..... - 36 -
NOTE 6 - OTHER ASSETS AND OTHER LIABILITIES ..... - 36 -
NOTE 7 - TAXATION ..... - 36 -
NOTE 8 - SHAREHOLDERS' EQUITY ..... - 37 -
NOTE 9 - INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME NOTES - 38 -
NOTE 10 - OFF-BALANCE SHEET ..... - 39 -
NOTE 11 - RISK MANAGEMENT ..... - 40 -
NOTE 12 - INFORMATION ON LITIGATIONS ..... - 49 -
NOTE 13 - SUBSEQUENT EVENTS ..... - 49 -

Executive Board Members
As at 30 June 2025

EXECUTIVE BOARD MEMBERS

Chairman:

Mr Yves CACCLIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Thierry BODSON
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Julien BOUCHAT *(until 17 April 2025)*
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr François CARALP
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Youenn LE BRIS *(until 1 August 2025)*
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Olivier PELSSER *(since 30 April 2025 and replacing Julien BOUCHAT)*
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Laurent SIMONET
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Samuel WOROBEL
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Supervisory Board Members
As at 30 June 2025

SUPERVISORY BOARD MEMBERS

Chairman:

Mr Laurent WEIL
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Vice-president:

Mrs Peggy VENIANT COTTIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Faouzi BORGI
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Mr Emanuele MAIOCCHI
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

AUDIT COMMITTEE MEMBERS

Chairman:

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Members:

Mr Emanuele MAIOCCHI
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mrs Peggy VENIANT COTTIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

MANAGEMENT AND ADMINISTRATION

Issuer
SG Issuer
10 Porte de France, L-4360 Esch-Sur-Alzette, Luxembourg

Guarantor (if applicable, as specified in the Final Terms)
Société Générale
29, boulevard Haussmann, F-75009 Paris, France

Arranger and Dealer
Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Security Trustee and Security Agent Trustee
The Bank of New York Mellon Corporate Trustee Services Limited
One Canada Square, London E14 5AL, United Kingdom

Collateral Custodian
The Bank of New York Mellon S.A., Luxembourg Branch
Vertigo Building, Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg

Collateral Monitoring Agent
The Bank of New York Mellon London Branch
One Canada Square, London E14 5AL, United Kingdom

Custodian Agent, Issuing and Paying Agent, Registrar, Exchange Agent and Transfer Agent
Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Paying Agents
Société Générale
29, boulevard Haussmann, F-75009 Paris, France
&
Société Générale, New York Branch
1221, avenue of the Americas, New York NY 10020, United States of America

Warrant Agent
Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ

Legal advisers
To the Arranger as to English, French and U.S. laws
Allen & Overy LLP
52, avenue Hoche, CS 90005, 75379 Paris Cedex 08, France

To the Trustee as to English Law
Allen & Overy LLP
1 Bishops Square, London E1 6AD, United Kingdom

To the Arranger as to Luxembourg Law
Allen & Overy Luxembourg
5, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Independent Auditor (Réviseur d'entreprises agréé)
PricewaterhouseCoopers Assurance, Société coopérative
2, rue Gerhard Mercator L-2182 Luxembourg

REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT

The Directors of SG Issuer (the "Company" or "SGIS") (each a « Director », collectively the « Executive Board ») present the condensed interim financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the period from 1 January 2025 to 30 June 2025.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The purpose of SG Issuer is to issue Notes and Warrants with all types of underlying including, without restriction, Shares, Index, Interest Rate, Dividend, Credit Risk, Foreign Exchange, Commodities, Funds, Warrants, allowing investors to access to the full pricing capabilities of Société Générale Group, which proposes an extensive range of investment strategies linked to these various asset classes.

Notes and Warrants issued by the Company can be sold in either Private Placements or Public Offerings.

- Notes are mainly Debt Securities, Bonds, and Certificates. Issuing proceeds raised by the sale of the Notes will be transferred to Société Générale S.A. ("Société Générale") through a Fully Funded Swap ("FFS"), which perfectly hedges SGIS for the full issue size.
- Warrants are financial products like Turbos, inline Warrants, daily Leverage Certificates, which aim to replicate the same financial exposure as buying (Call) or selling (Put) an asset such as a share or an index, at a predetermined price (strike price) on a predetermined date (expiry) and to offer different pay-off or exposures to investors. Positions in warrants are systematically hedged through an option with Société Générale, with strictly identical characteristics.

Payments in respect of the Notes and Warrants issued by the Company are unconditionally and irrevocably guaranteed by Société Générale.

On request of investors, the Company can issue Collateralised Notes or Warrants (respectively "secured Notes" or "secured Warrants") in order to propose an additional layer of protection to investors in case of default of Société Générale.

Notes and Warrants issuances are governed by the programs prepared by Société Générale.

The main programs for Notes are (i) the Debt Instruments Issuance Program, the Base Prospectus of which has been updated and approved by the CSSF on 30 May 2025 and (ii) the "Programme d'Emission de Titres de Créance", the Base Prospectus of which has been updated and approved by the CSSF on 12 June 2025. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 26 June 2025.

In addition, (i) the UK Debt Instrument Issuance Program has been approved by the FCA on 30 May 2025 , ii) The German Debt Instruments Issuance Program has been approved by the CSSF on 5 June 2025 and iii) the Swiss Securities Issuance Program on 3 July 2025 by the SIX Exchange Regulation Ltd.

The state of business of the Company at the closing of the six-month period ended 30 June 2025 is adequately presented in the condensed interim financial statements published hereby.

Report of the Executive Board and Corporate Governance Statement (continued)
As at 30 June 2025

During the six-month period ended 30 June 2025, 30 441 new Notes were issued (among which 2 155 new secured Notes) and 749 new Warrants were issued[1]. The net loss for the period from 1 January 2025 to 30 June 2025 amounts to KEUR 156.

During the six-month period ended 30 June 2024, 11 427 new Notes were issued (among which 57 new secured Notes) and 1 395 new Warrants were issued. The net loss for the period from 1 January 2024 to 30 June 2024 amounts to KEUR 8.

The Company did not exercise any research and development activity, does not have any branch, and did not acquire any own shares.

2. RISKS AND UNCERTAINTIES

The risks associated with the investment in the Notes or Warrants depend on several factors. Such factors will vary depending on the characteristics of the Notes or Warrants issued, in particular depending on the underlying type, the maturity, the secured / unsecured status of the Notes or Warrants, the interest rates incurred, the volatility of the underlying.

For each Note, the Company systematically hedges its position by contracting a FFS with Société Générale, with strictly identical characteristics. Also, for each Warrant, the Company systematically hedges its position by contracting an option with Société Générale, with strictly identical characteristics.

The legal documentation and the derivative instruments have been put in place in order to make sure that the assets match the liabilities at any time. Therefore, no market risk is supported by the Company. The risk management in relation to the Notes and Warrants is also described in Note 11 of the condensed interim financial statements.

3. FUTURE DEVELOPMENTS AND PERSPECTIVES

Further to the transfer of some notes from another vehicle of the Société Générale Group, the Company pursue its note issuance activity in 2025. In 2025, the Company also pursue its warrant issuances activity on the Asian markets.

4. INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

[1] The number of issued Notes and Warrants does not take into account the issuances which have been issued and cancelled during the same financial period.

5. CORPORATE GOVERNANCE STATEMENT

The Executive Board of the Company is committed to maintain the standards of corporate governance enforced at the level of the European Union and at level of the Société Générale Group. This statement describes the Company's governance principles and practices.

In compliance with its status, the Company is governed by an Executive Board and supervised by a dedicated Supervisory Board.

5.1. Executive board

The Executive Board supervises and controls the management and operations of the Company and is responsible for the Company system of risk management and internal control.

The Executive Board meetings are held on demand several times during the year.

The Board has quorum when more than half of its members are present. An opinion supported by more than half of the members present becomes a decision.

Key tasks of the Executive Board:

- Ensures that the supervision of accounting is organised and monitored appropriately;
- Reviews and approves the Company's financial statements and condensed interim financial statements;
- Supervises and controls operative management.

5.2. Supervisory board

The Supervisory Board ensures permanently and by all necessary means the control of the management of the Company carried out by the Executive Board. However, this supervision has to be translated in no way by an intervention in the management of the Company. The Supervisory Board can mandate advisory committees comprised of members of the Supervisory Board and/or of other non-members to lead different missions. The Supervisory Board can confer power or mandates permanently or temporary to these advisory committees. These advisory committees cannot have the effect of restricting the powers of the Executive Board.

5.3. Audit committee

The mission of the Audit Committee is to monitor the issues related to the preparation and control of accounting and financial information, to monitor the independence of the statutory auditors, as well as to monitor the efficiency of the internal control, measurement, supervision and risk control systems related to the accounting and financial processes. If needed, it gives recommendations and its opinion to the Supervisory Board.

An Audit Committee took place on 28 April 2025, during which the financial statements for the financial period ended 31 December 2024 and the external audit results were presented. At least one member of the committee must be independent, which is the case of the Chairman of the Company's Audit Committee.

5.4. Internal audit

The Internal Audit of both Société Générale Luxembourg S.A. ("SG Luxembourg") and Société Générale Group support the Company's Executive Board in overseeing the Company's activities and securing its operations by carrying out internal audits and providing consultative assistance. The objective of Internal Audit is to add value by making recommendations designed to improve the Company's functioning. Internal Audit is an independent function, and its activities are based on international professional internal audit standards and rules of ethics.

The central task of Internal Audit is to audit the functioning of SG Issuer on a regular basis and evaluate its internal controls, risk management, and administrative function. The areas to be audited are determined by the projected financial and operational risks concerned. Internal Audit can also carry out special assignments at the request of management.

Internal Audit does not have any direct authority over the activities it reviews.

5.5. Controls framework

First level of controls is related to the execution of the procedures, guidelines and instructions established to ensure the proper and efficient functioning of the Company. They are executed by the involved teams in charge of the production.

A second level of control is ensured by SG Luxembourg: Outsourced Essential Services ("OES") supervision (ensured by the Corporate department), Market Risk and Operational Risk (ensured by the Risk department), "Level 2 permanent control" activity (monitoring and assessment of the level 1 permanent control system)."

The Chief Financial Officer of the Company ensures the completeness of the procedural framework.

5.6. New products committee

All the new activities and businesses of the Company are analysed and authorised by a dedicated New Products Committee (NPC). All involved departments within SG Luxembourg are represented (operations, finance, risk, accounting standards, etc…) to assess the impact for the Company.

Report of the Executive Board and Corporate Governance Statement (continued)
As at 30 June 2025

5.7. Service level agreements

The Company and several of its service providers are subsidiaries of the Société Générale Group.

Service Level Agreements ("SLAs") were signed by the Company with SG Luxembourg and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by SG Luxembourg and Société Générale are listed in the appendices of the agreements (mainly General services, legal services, business continuity management services and financial services from SG Luxembourg and operational services – Middle Office and Back Office – from Société Générale). In particular, the calculation of the remuneration related to the issuance of the Notes is delegated to Société Générale Paris Middle office within the framework of the SLA.

Luxembourg, 25 September 2025
For the Executive Board

DocuSigned by:
7831052D58254D9...
Yves CACCLIN
Chairman of the Executive Board

DocuSigned by:
Thierry Bodson
FA6BBE7F77A249C...
Thierry BODSON
Member of the Executive Board

Global Statement for the condensed interim financial statements

As at 30 June 2025

To the best of our knowledge, these condensed interim financial statements gives a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the Report of the Executive Board (management report) includes a fair presentation of the development and performance of the business and the position of the Company, together with a description of the main risks and uncertainties that it faces.

Luxembourg, 25 September 2025

Executive Board Member
For the Executive Board

DocuSigned by:
7831052D58254D9...
Yves CACCLIN
Chairman of the Executive Board

DocuSigned by:
Thierry Bodson
FA6BBE7F77A249C...
Thierry BODSON
Member of the Executive Board

Report on Review of Condensed Interim Financial Statements

To the Executive Board of
SG Issuer S.A.

We have reviewed the accompanying condensed interim financial statements of SG Issuer S.A. (the "Company"), which comprise interim statement of financial position as at 30 June 2025, and the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-month period then ended, and material accounting policy information and other explanatory information.

Executive Board responsibility for the condensed interim financial statements

The Executive Board is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Executive Board determines is necessary to enable the preparation of condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'entreprises agréé

Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The Réviseur d'entreprises agréé performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed interim financial statements.

PricewaterhouseCoopers Assurance, Société coopérative, 2 rue Gerhard Mercator, L-2182 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation ministérielle n°10181659)
R.C.S. Luxembourg B294273 - TVA LU36559370

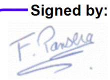
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Luxembourg, 25 September 2025

PricewaterhouseCoopers Assurance, Société coopérative
Represented by

Signed by:



278961A3782F4BE...

Franck Pansera

Condensed interim financial statements
As at 30 June 2025

Interim statement of financial position

	Note	('000 EUR) 30.06.2025	('000 EUR) 31.12.2024
Cash and cash equivalents	3, 11.4, 11.5	60,072	63,575
Financial assets at fair value through profit or loss			
- Mandatorily measured at fair value through profit or loss	4.1, 11.4, 11.5	52,760,662	49,117,912
- Trading derivatives at fair value through profit or loss	4.1, 11.4, 11.5	190,710	77,950
Loans and receivables	5	50,005	50,026
Other assets	6	427,975	292,904
Total assets		**53,489,424**	**49,602,367**
Financial liabilities at amortised cost	4.3, 11.4, 11.5	67,523	96,621
Financial liabilities at fair value through profit or loss			
- Designated at fair value through profit or loss	4.2, 11.4, 11.5	52,750,893	49,120,262
- Trading derivatives at fair value through profit or loss	4.2, 10, 11.4, 11.5	190,724	76,896
Other liabilities	6	478,235	306,067
Tax liabilities	7	5	87
Total liabilities		**53,487,380**	**49,599,933**
Share capital	8.1	2,000	2000
Share premium	8.1	-	-
Legal reserve	8.2.1	200	200
Other reserves	8.2.2	-	-
Profit for the financial period/year		(156)	234
Total equity		**2,044**	**2,434**
Total equity and liabilities		**53,489,424**	**49,602,367**

Condensed interim financial statements (continued)
As at 30 June 2025

Interim statement of profit or loss and other comprehensive income

	Note	('000 EUR) 1st half of 2025	('000 EUR) 1st half of 2024
Interest income		1,288	2,025
Commission income	9.1	25,320	21,689
Total revenues		**26,608**	**23,714**
Interest expenses		(19,772)	(15,052)
Net result from financial instruments at fair value through profit or loss	9.2	(163)	(2)
Personnel expenses		(99)	(96)
Other operating expenses		(6,725)	(8,567)
Total expenses		**(26,759)**	**(23,717)**
Profit or (loss) before tax		**(151)**	**(3)**
Income tax	7	(5)	(5)
Profit or (loss) for the interim period		**(156)**	**(8)**
Total comprehensive income for the interim period		**(156)**	**(8)**

Condensed interim financial statements (continued)
As at 30 June 2025

Interim statement of changes in equity

	('000 EUR) Share capital	('000 EUR) Share premium	('000 EUR) *Legal reserve*	('000 EUR) *Other reserves*	('000 EUR) Total reserves	('000 EUR) Profit or (loss) for the financial year/interim period	('000 EUR) Total equity
As at 31 December 2023	**2,000**	-	*200*	-	**200**	**15**	**2,215**
Allocation of the result of the previous year before dividend distribution	-	-	-	*15*	**15**	**(15)**	-
Capital increase / Allocation to the share premium account (Note 8.1)	-	**34,361**	-	-	-	-	**34,361**
Dividend paid (Note 8.1)	-	-	-	*(15)*	**(15)**		**(15)**
Reimbursement of the share premium (Note 8.1)	-	**(34,361)**	-	-	-	-	**(34,361)**
Profit and other comprehensive income for the period from 1 January 2024 to 30 June 2024	-	-	-	-	-	**(8)**	**(8)**
As at 30 June 2024	**2,000**	-	*200*	-	**200**	**(8)**	**2,192**
Profit and other comprehensive income for the period from 1 July 2024 to 31 December 2024	-	-	-	-	-	**242**	**242**
As at 31 December 2024	**2,000**	-	*200*	-	**200**	**234**	**2,434**
Allocation of the result of the previous year before dividend distribution	-	-	-	*234*	**234**	**(234)**	-
Capital increase / Allocation to the share premium account (Note 8.1)	-	**27,071**	-	-	-	-	**27,071**
Dividend paid (Note 8.1)	-	-	-	*(234)*	**(234)**		**(234)**
Reimbursement of the share premium (Note 8.1)	-	**(27,071)**	-	-	-	-	**(27,071)**
Profit and other comprehensive income for the period from 1 January 2025 to 30 June 2025	-	-	-	-	-	**(156)**	**(156)**
As at 30 June 2025	**2,000**	-	*200*	-	**200**	**(156)**	**2,044**

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim financial statements (continued)
As at 30 June 2025

Interim statement of cash flows

	Notes	('000 EUR) 1st half of 2025	('000 EUR) 1st half of 2024
OPERATING ACTIVITIES			
Profit or (loss) for the financial period		(156)	(8)
Net change in fair value and foreign exchange difference	4.1, 4.2	15,480	(1,921)
Net (increase)/decrease in financial assets	4.1	(1,703,963)	(769,038)
Net increase/(decrease) in financial liabilities	4.2	1,648,355	755,560
(Increase)/decrease in other assets		(135,071)	1,899,589
Increase/(decrease) in tax liabilities and other liabilities		199,244	(1,853,149)
Taxes paid	8	(87)	(13)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**23,802**	**31,020**
FINANCING ACTIVITIES			
Payment of capital surplus*	8.1	(27,071)	(34,361)
Dividend paid		(234)	(15)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(27,305)**	**(34,376)**
Cash and cash equivalents as at the beginning of the period	3	63,575	42,010
Net increase/(decrease) in cash and cash equivalents		(3,503)	(3,356)
Cash and cash equivalents as at the end of the period		**60,072**	**38,654**
Additional information on operational cash flows from interest and dividends			
Interest paid		24,735	35,388
Interest received		2,685	2,025
Dividend received		-	-

** KEUR 27,071 for the period ended 30 June 2025 (and KEUR 34,361 for the period ended 30 June 2024) represent the share premium reimbursed by the Company to the shareholder (refer to Note 8.1).*

Notes to the condensed interim financial statements
As at 30 June 2025

NOTE 1 - CORPORATE INFORMATION

SG Issuer (hereafter the "Company" or “SGIS”) is a Luxembourg company incorporated on 16 November 2006 as a public limited liability company (Société Anonyme) for an unlimited period.

Since April 2013, the Company’s corporate objects are to issue debt securities, bonds, certificates, warrants and any other debt securities or acknowledgements of debts or financial securities, whether or not accompanied by guarantees, with any type of underlying security, including, without limitation, company stock, any other capital security or security other than capital, index, currency, exchange rate, interest rate, dividend, credit risk, fund unit, investment company stock, term deposit, life assurance contract, loan, merchandise, term contract, option, warrant or option coupons, allocated or unallocated precious metals, unit of account, basket or any other factor or any other type of underlying securities and any combination of the latter.

To that effect, the Company may purchase, hold, dispose of, lend, loan or resell, by any means, including in particular the use of trusts, in trust or repurchase, any type of assets whatever their names and forms and whether or not accompanied by guarantees, in particular financial instruments (financial securities - stocks, fund units, bonds, certificates, warrants - or financial contracts - swaps, options or other) or any other debt securities, acknowledgements of debts or capital securities, receive or issue monetary loans (including loans convertible into shares of the Company) - within the group of companies to which the Company belongs - and to supply guarantees in any form (actual guarantees such as pledges, securities, mortgages or other - personal guarantees or any other form of guarantee) for their own account, for the account of the group of companies to which the Company belongs or on behalf of third parties.

The Company’s financial year begins on 1 January and ends on 31 December each year.

The Company’s capital is divided into 50,012 shares, of which 49,912 are held by Société Générale Luxembourg (hereafter “SG Luxembourg" or “SGL”) and 100 are held by Société Générale S.A. (hereafter “Société Générale” or the “Parent Company”).

The accounts of the Company are included in the consolidated accounts of Société Générale S.A., whose head-office is located at 29, boulevard Haussmann, 75009 Paris, France. It constitutes the largest as well as the smallest grouping of undertakings to which the Company belongs as a subsidiary.

NOTE 2 - MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of compliance

The condensed interim financial statements as at and for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union. The condensed interim financial statements as at and for the six-month period ended 30 June 2025 were approved and authorised for issue by the Supervisory Board on 25 September 2025.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2024. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out in 2.2.

2.1.2 Basis of measurement of financial assets and financial liabilities

Financial assets and financial liabilities linked to the activity of the Company are measured at fair value through profit or loss (see notes 4.1, 4.2, 11.4, 11.5). Other financial assets and financial liabilities are measured at amortised cost (see note 4.3).

2.1.3 Functional and presentation currency

The financial statements are prepared in Euro (“EUR”), which is the Company’s functional currency and the currency of its share capital. Unless stated otherwise, the amounts in the financial statements are expressed in thousands of EUR (KEUR). The value “0” indicates the presence of a number, which is rounded to zero, while “-“ represents the value nil.

2.1.4 Use of estimates and judgments

The preparation of the Company’s condensed interim financial statements requires the Executive Board to make judgments, estimates and assumptions that affect the reported amount of figures recorded in the statement of profit or loss and Other Comprehensive Income, on the unrealised or deferred gains and losses, on the valuation of assets and liabilities in the statement of financial position, and on information disclosed in the notes to the condensed interim financial statements.

In order to make these assumptions and estimates, the Executive Board uses information available at the date of preparation of the condensed interim financial statements and can exercise its judgment. By nature, valuations based on estimates include risks and uncertainties relating to their occurrence in the future. Consequently, actual future results may differ from these estimates and may then have a significant impact on the condensed interim financial statements.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company’s accounting policies, the Executive Board has made the following judgments and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond Company’s control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the condensed interim financial statements with substantial Executive Board judgment and/or estimates are listed below with respect to judgments/estimates involved.

The use of significant estimates and judgment mainly concerns the following topics:

- Fair value in the interim statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss (see Notes 4.1 and 4.2);
- The analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1);
- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost (see Note 5).

2.1.5 Segment reporting

No dedicated management reporting information is presented for SGIS to a chief decision maker; only the annual financial statements and the condensed interim financial statements are presented to the Executive Board of SGIS in analysing the performance of the Company. The Company has mainly one geographical area related to its revenue, which is France.

The business of the Company is not seasonal. Therefore, the additional disclosure of financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period, encouraged in IAS 34.21, are not necessary and not provided.

2.2 <u>New accounting standards and amendments</u>

2.2.1 New accounting standards applicable as at 1 January 2025

Amendments to IAS 21 “Impacts to variations in foreign currency rates”

Published on 15 August 2023

These amendments specify the circumstances in which a currency is regarded as convertible as well as the methods for evaluating the exchange rate of a non-convertible currency. They also supplement the information to be disclosed in the annexes to the financial statements in cases where a currency is not convertible.

The provisions of these amendments have been already applied since 2024 to the preparation of the Company’s financial statements.

2.2.2 Accounting standards, amendments or interpretations to be applied by the Company in the future

The IASB published accounting standards and amendments, some of which have not been adopted by the European Union as at 30 June 2025. Their application is required for the financial years beginning on or after 1 January 2026 at the earliest or on the date of their adoption by the European Union. They have thus not been applied to the Company as at 30 June 2025. These standards are expected to be applied according to the following schedule:

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".

Amendments to IFRS 9 "Amendments to the classification and measurement of financial instruments"

Adopted by the European Union on 27 May 2025.

These amendments clarify the classification of financial assets, in particular on how to assess the consistency of the contractual flows of a financial asset under a standard loan contract. They clarify the classification of financial assets that feature environmental, social and governance (ESG) or similar aspects.

They also clarify the classification of financial instruments linked by contract and financial assets guaranteed solely by collateral.

In addition, these amendments clarify the derecognition of financial liabilities settled by electronic payment systems.

New disclosures are also required for equity instruments designated at their creation in order to be measured at fair value through other comprehensive income as well as for financial assets and liabilities with contingent features such as instruments comprising ESG features.

The amendments are not expected to have a material impact on the Company’s interim condensed financial statements.

Amendments to IFRS 9 and IFRS 7 “Contracts referencing nature-dependent electricity” (PPA and VPPA)

Adopted by the European Union on 30 June 2025

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 may be unwound:

- 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 Société Générale Group-owned PPAs from the application scope of IFRS 9.

The amendments are not expected to have a material impact on the Company's interim condensed financial statements.

IFRS 18 "Presentation and disclosure in financial statements"

Published on 9 April 2024.

This standard will replace 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 annexed to the financial statements of Management-defined performance measures (MPMs) that are used in financial communication (justification for the use of these MPMs, calculation method, reconciliation between the MPMs and the sub-totals 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 Company's financial statements is currently being analysed as not yet in force at the date of these financial statements.

2.3 Summary of material accounting policies

2.3.1 Foreign currency transactions

The Company maintains its books in EUR, which is its functional currency.

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling at the reporting date. Foreign exchange differences arising on translation and realized exchange gains and losses are recognised in the interim statement of profit or loss and Other Comprehensive Income in the caption *"Net results from financial instruments at fair value through profit or loss"*.

Revenues and expenses in foreign currencies are translated into EUR at the exchange rates prevailing at the date of the transactions.

The most important foreign currency positions for the Company are USD, JPY, GBP, HKD and CHF. The following foreign exchange rates were used:

	USD	JPY	GBP	HKD	CHF
30.06.2025	1.1720	169.17	0.85550	9.2001	0.9347
31.12.2024	1.0389	163.06	0.82918	8.0686	0.9412
30.06.2024	1.0705	171.94	0.84638	8.3594	0.9634

2.3.2 Cash and Cash equivalents

Cash and cash equivalents comprise only cash repayable on demand.

Cash and cash equivalents in the Company are subject to impairment under IFRS 9 and are presented net of impairment (cf. Note 2.3.3.3).

2.3.3 Financial instruments

2.3.3.1. Classification of financial instruments

Classification of financial assets

Financial assets are classified under IFRS 9 based on the characteristics of their contractual cash flows and on how they are managed (business models).

For the debt instruments held, SGIS has defined its business model as "held to collect" for the Fully Funded Swaps, for Cash and cash equivalents and for Loans and receivables. These assets are acquired in order to collect the contractual cash-flows attached to the assets. No sale has been made in the past years and no sale is anticipated in the future.

The Fully Funded Swaps (hereafter "FFS") are economically assimilated to loans with embedded derivatives (the swap embedded in the FFS). This type of financial asset complies with the IFRS Accounting Standards definition of debt instruments (fixed maturity, coupon calculated as a rate, no right nor interest/control in an entity). As these financial assets of SGIS contain embedded derivatives that modify the cash flows of the entire contract, the contract does not pass the Solely Payments of Principles and Interest (or "SPPI") test and consequently these financial assets are mandatorily measured at Fair Value through Profit or Loss ("FVTPL").

Cash and cash equivalents and Loans and receivables are SPPI compliant and are thus measured at amortised cost. Cash and cash equivalents and Loans and receivables are subject to impairment under IFRS 9 and are presented net of impairment.

The Options held, covering the Warrants issued, are Trading derivatives and thus measured at FVTPL.

Purchases and sales of financial assets recorded under financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income are recognised in the statement of financial position at the delivery-settlement date. Changes in fair value between the trade and settlement dates are recorded in the income statement or booked to shareholders' equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in statement of financial position on the date they are paid or at the maturity date for invoiced services. The trade date is the date on which the contractual commitment becomes binding and irrevocable for the Company.

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 Company upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option.

The Company has designated at fair value through profit or loss the notes issued because mirror transactions (Fully Funded Swaps or "FFS") that are used to mirror those notes are measured mandatorily at fair value through profit or loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

These include the other non-derivative financial liabilities and are measured at amortised cost.

2.3.3.2. Valuation of financial instruments

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

Fair value hierarchy

The fair values of financial instruments include accrued interest as applicable.

For information purposes, in the notes to the condensed interim financial statements, the fair value of financial instruments is classified using a fair value hierarchy that reflects the significance of the inputs used according to 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 statement of financial position 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 statement of financial position date.

A financial instrument is considered 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 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 Company 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 quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

These are instruments measured using a financial model based on observable market inputs. 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 non derivative financial instruments carried at fair value on the statement of financial position 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 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 limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.

Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs)

Level 3 instruments carried at fair value on the interim statement of financial position are predominantly instruments for which the sales margin is not immediately recognised in profit or loss.

In the context of SGIS, this sales margin is not applicable and hence not recognised because there is a corresponding offsetting margin on the funded swap.

Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable inputs.

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 correlations between the different underlying 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); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the N^{th} default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlying).

At the level of SG Group, valuation models are determined in order to fully embed the impact of IFRS 13 as described above and use appropriate parameters and methodologies in order to determine L3 instruments valuation. Counterparty credit risk estimates relies on Credit Value Adjustments (CVA) and Debit Value Adjustments (DVA) calculations.

Different calculation methods can exist regarding the CVA-DVA / OCA (Own Credit Adjustment) impact calculation: derived from the yield discounting methodology, other from the Monte-Carlo EPE/ENE (Expected Positive / Negative Exposure). The methodology for calculation of CVA-DVA (OCA not applicable to the Company) applied to SGIS (the same as the SG Group) is the yield discounting methodology.

The valuation methods used by the Company to establish the fair value of financial instruments are detailed below.

The fair values of financial instruments include accrued interest as applicable.

- For Unsecured Notes and Fully Funded Swaps

The fair value for both the unsecured Notes (liabilities) and the Fully Funded Swap (FFS) (assets) is calculated by discounting the expected future cash flows with the risk-free curve. To take the credit adjustment into account, the risk-free curve is adjusted with Société Générale Group's credit spread curve. A dedicated process has been implemented using Société Générale Group and SGIS operational teams' input. This process is fully functional, constantly monitored as of today.

- For Secured and Repack Notes

Secured Notes are Notes which are collateralised with assets deposited on segregated or pooled accounts with external custodian (The Bank of New York Mellon S.A., Luxembourg Branch, hereafter "BNY Mellon Luxembourg") and pledged in favour of the Note holders.

Repack Notes are Notes which allow investors to calibrate the funding yield of their structure by selecting a bond (the "Reference Bond") issued by a third-party issuer (the "Reference Bond Issuer").

The collateral assets are composed of eligible securities.

Should Société Générale defaults, the pledge on the assets is to be enforced; the Notes holders are exposed to credit risk of the collateral (external securities). Therefore, as Société Générale and SGIS act solely as intermediary for risk transfer, the credit risk premium (external bonds issuers) shall not be adjusted with Société Générale credit spread. Thus, no additional credit adjustment is needed for the secured Notes.

The fair value of the Secured Notes and the Repack Notes and the associated FFS is computed, for each accounting period, by discounting the expected future cash flows by a composite Repo rate curve.

- For Warrants and Options

For financial instruments recognised at fair value in the interim statement of financial position, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the interim statement of financial position date or if the clearing value does not reflect transaction prices.

However, due especially to the varied characteristics of financial instruments traded over the counter on the financial markets, a large number of financial products traded by the Company does not have quoted prices in the markets.

The base models may not fully capture all factors relevant to the valuation of SGIS on these financial instruments such as credit risk (Credit Valuation Adjustment CVA), own credit (Debt Valuation Adjustment DVA) and/or funding costs (Funding Valuation Adjustment FVA). Therefore, SGIS applies various techniques (from the Group) to estimate the credit risk associated with its financial instruments measured at fair value.

The revaluation differences attributable to the Company's credit risk are thus determined using valuation models which take into account the most recent financing terms and conditions on the markets along with the residual maturity of the related liabilities.

- For secured notes issued by the Company, as investors are not exposed to the Company's risk, no own credit risk should impact the fair value of the instruments and as such, no adjustment has to be calculated;
- For unsecured notes, investors are not contractually exposed to the Company's credit risk but to Société Générale Group's own credit risk.

SGIS valuation models therefore reflects the absence of credit risk, and structured bonds are not impacted by Own Credit Adjustments within the entity.

Deferred margin related to main unobservable inputs

The Company does not apply deferred margin related to its main unobservable inputs as margin on Notes and Warrants issued are offset by a similar margin on Fully Funded Swaps and Options purchased.

2.3.3.3. Impairments and provisions

Some financial assets involve credit risk which exposes the Company to a potential loss if the counterparties were to be unable to respect their financial commitments. The Company is remunerated for bearing this risk by a portion of the contractual interest that it receives on those assets; this is known as the credit margin.

This potential loss, or expected credit loss, is recognised in profit or loss without waiting for the occurrence of a default event on a specific counterparty.

For loans and receivables measured at amortised cost or fair value through other comprehensive income, the expected credit loss, as assessed by the Company, is recognised in profit or loss. On the interim statement of financial position, this potential loss is recognised as an impairment that reduces the carrying amount of assets measured at amortised cost. Impairments are written-back in case of a subsequent decrease of credit risk. No significant impairment is recognised on cash and cash equivalents, as the credit risk is immaterial. The Company does not have loan commitments or financial guarantees contracts.

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment and provisions for credit risk

To determine the amount of impairment or loss allowances to be recorded at each reporting date, these exposures are classified into one of three categories based on the increase in credit risk observed since initial recognition. An impairment or loss allowance shall be recognised for the exposures in each category as follows:

- Exposures classified in Stage 1: At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are underperforming/credit-impaired on acquisition. Stage 1 exposures are impaired for the amount of credit losses that the Company expects to incur within 12 months (12-month expected credit losses), based on past data and the current situation;
- Exposures classified in Stage 2: To identify Stage 2 exposures, the significant increase in credit risk is assessed by the Company, taking into account the counterparty’s credit risk rating, the magnitude of the change in the counterparty’s credit rating and the existence of payments delays of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstanding): The Company determines whether or not there is objective evidence of impairment (default event).

Stage 2 and 3 exposures are impaired for the amount of credit losses that the Company expects to incur over the life of the exposures (lifetime expected credit losses), taking into consideration past data, the present situation and reasonable forecast changes in economic conditions, and relevant macroeconomic factors through to maturity.

Impairments / Reversal of impairments

Impairments / Reversal of impairments include net reversals of impairment and loss allowances for credit risk, losses on irrecoverable loans and amounts recovered on amortised receivables.

2.3.3.4. Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented on the interim statement of financial position when the Company 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.

The financial instruments issued by the Company are subscribed by the investors through Société Générale as a lead manager during the issuance period and as a market maker for a secondary market. The instruments which are unsold are held by SG.

The treatment is applied based on IAS 32 Paragraph 42: "A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- Currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

In December 2014, a cash netting clause was added in the legal framework with Société Générale (Société Anonyme) and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (the Fully Funded Swaps) and the liabilities (the Notes) are settled (and intended to be settled) simultaneously.

In June 2017, the Company added a new cash netting clause in the legal framework with Société Générale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (OTC Options) and the liabilities (the Warrants) are settled (and intended to be settled) simultaneously.

In application of IAS 32 - Offsetting a financial asset and a financial liability, the Company proceeds to the accounting netting of the non-sold amounts. The impact of the off-setting for the non-sold Notes and the corresponding Fully Funded Swaps and impact of the off-setting for the non-sold Warrants and the corresponding options are described in Note 4.1 and Note 4.2.

2.3.4 Other asset and other liabilities

Settlement accounts for trades are included in other assets or other liabilities and are presented separately in distinctive captions on assets or liabilities side (cf. Note 6).

2.3.5 Shareholders' equity

Equity are the resources contributed to the Company by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings).

The statement "Changes in Shareholders' Equity" presents the various changes that affect the components of equity over the reporting period.

2.3.6 Interest income and interest expense

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

Interest income and expense are recorded in the statement of profit or loss and Other Comprehensive Income 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).

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 measured at the effective interest rate applied to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

2.3.7 Fee income and fee expense

Fee income and Fee expense combine fees on services rendered and received, as well as fees on pledged security granted 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 income and Interest expenses.

The Company recognizes 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 custody fees and administration costs are recognized as income over the life of the service;
- Fees for one-off services, such as issuance and listing fees are recognized as income when the service is provided.

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 recognized under Other Assets and Other Liabilities. For example: supplier contracts generate trade payables, accrued expenses or prepaid expenses.

Income related to the issuance of Notes and Warrants falls under the scope of IFRS 15 and as such, is considered separately as income generated by two services when the Company performs its activities:

- The issuing fee recognized upfront for the initiation and the structuration of the issuance;
- Account and security servicing during the lifecycle of the security.

2.3.8 Other operating expenses

The Company records operating expenses according to the type of services to which they refer.

Other operating expenses mainly include lease payments, building maintenance and other costs, travel and business expenses, outsourcing and advisory fees and marketing and advertising expenses.

2.3.9 Income tax

Income tax 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.

2.3.9.1. Current tax

Current tax is based on the taxable profit 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 statement of profit or loss and Other Comprehensive Income.

The Company is included in the scope of consolidation of the group « Société Générale S.A. ».

Société Générale S.A. is subject to the OECD rules introducing a global minimum tax rate of 15% on the profits of the multinational companies (« Pillar 2 » rules), transposed into the European directive of 22 December 2022 and introduced in Luxembourg by the Law of 22 December 2023 which is in effect in 2024. In 2024, Société Générale S.A. set up dedicated processes to estimate amounts to be booked in relation with above mentioned “Pillar 2” rules. Société Générale S.A. will perform such processes on an annual basis for the subsequent years.

In Luxembourg, SGIS is part of a tax integration group led by SG Luxembourg. The Company has non-significant impact for “Pillar 2” rules for 2025 and 2024.

2.3.9.2. Deferred tax

Deferred taxes are recognized whenever the Company identifies a temporary difference between the accounting base and tax base for assets and liabilities that will affect future tax payments or from tax loss carried forward.

The amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized, 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. The Company off-sets its deferred tax assets against liabilities as there is both legal rights to offset its current tax assets and liabilities and it is the Company’s intention to settle on a net basis.

2.3.9.3. Other commitments linked to secured Notes

In relation to each Serie of Secured Notes, in order to secure its obligations in respect of such Notes, the Company enters into a pledge agreement which is governed by the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended. Under each pledge agreement, the Company grants first ranking security over the Collateral Assets contained in one or more accounts held by the Company with BNY Mellon Luxembourg (or such other custodian or account bank as is specified in the applicable Final Terms, pursuant to the terms of a custodian agreement between, inter alia, the Company and the collateral custodian).

The security granted under each pledge agreement is granted either in favour of:

- (i) in the case of English Law Notes, The Bank of New York Mellon Corporate Trustee Services Limited or such other security trustee as is specified in the applicable Final Terms as security trustee on behalf of itself and the relevant Noteholders and the other relevant Secured Parties (as defined in the Additional Terms and Conditions for Secured Notes) or,
- (ii) in the case of French Law Notes, directly in favour of the relevant Noteholders and the other relevant Secured Parties as represented by The Bank of New York Mellon Corporate Trustee Services Limited or such other security agent as is specified in the applicable Final Terms as security agent.

Following the occurrence of a Secured Note Acceleration Event (as defined in the Additional Terms and Conditions for Secured Notes), all Noteholders whose Notes have become immediately due and payable is first entitled to claim for any outstanding amounts due to them under the terms of the Guarantee. If neither the Issuer nor the Guarantor (pursuant to the terms of the Guarantee) has paid all amounts due to Noteholders within a period of 3 Collateral Business Days following the occurrence of a Secured Note Acceleration Event, Noteholders may send a notice in writing to the Security Trustee (in the case of English Law Notes) or the Security Agent (in the case of French Law Notes) requesting that the relevant Pledge Agreement be enforced in accordance with the terms of the Base Prospectus.

The Company borrows the securities to be pledged from Société Générale Group. In accordance with IFRS 9, the borrowing of the securities to be pledged by the Company is not assimilated to the transfer of assets and thus does not result in recognition in the interim statement of financial position. The risks and rewards associated to the securities remain in Société Générale Group and as such are not presented in the Company's interim statement of financial position.

The pledged securities are accounted as an off balance-sheet commitment "Securities pledged". The committed amount is re-measured at each closing to reflect the value of the securities pledged.

2.4 <u>Geopolitical crisis and macroeconomic context</u>

Geopolitical uncertainties and customs tariffs are impacting the global economy. The US dollar continues to be regarded as a reserve currency, but signs of tension are appearing. In the eurozone, question marks over the industrial sector, such as technology gaps and structurally higher energy costs, will weigh heavily over the forecast horizon. The European Central Bank (ECB) is expected to cut interest rates but to continue quantitative tightening until 2026. China is expected to partially offset the impact of customs tariffs with temporary stimulus measures. Geoeconomic fragmentation is leading to a gradual reconfiguring of global value chains. Furthermore, the scenarios adopted assume that there will be no further geographical expansion of the current conflicts.

Against this backdrop, the Group Société Générale updated the macroeconomic scenarios chosen for the preparation of its interim consolidated financial statements.

These macroeconomic scenarios are taken into account in the credit loss measurement models including forward-looking data and are also used in tests of the recoverability of deferred tax assets.

The methodological framework defined by the Group Société Générale is applied at the level of the Company.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 60,072 as at 30 June 2025 (31 December 2024: KEUR 63,575) and are mainly composed of cash held with SG Luxembourg and Société Générale.

As at 30 June 2025 and 31 December 2025, this caption only contains cash that is repayable on demand.

NOTE 4 - FINANCIAL INSTRUMENTS

4.1. Financial assets at fair value through profit or loss

	30.06.2025 ('000 EUR)	31.12.2024 ('000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily measured at fair value through profit or loss (Fully Funded Swaps)	52,760,662	49,117,912
- Trading derivatives (Options)	190,710	77,950
Total	**52,951,372**	**49,195,862**

As at 30 June 2025, financial assets mandatorily measured at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 52,760,662 (31 December 2024: KEUR 49,117,912) and replicate all the Notes issued by the Company (see Note 4.2). Differences between Fully Funded Swaps and Notes arise due to late settlements.

As at 30 June 2025, Trading derivatives (Options) amount to KEUR 190,710 (31 December 2024: KEUR 77,950) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between Options and Warrants arise due to late settlements.

As at 30 June 2025, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 39,404,123 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2024: KEUR 36,453,866 and KEUR 6,764,731 for the non-sold Warrants and the corresponding Options (31 December 2024: KEUR 5,492,093) (see Note 4.2).

The movements in financial assets at fair value through profit or loss were as follows:

	('000 EUR) Mandatorily measured at fair value through profit or loss	**('000 EUR) Trading derivatives**	**('000 EUR) Total**
As at 1 January 2025	**49,117,912**	**77,950**	**49,195,862**
Acquisition	13,385,947	143,132	13,529,079
Maturity/Disposal/Liquidation/Cancellation	(11,781,721)	(43,374)	(11,825,095)
Change in fair value and foreign exchange difference	2,038,524	13,002	2,051,526
As at 30 June 2025	**52,760,662**	**190,710**	**52,951,372**

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

	('000 EUR) Mandatorily measured at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2024	**51,118,092**	**57,316**	**51,175,408**
Acquisition	19,105,860	52,253	19,158,113
Maturity/Disposal/Liquidation/Cancellation	(19,275,209)	(25,816)	(19,301,025)
Change in fair value and foreign exchange difference	(1,830,831)	(5,803)	(1,836,634)
As at 31 December 2024	**49,117,912**	**77,950**	**49,195,862**

4.2. Financial liabilities at fair value through profit or loss

	30.06.2025 ('000 EUR)	31.12.2024 ('000 EUR)
Financial liabilities at fair value through profit or loss		
- Designated at fair value through profit or loss (Notes)	52,750,893	49,120,262
- Trading derivatives (Warrants)	190,724	76,896
Total	**52,941,617**	**49,197,158**

As at 30 June 2025, the Company has issued secured and unsecured Notes for a total amount of KEUR 52,750,893 (31 December 2024: KEUR 49,120,262):

- 28,286 unsecured Notes were issued (stock) for a total amount of KEUR 46,083,667 (31 December 2024: 24,334 unsecured Notes were issued (stock) for a total amount of KEUR 43,580,459);
- 2,155 secured Notes were issued (stock) for a total amount of KEUR 6,667,216 (31 December 2024: 1,030 secured Notes were issued (stock) for a total amount of KEUR 5,539,803).

In addition to the guarantee on first demand granted by Société Générale on unsecured and secured Notes, subscribers of the secured Notes issued by the Company benefit from additional collateral assets securing the payment due under the Notes terms, structured in form of a pledge governed by Luxembourg Law. This pledge may only be enforced following a default of the Company or Société Générale in its role of Guarantor.

Pledged collateral assets are deposited on an account held in the name of the Company with an authorised custodian not belonging to the Société Générale Group and are pledged in favour of the Notes holders.

As at 30 June 2025, securities deposited at The Bank of New York Mellon S.A./NV, Luxembourg Branch as collateral for secured issuances amount to KEUR 7,911,516 (31 December 2024: KEUR 7,251,220).

As at 30 June 2025, the Company also issued Warrants for a total amount of KEUR 190,724 (31 December 2024: KEUR 76,896). Refer to Note 10 for further details on Off-balance sheet items related to the Warrants activity.

As at 30 June 2025, the impact of the offsetting (decrease in the balance sheet) is KEUR 39,404,123 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2024: KEUR 36,453,847 and KEUR 6,764,731 for the non-sold Warrants and the corresponding Options (31 December 2024:
KEUR 5,492,093).

The movements in financial liabilities at fair value through profit or loss were as follows:

	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2025	**49,120,262**	**76,896**	**49,197,158**
Acquisition	13,387,906	143,131	13,531,037
Cancelled/Liquidation/Maturity Disposal	(11,811,522)	(42,062)	(11,853,584)
Change in fair value and foreign exchange difference	2,054,247	12,759	2,067,006
As at 30 June 2025	**52,750,893**	**190,724**	**52,941,617**

	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2024	**51,112,066**	**57,148**	**51,169,214**
Acquisition	19,190,860	51,603	19,242,463
Cancelled/Liquidation/Maturity Disposal	(19,269,183)	(25,689)	(19,294,872)
Change in fair value and foreign exchange difference	(1,913,481)	(6,166)	(1,919,647)
As at 31 December 2024	**49,120,262**	**76,896**	**49,197,158**

4.3. Financial liabilities at amortised cost

As at 30 June 2025 and 31 December 2024, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48,000 issued by the Company and fully subscribed by SG Luxembourg, with maturity in 2026. Conversion may occur each year.

On this convertible bond, the Company pays to SG Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.26% (total rate of 2.615 % as at 30 June 2025) and activity related interests. The rate is renewed quarterly and this was the rate used during the 2nd quarter of 2025. Activity related interests mean an amount equal to 100% of the activity related profit generated by the Company.

The convertible bond maturity shall be automatically extended by successive periods of one year, unless either the Issuer or the Holder has exercised its right to terminate the bond on the scheduled maturity date. The conversion option belongs to the Holder.

Estimation of the fair value of financial liabilities at amortised cost is disclosed in Note 11.6.2.

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

NOTE 5 - LOANS AND RECEIVABLES

As at 30 June 2025 and 31 December 2024, loans and receivables only consist in term deposits with SG Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 30 June 2025, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to EUR 1 854 (31 December 2024: EUR 154).

The fair value of loans and receivables are presented in Note 11.5.

NOTE 6 - OTHER ASSETS AND OTHER LIABILITIES

As at 30 June 2025 and 31 December 2024, other assets and other liabilities are composed of :

	('000 EUR)	('000 EUR)
	30.06.2025	**31.12.2024**
Settlement accounts on securities transactions	287,139	123,756
Miscellaneous receivables	140,836	169,148
Total other assets	**427,975**	**292,904**

	('000 EUR)	('000 EUR)
	30.06.2025	**31.12.2024**
Settlement accounts on securities transactions	294,021	124,095
Deferred Income	7,217	6,576
Miscellaneous payables	176,997	175,396
Total other liabilities	**478,235**	**306,067**

Miscellaneous payables and receivables mainly consist of premium payables on Warrants and receivables on financial instruments replicating the Warrants issued. The variance is linked to the activity of the Company and the early settlement of some balances compared to prior year.

NOTE 7 - TAXATION

The Company is liable for all taxes applicable to Luxembourg commercial companies.

Since 2007, the Company has been part of a tax integration group led by SG Luxembourg with regard to Net Wealth Tax and Income Tax, as authorised by the article 164 bis LIR and has concluded a Tax Sharing Agreement (the "Agreement") with SG Luxembourg. Under the Agreement, the Company pays to SG Luxembourg, with respect to each financial year, an amount equal to the tax which would be levied on the profits of the Company in the absence of any tax consolidation with the Parent.

The rate of current tax applied as of 30 June 2025 is 24.24% (31 December 2024: 24.94%). The current tax rate includes the corporate tax and the municipal tax.

For the period ended 30 June 2025, tax expenses amount to KEUR 5 (30 June 2024: KEUR 5).

NOTE 8 - SHAREHOLDERS' EQUITY

8.1. Share capital and Share premium

On 30 November 2020, 100 shares were sold by SG Luxembourg to Société Générale for a total amount of EUR 4,000. SG Luxembourg still held 49,907 shares amounting to EUR 1,996,280 for which it waived its entire voting rights. As at 31 December 2024, the subscribed and fully paid share capital amounted to EUR 2,000,440, divided into 50,011 shares with nominal value of EUR 40 each.

By resolution adopted on 15 January 2025, the Executive Board decided to increase the capital of the Company from EUR 2,000 440 to EUR 2,000 480 by the issue of a new share with a nominal value of EUR 40, subscribed by SG Luxembourg. In the context of the capital increase, the 2024 activity related interests amounting to KEUR 27,071 (31 December 2024: KEUR 34,361) have been allocated to the Share premium. It was then paid to the shareholders in July 2025.

As at 30 June 2025, the subscribed and fully paid share capital is EUR 2,000,480, divided into 50,012 shares with nominal value of EUR 40 each.

The Company manages its capital to ensure it will be able to continue as a going concern. The capital amount may be increased, subject to the approval of the Shareholders, if the Company's activity evolves, incurring specific additional risks.

8.2. Reserves

8.2.1 Legal reserve

In accordance with the Luxembourg law, the Company is required to allocate a minimum of 5% of its annual net profit to a Legal reserve until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 30 June 2025, the legal reserve amounts to KEUR 200 (31 December 2024: KEUR 200).

8.2.2 Other reserves

Since 2013, the Company is fiscally integrated in its parent company SG Luxembourg. SG Luxembourg constitutes the Net Wealth Tax reserve for the Company. As a consequence, no Net Wealth Tax reserve has been constituted by the Company since 2013.

During the first half of 2025, a dividend of KEUR 234 has been paid (31 December 2024: KEUR 15).

NOTE 9 - INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME NOTES

NOTE 9.1 - COMMISSION INCOME

Commission income can be broken down as follows:

	30.06.2025 ('000 EUR)	30.06.2024 ('000 EUR)
Issuing upfront fees on Notes	21,938	19,246
Servicing fees on Notes	3,230	2,323
Commission on Warrants	152	120
Total	**25,320**	**21,689**

As at 30 June 2025, KEUR 7,217 are retained as deferred income under the caption "other liabilities" (30 June 2024: KEUR 6,366).

NOTE 9.2 - NET RESULT FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	30.06.2025 ('000 EUR)	30.06.2024 ('000 EUR)
Net gain on financial assets held for trading	14,698,862	11,872,037
Net gain on financial assets at fair value option	2,307,181	10,239,785
Net loss on financial liabilities held for trading	(14,698,258)	(11,872,025)
Net loss on financial liabilities at fair value option	(2,307,948)	(10,239,799)
Total	**(163)**	**(2)**

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

NOTE 10 - OFF-BALANCE SHEET

As at 30 June 2025, financial instruments to be issued (commitment taken before 30 June 2025 with value date after 30 June 2025) amount to KEUR 12,700,911 (31 December 2024: KEUR 8,583,451).

Warrants issuance summary

The Warrants issued as at 30 June 2025 and 31 December 2024 break down as follows:

				30-Jun-25			31-Dec-24		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)
Currency Warrant	Currency	Currency	Call	-	-	-	-	-	-
			Put	-	-	-	-	-	-
Equity Warrant	Equity	Ordinary Share	Call	410	8,793,118	58,379	136	1,891,844	13,188
			Put	866	15,743,302	70,686	1,441	35,156,224	55,957
		REIT	Call	3	94,750	-	1	31,976	2
	Fund	Mutual Fund	Call	3	132,236	12	3	74,598	298
			Put	2	63,264	-	3	40,044	5,991
Funds	Fund	Fund	Call	-	-	-	-	-	-
	Equity	Mutual Fund	Call	-	-	-	-	-	-
		Ordinary Share	Call	-	-	-	-	-	-
Index Warrant	Fund	Equity	Put	-	-	-	-	-	-
			Call	-	-	-	-	-	-
		Fund	Call	-	-	-	-		
	Index	Index	Call	264	11,392,168	56,930	128	4,815,156	1,078
			Put	147	7,239,354	4,717	12	318,210	381
Fund Warrant	Fund	Mutual Fund	Call	-	-	-	-	-	-
			Put	-	-	-	-	-	-
		Fund	Call	-	-	-	-	-	-
Total Call			**Call**	**680**	**20,412,272**	**115,321**	**268**	**6,813,574**	**14,566**
Total Put			**Put**	**1,015**	**23,099,920**	**75,403**	**1,456**	**35,514,478**	**62,330**
Total Warrants				**1,695**	**43,512,192**	**190,724**	**1,724**	**42,328,052**	**76,896**

NOTE 11 - RISK MANAGEMENT

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from Société Générale's internal control systems.

For any further information on the risks relating to the Group, investors and/or Noteholders should refer to the "Risk and Capital Adequacy" section of the Registration Document (https://www.societegenerale.com).

11.1. Market risk

Market risk is the risk that changes in market prices, such as interest rates, securities prices, and foreign exchange rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company issues Notes and Warrants. The Notes are systematically hedged with Fully Funded Swaps concluded with Société Générale, with strictly identical characteristics. In the same way, the Warrants issued are hedged with Options concluded with Société Générale, with strictly identical characteristics.

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors vary depending on the characteristics of the Notes and Warrants issued, in particular depending on the underlying, the maturity of the Notes, the secured / unsecured status of the Notes, the interest rates incurred, the volatility of the underlying, etc. The main risks in relation to investments in Notes and Warrants issued by the Company are described in the Base Prospectus under the section "Risk Factor".

Because of its structure (perfect match between the assets and the liabilities), the impact of an immediate change of a market parameter would have no consequence on the net profit of the Company.

The Company is also exposed to structural interest rate risk, namely through the following transactions: reinvestment of available equity by participating interests or loans to the Company's treasury (SG Luxembourg) with hedged interest rate risk (fixed rate contracted with SG Luxembourg). The structural interest rate risk is monitored via the sensitivity of the economic value of the positions measured through modified duration.

Modified duration is calculated based on the change in the net present value of positions subsequent to a 1% change in the rate curve. Exposure monitoring is based on the determination of modified duration over the short (up to one year), medium (one to five years) and long (more than five years) term.

Climate and ESG matters have been considered in the fair value of the financial instruments. These are deemed to have a minor impact.

11.2. Foreign currency risk

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation-related risks are therefore not included in the assessment of the Company's exposure to currency risks.

Because of its structure (perfect match between the assets and the liabilities), the impact of an immediate change of a foreign exchange rates would have no consequence on the net profit of the Company.

Following explanation above, foreign currency risk is strictly limited.

Process of control allows to monitor it closely and to confirm that exposure of the entity to foreign currency risk remains in a very conservative limit.

11.3. Credit risk

Credit risk is the risk that a third party will not be able to meet its contractual obligation.

The Company only contracts financial instruments with SG Luxembourg and Société Générale (its parent company). Therefore, the credit risk of the Company is limited to the credit risk on SG Luxembourg and Société Générale. Should this situation evolve, specific limits would be proposed to limit the credit risk incurred.

As at 30 June 2025 and 31 December 2024, no financial assets were past due. An Expected Credit Loss is calculated on deposits, amounting to KEUR (2) as of 30 June 2024 following an allocation of impairment of KEUR 1 on the period.

All the Notes and Warrants issued by the Company benefit from a guarantee provided by Société Générale, meaning that payments in respect of the instruments issued by the Company are unconditionally and irrevocably guaranteed by Société Générale (the Guarantor).

As at 30 June 2025, the rating of Société Générale is: A- from Fitch Ratings, A from R&I, A from Standard & Poor’s and A1 from Moody’s.

11.4. Interest rate risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the value of the assets and liabilities of the Company.

Due to the financial instruments contracted by the Company with Société Générale to hedge the financial instruments issued, the Company is not significantly exposed to interest rate risk.

11.5. Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due.

The Company does not face any liquidity risk thanks to the perfect replication between the contractual obligations of:

i) The financial instruments issued by the Company; and

ii) The financial assets held for hedging by the Company.

As at 30 June 2025, analysis per remaining maturities is as follows:

30.06.2025 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	60,072	-	-	-	**60,072**
Financial assets at fair value through profit or loss					
- Mandatorily measured at fair value through profit or loss	4,568,106	8,664,561	16,709,576	22,818,419	**52,760,662**
- Trading derivatives	24,947	58,814	102,979	3,950	**190,710**
Loans and receivables	-	48,203	800	1,002	**50,006**
Financial liabilities at amortised cost	723	66,800	-	-	**67,523**
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	4,567,299	8,663,849	16,705,376	22,814,369	**52,750,893**
- Trading derivatives	24,970	58,813	103,250	3,691	**190,724**
Tax liabilities	-	5	-	-	**5**

As at 31 December 2024, analysis per remaining maturities is as follows:

31.12.2024 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	63,575	-	-	-	**63,575**
Financial assets at fair value through profit or loss					
- Mandatorily measured at fair value through profit or loss	4,502,308	7,413,592	17,609,084	19,592,928	**49,117,912**
- Trading derivatives	17,036	32,857	27,897	160	**77,950**
Loans and receivables	48,026	200	800	1,000	**50,026**
Financial liabilities at amortised cost	69,550	27,071	-	-	**96,621**
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	4,410,064	7,413,257	17,618,922	19,678,019	**49,120,262**
- Trading derivatives	16,793	33,124	26,979	-	**76,896**

11.6. <u>Fair Value measurement</u>

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products valued using inputs that are not based on observable market data (referred to as unobservable inputs).

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

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

The Notes and the related Fully Funded Swaps are classified as Level 3 when the valuation of the associated embedded derivatives (underlyings of the Notes) is also based on unobservable market data.

On each element of an identified list of unobservable parameters, it comes to determining the uncertainty of marking, and cross sensitivities with this uncertainty for a confidence interval of the value of the positions.

In parallel, marking the levels of each of these parameters is collected and reported in the Note.

The methods for determining the level of uncertainty, as well as calculating the confidence interval from sensibilities depend on each parameter.

Transfers from Level 2 to Level 3 are determined at the end of each month and occur in case of a modification within a parameter (e.g. no longer linked to the deal, modification of the observability rule of the parameter).

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

11.6.1 Estimates of Level 3 instruments and other most significant unobservable inputs as at 30 June 2025 (by type of underlying)

Type of underlying	Assets In million EUR	Liabilities In million EUR	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs Min & Max
Equity / Funds	18,465	18,468	Simple and complex derivatives on funds, equities or baskets on stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[3.00% ; 138.00%]
					Equity dividends	[0.00% ; 8.00%]
					Unobservable correlations	[-200.00% ; 200.00%]
					Hedge funds volatilities	[N/A]
					Mutual fund volatilities	[1.70% ; 26.80%]
Rates and Forex	13,009	13,006	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% ; 27.00%]
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayment modelling	Constant prepayment rates	[0.00% ; 20.00%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation correlations	[83.00% ; 93.00%]
Credit and others	3,160	3,157	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 underlying	[0.00% ; 100.00%]
			Other credit derivatives	Credit default models	Time to default correlations	[0.00% ; 100.00%]
					Quanto correlations	[0.00% ; 100.00%]
					Unobservable credit spreads	[0 bps ; 82.7401 bps]
Commodity	0	0	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	N/A N/A
Total	**34,634**	**34,631**				

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

Estimates of Level 3 instruments and other most significant unobservable inputs as at 31 December 2024 (by type of underlying)

Type of underlying	Assets In million EUR	Liabilities In million EUR	Main products	Valuation techniques used	Significant unobservable inputs	Range of unobservable inputs Min & Max
Equity / funds	16 297	16 295	Simple and complex derivatives on funds, equities or baskets on stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[3% ; 166%]
					Equity dividends	[0.0% ; 11.0%]
					Unobservable correlations	[-200% ; 200%]
					Hedge funds volatilities	N/A
					Mutual funds volatilities	[1.7% ; 26.8%]
Rates and Forex	9 241	9 241	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-60% ; 90%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[1% ; 25%]
			Interest rate derivatives whose notional is indexed on the prepayment behavior on European collateral pools	Prepayment modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation/ inflation correlations	[81% ; 92%]
Credit	3 780	3 780	Collateralized Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	[0% ; 100%]
					Recovery rate variance for single name underlying	[0% ; 100%]
			Other credit derivatives	Credit default models	Time to default correlations	[0% ; 100%]
					Quanto correlations	[0% ; 100%]
					Unobservable credit spreads	[0bps ; 90.8 bps]
Commodity	-	-	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	0
Total	**29 318**	**29 316**				

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments. However, by its very nature, and considering mirror transactions are concluded with Société Générale to hedge the financial liabilities issued by the Company, the Company has no market risk exposure. The impact of an immediate change in an unobservable parameter would have no consequence on the net profit or net equity of the Company.

Moreover, changes in an unobservable parameter would have by underlying a mirror effect on both assets and liabilities.

Finally, the Company considers that changes in the unobservable parameters would not a material impact on the profit or loss of the Company considering the mirroring in place for financial instruments (refer to Note 4).

11.6.2. Carrying amounts and fair values of assets and liabilities not measured at fair value in the interim statement of financial position

30.06.2025 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	60,072	60,072
Financial assets at fair value through profit or loss		
- Mandatorily measured at fair value through profit or loss	52,760,662	52,760,662
- *Trading derivatives*	190,710	190,710
Loans and receivables *	50,005	50,063
Other assets	427,975	427,975
Total	**53,489,424**	**53,489,482**
Financial liabilities at amortised cost *	67,523	67,631
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	52,750,893	52,750,893
- *Trading derivatives*	190,724	190,724
Other liabilities	478,235	484,689
Tax liabilities	5	5
Total	**53,493,834**	**53,493,943**

31.12.2024 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	63,575	63,575
Financial assets at fair value through profit or loss		
- Mandatorily measured at fair value through profit or loss	49,117,912	49,117,912
- *Trading derivatives*	77,950	77,950
Loans and receivables *	50,026	50,094
Other assets	292,904	292,904
Total	**49,602,367**	**49,602,435**
Financial liabilities at amortised cost *	96,621	96,728
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	49,120,262	49,120,262
- *Trading derivatives*	76,896	76,896
Other liabilities	306,067	306,067
Tax liabilities	87	87
Total	**49,599,933**	**49,600,040**

* For Loans and receivables and Financial liabilities at amortised cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk-free curve adjusted with Société Générale Group credit spread curve (EUR swap curve from Bloomberg and Société Générale credit spread curve provided by Risk department Paris).

Determining fair value is dependent on many factors and can be an estimate of what value may be obtained in the open market at any point in time.

Regarding financial instruments at amortised cost with short term maturity (<1 year), the Company considers the difference between fair value and carrying amount as non-material. Regarding other assets and other liabilities, in consideration of their short-term nature, the Company considers the difference between fair value and carrying amount as non-material.

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

11.6.3. The fair value hierarchy of IFRS 13

As at 30 June 2025, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

30.06.2025 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily measured at fair value through profit or loss	**-**	**18,138,027**	**34,622,635**	**52,760,662**
Commodities instruments	-	1,005	-	1,005
Credit derivatives/securities	-	803,807	3,159,643	3,963,450
Equity and index securities	-	15,070,796	18,459,696	33,530,492
Foreign exchange instruments/securities	-	177,925	2,578,508	2,756,433
Interest rate instruments/securities	-	1,985,095	10,037,494	12,022,589
Other financial instruments	-	99,399	387,294	486,693
- Trading derivatives	**-**	**178,750**	**11,960**	**190,710**
Equity and Index instruments	-	178,738	5,695	184,434
Foreign exchange instruments / securities	-	12	6,264	6,276
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	**18,133,024**	**34,617,869**	**52,750,893**
Commodities instruments	-	1,005	-	1,005
Credit derivatives/securities	-	803,790	3,156,980	3,960,770
Equity and index securities	-	15,065,849	18,461,944	33,527,793
Foreign exchange instruments / securities	-	177,914	2,578,508	2,756,422
Interest rate instruments/securities	-	1,985,084	10,033,143	12,018,227
Other financial instruments	-	99,382	387,294	486,676
- Trading derivatives	**-**	**178,764**	**11,960**	**190,724**
Equity and Index instruments		178,752	5,696	184,448
Foreign exchange instruments / securities	-	12	6,264	6,276
Other financial instruments	-	-	-	-

Notes to the condensed interim financial statements (continued)
As at 30 June 2025

As at 31 December 2024, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2024 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily measured at fair value through profit or loss	**-**	**19,815,438**	**29,302,474**	**49,117,912**
Commodities instruments	-	1,546	-	1,546
Credit derivatives/securities	-	1,043,704	3,520,322	4,564,026
Equity and index securities	-	16,721,749	16,287,602	33,009,351
Foreign exchange instruments/securities	-	346,941	1,714,102	2,061,043
Interest rate instruments/securities	-	*1,545,087*	*7,527,010*	*9,072,097*
Other financial instruments	-	156,411	253,438	409,849
- Trading derivatives	**-**	**62,432**	**15,518**	**77,950**
Equity and Index instruments	-	62,134	9,527	71,661
Foreign exchange instruments / securities	-	298	5,991	6,289
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	**19,819,729**	**29,300,533**	**49,120,262**
Commodities instruments	-	1,546	0	1,546
Credit derivatives/securities	-	1,043,641	3,520,322	4,563,963
Equity and index securities	-	16,726,121	16,285,388	33,011,509
Foreign exchange instruments/securities	-	346,940	1,714,148	2,061,088
Interest rate instruments/securities	-	1,545,087	7,527,237	9,072,324
Other financial instrument	-	156,394	253,438	409,832
- Trading derivatives	**-**	**61,378**	**15,518**	**76,896**
Equity and Index instruments	-	61,080	9,527	70,607
Foreign exchange instruments / securities	-	298	5,991	6,289

The following table describes the variation in Level 3 by financial instruments (in KEUR):

Financial assets at fair value through profit or loss	**Balance at 01.01.2025**	Acquisitions (issuance)	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	**Balance at 30.06.2025**
Mandatorily measured at fair value through P&L	**29,302,474**	**7,673,510**	**2,977,174**	**(4,803,164)**	**702,580**	**(1,229,939)**	**34,622,635**
Equity and index instruments	16,287,602	3,690,838	1,306,100	(2,541,433)	775,796	(1,059,207)	18,459,696
Foreign exchange instruments	1,714,101	1,407,001	(117,627)	(564,100)	145,782	(6,649)	2,578,508
Interest rate instruments	7,527,011	2,243,549	1,721,831	(1,129,757)	(314,258)	(10,882)	10,037,494
Credit derivatives/securities	3,520,322	183,017	80,361	(491,929)	7,209	(139,337)	3,159,643
Other financial instruments	253,438	149,105	(13,491)	(75,945)	88,051	(13,864)	387,294
Trading derivatives	**15,518**	**-**	**1,502**	**(5 060)**	**-**	**-**	**11,960**
Equity and index instruments	**9,527**	-	1,229	(5,060)	-	-	5,696
Other financial instruments	**5,991**	-	273	-	-	-	6,264

Financial liabilities at fair value through profit or loss	**Balance at 01.01.2025**	Acquisitions (Issuance)	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	**Balance at 30.06.2025**
Designated at fair value through P&L	**29,300,533**	**7,675,151**	**2,907,535**	**(4,827,166)**	**703,316**	**(1,141,500)**	**34,617,869**
Equity and index instruments	16,285,388	3,693,362	1,243,725	(2,565,435)	775,672	(970,768)	18,461,944
Foreign exchange instruments	1,714,148	1,407,000	(117,673)	(564,100)	145,782	(6,649)	2,578,508
Interest rate instruments	7,527,237	2,243,527	1,717,276	(1,129,757)	(314,258)	(10,882)	10,033,143
Credit derivatives/securities	3,520,322	182,157	77,698	(491,929)	8,069	(139,377)	3,156,980
Other financial instruments	253,438	149,105	(13,491)	(75,945)	88,051	(13,864)	387,294
Trading derivatives	**15,518**	**-**	**1,502**	**(5,060)**	**-**	**-**	**11,960**
Equity and index instruments	**9,527**	-	1,229	(5,060)	-	-	5,696
Other financial instruments	**5,991**	-	273	-	-	-	6,264

Transfers from Level 3 to Level 2

The 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 high maturities these consensus data are not observable. This is the case for the implied volatility used for the valuation of 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 parameters.

Transfers from Level 2 to Level 3

Transfers from Level 2 to Level 3 can occur in case of a modification within a parameter (no longer linked to the deal modification of the observability rule of the parameter etc…).

11.7 Operational risk

Operational risk is the risk of loss or fraud caused by defects or failures in internal procedures or systems human error or external events including IT risk and management risk. Particular attention is paid to compliance risk which receives enhanced monitoring.

The Company participates in the effort to strengthen the management and monitoring of operational risk led by the Société Générale Group. This effort is guided by the Operational Risk Department which reports to the Société Générale Group Risk Department and is relayed by different Group operational risk monitoring units responsible for implementing the policies and directives issued by the Société Générale Group and monitoring and controlling operational risks.

The monitoring arrangement mainly relies on four processes supervised by the operational risk departments: periodic risk and control self-assessment (RCSA) collecting internal data on losses due to operational errors with exhaustive real-time reporting of incidents pattern analyses and permanent control system.

These procedures are supplemented by a crisis management unit and a business continuity plan.

NOTE 12 - INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

On 27 July 2021, the Company received a new letter from end investors in order to obtain compensation for the financial loss they suffered on their investment in securities issued by the Company. This letter relates to the same litigation described above.

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.
No change on this case compared to 31 December 2024 financial statements.

NOTE 13 - SUBSEQUENT EVENTS

There was no subsequent event which could have a significant impact on the condensed interim financial information as at 30 June 2025.

APPENDIX III

REPRODUCTION OF THE GUARANTOR'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The information set out below is a reproduction of the Guarantor's audited consolidated financial statements for the year ended 31 December 2025.

6

FINANCIAL INFORMATION

6.1	**CONSOLIDATED FINANCIAL STATEMENTS**	**412**
6.1.1	Consolidated balance sheet - assets	412
6.1.2	Consolidated balance sheet - liabilities	413
6.1.3	Consolidated income statement	414
6.1.4	Statement of net income and unrealised or deferred gains and losses	415
6.1.5	Changes in shareholders' equity	416
6.1.6	Cash flow statement	417
6.2	**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**	**419**
6.3	**STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**	**604**
6.4	**SOCIETE GENERALE'S MANAGEMENT REPORT**	**612**
6.4.1	Information required under Article L. 511-4-2 of the Code monétaire et financier concerning Societe Generale SA	619
6.4.2	Disclosures regarding inactive bank accounts	619
6.5	**FINANCIAL STATEMENT**	**620**
6.5.1	Parent company balance sheet	620
6.5.2	Income statement	621
6.6	**NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS**	**622**
6.7	**STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**	**671**

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 (Risk and capital adequacy).

The main characteristics of Societe Generale stock-option plans and free share plans are disclosed in Chapter 3 of the present Universal Registration Document (Corporate governance).

This information belongs to the notes to the consolidated financial statements and has been audited by statutory auditors; it is identified as such in Chapters 3 and 4 of the present Universal Registration Document.

6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 CONSOLIDATED BALANCE SHEET - ASSETS

(In EUR m)		31.12.2025	31.12.2024
Cash, due from central banks		133,322	201,680
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	576,057	526,048
Hedging derivatives	Notes 3.2 and 3.4	8,007	9,233
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	101,088	96,024
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	50,963	32,655
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	76,287	84,051
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	454,504	454,622
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(768)	(292)
Insurance and reinsurance contracts assets	Note 4.3	649	615
Tax assets	Note 6	4,709	4,687
Other assets	Note 4.4	73,313	70,903
Non-current assets held for sale	Note 2.5	2,496	26,426
Investments accounted for using the equity method		433	398
Tangible and intangible fixed assets	Note 8.3	60,498	61,409
Goodwill	Note 2.2	5,083	5,086
TOTAL		**1,546,641**	**1,573,545**

6.1.2 CONSOLIDATED BALANCE SHEET - LIABILITIES

(In EUR m)		31.12.2025	31.12.2024
Due to central banks		9,737	11,364
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	398,054	396,614
Hedging derivatives	Notes 3.2 and 3.4	13,919	15,750
Debt securities issued	Notes 3.6 and 3.9	151,389	162,200
Due to banks	Notes 3.6 and 3.9	103,786	99,744
Customer deposits	Notes 3.6 and 3.9	525,810	531,675
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(7,436)	(5,277)
Tax liabilities	Note 6	2,603	2,237
Other liabilities	Note 4.4	87,188	90,786
Non-current liabilities held for sale	Note 2.5	3,033	17,079
Insurance and reinsurance contracts liabilities	Note 4.3	162,463	150,691
Provisions	Note 8.2	3,952	4,085
Subordinated debts	Note 3.9	12,616	17,009
TOTAL LIABILITIES		**1,467,114**	**1,493,957**
SHAREHOLDER'S EQUITY			
Shareholders' equity, Group share			
Issued common stocks and capital reserves	Note 7.1	19,237	21,281
Other equity instruments		9,762	9,873
Retained earnings		35,862	33,863
Net income		6,002	4,200
SUB-TOTAL		**70,863**	**69,217**
Unrealised or deferred capital gains and losses	Note 7.3	(719)	1,039
SUB-TOTAL EQUITY, GROUP SHARE		**70,144**	**70,256**
Non-controlling interests		9,383	9,332
TOTAL EQUITY		**79,527**	**79,588**
TOTAL		**1,546,641**	**1,573,545**

6.1.3 CONSOLIDATED INCOME STATEMENT

(In EUR m)		2025	2024
Interest and similar income	Note 3.7	43,630	55,019
Interest and similar expense	Note 3.7	(33,561)	(45,127)
Fee income	Note 4.1	10,176	10,817
Fee expense	Note 4.1	(4,996)	(4,591)
Net gains and losses on financial transactions		11,729	10,975
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 3.1*	*11,562*	*11,149*
o/w net gains and losses on financial instruments at fair value through other comprehensive income		*189*	*(89)*
o/w net gains and losses from the derecognition of financial assets at amortised cost		*(22)*	*(85)*
Income from insurance contracts issued	Note 4.3	3,962	3,851
Expenses from insurance services	Note 4.3	(2,142)	(2,058)
Income and expenses from reinsurance contracts held	Note 4.3	(31)	(40)
Net finance income or expenses from insurance contracts issued	Note 4.3	(6,358)	(5,901)
Net finance income or expenses from reinsurance contracts held	Note 4.3	3	13
Cost of credit risk of financial assets from insurance activities	Note 3.8	2	0
Income from lease activities, mobility and other activities	Note 4.2	27,694	27,582
Expenses from lease activities, mobility and other activities	Note 4.2	(22,854)	(23,752)
Net banking income		**27,254**	**26,788**
Other operating expenses	Note 5	(15,741)	(16,821)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(1,597)	(1,651)
Gross operating income		**9,916**	**8,316**
Cost of credit risk	Note 3.8	(1,477)	(1,530)
Operating income		**8,439**	**6,786**
Net income from investments accounted for using the equity method		18	21
Net income or expenses from other assets		345	(77)
Earnings before tax		**8,803**	**6,730**
Income tax	Note 6	(1,771)	(1,601)
Consolidated net income		**7,032**	**5,129**
Non-controlling interests	Note 2.3	1,030	929
Net income, Group share		**6,002**	**4,200**
Earnings per ordinary share	Note 7.2	6.80	4.38
Diluted earnings per ordinary share	Note 7.2	6.80	4.38

6.1.4 STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In EUR m)	2025	2024
Consolidated net income	**7,032**	**5,129**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**(1,246)**	**696**
Translation differences	(1,777)	820
Revaluation differences for the period	*(1,841)*	*874*
Reclassified into income	*64*	*(54)*
Revaluation of debt instruments at fair value through other comprehensive income	189	172
Revaluation differences for the period	*359*	*66*
Reclassified into income	*(170)*	*106*
Revaluation of insurance contracts at fair value through other comprehensive income	263	(252)
Revaluation of hedging derivatives	202	(70)
Revaluation differences of the period	*514*	*(35)*
Reclassified into income	*(312)*	*(35)*
Related tax	(123)	26
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**(430)**	**(173)**
Actuarial gains and losses on defined benefit plans	26	19
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	(606)	(254)
Revaluation of equity instruments at fair value through other comprehensive income	1	-
Related tax	150	62
Total unrealised or deferred gains and losses	**(1,677)**	**523**
Net income and unrealised or deferred gains and losses	**5,355**	**5,652**
o/w Group share	*4,233*	*4,775*
o/w non-controlling interests	*1,122*	*877*

6.1.5 CHANGES IN SHAREHOLDERS' EQUITY

(In EUR m)	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 2024	**21,188**	**8,924**	**35,399**	**-**	**464**	**65,975**	**10,272**	**76,247**
Change in common stock and issuance / redemption and remuneration of equity instruments	(94)	949	(723)	-	-	132	(551)	(419)
Elimination of treasury stock	119	-	(97)	-	-	22	-	22
Equity component of share-based payment plans	68	-	-	-	-	68	1	69
2024 Dividends paid (see Note 7.2)	-	-	(719)	-	-	(719)	(604)	(1,323)
Effect of changes of the consolidation scope	-	-	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**
Allocation to retained earnings	1	-	4,189	(4,200)	10	-	-	-
Change in common stock and issuance / redemption and remuneration of equity instruments (see Note 7.1)	(1,603)	(111)	(705)	-	-	(2,419)	194	(2,225)
Elimination of treasury stock (see Note 7.1)	(611)	-	(43)	-	-	(654)	-	(654)
Equity component of share-based payment plans (see Note 5.1.3)	168	-	-	-	-	168	1	169
2025 Dividends paid (see Note 7.2)	-	-	(1,315)	-	-	(1,315)	(720)	(2,035)
Effect of changes of the consolidation scope (see Note 7.1)	-	-	21	-	-	21	(521)	(500)
Sub-total of changes linked to relations with shareholders	***(2,046)***	***(111)***	***(2,042)***	***-***	***-***	***(4,199)***	***(1,046)***	***(5,245)***
2025 Net income	-	-	-	6,002	-	6,002	1,030	7,032
Change in unrealised or deferred gains and losses	-	-	-	-	(1,769)	(1,769)	92	(1,677)
Other changes	-	-	(147)	-	-	(147)	(24)	(171)
Sub-total	***-***	***-***	***(147)***	***6,002***	***(1,769)***	***4,086***	***1,098***	***5,184***
At 31 December 2025	**19,237**	**9,762**	**35,862**	**6,002**	**(719)**	**70,144**	**9,383**	**79,527**

6.1.6 CASH FLOW STATEMENT

(In EUR m)	2025	2024
Consolidated net income (I)	**7,032**	**5,129**
Amortisation expense on tangible and intangible fixed assets (including operational leasing)	10,287	10,086
Depreciation and net allocation to provisions	201	(492)
Net income from investments accounted for using the equity method	(18)	(21)
Change in deferred taxes	73	143
Net income from the sale of long-term assets and subsidiaries	(220)	(139)
Other changes	2,948	1,700
Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)	**13,271**	**11,277**
Income on financial instruments at fair value through profit or loss	5,106	5,266
Interbank transactions	31,087	(19,026)
Customers transactions	(9,529)	7,014
Transactions related to other financial assets and liabilities	(75,150)	(24,116)
Transactions related to other non-financial assets and liabilities	8,535	4,358
Net increase/decrease in cash related to operating assets and liabilities (III)	**(39,951)**	**(26,504)**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)	**(19,648)**	**(10,098)**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments	(19,077)	(2,310)
Net cash inflow (outflow) related to tangible and intangible fixed assets	(9,361)	(11,433)
Net cash inflow (outflow) related to investment activities (B)	**(28,438)**	**(13,743)**
Cash flow from/to shareholders	(4,778)	(1,428)
Other net cash flow arising from financing activities	(3,782)	155
Net cash inflow (outflow) related to financing activities (C)	**(8,560)**	**(1,273)**
Effect of changes in foreign exchange rates on cash and cash equivalents (D)	(9,147)	2,236
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)	**(65,792)**	**(22,878)**
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 start of the year	**219,119**	**241,997**
Cash, due from central banks (assets)	133,322	201,680
Due to central banks (liabilities)	(9,737)	(11,364)
Current accounts with banks (see Note 3.5)	44,976	44,498
Demand deposits and current accounts with banks (see Note 3.6)	(15,234)	(15,695)
Cash and cash equivalents at the end of the year	**153,327**	**219,119**
Net inflow (outflow) in cash and cash equivalents	**(65,792)**	**(22,878)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1	**SIGNIFICANT ACCOUNTING PRINCIPLES**		**419**
	NOTE 1.1	Introduction	419
	NOTE 1.2	New accounting standards applied by the group as of 1 January 2025	420
	NOTE 1.3	Accounting standards, amendments or interpretations to be applied by the group in the future	420
	NOTE 1.4	Use of estimates and judgement	422
	NOTE 1.5	Geopolitical and macroeconomic context	423
	NOTE 1.6	Hyperinflation in Turkey and Ghana	426
NOTE 2	**CONSOLIDATION**		**426**
	NOTE 2.1	Consolidation scope	429
	NOTE 2.2	Goodwill	430
	NOTE 2.3	Additional disclosures for consolidated entities and investments accounted for using the equity method	435
	NOTE 2.4	Unconsolidated structured entities	438
	NOTE 2.5	Non-current assets held for sale and related debts	440
NOTE 3	**FINANCIAL INSTRUMENTS**		**441**
	NOTE 3.1	Financial assets and liabilities at fair value through profit or loss	447
	NOTE 3.2	Financial derivative	452
	NOTE 3.3	Financial assets at fair value through other comprehensive income	466
	NOTE 3.4	Fair value of financial instruments measured at fair value	468
	NOTE 3.5	Loans, receivables and securities at amortised cost	477
	NOTE 3.6	Debts	480
	NOTE 3.7	Interest income and expense	482
	NOTE 3.8	Impairment and provisions	484
	NOTE 3.9	Fair value of financial instruments measured at amortised cost	502
	NOTE 3.10	Commitments and assets pledged and received as securities	504
	NOTE 3.11	Transferred financial assets	506
	NOTE 3.12	Offsetting financial assets and financial liabilities	508
	NOTE 3.13	Contractual maturities of financial liabilities	511
NOTE 4	**OTHER ACTIVITIES**		**512**
	NOTE 4.1	Fee income and expense	512
	NOTE 4.2	Income and expenses from leasing activities, mobility and other activities	513
	NOTE 4.3	Insurance activities	514
	NOTE 4.4	Other assets and liabilities	532
NOTE 5	**OTHER GENERAL OPERATING EXPENSES**		**534**
	NOTE 5.1	Personnel expenses and employee benefits	534
	NOTE 5.2	Other operating expenses	544
NOTE 6	**INCOME TAX**		**545**
	NOTE 6.1	Breakdown of the tax expense	546
	NOTE 6.2	Tax assets and liabilities	547
	NOTE 6.3	Deferred tax assets recognised on tax loss carry-forwards and deferred tax assets not recognised	548
NOTE 7	**SHAREHOLDERS' EQUITY**		**549**
	NOTE 7.1	Treasury shares and shareholders' equity issued by the group	549
	NOTE 7.2	Earnings per share and dividends	553
	NOTE 7.3	Unrealised or deferred gains and losses	554
NOTE 8	**ADDITIONAL DISCLOSURES**		**557**
	NOTE 8.1	Segment reporting	557
	NOTE 8.2	Provisions	562
	NOTE 8.3	Tangible and intangible fixed assets	565
	NOTE 8.4	Entities included in the consolidation scope	570
	NOTE 8.5	Fees paid to statutory auditors	599
NOTE 9	**INFORMATION ON RISKS AND LITIGATION**		**600**
NOTE 10	**RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS**		**603**

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 5 February 2026.

NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES

NOTE 1.1 Introduction

ACCOUNTING STANDARDS

Under European Regulation 1606/2002 of 19 July 2002 on the application of International Accounting Standards, the Societe Generale group ("the Group") prepared its consolidated financial statements for the year ended 31 December 2025 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

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 2025 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 totals and subtotals.

NOTE 1.2 New accounting standards applied by the group as of 1 January 2025

Amendments to IAS 21 “Impacts to variations in foreign currency rates”.

AMENDMENTS TO IAS 21 « IMPACTS TO VARIATIONS IN FOREIGN CURRENCY RATES »

These amendments specify the situations in which a currency is regarded as convertible as well as the methods for evaluating the exchange rate of a non-convertible currency. They also supplement the information to be disclosed in the notes to the financial statements in cases where a currency is not convertible.

The provisions of these amendments have been applied since 2024 for the preparation of the Group’s financial statements.

NOTE 1.3 Accounting standards, amendments or interpretations to be applied by the group in the future

The IASB published accounting standards and amendments, some of which are not yet adopted by the European Union on 31 December 2025. They will enter into mandatory application for financial years beginning on or after 1 January 2026 at the earliest or from the date of their adoption by the European Union. They have thus not been applied by the Group as at 31 December 2025.

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

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”

AMENDMENTS TO IFRS 9 AND IFRS 7 « AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS »

Adopted by the European Union on 27 May 2025.

These amendments provide clarification on the classification of financial assets and in particular on how to assess the consistency of the contractual flows of a financial asset with a basic lending arrangement. They thus clarify the classification of instruments with contractual terms that may change the timing or amount of cash flows. This is particularly the case for financial assets with environmental, social and governance (ESG) or similar characteristics.

Clarification is also provided for the classification of contractually linked instruments and financial assets secured only by collateral.

In addition, these amendments clarify the requirements for derecognition of financial assets and liabilities. They introduce an accounting option for derecognising financial liabilities settled using electronic payment systems.

New disclosures are also required for equity instruments designated originally at fair value through other comprehensive income, and for financial assets and liabilities with contingent features, such as instruments comprising ESG characteristics.

The analyses are ongoing but these amendments should not have a material effect on the Group's financial statements.

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

Adopted by the European Union on 30 June 2025.

The European Union has adopted amendments to IFRS 9 and IFRS 7 relating to contracts referencing nature-dependent electricity where the quantity produced is subject to variability.

The contracts concerned may be settled:

- through contracts to buy or sell nature-dependent electricity: Power Purchase Agreements (PPA);
- through a net cash settlement 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 Group-owned PPAs from the scope of IFRS 9.

In addition, these amendments also change the way in which the hedged item is designated when cash flow hedge accounting is applied to VPPA contracts.

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 the recognition of assets, liabilities, income and expenses, nor their measurement; it only addresses their presentation in the primary financial statements and in the 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 divided into three categories of income and expenses: 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 operating income and expenses.

IFRS 18 also requires presenting, in the notes to the financial statements, management-defined performance measures (MPMs), i.e. alternative measures defined by the Management of the entity and used for financial 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 reporting periods beginning on or after 1 January 2027 this application will be retrospective with a restatement of comparative information.

Stakeholders are still working on the application of IFRS 18 and the resulting outputs are taken into consideration by the Group for assessing the effect of this standard on its financial statements.

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.

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

The assumptions and estimates made for the preparation of these consolidated financial statements take account of the uncertainties regarding the 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 judgement 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 or 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 instruments measured at amortised cost, for which this information is disclosed in the Notes (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 measured using models or internal assumptions based on historical, current and prospective data (see Note 3.8). The use of estimates and judgement 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 the 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 control for the determination of the scope of consolidated entities, especially in the case of structured entities (see Notes 2.1 and 2.4).
- The determination of the lease term to be applied for recognising right-of-use assets and lease liabilities (see Note 8.3).

NOTE 1.5 Geopolitical and macroeconomic context

The global economy proves resilient, buoyed by rising asset prices, low energy prices, investments in artificial intelligence, as well as by budgetary easing (increased defence spending, especially in the Unites States, in Europe and in China), regulatory easing (especially in the Unites States), and simplification measures in Europe (Omnibus initiative).

The full impact of the tariff hikes by the United States is yet to be seen.

Meanwhile, labour markets are tightening in Europe and United States. Financial market volatility raises the risk of a faster than expected slowdown, whether in equity risk premiums, real estate or sovereign debt.

The Group is anticipating further interest rate cuts by the Federal Reserve, albeit with a more hesitant stance. Questions over its independence also remain a source of uncertainty. In Europe, the Group expects the ECB to cut interest rates and announce an end to quantitative tightening.

The Group has therefore updated the macroeconomic scenarios used to prepare its consolidated financial statements

These macroeconomic scenarios are taken into account in the credit loss measurement models, which include forward-looking data (see Note 3.8). They 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

At 31 December 2025, the Group selected four scenarios to enhance understanding of the uncertainties associated with the current macroeconomic environment. A new SG Debt Tension scenario has been introduced to capture the risks associated with growing concerns about the sustainability of public finances in major economies, although this is not considered to be a systemic crisis.

The assumptions considered to build these scenarios are described below:

- The central scenario (“SG Central”) predicts low growth in the eurozone in a context of more restrictive budgetary policy than in 2025 and of persistent geopolitical concerns. In the United States, while budgetary stimulus and deregulation may provide a boost to the US economy, this will not be enough to offset the headwinds of immigration, tariffs and general uncertainty. Downside risks, particularly related to financial volatility, remain. Compared with 31 December 2024, this central scenario is, therefore, unchanged in terms of underlying trends and expected developments. Forecasts of the main economic variables changed only marginally when the economic scenarios were updated.
- The favourable scenario (“SG Favourable”) describes accelerated economic growth compared with the trajectory envisaged 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”) of stagflation has been calibrated on the experience of the 1979 Iranian revolution and the resulting oil shock. This scenario is based on a negative supply shock leading to inflationary pressures, combined with a financial crisis.
- The deflation scenario (“SG Debt tension”) is supported by widespread concern about the sustainability of public finances in the major economies. This scenario is based on a negative demand shock related to the increase of the global financing costs, amplified by a loss of credibility of central banks and the absence of unconventional policies. The result is a broad-based rise in long-term rates, a depreciation of the dollar, a widening of credit spreads and a downturn in equity markets

These scenarios are developed by the Economic and Sector Research department of Societe Generale for all Group entities.

Forecasts by institutions (IMF, World Bank, ECB, OECD, etc.) 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's 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 third quarter of 2025.

Variables

The growth rate of Gross Domestic Product (GDP), the disposable income of households, the difference in interest rates between France and Germany, US imports, exports from developed countries, unemployment rates, the inflation rate in France and the yield on France 10-year government bonds are the main variables used in the expected credit losses measurement models.

The variables which have the stronger impact on the determination of expected credit losses (rate of GDP growth for the major countries in which the Group operates and the disposable income of households in France) for each scenario are listed below:

"SG Favourable" scenario	2026	2027	2028	2029	2030
France GDP	1.6	2.9	2.3	2.4	1.4
Households disposable income in France	1.2	1.4	1.2	0.8	0.6
Eurozone GDP	1.8	3.0	2.3	2.4	1.4
United States GDP	2.3	2.9	2.8	3.0	2.0
Japan GDP	2.0	2.7	1.6	1.6	0.6
Developed countries GDP (1)	2.1	3.0	2.5	2.7	1.7

"SG Central" scenario	2026	2027	2028	2029	2030
France GDP	0.6	0.9	1.3	1.4	1.4
Households disposable income in France	0.7	0.6	0.6	0.6	0.6
Eurozone GDP	0.8	1.0	1.3	1.4	1.4
United States GDP	1.3	0.9	1.8	2.0	2.0
Japan GDP	1.0	0.7	0.6	0.6	0.6
Developed countries GDP (1)	1.1	1.0	1.5	1.7	1.7

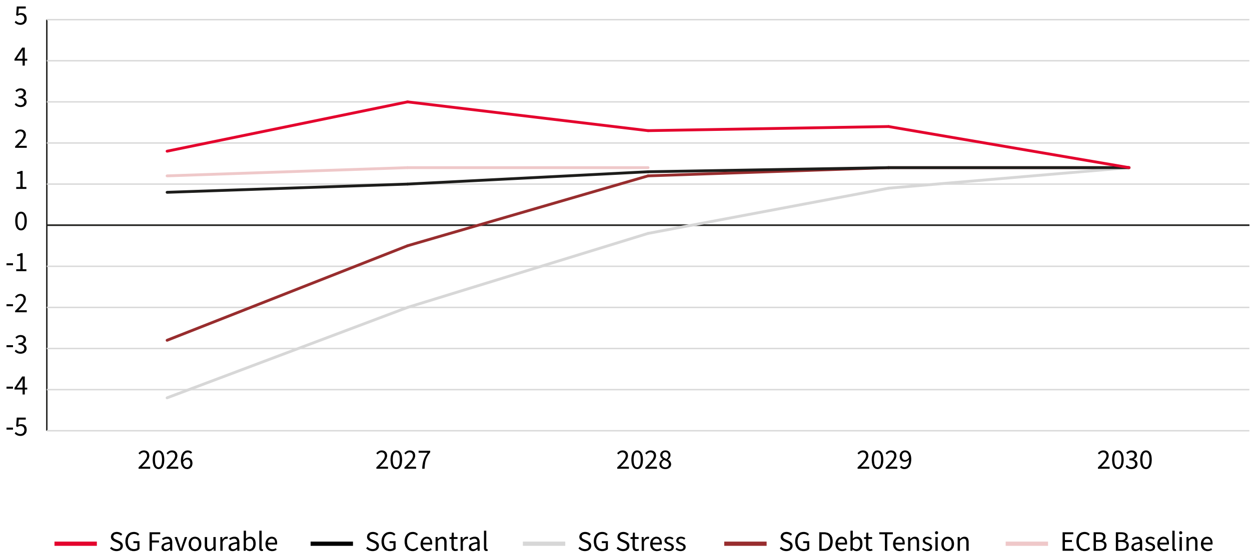
"SG Stress" scenario	2026	2027	2028	2029	2030
France GDP	(4.4)	(2.1)	(0.2)	0.9	1.4
Households disposable income in France	(5.3)	(2.4)	(1.4)	(0.4)	0.1
Eurozone GDP	(4.2)	(2.0)	(0.2)	0.9	1.4
United States GDP	(3.7)	(2.1)	0.3	1.5	2.0
Japan GDP	(4.0)	(2.3)	(0.9)	0.1	0.6
Developed countries GDP (1)	(3.9)	(2.0)	0.0	1.2	1.7

"SG Debt Tension" scenario	2026	2027	2028	2029	2030
France GDP	(3.0)	(0.7)	1.3	1.4	1.4
Households disposable income in France	(0.8)	(1.3)	0.6	0.6	0.6
Eurozone GDP	(2.8)	(0.5)	1.2	1.4	1.4
United States GDP	(2.1)	(0.8)	1.4	2.0	2.0
Japan GDP	(2.6)	(0.9)	0.6	0.6	0.6
Developed countries GDP (1)	(2.4)	(0.7)	1.3	1.7	1.7

(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 practice, these correlations may be impacted by geopolitical or climate related events, or changes in customer behaviour (Retail customers or non-retail), the legal environment or credit granting policy.

The graph below shows the GDP forecasts in the eurozone selected by the Group for each scenario and compares them with the scenarios published by the ECB in December 2025.



	2026	2027	2028	2029	2030
SG Favourable	1.8	3.0	2.3	2.4	1.4
SG Central	0.8	1.0	1.3	1.4	1.4
SG Stress	(4.2)	(2.0)	(0.2)	0.9	1.4
SG Debt Tension	(2.8)	(0.5)	1.2	1.4	1.4
ECB Baseline	1.2	1.4	1.4		

WEIGHTING OF THE MACROECONOMIC SCENARIOS

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

In order to better account for a possible reversal in the cycle, the Group applies to its scenarios a weighting methodology (mainly based on the observed output gaps for the USA and the eurozone) and assigns a higher weight to the SG Central scenario when the economy is depressed. Conversely, the methodology provides for a higher weight to be assigned to the SG Stress scenarios 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 2025.

PRESENTATION OF THE CHANGES IN WEIGHTS:

	31.12.2025	30.06.2025	31.12.2024
SG Central	56%	56%	56%
SG Stress	14%	34%	34%
SG Favourable	10%	10%	10%
SG Debt Tension	20%		

CALCULATION OF EXPECTED CREDIT LOSSES AND SENSITIVITY ANALYSIS

Credit risk cost as at 31 December 2025, insurance subsidiaries excluded, amounts to a net expense of EUR 1,477 million, decreasing by EUR 54 million (-4%) compared to 31 December 2024 (EUR 1,530 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, as at 31 December 2025, 88% of the expected credit losses (same as at 31 December 2024).

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 stagflation scenario, the impact would be an additional allocation of EUR 752 million;
- of the SG Favourable scenario, the impact would be a reversal of EUR 229 million;
- of the SG Central scenario, the impact would be a reversal of EUR 144 million;
- of the SG Debt tension scenario, the impact would be an additional allocation of EUR 64 million.

NOTE 1.6 Hyperinflation in Turkey and Ghana

Reports published by the International Practices Task Force of the Center for Audit Quality, the usual reference for identifying highly inflationary countries, show that the following entities have exceeded the threshold and are considered hyperinflationary economies:

- Turkey since 2022;
- Ghana since 2023.

As at 2nd semester 2025, Ghana is no more considered as a hyperinflationary economy anymore.

Accordingly, the Group applies the provisions of IAS 29 ("Financial Reporting in Hyperinflationary Economies") to prepare the individual financial statements (before their conversion to euro as part of the consolidation process) presented:

- in Turkish liras for the entity LEASEPLAN OTOMOTIV SERVIS VE TICARET AS located in Turkey since 1 January 2022;
- in cedis for the entity SOCIETE GENERALE GHANA PLC located in Ghana from 1 January 2023 to 30 September 2025.

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

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

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

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

As at 31 December 2025, a gain of EUR 17.1 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 expenses lines of the period, the impact of the restatements for hyperinflation on the consolidated pre-tax accounting result is EUR 34.5 million.

NOTE 2 CONSOLIDATION

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

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

Consolidated entities

SUBSIDIARIES

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

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

Power

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

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

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

Exposure to variable returns

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

Link between power and variable returns

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

Special case of structured entities

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

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

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

- the purpose and design of the entity;
- the structuring of the entity;
- risks to which the entity is exposed by way of its design and the Group's exposure to some or all of these risks;
- potential returns and benefits for the Group.
- Unconsolidated structured entities are those that are not exclusively controlled by the Group.

JOINT ARRANGEMENTS

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

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

ASSOCIATES

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

Consolidation rules and methods

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

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

CONSOLIDATION METHODS

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

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

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

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

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

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

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

TRANSLATION OF FOREIGN ENTITY FINANCIAL STATEMENTS

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

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

CHANGES IN GROUP'S OWNERSHIP INTEREST IN A CONSOLIDATED ENTITY

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

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

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

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

Commitments to buy out minority shareholders in fully consolidated subsidiaries

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

The commitments are recorded as follows:

- in accordance with IAS 32, the Group records a financial liability for the put options granted to minority shareholders of the subsidiaries over which it exercises control. This liability is initially recognised at the present value of the estimated exercise price of the put options under Other liabilities;
- the obligation to recognise a liability even though the put options have not been exercised means that, in order to be consistent, the Group must use the same accounting treatment as the one applied to transactions in Non-controlling interests. As a result, the counterpart of this liability is a write-down in value of non-controlling interests underlying the options, with any balance deducted from Retained earnings, Group share;

- subsequent variations in this liability (linked to changes in the estimated exercise price of the options and the carrying value of Non-controlling interests) are recorded in full in Retained earnings, Group share;
- if the buy-out takes place, the liability is settled by the cash payment linked to the acquisition of non-controlling interests in the subsidiary. However if, when the commitment reaches its term, the buy-out has not occurred, the liability is written off against Non-controlling interests and Retained earnings, Group share for their respective portions;
- as long as the options have not been exercised, the results linked to Non-controlling interests with a put option are recorded under Non-controlling interests on the Group's consolidated income statement.

NOTE 2.1 Consolidation scope

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

The main changes to the consolidation scope as at 31 December 2025, compared with the scope applicable at the closing date of 31 December 2024, are as follow in chronological order:

SALE OF SOCIETE GENERALE PRIVATE BANKING (SUISSE) S.A.

On 31 January 2025, the Group finalised the sale of Societe Generale Private Banking (Suisse) S.A. to Union Bancaire Privee (UBP).

This sale led to a reduction of EUR 3.2 billion in Non-current assets held for sale (including EUR 2.3 billion in Customer loans at amortised cost) and a decrease of EUR 3.0 billion in Non-current liabilities held for sale (including EUR 2.9 billion in Customer deposits).

SALE OF FINANCING OF PROFESSIONAL EQUIPMENT ACTIVITIES

On 28 February 2025, the Group finalised the sale of its financing of professional equipment activities operated by Societe Generale Equipement Finance (SGEF) to BPCE Group.

This sale led to a reduction of EUR 15.0 billion in Non-current assets held for sale (including EUR 14.2 billion in Customer loans at amortised cost) and a decrease of EUR 6.1 billion in Non-current liabilities held for sale (including EUR 3.5 billion in Due to banks and EUR 2.2 billion in Customer deposits).

SALE OF SG KLEINWORT HAMBROS BANK LIMITED

On 31 March 2025, the Group sold the totality of its participation in SG Kleinwort Hambros Bank Limited to Union Bancaire Privee (UBP).

This sale led to a reduction of EUR 5.6 billion in Non-current assets held for sale (including EUR 2.9 billion in Financial assets at fair value through other comprehensive income and EUR 2.0 billion in Customer loans at amortised cost) and a decrease of EUR 5.3 billion in Non-current liabilities held for sale (including EUR 5.2 billion in Customer deposits).

SALE OF SG BURKINA FASO

On 27 June 2025, the Group sold the totality of its participation in SG Burkina Faso to Vista Group.

This sale led to a reduction of EUR 0.9 billion in Non-current assets held for sale (including EUR 0.5 billion in Customer loans at amortised cost) and a decrease of EUR 0.8 billion in Non-current liabilities held for sale (including EUR 0.4 billion in Customer deposits).

SALE OF SG GUINEE

On 5 August 2025, the Group sold the totality of its participation in SG GUINEE to Atlantic Financial Group.

This sale led to a reduction of EUR 0.8 billion in Non-current assets held for sale (including EUR 0.4 billion in Customer loans at amortised cost and EUR 0.2 billion of Securities at amortized cost) and a decrease of EUR 0.8 billion in Non-current liabilities held for sale (including EUR 0.8 billion in Customer deposits).

SALE OF SG MAURITANIE

On 8 August 2025, the Group sold the totality of its participation in SG Mauritanie to consortium Enko Capital Oronte.

This sale led to a reduction of EUR 0.2 billion in Non-current assets held for sale (including EUR 0.1 billion in Customer loans at amortised cost) and a decrease of EUR 0.3 billion in Non-current liabilities held for sale (including EUR 0.3 billion in Customer deposits).

SALE OF SG DE BANQUES EN GUINEE EQUATORIALE

On 14 November 2025, the Group sold the totality of its participation in SG Guinee Equatoriale to the state of Guinée Equatoriale.

This sale led to a reduction of EUR 0.2 billion in Non-current assets held for sale (including EUR 0.1 billion in Customer loans at amortised cost) and a decrease of EUR 0.4 billion in Non-current liabilities held for sale (including EUR 0.3 billion in Customer deposits).

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. As a result, the amount of goodwill and non-controlling interests initially recorded is then retrospectively adjusted as if the accounting had been completed at the acquisition date.

On the acquisition date, each item of goodwill is allocated to one or more cash-generating units expected to derive benefits from the acquisition. When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units, goodwill previously allocated to modified units is reallocated to the units affected (new or existing). This reallocation is generally performed using a relative approach based on the normative capital requirements of each cash-generating unit (CGU) affected.

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

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

As at 31 December 2025, the group's CGUs are the following:

TABLE 2.2.A

Pillars	Activities
French Retail, Private Banking and Insurance	
French Retail and Private Banking	Societe Generale's retail banking network, Boursorama online banking activities, wealth Management Solutions
Insurance	Life and non-life insurance activities in France and abroad (including Sogecap, Sogessur and Oradéa Vie)
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 in Africa, the Mediterranean Basin and Overseas, including in Algeria (SGA), Tunisia (UIB), Cameroon (SGBC), Côte d'Ivoire (SGBCI) and Senegal (SGBS)
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 2025 in the values of goodwill:

TABLE 2.2.B

(In EUR m)	Value as at 31.12.2024	Acquisitionsand other increases	Disposals and other decreases	Impairment	Value as at 31.12.2025
French Retail and Private Banking	**1,120**	**-**	**(1)**	**-**	**1,119**
French Retail and Private Banking	1,120	-	(1)	-	1,119
Insurance	**345**	**-**	**-**	**-**	**345**
Insurance	345	-	-	-	345
International Retail Banking	**829**	**-**	**-**	**-**	**829**
Europe	829	-	-	-	829
Africa, Mediterranean Basin and Overseas	-	-	-	-	-
Mobility and Financial Services	**2,708**	**-**	**-**	**-**	**2,708**
Auto Leasing Financial Services	2,163	-	-	-	2,163
Consumer finance	545	-	-	-	545
Global Markets and Investor Services	**26**	**-**	**(3)**	**-**	**23**
Global Markets and Investor Services	26	-	(3)	-	23
Financing and Advisory	**57**	**1**	**-**	**-**	**58**
Financing and Advisory	57	1	-	-	58
TOTAL	**5,086**	**1**	**(4)**	**-**	**5,083**

CREATION OF A PARTNERSHIP BETWEEN SOCIETE GENERALE AND ALLIANCEBERNSTEIN

On 1 April 2024, Societe Generale and Alliance Bernstein 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 have been negotiated to allow Societe Generale, subject to regulatory approvals, to own 100% of both entities in the end.

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.

During the first half of 2025, the Group finalised the purchase price allocation. As part of this exercise, the fair value measurement of the entity's acquired assets and assumed liabilities led the Group to revise upwards the net asset value of Sanford C. Bernstein Holdings Limited by EUR 6 million. The amount of goodwill, provisionally estimated at EUR 26 million in the Group's consolidated financial statements as of 31 December 2024 has thus been adjusted to reach the final amount of EUR 23 million as of 30 June 2025.

As part of the revision of the purchase price allocation, the table above includes the main adjustments realized:

Identifiable assets/liabilities	Description of the Evaluation Approach
Intangible assets – Bernstein brand	Brand fair value is determined using the royalty method. Valuation is based on publicly reported and market-observed royalty rates for comparable assets.
Intangible assets – Customer relationships	Intangible assets related to customer relationships have been recognized separately from goodwill and reflect customer loyalty in Bernstein's equity business. The valuation is based on the Multi-Period Excess Earnings Method (MPEEM).

(In EUR m)	**Temporary allocation as at 31 December 2024**	**Variations**	**Final allocation as at 30 June 2025**
Tangible and intangible fixed assets	4	8	12
Loans and receivables from credit institutions	246	-	246
Net tax assets	5	(2)	3
Debts to customers	(80)	-	(80)
Autres actifs et passifs nets	(14)	-	(14)
FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED (C)	161	6	167
NON-CONTROLLING INTERESTS [(1)] (B)	79	3	82
PURCHASE PRICE (A)	108	-	108
GOODWILL (A) + (B) - (C)	**26**	**(3)**	**23**

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

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 as at 31 December 2025.

Bernstein North America Holdings LLC (entity consolidated using the equity method)

On 1 April 2024, Societe Generale acquired 33.33% of the holding company Bernstein North America Holdings LLC for EUR 180 million.

Optional instruments were negociated with the counterparty, leading to the recognition of a derivative financial liability of EUR 34.7 million as at 31 Decembre 2025.

On 1 July 2025, Societe Generale notified AllianceBernstein that it had the regulatory approvals to increase its shareholding (" Increased Ownership Approval Notice "). On 18 July 2025, in accordance with the acquisition agreement, AllianceBernstein notified Societe Generale of its decision to exercise its right to sell its 17.67% holding in Bernstein North America Holding LLC to Societe Generale.

On 1 January 2026, AllianceBernstein transferred its 17.67% holding, enabling Societe Generale to take control of Bernstein North America Holdings LLC.

As of the 2026 financial year, the entity and its controlled subsidiaries will be fully consolidated in the Group’s consolidated financial statements.

The purchase price allocation exercise, aimed at determining the fair value of identifiable assets and liabilities, the value of non-controlling interests and the resulting goodwill, will be carried out during the 2026 financial year.

The Group expects a non-significant impact from this takeover.

IMPAIRMENT TEST OF CGU

The Group performed an annual impairment test on 31 December 2025 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 five-year budget trajectory (2026 – 2030) (SG Central scenario) extrapolated to 2031, the latter being used as a «normative» year to calculate the terminal value.
- These estimates consider the equity target allocated to each CGU, stable compared to 31 December 2024 (13% of the risk-weighted assets of each CGU for 2024).
- 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 2029 or 2030 forecasts.
- In particular, these budgets consider the impacts of energy and environmental transition-related commitments. The central scenario, in line with an APS (Announced Pledges Scenario), assumes that governments and companies comply with the announced policy commitments. In this scenario, the United States initially rolls back climate and energy policies, followed in the medium term by an acceleration of the transition. The scenario also anticipates an intensification of physical climate-related risks in the coming years, implying a scenario that does not meet the most ambitious warming objectives (1.5°C) but nevertheless remains below 2°C by the end of the century. Consequently, it anticipates an increase in demand for adaptation investment, with a risk of funds being relocated from mitigation investment.
- The projected dividends are then discounted based on a rate equal to the risk-free rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free rate available around monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued (mainly US dollar area or Euro area), in proportion with risk-weighted assets for CGUs covering several countries.

As at 31 December 2025, the table below presents discount rates and long-term growth rates specific to the CGUs of the Group's three core businesses:

TABLE 2.2.C

Assumptions as at 31 December 2025	Discount rate	Long-term growth rate
French Retail and Private Banking	9.1%	2.0%
Insurance	9.5%	2.5%
Global Markets and Investor Services	11.5%	2.0%
Financial Services	10.2%	2.0%
International Retail Banking	11.8% to 13.5%	2.0% to 3.0%
Consumer finance	10.7%	2.0%
Mobility and Leasing Services	10.3%	2.0%

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

TABLE 2.2.D

Pillars	
French Retail, Private Banking and Insurance	
French Retail and Private Banking	■ Ongoing efforts to shift operations and relationship banking at Societe Generale towards a digital model ■ Consolidation of commercial and operational efficiency in Wealth Management and continued development of synergies with retail banking network ■ Confirmation of Boursorama's customer acquisition plan
Insurance	■ Reinforcement of integrated bank insurance model and continued dynamic growth in France and abroad in synergy with the retail banking network, Private Banking and financial services to businesses
Global Banking and Investor Solutions	
Global Markets and Investor Services	■ Thanks to the restructuring initiated 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	■ Consolidation of origination momentum of financing activities oriented towards capital consumption optimization ■ Consolidation of market-leading franchises (commodity and structured financing) and continued RSE business development
Mobility, International Retail Banking and Financial Services	
Europe	■ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations ■ Strict discipline applied to operating expenses and normalisation of cost of risk
Africa, Mediterranean Basin and Overseas	■ Consolidation of positions in a transforming perimeter ■ Continued focus on operating efficiency and gradual reduction cost of risk
Auto Leasing Financial Services	■ Creation of a leading global player in mobility with the integration of LeasePlan ■ New strategic plan articulated around 4 priorities: clients, operational efficiency, responsibility and profitability
Consumer Finance	■ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations, increased business synergies notably with Ayvens ■ Strict discipline applied to operating expenses and normalisation of cost of risk

For CGUs, the tests carried out on 31 December 2025 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 2.1% decrease in the total recoverable amount without requiring additional depreciation of any CGU.
- By combining these two sensitivity cases, the total recoverable amount would result in a 8.1% 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 2025, 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 2025, the amount of outstanding loans thus guaranteed is EUR 68,6 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 26,1 billion as at 31 December 2025.

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.

As at 31 December 2025, Non-controlling interests amount to EUR 9,383 million (EUR 9,332 million as at 31 December 2024) and account for 12% of total shareholders' equity (stable compared with 31 December 2024).

INFORMATION ON SHAREHOLDER'S EQUITY OF NON-CONTROLLING INTERESTS

TABLE 2.3.A

(In EUR m)	31.12.2025	31.12.2024
Capital and reserves	8,419	8,704
Other equity instruments issued by subsidiaries (see Note 7.1)	1,042	800
Unrealised or deferred gains and losses	(78)	(172)
TOTAL	**9,383**	**9,332**

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 Komercni Banka A.S and BRD - Groupe Societe Generale SA;
- Sogécap, fully owned, with the subordinated notes issued.

TABLE 2.3.B

(In EUR m)	31.12.2025				
	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	70.81%	54.81%	448	4,649	(294)
KOMERCNI BANKA A.S	60.73%	60.73%	275	1,931	(268)
SOGECAP	100.00%	100.00%	52	1,075	(48)
BRD - GROUPE SOCIETE GENERALE SA	60.17%	60.17%	119	801	(57)
Other entities			135	927	(101)
TOTAL			**1,030**	**9,383**	**(768)**

TABLE 2.3.C

(In EUR m)	31.12.2024				
	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)
KOMERCNI BANKA A.S	60.73%	60.73%	262	1,871	(243)
SOGECAP	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.

SUMMARISED FINANCIAL INFORMATION FOR MAIN NON-CONTROLLING INTERESTS

The information below are the data of the entities or subgroups (excluding Sogécap) taken at 100% and before the elimination of intragroup operations.

TABLE 2.3.D

	31.12.2025			
(In EUR m)	Net banking income	Net income	Net income and unrealised or deferred gains and losses	Total balance sheet
GROUPE AYVENS	3,257	967	949	161,300
KOMERCNI BANKA A.S	1,430	713	900	65,155
BRD - GROUPE SOCIETE GENERALE SA	837	305	332	18,740

TABLE 2.3.E

	31.12.2024			
(In EUR m)	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
KOMERCNI BANKA A.S	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.

NOTE 2.3.3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)

SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES

TABLE 2.3.F

	Joint ventures		Associates		Total investments accounted for using the equity method	
(In EUR m)	2025	2024	2025	2024	2025	2024
Group share:						
Net income	7	0	12	21	18	21
Unrealised or deferred gains and losses (net of tax)	0	0	0	0	0	0
Net income and unrealised or deferred gains and losses	**7**	**0**	**12**	**21**	**18**	**21**

COMMITMENTS TO RELATED PARTIES FOR ASSOCIATES AND JOINT VENTURES

TABLE 2.3.G

(In EUR m)	31.12.2025	31.12.2024
Loan commitments granted	7	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.

TABLE 2.4.A

	Asset financing		Asset management		Others *	
(In EUR m)	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Total balance sheet [(1)] of the entity	**5,992**	**4,790**	**27,180**	**21,418**	**27,445**	**28,333**
Net carrying amount of Group interests in unconsolidated structured entities						
Assets	**2,640**	**2,593**	**1,211**	**1,321**	**6,150**	**6,704**
Financial assets at fair value through profit or loss	54	58	1,196	1,291	453	534
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets at amortised cost	2,583	2,526	15	20	5,697	6,169
Others assets	3	9	-	10	1	1
Liabilities	**1,195**	**1,002**	**1,213**	**1,261**	**1,528**	**1,861**
Financial liabilities at fair value through profit or loss	25	32	1,007	997	67	261
Due to banks and customer deposits	905	960	155	257	1,460	1,600
Others liabilities	265	10	51	7	1	-

* *Amounts restated compared to the published financial statements as at 31 December 2024.*
(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 2025, does not intend to provide such support.

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

TABLE 2.4.B

	Asset financing		Asset management		Others	
(In EUR m)	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Amortised cost or fair value (according to the measurement of the financial instrument) of non-derivative financial assets entered into with the structured entity	2,577	2,535	2,056	1,970	443	487
Fair value of derivative financial assets recognised in the balance sheet	43	58	993	932	11	47
Notional amount of financing or guarantee commitments granted	484	201	258	243	833	1,397
Maximum exposure to loss	**3,103**	**2,794**	**3,307**	**3,145**	**1,287**	**1,931**

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 4,604 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 at 31 December 2025, 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 7,354 million.

In 2025, no significant revenue has been recognised for theses structured entities.

NOTE 2.5 Non-current assets held for sale and related debts

ACCOUNTING PRINCIPLES

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

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

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

If the fair value less selling costs of non-current assets and groups of assets and liabilities held for sale is less that their net carrying value, an impairment is then recognised in profit or loss among Net income or expenses from other assets.

As at 31 December 2025, the details of the Non-current assets and liabilities held for sale and related debts are as follows:

TABLE 2.5.A

(In EUR m)	31.12.2025	31.12.2024
Non-current assets held for sale	**2,496**	**26,426**
Fixed assets and Goodwill	41	424
Financial assets	1,997	23,725
Financial assets at fair value through profit or loss	*46*	*95*
Financial assets at fair value through equity	*-*	*2,904*
Securities at the amortised cost	*454*	*535*
Due from banks	*11*	*199*
Customer loans	*1,485*	*19,992*
Other assets	457	2,277
Non-current liabilities held for sale	**3,033**	**17,079**
Allowances	21	175
Financial liabilities	2,864	16,372
Financial liabilities at fair value through profit or loss	*-*	*15*
Debt securities issued	*18*	*-*
Due to banks	*88*	*3,714*
Customer deposits	*2,758*	*12,620*
Subordinated debt	*-*	*23*
Other liabilities	148	532

As at 31 December 2025, the items Non-current assets and Liabilities held for sale include the assets and liabilities related to the following consolidated subsidiaries: SG Benin, including its SG Togo branch, SG Cameroun and Treezor SAS.

The Group maintains its intention to sell the subsidiary SG Benin including its SG Togo branch and continue to consider this sale as to be highly probable. The assets and liabilities of this entity are presented in the table of non-current assets and liabilities held for sale since 31 December 2024.

NOTE 3 FINANCIAL INSTRUMENTS

MAKING IT SIMPLE

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

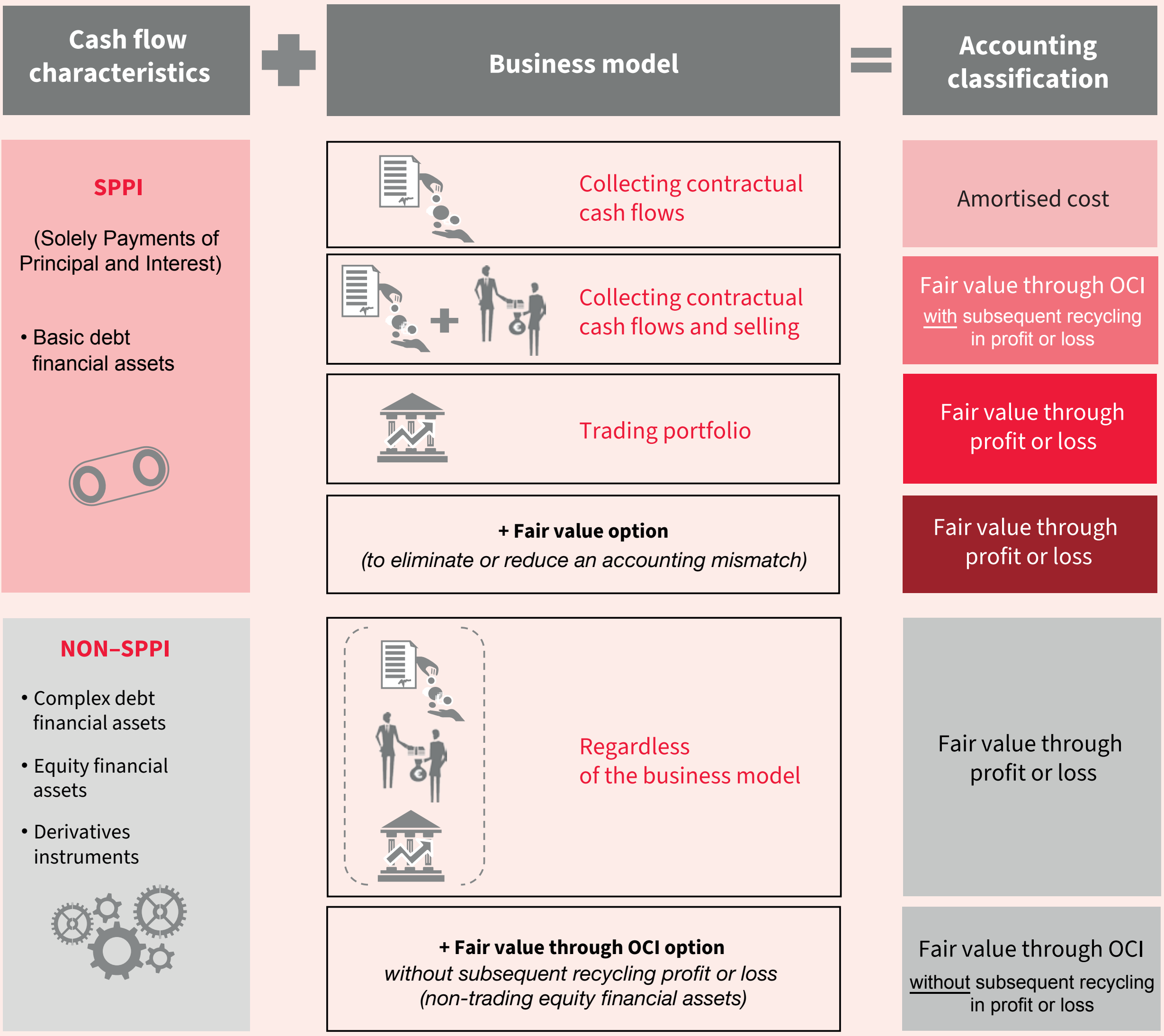
In the financial statements, the classification and valuation of financial assets and liabilities depend on their contractual characteristics and the way the entity manages those financial instruments.

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

ACCOUNTING PRINCIPLES

Classification of financial assets

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



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

ANALYSIS OF CONTRACTUAL CASH FLOW CHARACTERISTICS

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

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

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

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

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

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

ANALYSIS OF THE BUSINESS MODEL

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

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

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

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

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

FAIR VALUE OPTION

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

Classification of financial liabilities

Financial liabilities are classified into one of the following two categories:

- Financial liabilities at fair value through profit or loss: these are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Group upon initial recognition to be measured at fair value through profit or loss using the fair value option;
- Debts: these include the other non-derivative financial liabilities and are measured at amortised cost.

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

Reclassifications of financial assets

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

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

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.4.

Initial recognition

Financial assets are recognised on the balance sheet:

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

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

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

If the initial fair value is exclusively based on observable market data, any difference between the fair value and the transaction price, *i.e.* the sales margin, is immediately recognised in profit or loss. However, if one of the valuation inputs is not observable or if the used valuation model is not recognised by the market, the recognition of the sales margin is then generally deferred in profit or loss.

For some instruments, due to their complexity, this margin is recognised at their maturity or upon disposal in the event of an early sale. When valuation inputs become observable, any portion of the sales margin that has not yet been recorded is then recognised in profit or loss (see Note 3.4.7).

Derecognition of financial assets and liabilities

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

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

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

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

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

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

Foreign exchange transactions

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

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

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

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

METHOD OF ANALYSIS OF CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS

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

All contractual terms are 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 companies 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 2025, the outstanding amount of impact loans valued at amortised cost reached approximately EUR 9.5 billion and came jointly with financing commitments of approximately EUR 18.1 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 fulfils 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 should not change the classification of loans granted by the Group.

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

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

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

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

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

NOTE 3.1 Financial assets and liabilities at fair value through profit or loss

OVERVIEW

TABLE 3.1.A

(In EUR m)	31.12.2025 Assets	31.12.2025 Liabilities	31.12.2024 Assets	31.12.2024 Liabilities
Trading portfolio	436,159	292,694	391,379	295,933
Financial assets measured mandatorily at fair value through profit or loss	126,396		118,928	
Financial instruments measured at fair value through profit or loss using the fair value option	13,502	105,360	15,741	100,681
TOTAL	**576,057**	**398,054**	**526,048**	**396,614**
o/w securities purchased/sold under resale/repurchase agreements	*157,193*	*143,995*	*148,255*	*139,880*

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 short 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

TABLE 3.1.B

(In EUR m)	31.12.2025	31.12.2024
Bonds and other debt securities	62,720	48,226
Shares and other equity securities	111,317	89,995
Securities purchased under resale agreements	157,150	148,207
Trading derivatives [1]	95,735	96,745
Loans, receivables and other trading assets	9,237	8,206
TOTAL	**436,159**	**391,379**
o/w securities lent	*27,972*	*23,081*

(1) See Note 3.2 Financial derivatives.

LIABILITIES

TABLE 3.1.C

(In EUR m)	31.12.2025	31.12.2024
Amounts payable on borrowed securities	33,734	43,076
Bonds and other debt instruments sold short	7,481	5,788
Shares and other equity instruments sold short	2,227	2,468
Securities sold under repurchase agreements	143,958	136,929
Trading derivatives [1]	102,859	105,431
Borrowings and other trading liabilities	2,435	2,241
TOTAL	**292,694**	**295,933**

(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.

TABLE 3.1.D

(In EUR m)	31.12.2025	31.12.2024
Bonds and other debt securities	40,060	34,449
Shares and other equity securities	74,763	71,020
Loans, receivables and securities purchased under resale agreements	11,572	13,459
TOTAL	**126,396**	**118,928**

BREAKDOWN OF LOANS, RECEIVABLES AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

TABLE 3.1.E

(In EUR m)	31.12.2025	31.12.2024
Short-term loans	1,802	1,966
Equipment loans	7,403	8,651
Other loans	2,366	2,842
TOTAL	**11,572**	**13,459**

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

TABLE 3.1.F

(In EUR m)	31.12.2025	31.12.2024
Bonds and other debt securities	12,280	14,394
Loans, receivables and securities purchased under resale agreements	51	57
Separate assets for employee benefits plans	1,171	1,290
o/w Separate assets for defined post-employment benefits (see Note 5.1.2)	*989*	*1,092*
TOTAL	**13,502**	**15,741**

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 and deposits issued by Societe Generale Corporate and Investment Banking at fair value through profit or loss. These issuances are purely commercial and aim at satisfying the expectations of customers by offering a specific remuneration. These issuances provide investors with products giving access to different types of performance or indexation on interest rate, equity or exchange rate. The associated risks are hedged on the market using financial instruments managed in trading portfolios. By using the fair value option, the Group can ensure consistency between the accounting treatment of these bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

TABLE 3.1.G

	31.12.2025		31.12.2024	
(In EUR m)	Fair value	Amount redeemable at maturity	Fair value	Amount redeemable at maturity
Financial instruments measured using fair value option through profit or loss	105,360	105,357	100,681	100,933

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 606 million before tax in 2025. As at 31 December 2025, the total amount of changes in fair value attributable to own credit risk represents a total loss of EUR 756 million before tax.

NOTE 3.1.4 NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

TABLE 3.1.H

(In EUR m)	2025	2024
Net gain/loss on trading portfolio (excluding derivatives)	23,440	17,593
Net gain/loss on financial instruments at fair value through profit or loss [(1)]	5,049	3,636
Net gain/loss on financial instruments measured using fair value option	(4,119)	(3,055)
Net gain/loss on derivative instruments	(13,528)	(7,849)
Net gains/loss on hedging instruments [(2)]	(120)	(119)
Net gain/loss on fair value hedging derivatives	*(1,079)*	*1,495*
Revaluation of hedged items attributable to hedged risks [(3)]	*935*	*(1,621)*
Ineffectiveness of the cash flow hedges	*24*	*7*
Net gain/loss on foreign exchange transactions	841	943
TOTAL [(4)]	**11,562**	**11,149**
o/w gains on financial instruments at fair value through other comprehensive income	*1,597*	*1,287*

(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 in the line item of the income statement where the gain/loss of the hedged item are recognised.

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

(4) Including EUR +5,198 million for insurance subsidiaries in 2025 (EUR +5,114 million in 2024). This amount shall be understood considering 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 related to financial instruments at fair value through profit or loss must be assessed as a whole. It should be noted that the income shown above does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

NOTE 3.2 Financial derivative

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

Derivatives are financial instruments meeting the following three criteria:

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

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

Special case - derivatives having Societe Generale shares as their underlying instrument

Financial derivatives having Societe Generale shares as their underlying instrument or shares in Group subsidiaries and whose 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

TABLE 3.2.A

	31.12.2025		31.12.2024	
(In EUR m)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	31,139	22,601	40,255	36,518
Foreign exchange instruments	19,767	21,001	28,123	27,898
Equities & index Instruments	43,393	56,055	27,068	38,564
Commodities Instruments	8	37	54	112
Credit derivatives	765	531	686	861
Other forward financial instruments	664	2,634	559	1,478
TOTAL	**95,735**	**102,859**	**96,745**	**105,431**

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 purpose. All credit derivatives, regardless of their purpose, are measured at fair value through profit or loss and cannot be qualified as hedging instruments for accounting purposes. Accordingly, they are recognised at fair value among trading derivatives.

COMMITMENTS (NOTIONAL AMOUNTS)

TABLE 3.2.B

(In EUR m)	31.12.2025	31.12.2024
Interest rate instruments	**14,853,454**	**11,569,327**
Firm instruments	12,976,299	9,772,291
Swaps	*10,885,213*	*8,093,140*
FRAs	*2,091,086*	*1,679,151*
Options	1,877,154	1,797,036
Foreign exchange instruments	**6,454,778**	**6,113,133**
Firm instruments	4,481,503	4,002,611
Options	1,973,275	2,110,522
Equity and index instruments	**1,203,137**	**982,592**
Firm instruments	133,483	142,454
Options	1,069,654	840,138
Commodities instruments	**12,850**	**20,824**
Firm instruments	5,649	15,105
Options	7,202	5,719
Credit derivatives	**131,868**	**128,196**
Other forward financial instruments	**51,834**	**36,995**
TOTAL	**22,707,921**	**18,851,067**

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

TABLE 3.2.C

	31.12.2025		31.12.2024	
(In EUR m)	Assets	Liabilities	Assets	Liabilities
Fair value hedge	**7,076**	**13,482**	**8,850**	**15,000**
Interest rate instruments	6,961	13,466	8,829	14,999
Foreign exchange instruments	48	15	1	1
Equity and index Instruments	67	1	20	-
Cash flow hedge	**739**	**396**	**277**	**551**
Interest rate instruments	241	310	199	526
Foreign exchange instruments	46	85	56	23
Equity and index Instruments	452	-	22	2
Net investment hedge	**192**	**41**	**106**	**199**
Foreign exchange instruments	192	41	106	199
Total	**8,007**	**13,919**	**9,233**	**15,750**

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 at 31 December 2025, the revaluation differences on the fixedrate financial asset portfolios and the macro-hedged fixed-rate financial liability portfolios remain negative-. On the asset side of the balance sheet, the revaluation difference on portfolios hedged against interest rate risk amounts to EUR -768 million as at 31 December 2025 (compared to EUR -292 million as at 31 December 2024); and on the liabilities side, the revaluation differences on portfolios hedged against interest rate risk amounts to EUR -7,436 million as at 31 December 2025 (against EUR -5,277 million as at 31 December 2024).

COMMITMENTS (NOTIONAL AMOUNTS)

TABLE 3.2.D

(In EUR m)	31.12.2025	31.12.2024
Interest rate instruments	**664,163**	**613,674**
Firm instruments	654,618	610,683
Swaps	*482,018*	*438,681*
FRAs	*172,600*	*172,002*
Options	9,545	2,991
Foreign exchange instruments	**12,434**	**11,056**
Firm instruments	12,434	11,056
Equity and index instruments	**383**	**338**
Firm instruments	383	338
TOTAL	**676,980**	**625,068**

MATURITIES OF HEDGING FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

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

TABLE 3.2.E

(In EUR m)	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	31.12.2025
Interest rate instruments	228,168	79,577	217,951	138,466	664,162
Foreign exchange instruments	7,974	4,139	321	-	12,434
Equity and index instruments	108	130	140	6	384
TOTAL	**236,250**	**83,846**	**218,412**	**138,472**	**676,980**

FAIR VALUE HEDGE

BREAKDOWN OF HEDGED ITEMS

TABLE 3.2.F

	31.12.2025		
(In EUR m)	Carrying amount	Cumulative change in the fair value [2]	Change in the fair value booked during the period [3]
Hedge of interest rate risk			**935**
Hedged assets	115,058	(366)	(219)
Due from banks, at amortised cost	*1,080*	*(18)*	*10*
Customer loans, at amortised cost	*12,719*	*(104)*	*(34)*
Securities at amortised cost	*13,350*	*(140)*	*(22)*
Financial assets at fair value through other comprehensive income	*29,662*	*664*	*307*
Customer loans at amortised cost (macro hedged) [1]	*58,247*	*(768)*	*(479)*
Hedged liabilities	233,966	(10,185)	1,153
Debt securities issued	*36,742*	*(1,100)*	*(666)*
Due to banks	*22,195*	*(576)*	*(101)*
Customer deposits	*13,600*	*(53)*	*77*
Subordinated debts	*3,652*	*(1,021)*	*(222)*
Customer deposits (macro hedged) [1]	*157,776*	*(7,436)*	*2,066*
Hedge of currency risk			**(0)**
Hedged liabilities	251	(0)	(0)
Subordinated debts	*251*	*(0)*	*(0)*
Hedge of equity risk			**(31)**
Hedged liabilities	139	48	(31)
Other liabilities	*139*	*48*	*(31)*
TOTAL			**903**

TABLE 3.2.G

	31.12.2024		
(In EUR m)	**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
Due from banks, at amortised cost	*1,466*	*(30)*	*30*
Customer loans, at amortised cost	*11,976*	*(73)*	*104*
Securities at amortised cost	*3,889*	*(106)*	*(47)*
Financial assets at fair value through other comprehensive income	*31,008*	*524*	*(19)*
Customer loans at amortised cost (macro hedged) [1]	*70,233*	*(292)*	*483*
Hedged liabilities	285,247	(9,108)	(2,172)
Debt securities issued	*70,889*	*(1,881)*	*(814)*
Due to banks	*20,749*	*(678)*	*(398)*
Customer deposits	*13,365*	*31*	*(29)*
Subordinated debts	*15,238*	*(1,303)*	*142*
Customer deposits (macro hedged) [1]	*165,006*	*(5,277)*	*(1,073)*
Hedge of currency risk			**(0)**
Hedged liabilities	201	0	(0)
Subordinated debts	*201*	*0*	*(0)*
Hedge of equity risk			**(1)**
Hedged liabilities	47	24	(1)
Other liabilities	*47*	*24*	*(1)*
TOTAL			**(1,622)**

(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 2,583 million of cumulative fair value change remains to be amortised following the termination of hedging relationships.

BREAKDOWN OF HEDGING INSTRUMENTS

TABLE 3.2.H

(In EUR m)	31.12.2025				
	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	**393,450**	**7,006**	**13,481**	**(1,079)**	**(143)**
Firm instruments – Swaps	351,007	6,812	13,329	(953)	(143)
For hedged assets	*62,415*	*795*	*2,026*	*(259)*	*(27)*
For hedged portfolios of assets (macro hedge) (1)	*55,127*	*1,270*	*815*	*473*	*(3)*
For hedged liabilities	*96,578*	*1,608*	*3,138*	*803*	*(110)*
For hedged portfolios of liabilities (macro hedge) (1)	*136,887*	*3,139*	*7,350*	*(1,970)*	*(3)*
Firm instruments – FRAs	33,900	188	116	(151)	-
For hedged portfolios of liabilities (macro hedge) (1)	*33,900*	*188*	*116*	*(151)*	-
Options	8,545	7	36	26	-
For hedged assets	*4,520*	*7*	*36*	*(29)*	-
For hedged portfolios of assets (macro hedge) (1)	*3,935*	-	*1*	*3*	-
For hedged portfolios of liabilities (macro hedge) (1)	*90*	-	*(1)*	*52*	-
Hedge of currency risk	**251**	**2**	**1**	**1**	**1**
Firm instruments	251	2	1	1	1
For hedged liabilities	*251*	*2*	*1*	*1*	*1*
Hedge of equity risk	**79**	**67**	**1**	**31**	**-**
Firm instruments	79	67	1	31	-
For hedged liabilities	*79*	*67*	*1*	*31*	-
TOTAL	**393,780**	**7,075**	**13,482**	**(1,048)**	**(143)**

TABLE 3.2.I

	31.12.2024				
	Commitments (notional amounts)	Fair value (2)		Change in fair value booked during the period	Ineffectiveness recognised during the period
(In EUR m)		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*
Options	-	-	-	-	-
For hedged portfolios of assets (macro hedge) (1)	-	-	-	-	-
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)**
Firm instruments	30	20	-	(2)	(3)
For hedged liabilities	*30*	*20*	-	*(2)*	*(3)*
TOTAL	**391,144**	**8,850**	**15,000**	**1,494**	**(128)**

(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.

TABLE 3.2.J

	31.12.2025	31.12.2024
(In EUR m)	**Change in the fair value**	**Change in the fair value**
Hedge of interest rate risk	**(109)**	**86**
Hedged assets	33	56
Due from banks at amortised cost	*(4)*	*11*
Customer loans at amortised cost	*1*	-
Securities at amortised cost	*4*	-
Financial assets at fair value through other comprehensive income	*29*	*25*
Customer loans at amortised cost (macro hedged)	*2*	*20*
Hedged liabilities	(141)	30
Debt securities issued	*(2)*	*30*
Due to banks	*9*	*(39)*
Customer deposits	*(122)*	*39*
Customer deposits (macro hedged)	*(26)*	-
Hedge of currency risk	**53**	**(30)**
Hedged assets	(1)	(5)
Financial assets at fair value through other comprehensive income	*(1)*	*(5)*
Hedged liabilities	25	(18)
Debt securities issued	*25*	*(18)*
Forecast transactions	30	(7)
Hedge of equity risk	**(424)**	**(36)**
Forecast transactions	(424)	(36)
TOTAL	**(479)**	**20**

BREAKDOWN OF HEDGING INSTRUMENTS

TABLE 3.2.K

	31.12.2025					
		Fair value		Changes in fair value recorded during the period		
(In EUR m)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss	Cumulative change in fair value recorded in unrealised or deferred gains and losses
Hedge of interest rate risk	**15,134**	**241**	**310**	**109**	**24**	**(429)**
Firm instruments – Swaps	14,884	239	310	109	24	(429)
For hedged assets	*2,624*	*103*	*22*	*(31)*	*23*	*(191)*
For hedged portfolios of assets (macro hedge) [1]	*180*	*4*	*-*	*(2)*	*(3)*	*-*
For hedged liabilities	*8,420*	*28*	*282*	*119*	*4*	*(233)*
For hedged portfolios of liabilities (macro hedge) [1]	*3,659*	*104*	*5*	*22*	*-*	*(6)*
Options	250	2	-	-	-	-
For hedged liabilities	*250*	*2*	*-*	*-*	*-*	*-*
Hedge of currency risk	**1,748**	**54**	**93**	**(53)**	**13**	**(5)**
Firm instruments	1,748	46	86	(53)	13	(5)
For hedged assets	*-*	*5*	*5*	*1*	*-*	*-*
For hedged liabilities	*1,085*	*30*	*46*	*(24)*	*-*	*12*
For hedged future transactions	*663*	*11*	*35*	*(30)*	*13*	*(16)*
Non-derivative financial instruments		8	6	-	-	-
For hedged future transactions		*8*	*6*	*-*	*-*	*-*
Hedge of equity risk	**304**	**452**	**-**	**424**	**12**	**116**
Firm instruments	304	452	-	424	12	116
For hedged future transactions	*304*	*452*	*-*	*424*	*12*	*116*
TOTAL	**17,186**	**747**	**403**	**479**	**49**	**(318)**

TABLE 3.2.L

	31.12.2024					
		Fair value		Changes in fair value recorded during the period		
(In EUR m)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss	Cumulative change in fair value recorded in unrealised or deferred gains and losses
Hedge of interest rate risk	**15,805**	**199**	**527**	**(86)**	**7**	**(556)**
Firm instruments – Swaps	15,803	199	527	(86)	7	(556)
For hedged assets	*3,214*	*137*	*22*	*(35)*	*11*	*(156)*
For hedged portfolios of assets (macro hedge) [(1)]	*460*	*18*	*-*	*(21)*	*(16)*	*2*
For hedged liabilities	*12,129*	*44*	*505*	*(30)*	*12*	*(402)*
Firm instruments – FRAs	2	-	-	-	0	-
For hedged liabilities	*2*	*-*	*-*	*-*	*0*	*-*
Hedge of currency risk	**1,672**	**57**	**27**	**30**	**5**	**27**
Firm instruments	1,672	57	23	30	5	27
For hedged assets	*-*	*-*	*-*	*5*	*-*	*(1)*
For hedged liabilities	*840*	*50*	*19*	*18*	*-*	*12*
For hedged future transactions	*832*	*7*	*4*	*7*	*5*	*16*
Non-derivative financial instruments		-	4	-	-	-
For hedged future transactions		*-*	*4*	*-*	*-*	*-*
Hedge of equity risk	**308**	**22**	**2**	**36**	**-**	**10**
Firm instruments	308	22	2	36	-	10
For hedged future transactions	*308*	*22*	*2*	*36*	*-*	*10*
TOTAL	**17,785**	**278**	**556**	**(20)**	**12**	**(519)**

(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

TABLE 3.2.M

	31.12.2025		31.12.2024	
(In EUR m)	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	**(619)**	**(870)**	**175**	**(279)**
Hedged net investment in GBP	(161)	(218)	151	(57)
Hedged net investment in CZK	75	340	(28)	265
Hedged net investment in BRL	2	(200)	(47)	(203)
Hedged net investment in RON	(15)	(86)	0	(71)
Hedged net investment in USD	(288)	(154)	95	79
Hedged net investment in JPY	(43)	(196)	(21)	(153)
Hedged net investment (other currencies)	(189)	(356)	24	(139)

(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.

BREAKDOWN OF HEDGE INSTRUMENTS

TABLE 3.2.N

	31.12.2025					
		Carrying amount (1)		Changes in fair value recorded during the period (2)		
(In EUR m)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss (3)	Cumulative change in fair value recorded in unrealised or deferred gains or losses
Hedge of currency risk	**8,392**	**192**	**2,996**	**619**	**(55)**	**870**
Firm instruments	8,392	192	41	519	(55)	711
Hedged net investment in GBP	*1,424*	*45*	*3*	*79*	*(12)*	*(137)*
Hedged net investment in CZK	*1,598*	*-*	*24*	*(56)*	*-*	*(131)*
Hedged net investment in BRL	*231*	*3*	*2*	*(2)*	*(6)*	*169*
Hedged net investment in RON	*655*	*2*	*2*	*14*	*(17)*	*70*
Hedged net investment in USD	*2,253*	*42*	*1*	*263*	*(10)*	*219*
Hedged net investment in JPY	*324*	*37*	*2*	*36*	*(4)*	*164*
Hedged net investment (other currencies)	*1,907*	*63*	*7*	*185*	*(6)*	*357*
Non derivatives instruments		-	2,955	100	-	159
Hedged net investment in GBP		*-*	*1,493*	*82*	*-*	*355*
Hedged net investment in CZK		*-*	*497*	*(19)*	*-*	*(209)*
Hedged net investment in BRL						*31*
Hedged net investment in RON		*-*	*25*	*1*	*-*	*16*
Hedged net investment in USD		*-*	*851*	*25*	*-*	*(65)*
Hedged net investment in JPY			*58*	*7*		*32*
Hedged net investment (other currencies)		*-*	*31*	*4*	*-*	*(1)*

TABLE 3.2.O

	31.12.2024					
		Carrying amount (1)		Changes in fair value recorded during the period (2)		
(In EUR m)	Commitments (notional amounts)	Asset	Liability	Portion booked in unrealised or deferred gains and losses	Ineffectiveness recorded in the profit or loss (3)	Cumulative change in fair value recorded in unrealised or deferred gains or losses
Hedge of currency risk	**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 BRL	*248*	*26*	*-*	*47*	*2*	*171*
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 in JPY	*329*	*19*	*2*	*18*	*4*	*128*
Hedged net investment (other currencies)	*2,084*	*19*	*41*	*(26)*	*15*	*143*
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 BRL		*-*	*-*	*-*	*-*	*31*
Hedged net investment in RUB		*-*	*-*	*-*	*-*	*-*
Hedged net investment in RON		*-*	*29*	*-*	*-*	*16*
Hedged net investment in USD		*-*	*-*	*-*	*-*	*(34)*
Hedged net investment in JPY		*-*	*74*	*4*	*-*	*25*
Hedged net investment (other currencies)		*-*	*43*	*-*	*-*	*(4)*

(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

TABLE 3.3.A

(In EUR m)	31.12.2025	31.12.2024
Debt instruments	100,798	95,750
Bonds and other debt securities	*100,795*	*95,750*
Loans, receivables and securities purchased under resale agreements	*3*	*0*
Shares and other equity securities	290	274
TOTAL	**101,088**	**96,024**
o/w securities lent	*450*	*165*

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

TABLE 3.3.B

(In EUR m)	2025
Balance as at 1 January	**95,750**
Acquisitions / disbursements	43,453
Disposals / redemptions	(36,196)
Transfers towards (or from) another accounting category	20
Change in scope and others	200
Changes in fair value during the period	382
Change in related receivables	162
Translation differences	(2,974)
Balance as at 31 December	**100,798**

2. EQUITY INSTRUMENTS

ACCOUNTING PRINCIPLES

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

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

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

NOTE 3.4 Fair value of financial instruments measured at fair value

MAKING IT SIMPLE

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

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

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

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

ACCOUNTING PRINCIPLES

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique which maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

Fair value hierarchy

For information purposes, in the notes to the consolidated financial statements, the fair value of the financial instruments is classified using a fair value hierarchy that reflects the observability level of the inputs used. The fair value hierarchy is composed of the following levels:

LEVEL 1 (L1): INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES.

Level 1 instruments carried at fair value on the balance sheet include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the balance sheet date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and if they reflect actual and regular market transactions on an arm’s length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in the trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm’s length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Group has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question. Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

LEVEL 2 (L2): INSTRUMENTS VALUED USING INPUTS OTHER THAN THE QUOTED PRICES INCLUDED IN LEVEL 1 AND THAT ARE OBSERVABLE FOR THE ASSET OR LIABILITY CONCERNED, EITHER DIRECTLY (I.E. AS PRICES) OR INDIRECTLY (I.E. DERIVED FROM PRICES).

These are the instruments measured using a financial model based on market inputs. The inputs used shall be observable in active markets; using some unobservable inputs is possible only if the latter have only a minor impact on the fair value of the instrument. The prices published by an external source, derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular the non-derivative financial instruments carried at fair value on the balance sheet that are not directly quoted or do not have a quoted price on a sufficiently active market (e.g. corporate bonds, repos transactions, mortgage-backed securities, units of funds), and the firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining however limited. The valuation techniques used in this category are based on common methods shared by the main market participants.

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

LEVEL 3 (L3): INSTRUMENTS VALUED USING INPUTS A SIGNIFICANT PART OF WHICH ARE NOT BASED ON OBSERVABLE MARKET DATA (REFERRED TO AS UNOBSERVABLE INPUTS).

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

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

The main L3 complex derivatives are:

- Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (*i.e.* having at least one non-equity underlying instrument) are also classified as L3 insofar as the correlations between the different underlying assets are generally unobservable;
- Interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for *quanto* products (in which the instrument is settled in a currency different from the currency of the underlying asset); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation (“N to default” products in which the buyer of the hedge is compensated as of the N^{th} default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (*i.e.* options on commodity swaps or instruments based on baskets of underlyings).

NOTE 3.4.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE

TABLE 3.4.A

	31.12.2025				31.12.2024			
(In EUR m)	Level 1	Level 2	Level 3 [(1)]	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives) *	**168,954**	**165,473**	**5,997**	**340,424**	**128,968**	**160,892**	**4,774**	**294,634**
Bonds and other debt securities *	57,771	4,431	519	62,720	40,134	7,898	194	48,226
Shares and other equity securities	111,177	140	-	111,317	88,831	1,164	-	89,995
Securities purchased under resale agreements	-	152,199	4,951	157,150	-	144,061	4,146	148,207
Loans, receivables and other trading assets	6	8,704	527	9,237	3	7,769	434	8,206
Trading derivatives	**86**	**92,358**	**3,291**	**95,735**	**3**	**94,012**	**2,730**	**96,745**
Interest rate instruments	-	28,809	2,330	31,139	2	38,933	1,320	40,255
Foreign exchange instruments	-	19,375	392	19,767	-	26,995	1,128	28,123
Equity and index instruments	86	43,018	289	43,393	1	26,898	169	27,068
Commodity instruments	-	8	-	8	-	54	-	54
Credit derivatives	-	484	281	765	-	573	113	686
Other forward financial instruments	-	664	-	664	-	559	-	559
Financial assets measured mandatorily at fair value through profit or loss	**87,688**	**18,854**	**19,855**	**126,396**	**79,765**	**21,190**	**17,973**	**118,928**
Bonds and other debt securities	36,745	1,341	1,975	40,060	31,266	1,270	1,913	34,449
Shares and other equity securities	50,943	8,749	15,072	74,763	48,499	8,573	13,948	71,020
Loans, receivables and securities purchased under resale agreements	-	8,763	2,809	11,572	-	11,347	2,112	13,459
Financial assets measured using fair value option through profit or loss *	**12,238**	**1,264**	**-**	**13,502**	**14,394**	**1,347**	**-**	**15,741**
Bonds and other debt securities *	12,238	43	-	12,280	14,394	-	-	14,394
Loans, receivables and securities purchased under resale agreements	-	51	-	51	-	57	-	57
Separate assets for employee benefit plans	-	1,171	-	1,171	-	1,290	-	1,290
Hedging derivatives	**-**	**8,007**	**-**	**8,007**	**-**	**9,233**	**-**	**9,233**
Interest rate instruments	-	7,202	-	7,202	-	9,028	-	9,028
Foreign exchange instruments	-	286	-	286	-	163	-	163
Equity and index instruments	-	520	-	520	-	42	-	42
Financial assets measured at fair value through other comprehensive income	**99,749**	**1,048**	**290**	**101,088**	**94,559**	**1,191**	**274**	**96,024**
Bonds and other debt securities	99,749	1,045	-	100,795	94,559	1,191	-	95,750
Shares and other equity securities	-	-	290	290	-	-	274	274
Loans and receivables	-	3	-	3	-	0	-	0
TOTAL *	**368,715**	**287,004**	**29,433**	**685,152**	**317,689**	**287,865**	**25,751**	**631,305**

* *Amounts restated compared to the published financial statements as of 31 December 2024.*
(1) *Including a total of EUR 14,767 million for insurance sector subsidiaries as of 31 December 2025 (EUR 13,533 million as of 31 December 2024).*

NOTE 3.4.2 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

TABLE 3.4.B

	31.12.2025				31.12.2024			
(In EUR m)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	**10,223**	**174,193**	**5,419**	**189,835**	**8,636**	**176,222**	**5,644**	**190,502**
Amounts payable on borrowed securities	517	32,964	252	33,734	380	42,640	56	43,076
Bonds and other debt instruments sold short	7,481	-	-	7,481	5,788	-	-	5,788
Shares and other equity instruments sold short	2,223	5	-	2,227	2,467	1	-	2,468
Securities sold under repurchase agreements	-	138,792	5,166	143,958	-	131,345	5,584	136,929
Borrowings and other trading liabilities	2	2,432	1	2,435	1	2,236	4	2,241
Trading derivatives	**-**	**99,669**	**3,189**	**102,859**	**3**	**101,553**	**3,875**	**105,431**
Interest rate instruments	-	21,325	1,276	22,601	3	34,627	1,888	36,518
Foreign exchange instruments	-	20,690	311	21,001	-	27,210	688	27,898
Equity and index instruments	-	54,648	1,407	56,055	-	37,495	1,069	38,564
Commodity instruments	-	37	-	37	-	112	-	112
Credit derivatives	-	370	161	531	-	670	191	861
Other forward financial instruments	-	2,599	35	2,634	-	1,439	39	1,478
Financial liabilities measured using fair value option through profit or loss	**-**	**44,384**	**60,975**	**105,360**	**962**	**51,728**	**47,991**	**100,681**
Hedging derivatives	**-**	**13,919**	**-**	**13,919**	**-**	**15,750**	**-**	**15,750**
Interest rate instruments	-	13,776	-	13,776	-	15,525	-	15,525
Foreign exchange instruments	-	141	-	141	-	223	-	223
Equity and index instruments	-	1	-	1	-	2	-	2
TOTAL	**10,224**	**332,166**	**69,584**	**411,973**	**9,601**	**345,253**	**57,510**	**412,364**

NOTE 3.4.3 VARIATION TABLE OF FINANCIAL INSTRUMENTS IN LEVEL 3

FINANCIAL ASSETS

TABLE 3.4.C

(In EUR m)	Balance as at 31.12.2024	Acquisitions	Disposals / redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 31.12.2025
Trading portfolio (excluding derivatives)	**4,774**	**8,690**	**(4,847)**	**(2,542)**	**392**	**(323)**	**(147)**	**-**	**5,997**
Bonds and other debt securities	194	3,151	(2,788)	(35)	11	7	(22)	-	519
Securities purchased under resale agreements	4,146	5,029	(1,705)	(2,505)	377	(318)	(72)	-	4,951
Loans, receivables and other trading assets	434	509	(354)	(1)	5	(12)	(54)	-	527
Trading derivatives	**2,730**	**367**	**(2)**	**(140)**	**107**	**352**	**(122)**	**-**	**3,291**
Interest rate instruments	1,320	-	-	(109)	7	1,096	17	-	2,330
Foreign exchange instruments	1,128	2	(2)	(12)	56	(655)	(126)	-	392
Equity and index instruments	169	365	-	(5)	13	(251)	(3)	-	289
Credit derivatives	113	-	-	(15)	32	162	(11)	-	281
Financial assets measured mandatorily at fair value through profit or loss	**17,973**	**3,826**	**(1,801)**	**(1)**	**20**	**157**	**(99)**	**(220)**	**19,855**
Bonds and other debt securities	1,913	193	(131)	-	-	(2)	-	2	1,975
Shares and other equity securities	13,948	2,595	(1,316)	-	-	85	(19)	(222)	15,072
Loans, receivables and securities purchased under resale agreements	2,112	1,037	(355)	(1)	20	74	(79)	-	2,809
Financial assets measured at fair value through other comprehensive income	**274**	**15**	**-**	**-**	**-**	**1**	**-**	**-**	**290**
Debt instruments	-	-	-	-	-	-	-	-	-
Equity instruments	274	15	-	-	-	1	-	-	290
TOTAL	**25,751**	**12,898**	**(6,651)**	**(2,693)**	**519**	**186**	**(369)**	**(220)**	**29,433**

FINANCIAL LIABILITIES

TABLE 3.4.D

(In EUR m)	Balance as at 31.12.2024	Issues	Disposals / redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 31.12.2025
Trading portfolio (excluding derivatives)	**5,644**	**4,121**	**(1,996)**	**(1,214)**	**1,151**	**(1,829)**	**(458)**	**-**	**5,419**
Amounts payable on borrowed securities	56	-	-	(151)	936	(588)	-	-	252
Securities sold under repurchase agreements	5,584	4,121	(1,996)	(1,062)	214	(1,237)	(458)	-	5,166
Borrowings and other trading liabilities	4	-	-	(1)	1	(3)	-	-	1
Trading derivatives	**3,875**	**727**	**(50)**	**(313)**	**190**	**(958)**	**(282)**	**-**	**3,189**
Interest rate instruments	1,888	4	(1)	(281)	74	(272)	(136)	-	1,276
Foreign exchange instruments	688	3	(1)	-	86	(404)	(60)	-	311
Equity and index instruments	1,069	721	(47)	(4)	5	(268)	(68)	-	1,407
Credit derivatives	191	-	-	(28)	25	(14)	(13)	-	161
Other forward financial instruments	39	-	-	-	-	-	(4)	-	35
Financial liabilities measured using fair value option through profit or loss	**47,991**	**27,250**	**(13,581)**	**(1,782)**	**2,454**	**952**	**(2,309)**	**-**	**60,975**
TOTAL	**57,510**	**32,099**	**(15,627)**	**(3,310)**	**3,794**	**(1,834)**	**(3,049)**	**-**	**69,584**

NOTE 3.4.4 VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments measured at fair value on the balance sheet, fair value is determined primarily based on 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 reserves or adjustments (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available information.

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

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

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

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

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For long maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of equity options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable inputs.

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

SHARES AND OTHER EQUITY SECURITIES

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

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

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

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

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

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

OTHER DEBTS

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

CUSTOMER LOANS

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

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.

TABLE 3.4.E

(In EUR m)

Cash instruments and derivatives	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs	
				min.	**max.**
Equities/funds	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	3.00%	110.00%
			Equity dividends	0.00%	6.3%
			Correlations	-80.00%	124.00%
			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%	20.00%
	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	83.00%	93.00%
Credit	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0.00%	100.00%
			Recovery rate variance for single name underlyings	0.00%	100.00%
	Other credit derivatives	Credit default models	Time to default correlations	0.00%	100.00%
			Quanto correlations	0.00%	100.00%
			Credit spreads	0.0 bps	82.40 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	0	-

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

TABLE 3.4.F

	31.12.2025	
(In EUR m)	Assets	Liabilities
Equities/funds	14,648	30,508
Rates and Forex	12,975	38,915
Credit	281	161
Long term equity investments	1,529	-
TOTAL	**29,433**	**69,584**

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 2025 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 this data, the standard deviation of historical data is then used to assess the input.

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

TABLE 3.4.G

	31.12.2025		31.12.2024	
(In EUR m)	Negative impact	Positive impact	Negative impact	Positive impact
Shares and other equity instruments and derivatives	**(17)**	**27**	**(22)**	**31**
Equity volatilities	(4)	4	(6)	6
Dividends	(8)	8	(10)	10
Correlations	(4)	13	(6)	14
Hedge Fund volatilities	-	-	-	-
Mutual Fund volatilities	(0)	1	-	1
Rates or Forex instruments and derivatives	**(11)**	**11**	**(7)**	**7**
Correlations between exchange rates and/or interest rates	(7)	7	(7)	7
Forex volatilities	(3)	3	-	-
Constant prepayment rates	-	-	-	-
Correlations between inflation rates	(0)	0	-	-
Credit instruments and derivatives	**(3)**	**4**	**(2)**	**3**
Time to default correlations	-	-	-	-
Quanto correlations	(0)	0	-	1
Credit spreads	(3)	3	(2)	2
Commodity derivatives	**NA**	**NA**	**NA**	**NA**
Commodities correlations	NA	NA	NA	NA
Long term securities	**NA**	**NA**	**NA**	**NA**

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

NOTE 3.4.7 DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

At initial recognition, financial assets and liabilities are measured at fair value, that is to say the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

TABLE 3.4.H

(In EUR m)	**Equity derivatives**	**Interest rate and foreign exchange derivatives**	**Credit derivatives**	**Other instrument**
Deferred margin as at 31 December 2024	**(465)**	**(355)**	**(32)**	**(23)**
Deferred margin on new transactions during the period	(371)	(270)	(23)	(8)
Margin recorded in the income statement during the period	366	192	14	7
o/w amortisation	*203*	*113*	*10*	*6*
o/w switch to observable inputs	*11*	*6*	*0*	*0*
o/w disposed, expired or terminated	*152*	*73*	*4*	*0*
Deferred margin as at 31 December 2025	**(469)**	**(434)**	**(41)**	**(24)**

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

TABLE 3.5.A

	31.12.2025		31.12.2024	
(In EUR m)	**Carrying amount**	*o/w impairment*	**Carrying amount**	*o/w impairment*
Due from banks	76,287	*(13)*	84,051	*(26)*
Customer loans	454,504	*(8,430)*	454,622	*(8,445)*
Securities	50,963	*(5)*	32,655	*(36)*
TOTAL	**581,754**	***(8,447)***	**571,328**	***(8,507)***

NOTE 3.5.1 DUE FROM BANKS

TABLE 3.5.B

(In EUR m)	31.12.2025	31.12.2024
Current accounts	44,976	44,498
Deposits and loans	13,109	20,475
Securities purchased under resale agreements	17,687	18,544
Subordinated and participating loans	229	230
Related receivables	318	360
Due from banks before impairments [(1)]	**76,318**	**84,107**
Credit loss impairments	(13)	(26)
Revaluation of hedged items	(18)	(30)
TOTAL	**76,287**	**84,051**

(1) As at 31 December 2025, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 11 million compared to EUR 15 million as at 31 December 2024. 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

TABLE 3.5.C

(In EUR m)	31.12.2025	31.12.2024
Overdrafts	18,415	20,383
Other customer loans	413,338	405,141
Lease financing agreements	21,224	21,477
Securities purchased under resale agreements	7,099	11,515
Related receivables	2,961	4,627
Customer loans before impairments (1)	**463,037**	**463,143**
Credit loss impairment	(8,430)	(8,445)
Revaluation of hedged items	(104)	(76)
TOTAL	**454,504**	**454,622**

(1) As at 31 December 2025, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 13,840 million compared to EUR 14,016 million as at 31 December 2024. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

BREAKDOWN OF OTHER CUSTOMER LOANS

TABLE 3.5.D

(In EUR m)	31.12.2025	31.12.2024
Trade notes	7,250	7,740
Short-term loans	129,250	129,228
Export loans	11,982	13,054
Equipment loans	70,255	67,215
Housing loans	142,697	138,312
Loans secured by notes and securities	96	98
Other loans	51,810	49,494
TOTAL	**413,338**	**405,141**

ADDITIONAL INFORMATION ON LEASE FINANCING AND SIMILAR AGREEMENTS

TABLE 3.5.E

(In EUR m)	31.12.2025	31.12.2022
Gross investments	**22,646**	**23,253**
Amount for the next five years	18,596	19,251
Less than one year	*6,201*	*6,552*
From one to two years	*4,684*	*4,769*
From two to three years	*3,712*	*3,753*
From three to four years	*2,539*	*2,609*
From four to five years	*1,460*	*1,568*
More than five years	4,050	4,002
Present value of minimum payments receivable	**19,428**	**20,008**
Rental receivables due for the next five years	16,322	17,021
Less than one year	*5,573*	*6,012*
From one to two years	*4,143*	*4,292*
From two to three years	*3,230*	*3,311*
From three to four years	*2,171*	*2,205*
From four to five years	*1,205*	*1,201*
Rental receivables due for more than five years	3,106	2,987
Unearned financial income	**1,422**	**1,776**
Unguaranteed residual values receivable by the lessor	**1,796**	**1,469**

NOTE 3.5.3 SECURITIES

TABLE 3.5.F

(In EUR m)	31.12.2025	31.12.2024
Government securities	14,286	14,208
Negotiable certificates, bonds and other debt securities	36,378	18,322
Related receivables	444	267
Securities before impairments	**51,107**	**32,797**
Impairment	(5)	(36)
Revaluation of hedged items	(140)	(106)
TOTAL	**50,963**	**32,655**

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

TABLE 3.6.A

(In EUR m)	31.12.2025	31.12.2024
Demand deposits and current accounts	15,234	15,695
Overnight deposits and borrowings	4,194	1,297
Term deposits	71,928	73,517
Related payables	554	476
Revaluation of hedged items	(576)	(678)
Securities sold under repurchase agreements	12,452	9,437
TOTAL	**103,786**	**99,744**

NOTE 3.6.2 CUSTOMER DEPOSITS

TABLE 3.6.B

(In EUR m)	31.12.2025	31.12.2024
Regulated savings accounts	127,529	122,285
Demand	*108,833*	*101,712*
Term	*18,696*	*20,573*
Other demand deposits (1)	257,401	257,647
Other term deposits (1)	133,209	143,408
Related payables	1,759	1,611
Revaluation of hedged items	(53)	31
TOTAL CUSTOMER DEPOSITS	**519,846**	**524,982**
Securities sold to customers under repurchase agreements	5,964	6,693
TOTAL	**525,810**	**531,675**

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

BREAKDOWN OF OTHER DEMAND DEPOSITS BY CUSTOMER TYPE

TABLE 3.6.C

(In EUR m)	31.12.2025	31.12.2024
Professionals and corporates	105,191	110,715
Individual customers	79,076	78,017
Financial customers	59,185	55,689
Others (1)	13,949	13,226
TOTAL	**257,401**	**257,647**

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

NOTE 3.6.3 DEBT SECURITIES ISSUED

TABLE 3.6.D

(In EUR m)	31.12.2025	31.12.2024
Term savings certificates	64	112
Bond borrowings	32,763	34,341
Interbank certificates and negotiable debt instruments	118,268	128,025
Related payables	1,394	1,603
Revaluation of hedged items	(1,100)	(1,881)
TOTAL	**151,389**	**162,200**
o/w floating-rate securities	*90,291*	*100,659*

NOTE 3.7 Interest income and expense

MAKING IT SIMPLE

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

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

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

ACCOUNTING PRINCIPLES

Interest income and expense are recorded in the income statement under Interest and similar income and Interest and similar expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income) and for all financial instruments mandatorily measured at fair value through profit and loss and interest rate risk hedging derivatives for the portion of income or expenses representative of the effective interest rate. Negative interest incomes on financial assets are recorded under Interest and similar expense; negative interest expenses on financial liabilities are recorded under Interest and similar income.

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is recognised in profit or loss by applying the effective interest rate to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

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

TABLE 3.7.A

	2025			2024		
(In EUR m)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Financial instruments at amortised cost	27,445	(21,093)	6,352	34,678	(27,797)	6,881
Central banks	*3,531*	*(268)*	*3,263*	*6,776*	*(408)*	*6,368*
Bonds and other debt securities	*1,687*	*(4,523)*	*(2,836)*	*1,366*	*(5,281)*	*(3,915)*
Due from/to banks	*2,848*	*(3,932)*	*(1,085)*	*4,375*	*(4,917)*	*(542)*
Customer loans and deposits	*17,492*	*(10,537)*	*6,955*	*19,716*	*(15,195)*	*4,521*
Subordinated debt	*-*	*(702)*	*(702)*	*-*	*(911)*	*(911)*
Securities lending/borrowing	*2*	*(5)*	*(3)*	*4*	*(6)*	*(2)*
Repo transactions	*1,885*	*(1,126)*	*759*	*2,441*	*(1,079)*	*1,362*
Hedging derivatives	11,358	(12,171)	(814)	14,907	(17,031)	(2,124)
Financial instruments at fair value through other comprehensive income (1)	3,085	(239)	2,846	2,871	(240)	2,631
Lease agreements	1,031	(57)	974	1,440	(58)	1,382
Real estate lease agreements	*180*	*(55)*	*125*	*315*	*(54)*	*261*
Non-real estate lease agreements	*851*	*(3)*	*849*	*1,125*	*(4)*	*1,121*
Subtotal interest income/expense on financial instruments using the effective interest method	**42,919**	**(33,561)**	**9,358**	**53,896**	**(45,126)**	**8,770**
Financial instruments mandatorily at fair value through profit or loss	711	-	711	1,123	(1)	1,122
TOTAL INTEREST INCOME AND EXPENSE	**43,630**	**(33,561)**	**10,069**	**55,019**	**(45,127)**	**9,892**
o/w interest income from impaired financial assets	*256*	*-*	*256*	*308*	*-*	*308*

(1) Including EUR 1,428 million for insurance subsidiaries in 2025 (EUR 1,206 million in 2024). This amount must be read together with the financial income and expenses of insurance contracts (see Note 4.3, Detail of performance of insurance activities).

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

BREAKDOWN OF INCOME OF CUSTOMER LOANS AT AMORTISED COST

TABLE 3.7.B

(In EUR m)	2025	2024
Trade notes	613	785
Other customer loans	14,575	16,515
Short-term loans	*6,549*	*7,738*
Export loans	*468*	*560*
Equipment loans	*2,553*	*2,992*
Housing loans	*3,114*	*2,995*
Other customer loans	*1,891*	*2,230*
Overdrafts	2,053	2,116
Doubtful outstanding (stage 3)	251	300
TOTAL	**17,492**	**19,716**

NOTE 3.8 Impairment and provisions

MAKING IT SIMPLE

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

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 ▶ *Maintained if the credit risk has not increased significantly*	Credit risk on the instrument has increased significantly since initial recognition / 30 days past due	Evidence that the instrument is become credit-impaired / 90 days past due
Measurement of credit risk	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Interest income recognition basis	Gross carrying amount of the asset before impairment	Gross carrying amount of the asset before impairment	Net carrying amount of the asset after impairment

Exposures classified in stage 1

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

Exposures classified in stage 2

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

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

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

CRITERION 1: THE CLASSIFICATION OF THE COUNTERPARTY IN “SENSITIVE”

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

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

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

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

CRITERION 2: THE MAGNITUDE OF THE CHANGE IN A COUNTERPARTY'S CREDIT RATING SINCE THE INITIAL RECOGNITION

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

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

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

CRITERION 3: EXISTENCE OF PAYMENTS MORE THAN 30 DAYS PAST DUE

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

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

CRITERION 4: QUALIFICATION AS A RESTRUCTURED CLAIM (EBA AND ECB DEFINITION)

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

Particular case of exposures without credit rating

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

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

Exposures classified in stage 3

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

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

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

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

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

Measurement of depreciation and provision

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

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

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

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

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

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

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

Restructured loans

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

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

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

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

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

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

Total or partial recovery by activating the guarantee

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

This asset substitutes for the guaranteed claim on the date when the Group becomes its owner and is initially recognised at fair value as an asset on the balance sheet. Its classification and subsequent valuation method depend on its nature and on whether the entity intends to retain it..

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 to ensure uniform risk characteristics and a better correlation with the macroeconomic variables, both global and local. This segmentation allows all the Group's specific characteristics to be addressed. It is consistent with or similar to the one specified in the Basel framework in order to ensure the uniqueness of the historical records of defaults and losses.

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

The expected losses are assessed on the basis of the parameters mentioned below, supplemented with internal analyses relating to the credit quality of each counterparty, individually or statistically.

GEOPOLITICAL CRISES AND MACROECONOMIC CONTEXT

In 2025, the Group revised the parameters used in the models on the basis of the updated macroeconomic scenarios. These take account of the recent economic developments and 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 the second half of 2025.

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

Update of the models and impact on the estimate of expected credit losses

As at 31 December 2025, the updates of macroeconomic variables and probabilities of default resulted in a EUR 82 million increase in the amount of impairment and provisions for credit risk.

This total includes an increase of EUR 39 million due to the transition to four macroeconomic scenarios, as described in Note 1.

The adjustments implemented in addition to the models are presented below.

SECTORAL ADJUSTMENTS

The Group may supplement the models with sectorspecific adjustments relating to the potential revision of expected credit loss estimates for certain sectors. Starting in 2025, the -Group's methodology has been refined and the classification of exposures is adjusted consistently where necessary (sectoral adjustments had no impact on exposure classification up to and including 2024).

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 on the basis of 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 into account risks associated with climate change and the natural environmental involves converging traditional measures for analysing credit, liquidity and market risks (based on financial statements, data flows, market prices and commercial trends) with measures linked to the environment via indicators calculated at the sovereign, business sector or company level.

The forward-looking dimension of risk analysis is important when taking account of environmental risks, particularly given the high uncertainty surrounding transition and physical risks. Physical risks are likely to increase in the future, with potential financial impacts for companies. The transition is accompanied by disruptive changes which could result in the impairment of certain assets. Risk assessment therefore entails identifying hazards (sources of risk) and assessing exposure to them in different environmental scenarios in order to assess vulnerability issues.

The Group has 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 to describe possible future trajectories. Several mechanisms provided by the IPCC (Intergovernmental Panel on Climate Change), NGFS (Network for Greening the Financial System) or the IEA (International Energy Agency) are used as benchmarks by the Group. Internal climate scenarios take into account the specificities of different sectors in the transition process.
- 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 as at 31 December 2025 are commercial real estate, construction and public works, and telecoms.

The total sectoral adjustments thus amount to EUR 651 million as at 31 December 2025 (EUR 752 million as at 31 December 2024). This decrease is explained by a drop in leveraged loans and in certain specific sectors such as non-food retailing, machinery and equipment manufacturing.

In addition, the Group transferred to Stage 2 all exposures of the automotive parts, wine and spirits and fibre optic sectors in Europe excluding France (for the sake of operational simplicity, this transfer was not implemented for exposures for which the impact in terms of expected credit losses would have been not material). As at 31 December 2025, the total outstanding loans transferred to Stage 2 amounts to around EUR 1.7 billion and the resulting cost of risk totals EUR 15 million.

OTHER ADJUSTMENTS

Adjustments based on the opinion of experts and with no impact on the classification have also been made to reflect the heightened credit risk on some portfolios when this impairment could not be identified by a line-by-line analysis of outstanding loans:

- for the scope of entities that have no developed models to estimate the correlations between the macroeconomic variables and the default rate; and
- for scopes on which models are developed, when these models cannot reflect future risks not observed in the past or risks that are idiosyncratic to portfolios or entities and not included in the models;
- for scopes where improvements will be made to models for estimating expected credit losses, in anticipation of the production of these improvements.

These adjustments amount to EUR 426 million as at 31 December 2025 (EUR 410 million as at 31 December 2024). These adjustments are explained by taking account of:

- work in the process of being finalised leading to a refined estimate of loss given default on mortgage portfolios in France.
- risks induced by the specific economic backdrop, such as the consequences of geopolitical uncertainties on particularly exposed portfolios, not taken into consideration by the models.
- the effect of the economic outlook on recovery and, therefore, estimates of loss given default for portfolios where models do not take this effect into account.

The adjustment for specific offshore credit portfolio risk in relation to Russian corporate clients, due to the geopolitical situation, was recognised in full in 2025 as a result of the drop in exposures in respect of this portfolio.

Two main methods are used, independently or jointly, to estimate these adjustments:

- application to expected credit loss model parameters of more stringent probabilities of default or loss given 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 the portfolios concerned.

NOTE 3.8.1 OVERVIEW

PRESENTATION OF BALANCE SHEET AND OFF-BALANCE SHEET OUTSTANDING AMOUNTS

TABLE 3.8.A

(In EUR m)		31.12.2025	31.12.2024
Debt instruments at fair value through other comprehensive income	Note 3.3	100,798	95,750
Securities at amortised cost	Note 3.5	50,963	32,655
Due from banks at amortised cost	Note 3.5	76,287	84,051
Due from central banks (1)		131,516	199,573
Customer loans at amortised cost	Note 3.5	454,504	454,622
Guarantee deposits paid	Note 4.4	48,705	50,970
Others		6,574	6,387
o/w other miscellaneous receivables bearing credit risk	*Note 4.4*	*6,283*	*6,109*
o/w due from clearing houses bearing credit risk	*Note 4.4*	*291*	*278*
NET VALUE OF ACCOUNTING OUTSTANDING AMOUNTS (BALANCE SHEET)		**869,347**	**924,008**
Impairment of loans at amortised cost	Note 3.8	8,892	8,912
GROSS VALUE OF ACCOUNTING OUTSTANDING AMOUNTS (BALANCE SHEET)		**878,239**	**932,920**
Financing commitments		219,610	218,157
Guarantee commitments		94,757	93,296
GROSS VALUE OF OFF BALANCE-SHEET ACCOUNTING AMOUNTS		**314,367**	**311,453**
TOTAL OF ACCOUNTING AMOUNTS (BALANCE-SHEET AND OFF BALANCE-SHEET)		**1,192,606**	**1,244,373**

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

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

TABLE 3.8.B

	31.12.2025				31.12.2024			
	Group without Insurance activities		Insurance		Group without Insurance activities		Insurance	
(In EUR m)	Outstanding amounts	Impairment/ provisions	Outstanding amounts	Impairment /provisions	Outstanding amounts	Impairment/ provisions	Outstanding amounts	Impairment/ provisions
Financial assets at fair value through other comprehensive income	**41,813**	**2**	**58,985**	**5**	**41,401**	**2**	**54,349**	**6**
Performing assets outstanding (Stage 1)	41,191	1	58,914	3	41,279	-	54,216	4
Underperforming assets outstanding (Stage 2)	622	1	71	2	122	2	133	2
Doubtful assets outstanding (Stage 3)	-	-	-	-	-	-	-	-
Financial assets at amortised cost [1]	**770,842**	**8,886**	**6,599**	**6**	**830,573**	**8,912**	**6,597**	**-**
Performing assets outstanding (Stage 1)	710,555	764	6,365	-	770,421	834	6,500	-
Underperforming assets outstanding (Stage 2)	45,850	1,724	220	-	45,483	1,803	97	-
Doubtful assets outstanding (Stage 3)	14,437	6,399	14	6	14,669	6,275	-	-
o/w lease financing	***21,194***	***662***	**-**	**-**	***21,637***	***632***	**-**	**-**
Performing assets outstanding (Stage 1)	*15,272*	*73*	-	-	*15,906*	*79*	-	-
Underperforming assets outstanding (Stage 2)	*4,811*	*151*	-	-	*4,567*	*130*	-	-
Doubtful assets outstanding (Stage 3)	*1,111*	*438*	-	-	*1,164*	*423*	-	-
Financing commitments	**219,610**	**390**	**-**	**-**	**218,157**	**418**	**-**	**-**
Performing assets outstanding (Stage 1)	204,864	121	-	-	205,306	149	-	-
Underperforming assets outstanding (Stage 2)	14,446	206	-	-	12,577	207	-	-
Doubtful assets outstanding (Stage 3)	300	63	-	-	274	62	-	-
Guarantee commitments	**94,757**	**284**	**-**	**-**	**93,296**	**324**	**-**	**-**
Performing assets outstanding (Stage 1)	90,422	47	-	-	89,404	54	-	-
Underperforming assets outstanding (Stage 2)	3,786	70	-	-	3,225	63	-	-
Doubtful assets outstanding (Stage 3)	549	166	-	-	667	207	-	-
TOTAL OF ACCOUNTING AMOUNTS (BALANCE-SHEET AND OFF BALANCE-SHEET)	**1,127,022**	**9,561**	**65,584**	**11**	**1,183,427**	**9,656**	**60,946**	**6**

(1) Including Central Banks for EUR 131,516 million as at 31 December 2025 (versus EUR 199,573 million as at 31 December 2024).

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. The sectoral breakdown is also presented in graphical and tabular format.

Due to the absence of significant exposure to credit risk, the outstandings below are not presented hereafter:

- the financial assets measured at amortised cost for insurance activities;
- 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;
- the financing and guarantee commitments mainly correspond to outstanding amounts not drawn by Corporate customers.

GROUP ASSETS AT AMORTISED COST EXCLUDING INSURANCE ACTIVITIES: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY BASEL PORTFOLIO

TABLE 3.8.C

	31.12.2025							
	Assets at amortised cost				Impairment			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	175,474	2,314	32	**177,820**	-	4	27	**31**
Institutions	136,122	623	65	**136,810**	6	4	11	**21**
Corporates	225,709	22,479	7,288	**255,476**	443	1,191	3,171	**4,805**
o/w SME	*35,643*	*5,953*	*3,231*	***44,827***	*163*	*427*	*1,413*	***2,003***
Retail	171,571	20,363	7,039	**198,973**	313	523	3,183	**4,019**
o/w VSB	*14,736*	*4,068*	*2,443*	***21,247***	*75*	*189*	*1,210*	***1,474***
Others	1,679	71	13	**1,763**	1	2	7	**10**
TOTAL	**710,555**	**45,850**	**14,437**	**770,842**	**763**	**1,724**	**6,399**	**8,886**

TABLE 3.8.D

	31.12.2024							
	Assets at amortised cost				Impairment			
(In EUR m)	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***	*176*	*358*	*1,423*	***1,957***
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***	*56*	*234*	*1,089*	***1,379***
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**

* *The amounts have been restated compared with the published consolidated financial statements as at 31 December 2024.*

GROUP ASSETS AT AMORTISED COST EXCLUDING INSURANCE ACTIVITIES: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY GEOGRAPHICAL ZONE

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

TABLE 3.8.E

	31.12.2025							
	Assets at amortised cost				Impairment			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	360,054	27,127	9,558	**396,739**	417	1,090	3,838	**5,345**
Western European countries (excl. France)	114,446	8,905	1,604	**124,955**	103	199	694	**996**
Eastern European countries EU	60,467	4,384	1,001	**65,852**	141	208	521	**870**
Eastern Europe excluding EU	4,252	738	99	**5,089**	1	16	29	**46**
North America	95,232	1,807	627	**97,666**	12	119	271	**402**
Latin America and Caribbean	4,869	336	195	**5,400**	1	7	67	**75**
Asia-Pacific	49,619	606	90	**50,315**	8	6	48	**62**
Africa and Middle East	21,616	1,947	1,263	**24,826**	80	79	931	**1,090**
TOTAL	**710,555**	**45,850**	**14,437**	**770,842**	**763**	**1,724**	**6,399**	**8,886**

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

TABLE 3.8.F

	31.12.2024							
	Assets at amortised cost				Impairment			
(In EUR m)	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**

GROUP ASSETS AT AMORTISED COST EXCLUDING 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, including the relative change in the probability of default since initial recognition. Therefore, there is no direct relationship between the counterparty rating, presented in the table below, and the classification by stage of impairment.

TABLE 3.8.G

	31.12.2025							
	Assets at amortised cost				Impairment			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	56,201	1	-	**56,202**	-	-	-	-
2	112,462	1,654	-	**114,116**	3	-	-	**3**
3	71,308	702	-	**72,010**	7	1	-	**8**
4	89,036	1,645	-	**90,681**	56	16	-	**72**
5	70,622	8,094	-	**78,716**	209	182	-	**391**
6	14,966	8,062	-	**23,028**	115	402	-	**517**
7	2,424	4,089	-	**6,513**	18	436	-	**454**
Default (8, 9, 10)	-	-	7,098	**7,098**	-	-	2,984	**2,984**
Other method	293,536	21,603	7,339	**322,478**	355	687	3,415	**4,457**
TOTAL	**710,555**	**45,850**	**14,437**	**770,842**	**763**	**1,724**	**6,399**	**8,886**

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

TABLE 3.8.H

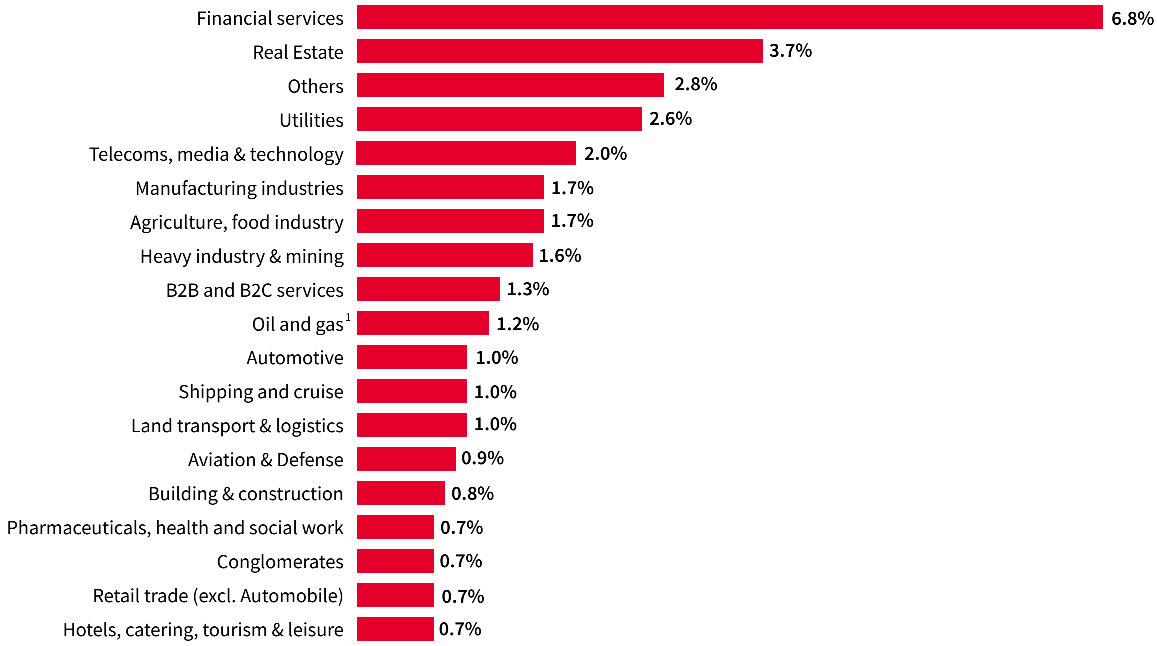
	31.12.2024							
	Outstanding amounts				Impairment			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	78,964	940	-	**79,904**	4	3	-	**7**
2	164,103	4,631	-	**168,734**	3	1	-	**4**
3	64,411	1,786	-	**66,197**	7	6	-	**13**
4	86,165	793	-	**86,958**	53	4	-	**57**
5	79,566	6,180	-	**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.

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

The graphs below show the sectoral breakdown of the "Corporate" Basel portfolio (see tables above Group assets at amortised cost excluding insurance activities: outstanding amounts and impairments by basel portfolio). The percentages presented correspond to the net amounts (gross amounts reduced by the corresponding impairment).

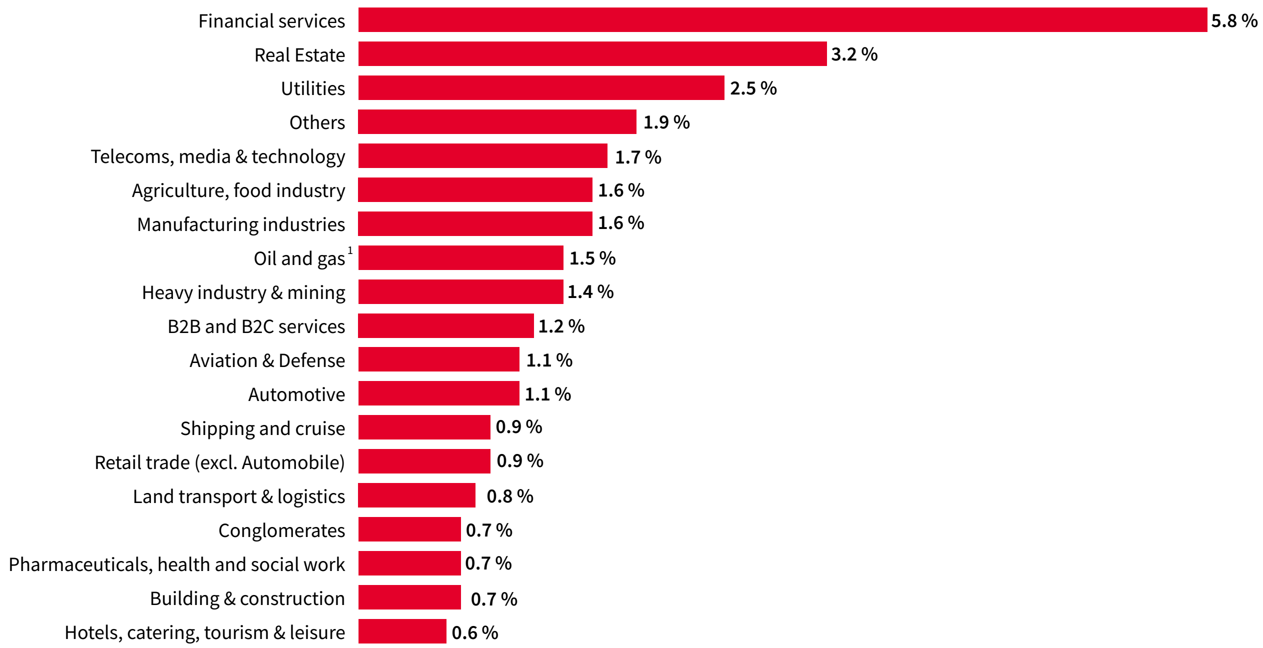
SECTOR BREAKDOWN OF GROUP CORPORATE NET IMPAIRMENT EXPOSURE OVER TOTAL NETIMPAIREMENT EXPOSURE OF FINANCIAL ASSETS AT ATMORTISED COST AS AT 31 DECEMBER 2025



(1) Oil and gas includes industry and trading sectors

Sector	% Outstanding net impairment
Financial services	6.8%
Real Estate	3.7%
Others	2.7%
Utilities	2.6%
Telecoms, media & technology	2.0%
Manufacturing industries	1.7%
Agriculture, food industry	1.6%
Heavy industry & mining	1.6%
B2B and B2C services	1.3%
Oil and gas	1.2%
Automotive	1.0%
Shipping and cruise	1.0%
Land transport & logistics	1.0%
Aviation & Defense	0.9%
Building & construction	0.8%
Pharmaceuticals, health and social work	0.7%
Conglomerates	0.7%
Retail trade (excl. Automobile)	0.7%
Hotels, catering, tourism & leisure	0.7%

SECTOR BREAKDOWN OF GROUP CORPORATE NET IMPAIRMENT EXPOSURE OVER TOTAL NETIMPAIREMENT EXPOSURE OF FINANCIAL ASSETS AT ATMORTISED COST AS AT 31 DECEMBER 2024



(1) Oil and gas includes industry and trading sectors

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%

NOTE 3.8.2 IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN

TABLE 3.8.I

(In EUR m)	Amount as at 31.12.2024	Allocations	Write-backs available	Net impairment losses	Write-backs used	Currency and scope effects	Amount as at 31.12.2025
Financial assets at fair value through other comprehensive income							
Impairment on performing outstanding (Stage 1)	4	1	(1)	-		-	4
Impairment on underperforming outstanding (Stage 2)	4	-	-	-		(1)	3
Impairment on doubtful outstanding (Stage 3)	-	-	-	-	-	-	-
TOTAL	**8**	**1**	**(1)**	**-**	**-**	**(1)**	**7**
Financial assets measured at amortised cost	-	-	-	-	-	-	-
Impairment on performing assets outstanding (Stage 1)	834	709	(769)	(60)		(10)	764
Impairment on underperforming assets outstanding (Stage 2)	1,803	1,450	(1,472)	(22)		(57)	1,724
Impairment on doubtful assets outstanding (Stage 3)	6,275	4,093	(2,633)	1,460	(884)	(446)	6,405
TOTAL	**8,912**	**6,252**	**(4,874)**	**1,378**	**(884)**	**(513)**	**8,892**
o/w lease financing and similar agreements	***632***	***381***	***(279)***	***102***	***(53)***	***(19)***	***662***
Impairment on performing assets outstanding (Stage 1)	*79*	*42*	*(52)*	*(10)*		*4*	*73*
Impairment on underperforming assets outstanding (Stage 2)	*130*	*101*	*(75)*	*26*		*(5)*	*151*
Impairment on doubtful assets outstanding (Stage 3)	*423*	*238*	*(152)*	*86*	*(53)*	*(18)*	*438*

GROUP VARIATIONS OF DEPRECIATION EXCLUDING INSURANCE ACTIVITIES ACCORDING TO CHANGES IN THE AMOUNT OF FINANCIAL ASSETS AT AMORTISED COST

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

TABLE 3.8.J

(In EUR m)	**Stage 1**	*o/w lease financing receivables*	**Stage 2**	*o/w lease financing receivables*	**Stage 3**	*o/w lease financing receivables*	**Total**
Amount as at 31.12.2024	**834**	*79*	**1,803**	*130*	**6,275**	*423*	**8,912**
Production & Acquisition (1)	268	*23*	111	*10*	208	*85*	**587**
Derecognition (2)	(132)	*(5)*	(170)	*(3)*	(842)	*(90)*	**(1,144)**
Transfer from stage 1 to stage 2 (3)	(74)	*(6)*	535	*64*	-	-	**461**
Transfer from stage 2 to stage 1 (3)	(1)	*1*	(263)	*(20)*	-	-	**(264)**
Transfer to stage 3 (3)	(13)	*(1)*	(202)	*(14)*	1,233	*104*	**1,018**
Transfer from stage 3 (3)	1	-	30	*6*	(141)	*(19)*	**(110)**
Allocations & Write-backs without stage transfer (3)	(150)	*(19)*	(106)	*(28)*	(297)	*(76)*	**(553)**
Currency effect	(4)	-	(17)	-	(73)	*(3)*	**(94)**
Scope effect	(7)	-	(11)	-	(193)	-	**(211)**
Other variations	41	*1*	14	*6*	229	*14*	**284**
Amount as at 31.12.2025	**764**	***73***	**1,724**	***151***	**6,399**	***438***	**8,886**

(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 EXCLUDING INSURANCE ACTIVITIES FOR THE PERIOD

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

To describe the transfers between steps:

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

TABLE 3.8.K

	Stage 1		Stage 2		Stage 3			
(In EUR m)	Outstandinga mounts	Impairment	Outstandinga mounts	Impairment	Outstandinga mounts	Impairment	Stock of outstanding amounts transferred as at 31 December	Stock of impairment associated with transferred outstanding amounts
Transfer from Stage 1 to Stage 2	(21,112)	(74)	11,055	535	-	-	11,055	535
Transfer from Stage 2 to Stage 1	3,655	(1)	(4,479)	(263)	-	-	3,655	(1)
Transfer from Stage 3 to Stage 1	196	1	-	-	(238)	(40)	196	1
Transfer from Stage 3 to Stage 2	-	-	405	30	(520)	(101)	405	30
Transfer from Stage 1 to Stage 3	(1,063)	(13)	-	-	1,082	480	1,082	480
Transfer from Stage 2 to Stage 3	-	-	(1,528)	(202)	1,394	753	1,394	753
Currency effect on contracts that change Stage	(880)	-	(159)	(6)	(9)	(1)	(1,048)	(7)

NOTE 3.8.3 CREDIT RISK PROVISIONS

BREAKDOWN

TABLE 3.8.L

(In EUR m)	Amount as at 31.12.2024	Allocations	Write-backs available	Net impairment losses	Currency and scope effects	Amount as at 31.12.2025
Financing commitments						
Provisions on performing assets outstanding (Stage 1)	149	116	(141)	(25)	(3)	121
Provisions on underperforming assets outstanding (Stage 2)	207	164	(159)	5	(6)	206
Provisions on doubtful assets outstanding (Stage 3)	62	70	(66)	4	(3)	63
TOTAL	**418**	**350**	**(366)**	**(16)**	**(12)**	**390**
Guarantee commitments						
Provisions on performing assets outstanding (Stage 1)	54	40	(46)	(6)	(1)	47
Provisions on underperforming assets outstanding (Stage 2)	63	53	(44)	9	(2)	70
Provisions on doubtful assets outstanding (Stage 3)	207	335	(372)	(37)	(4)	166
TOTAL	**324**	**428**	**(462)**	**(34)**	**(7)**	**284**

GROUP VARIATIONS OF PROVISIONS EXCLUDING INSURANCE ACTIVITIES ACCORDING TO CHANGES IN THE AMOUNT OF FINANCING AND GUARANTEE COMMITMENTS

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

TABLE 3.8.M

	Provisions								
	On financing commitments				On guarantee commitments				
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Amount as at 31.12.2024	149	207	62	**418**	54	63	207	**324**	**742**
Production & Acquisition (1)	46	15	17	**78**	23	7	7	**37**	**115**
Derecognition (2)	(39)	(43)	(5)	**(87)**	(15)	(14)	(32)	**(61)**	**(148)**
Transfer from stage 1 to stage 2 (3)	(25)	80	-	**55**	(12)	41	-	**29**	**84**
Transfer from stage 2 to stage 1 (3)	1	(12)	-	**(11)**	1	(5)	-	**(4)**	**(15)**
Transfer to stage 3 (3)	-	(14)	6	**(8)**	-	(6)	13	**7**	**(1)**
Transfer from stage 3 (3)	-	-	(3)	**(3)**	-	1	(10)	**(9)**	**(12)**
Allocations & Write-backs without stage transfer (3)	(2)	(29)	38	**7**	(4)	(1)	3	**(2)**	**5**
Currency effect	(2)	(4)	(3)	**(9)**	(1)	(3)	(2)	**(6)**	**(15)**
Scope effect	-	-	-	**-**	-	(1)	(4)	**(5)**	**(5)**
Other variations	(7)	6	(49)	**(50)**	1	(12)	(16)	**(27)**	**(77)**
Amount as at 31.12.2025	**121**	**206**	**63**	**390**	**47**	**70**	**166**	**284**	**673**

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

(2) Including repayments, disposals and debt waivers.

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

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

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

To describe the transfers between steps:

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

TABLE 3.8.N

	Financing commitments							
	Stage 1		Stage 2		Stage 3			
(In EUR m)	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Stock of outstanding commitments transferred as at 31st December	Stock of provisions associated with transferred outstanding amounts
Transfer from Stage 1 to Stage 2	(7,156)	(25)	6,167	80	-	-	**6,167**	**80**
Transfer from Stage 2 to Stage 1	912	1	(1,092)	(12)	-	-	**912**	**1**
Transfer from Stage 3 to Stage 1	9	-	-	-	(3)	-	**9**	-
Transfer from Stage 3 to Stage 2	-	-	29	-	(28)	(3)	**29**	-
Transfer from Stage 1 to Stage 3	(47)	-	-		35	(9)	**35**	**(9)**
Transfer from Stage 2 to Stage 3	-	-	(129)	(14)	47	15	**47**	**15**
Currency effect on contracts that change Stage	(264)	(1)	(61)	(2)	(1)	-	**(326)**	**(3)**

TABLE 3.8.O

	Guarantee commitments							
	Stage 1		Stage 2		Stage 3			
(In EUR m)	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Stock of outstanding commitments transferred as at 31st december	Stock of provisions associated with transferred outstanding amounts
Transfer from Stage 1 to Stage 2	(5,706)	(12)	1,589	41	-	-	**1,589**	**41**
Transfer from Stage 2 to Stage 1	352	1	(464)	(5)	-	-	**352**	**1**
Transfer from Stage 3 to Stage 1	3	-	-	-	(3)	(1)	**3**	-
Transfer from Stage 3 to Stage 2	-	-	83	1	(125)	(9)	**83**	**1**
Transfer from Stage 1 to Stage 3	(23)	-	-	-	18	2	**18**	**2**
Transfer from Stage 2 to Stage 3	-	-	(90)	(6)	73	11	**73**	**11**
Currency effect on contracts that change Stage	(66)	(1)	(19)	-	-	-	**(85)**	**(1)**

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 2024 is mainly linked to:

- Covered losses on Stage 3 loans (EUR 878 million) included in the line Derecognition.
- Uncovered losses amount to EUR 295 million.
- Transfer of loans to Stage 3 due to default for EUR 2.65 billion of outstanding amounts. This transfer resulted in an increase in impairment and provisions of EUR 1.02 billion. Particularly, this variation concerns:
  - EUR 1.14 billion of outstanding amounts for which the impairment and provisions amount to EUR 480 million as at 31 December 2025. These contracts were in Stage 1 as at 31 December 2024;
  - EUR 1.51 billion of outstanding amounts for which the impairment and provisions amount to EUR 538 million as at 31 December 2025. These contracts were in Stage 2 as at 31 December 2024.
- Transfer of loans to Stage 2 due to downgraded ratings, transfer to “sensitive” or 30 days overdue for EUR 19.2 billion. This transfer resulted in an increase in impairment and provisions of EUR 545 million.
- IFRS 5 entities classified as held for sale during the second semester 2025. This classification resulted a decrease in impairment and provisions of EUR 216 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 proceeds 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 improves. In case of recoveries on an exposure previously written-off, such recoveries are recognised as Amounts recovered on irrecovrable loans on the year of collection.

SYNTHESIS

TABLE 3.8.P

(In EUR m)	2025	2024
Cost of credit risk of financial assets from insurance activities	2	0
Cost of credit risk	(1,477)	(1,530)
TOTAL	**(1,475)**	**(1,530)**

TABLE 3.8.Q

(In EUR m)	2025	2024
Net allocation to impairment losses	(1,378)	(1,235)
On financial assets at fair value through other comprehensive income	*0*	*1*
On financial assets at amortised cost	*(1,378)*	*(1,236)*
Net allocations to provisions	50	43
On financing commitments	*16*	*31*
On guarantee commitments	*34*	*12*
Losses not covered on irrecoverable loans	(295)	(478)
Amounts recovered on irrecoverable loans	99	134
Effect from guarantee not taken into account for the calculation of impairment	48	6
TOTAL	**(1,475)**	**(1,530)**
o/w cost of risk on sound outstanding classified in Stage 1	*103*	*123*
o/w cost of risk on doubtful loans classified in Stage 2	*13*	*133*
o/w cost of risk on doubtful loans classified in Stage 3	*(1,591)*	*(1,786)*

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

TABLE 3.9.A

	31.12.2025				
(In EUR m)	**Carrying amount [(2)]**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Due from banks	76,287	76,258	-	61,623	14,636
Customer loans [(1)]	454,504	442,897	-	174,382	268,515
Debt securities	50,963	50,641	12,910	35,450	2,282
TOTAL	**581,754**	**569,797**	**12,910**	**271,454**	**285,433**

(1) Carrying amount consists of EUR 152,747 million of floating rate assets and EUR 301,757 million of fixed rate assets (including EUR 56,960 million fixed rate less than 1 year).

(2) Carrying amount does not include the revaluation differences on portfolios macro hedged against interest rate risk for an amount of EUR -768 million.

TABLE 3.9.B

	31.12.2024				
(In EUR m)	**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 assets floating rate and EUR 300,667 million of assets fixed rate (including EUR 65,404 million fixed rate less than 1 year).

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

NOTE 3.9.2 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

TABLE 3.9.C

	31.12.2025				
(In EUR m)	Carrying amount [2]	Fair value	Level 1	Level 2	Level 3
Due to banks	103,786	103,740	1,383	94,388	7,969
Customer deposits [1]	525,810	524,672	-	517,298	7,374
Debt securities issued	151,389	150,849	33,563	115,960	1,326
Subordinated debt	12,616	12,685	-	12,685	-
TOTAL	**793,601**	**791,945**	**34,946**	**740,331**	**16,668**

(1) Carrying amount consists of EUR 209,782 million of liabilities at floating rate and EUR 316,027 million of liabilities fixed rate (including EUR 284,093 million fixed rate less than 1 year).
(2) Carrying amount does not include the revaluation differences on portfolios macro hedged against interest rate risk for an amount of EUR -7,436 million.

TABLE 3.9.D

	31.12.2024				
(In EUR m)	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 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 macro hedged against interest rate risk for an amount of EUR -5,277 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.

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 int 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

TABLE 3.10.A

(In EUR m)	31.12.2025	31.12.2024
Loan commitments		
To banks	59,594	75,381
To customers	230,482	229,935
Issuance facilities	*83*	*83*
Confirmed credit lines	*221,634*	*222,046*
Others	*8,765*	*7,806*
Guarantee commitments		
On behalf of banks	7,132	5,891
On behalf of customers [1]	89,453	88,929
Securities commitments		
Securities to be delivered	23,930	21,347
Acquisition of tangible assets commitments		
Purchase of vehicles and underlying assets subject to an operating lease	5,354	6,296

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

COMMITMENTS RECEIVED

TABLE 3.10.B

(In EUR m)	31.12.2025	31.12.2024
Loan commitments		
From banks	121,716	95,868
Guarantee commitments		
From banks	112,397	123,069
Other commitments	168,920	168,453
Securities commitments		
Securities to be received	24,343	20,410

NOTE 3.10.2 FINANCIAL ASSETS PLEDGED AND RECEIVED AS SECURITY

FINANCIAL ASSETS PLEDGED

TABLE 3.10.C

(In EUR m)	31.12.2025	31.12.2024
Book value of assets pledged as security for liabilities [1]	400,339	370,206
Book value of assets pledged as security for transactions in financial instruments [2]	68,167	68,574
Book value of assets pledged as security for off-balance sheet commitments	2,051	2,147
TOTAL	**470,557**	**440,927**

(1) Assets pledged as security for liabilities mainly include loans given as guarantees for liabilities (guarantees notably provided to the central banks).
(2) Assets pledged as security for transactions in financial instruments mainly include security deposit.

FINANCIAL ASSETS RECEIVED AS SECURITY AND AVAILABLE FOR THE ENTITY

TABLE 3.10.D

(In EUR m)	31.12.2025	31.12.2024
Fair value of securities purchased under resale agreements	**181,978**	**178,313**

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

TABLE 3.11.A

	31.12.2025		31.12.2024	
(In EUR m)	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	18,763	15,172	16,610	13,447
Securities at fair value through other comprehensive income	11,539	9,539	16,485	13,824
Securities at amortised cost	45	44	444	448
TOTAL	**30,346**	**24,755**	**33,539**	**27,719**

SECURITIES LENDING

TABLE 3.11.B

	31.12.2025		31.12.2024	
(In EUR m)	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	27,972	-	23,081	-
Securities at fair value through other comprehensive income	450	-	165	-
Securities at amortised cost	637	-	152	-
TOTAL	**29,059**	**-**	**23,398**	**-**

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

TABLE 3.11.C

(In EUR m)	31.12.2025	31.12.2024
Customers loans		
Carrying amount of transferred assets	9,429	9,390
Carrying amount of associated liabilities	7,877	7,883
Fair value of transferred assets (A)	9,642	9,745
Fair value of associated liabilities (B)	7,880	7,883
Net position (A)-(B)	**1,762**	**1,862**

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 2025, 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 2025

ASSETS

TABLE 3.12.A

		Impact of offsetting on the balance sheet			Impact of Master Netting Agreements (MNA) and similar agreements [1]			
(In EUR m)	**Amount of assets not subject to offsetting**	**Gross amount**	**Amount offset**	**Net amount presented on the balance sheet**	**Financial instruments recognised in the balance sheet**	**Cash collateral pledged**	**Financial instruments received as collateral**	**Net amount**
Derivative financial instruments [2] (see Notes 3.1 and 3.2)	11,618	227,372	(135,248)	103,743	(73,063)	(7,769)	(179)	22,731
Securities lent	4,820	24,239	-	29,059	(11,483)	(96)	-	17,480
Securities purchased under resale agreements (see Notes 3.1 and 3.5)	29,466	278,665	(126,153)	181,978	(15,929)	(497)	(101,300)	64,252
Guarantee deposits pledged (see Note 4.4)	32,744	15,961	-	48,705	-	(15,961)	-	32,744
Other assets not subject to offsetting	1,183,156	-	-	1,183,156	-	-	-	1,183,156
TOTAL	**1,261,804**	**546,237**	**(261,400)**	**1,546,641**	**(100,475)**	**(24,324)**	**(101,480)**	**1,320,362**

(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 2025, the amount offset within the Derivative financial instruments line includes EUR 66,695 million of cash margin received.

LIABILITIES

TABLE 3.12.B

(In EUR m)	Amount of liabilities not subject to offsetting	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements [1]			Net amount
		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)	16,551	235,474	(135,248)	116,778	(71,634)	(15,956)	-	29,187
Amount payable on borrowed securities (see Note 3.1)	20,534	13,200	-	33,734	(11,483)	-	-	22,251
Securities sold under repurchase agreements (see Notes 3.1 and 3.6)	47,541	241,023	(126,153)	162,411	(15,929)	(5)	(96,839)	49,638
Guarantee deposits received (see Note 4.4)	40,084	8,362	-	48,447	-	(8,362)	-	40,084
Other liabilities not subject to offsetting	1,105,744	-	-	1,105,744	-	-	-	1,105,744
TOTAL	**1,230,455**	**498,060**	**(261,400)**	**1,467,114**	**(99,046)**	**(24,324)**	**(96,839)**	**1,246,905**

(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 2025, the amount offset within the Derivative financial instruments line includes EUR 65,553 million of cash margin paid.

NOTE 3.12.2 AT 31 DECEMBER 2024

ASSETS

TABLE 3.12.C

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

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, to avoid any over-collateralisation effect.
(2) As at 31 December 2024, the amount offset within the Derivative financial instruments line includes EUR 66,789 million of cash margin received.

LIABILITIES

TABLE 3.12.DAMOUNT OF ASSETS NOT SUBJECT TO OFFSETTING

(In EUR m)	Amount of assets not subject to offsetting	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements [(1)]			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)	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 3.13 Contractual maturities of financial liabilities

TABLE 3.13.A

(In EUR m)	Up to 3 months	3 months to 1 year	1 to 5 Years	More than 5 years	31.12.2025
Due to central banks	9,737	-	-	-	9,737
Financial liabilities at fair value through profit or loss	249,014	38,612	47,362	63,065	398,054
Due to banks	66,147	23,210	12,825	1,604	103,786
Customer deposits	475,843	25,354	21,275	3,337	525,810
Debts securities issued	31,590	28,877	66,130	24,793	151,389
Subordinated debt	8	21	627	11,961	12,616
Other liabilities	78,227	2,548	3,417	2,996	87,188
TOTAL LIABILITIES	**910,566**	**118,622**	**151,636**	**107,755**	**1,288,579**
Loan commitments granted and others (1)	114,026	34,043	124,909	22,452	295,431
Guarantee commitments granted	44,851	20,374	15,603	15,756	96,584
TOTAL COMMITMENTS GRANTED	**158,877**	**54,417**	**140,513**	**38,209**	**392,015**

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

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

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

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

NOTE 4 OTHER ACTIVITIES

NOTE 4.1 Fee income and expense

ACCOUNTING PRINCIPLES

Fee income and Fee expenses 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 expenses (see Note 3.7).

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

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

The Group recognises fee income or expense for an amount equivalent to the remuneration for the service provided and depending on the progress transferring control of these services:

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

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

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognised under Other Assets and Other Liabilities (see Note 4.4):

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

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

TABLE 4.1.A

	2025			2024		
(In EUR m)	Income	Expense	Net	Income	Expense	Net
Transactions with banks	**164**	**(153)**	**11**	**145**	**(138)**	**7**
Transactions with customers	**3,078**		**3,078**	**3,141**		**3,141**
Financial instruments operations	**3,408**	**(3,293)**	**115**	**3,643**	**(3,029)**	**614**
Securities transactions	654	(1,211)	(557)	614	(1,102)	(488)
Primary market transactions	344		344	696		696
Foreign exchange transactions and derivatives instruments	2,410	(2,082)	328	2,333	(1,927)	406
Loan and guarantee commitments	**1,066**	**(432)**	**634**	**1,050**	**(392)**	**658**
Various services	**2,461**	**(1,118)**	**1,343**	**2,838**	**(1,032)**	**1,806**
Asset management fees	347		347	342		342
Means of payment fees	1,017		1,017	1,042		1,042
Insurance product fees	146		146	164		164
Underwriting fees of UCITS	88		88	88		88
Other fees	864	(1,118)	(254)	1,202	(1,032)	170
TOTAL	**10,176**	**(4,996)**	**5,180**	**10,817**	**(4,591)**	**6,226**

NOTE 4.2 Income and expenses from leasing activities, mobility and other activities

ACCOUNTING PRINCIPLES

Leasing activities

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

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

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

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

Real estate development activities

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

TABLE 4.2.A

	2025			2024		
(In EUR m)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Equipment leasing (1)	26,985	(21,727)	5,259	26,901	(22,238)	4,663
Real estate development	35	(2)	33	50	(12)	38
Real estate leasing	60	(59)	1	68	(49)	19
Other activities	615	(1,067)	(452)	563	(1,453)	(890)
TOTAL	**27,694**	**(22,854)**	**4,840**	**27,582**	**(23,752)**	**3,830**

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

NOTE 4.3 Insurance activities

MAKING IT SIMPLE

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

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

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

ACCOUNTING PRINCIPLES

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

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

Investment contracts without discretionary participation features and with no insurance component (pure unit-linked contracts) do not meet the IFRS 17 definition of an insurance contract and are recognised, in accordance with IFRS 9, 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 product lines used as a basis for grouping contracts are:

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

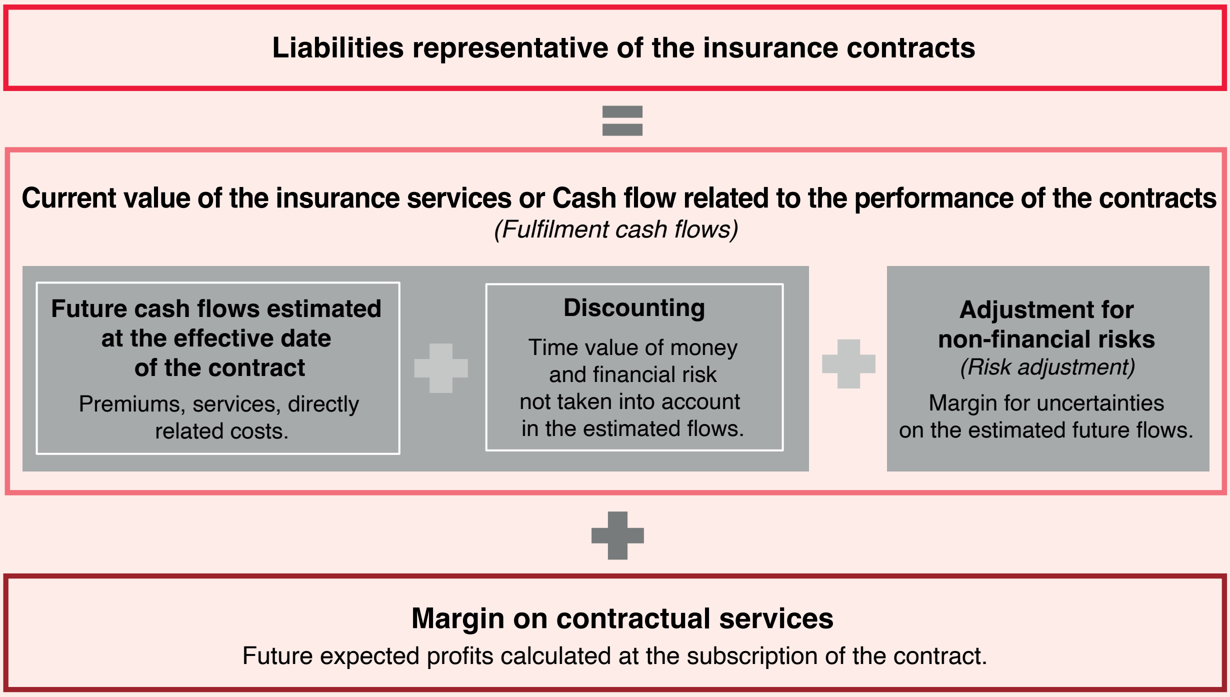
Measurement models

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

GENERAL MODEL APPLICABLE TO THE INSURANCE CONTRACTS ISSUED

Initial measurement

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



Future estimated cash flows

These cash flows are the current estimates of all the amounts that the insurer expects to receive (for premiums…) or pay to the benefit of insurance policyholders (in relation to life insurance, claims to be compensated, guaranteed benefits and other directly attributable expenses) as part of the fulfilment of insurance contracts, until their settlement.

These amounts are adjusted to reflect:

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

Discounting

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

Adjustment for non-financial risk

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

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

Contractual service margin (CSM)

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

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

Subsequent measurement

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

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

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

	Changes in liability for remaining coverage	Changes in liability for incurred claims
Insurance products	▪ Reversals related to the insurance services provided during the period	
Insurance services expenses	▪ Losses recognised on onerous contracts and reversal of these losses	▪ Allocations of liabilities for the incurred claims and the unfunded expenses incurred during the period ▪ Subsequent changes in the fulfilment cash flows relating to the incurred claims and the unfunded expenses incurred
Insurance financial expenses and income	▪ Account taken of the impacts of the time value of money	▪ Account taken of the impacts of the time value of money

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

- the impact of the new contracts added to the group of insurance contracts;
- 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:

f) represents the counterparty that a company receives to provide investment services;

g) 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
Recognition of the changes in fulfilment cash flows in relation to the changes in discounting rates and other financial variables	■ in full in the Statement of net income and unrealised or deferred gains and losses	■ as an adjustment of the contractual service margin for the portion of this change associated with the insurer's share of underlying items
Determination of the interest expense for the capitalisation of interest on the contractual service margin	■ explicitly applying the discount rate used during the initial measurement	■ implicitly when taking account of the insurer's share in the change in fair value of the underlying items for the determination of the contractual service margin

Savings and Retirement business

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

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

GENERAL MODEL ADAPTED TO THE REINSURANCE CONTRACTS HELD

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

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

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

SIMPLIFIED MODEL (PREMIUM ALLOCATION APPROACH)

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

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

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

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

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

The simplified approach does not require:

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

Protection – non-life insurance activity

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

PRESENTATION OF THE FINANCIAL PERFORMANCE OF INSURANCE CONTRACTS

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

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

INCOME FROM INSURANCE CONTRACTS ISSUED

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

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

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

INSURANCE SERVICES EXPENSES

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

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

INCOME AND EXPENSES OF THE REINSURANCE CONTRACTS HELD.

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

FINANCIAL INCOME AND EXPENSES OF INSURANCE CONTRACTS

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

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

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

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

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

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

TABLE 4.3.A

	31.12.2025						31.12.2024					
Average discount rate for the euro	**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	2.83%	3.24%	3.62%	3.87%	3.97%	3.78%	3.16%	3.07%	3.19%	3.26%	3.18%	3.10%
Protection	2.50%	2.85%	3.20%	3.44%	3.55%	3.48%	2.71%	2.44%	2.49%	2.56%	2.48%	2.58%

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

TABLE 4.3.B

	31.12.2025				31.12.2024			
	Insurance contracts				Insurance contracts			
(In EUR m)	*With direct participations features*	*Other*	**Other**	**Total**	*With direct participations features*	*Other*	**Other**	**Total**
Financial assets at fair value through profit or loss	**122,196**	**119**	**3,226**	**125,540**	**113,866**	**127**	**3,558**	**117,551**
Trading portfolio	401	-	109	510	403	-	67	470
Shares and other equity securities	-	-	-	-	-	-	-	-
Trading derivatives	*401*	-	*109*	*510*	*403*	-	*67*	*470*
Financial assets measured mandatorily at fair value through profit or loss	109,947	119	3,063	113,129	100,018	127	3,438	103,583
Bonds and other debt securities	*39,557*	-	*239*	*39,795*	*33,995*	*2*	*215*	*34,212*
Shares and other equity securities	*69,441*	*119*	*2,824*	*72,384*	*65,040*	*125*	*3,223*	*68,388*
Loans, receivables and securities puchased under resale agreements	*949*	-	-	*949*	*983*	-	-	*983*
Financial instruments measured using fair value option through profit or loss	11,847	-	53	11,901	13,445	-	53	13,498
Bonds and other debt securities	*11,847*	-	*53*	*11,901*	*13,445*	-	*53*	*13,498*
Hedging derivatives	**102**	**-**	**-**	**102**	**129**	**-**	**-**	**129**
Financial assets at fair value through other comprehensive income	**57,095**	**1,592**	**298**	**58,985**	**52,335**	**1,725**	**289**	**54,349**
Debt instruments	57,095	1,592	298	58,985	52,335	1,725	289	54,349
Bonds and other debt securities	*57,095*	*1,589*	*298*	*58,982*	*52,335*	*1,725*	*289*	*54,349*
Loans, receivables and securities purchased under resale agreements	-	*3*	-	*3*	-	-	-	-
Financial assets at amortised cost (1)	**398**	**538**	**5,366**	**6,303**	**212**	**418**	**5,497**	**6,127**
Investment Property	**666**	**-**	**-**	**666**	**698**	**-**	**3**	**701**
TOTAL INVESTMENTS OF INSURANCE ACTIVITIES (2)	**180,456**	**2,249**	**8,890**	**191,596**	**167,240**	**2,270**	**9,347**	**178,857**
Insurance contracts issued assets	-	17	-	17	-	15	-	15
Reinsurance contracts held assets	-	632	-	632	-	600	-	600
TOTAL INSURANCE AND REINSURANCE CONTRACTS ASSETS	**-**	**649**	**-**	**649**	**-**	**615**	**-**	**615**

(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 insurance contracts.

DETAIL OF LIABILITIES

TABLE 4.3.C

	31.12.2025				31.12.2024			
	Insurance contracts				Insurance contracts			
(In EUR m)	*With direct participations features*	*Other*	**Other**	**Total**	*With direct participations features*	*Other*	**Other**	**Total**
Financial liabilities at fair value through profit or loss	**473**	**-**	**4,065**	**4,538**	**183**	**-**	**4,162**	**4,345**
Trading portfolio	472	-	200	672	182	-	362	544
Financial instruments measured using fair value option through profit or loss (1)	-	-	3,865	3,866	1	-	3,801	3,802
Hedging derivatives	**-**	**-**	**17**	**17**	**-**	**-**	**13**	**13**
Due to banks	**1,298**	**299**	**178**	**1,776**	**3,309**	**236**	**22**	**3,567**
Customer deposits	**-**	**-**	**5**	**5**	**-**	**-**	**5**	**5**
TOTAL OF FINANCIAL LIABILITIES FROM INSURANCE ACTIVITIES	**1,771**	**299**	**4,265**	**6,336**	**3,492**	**236**	**4,202**	**7,930**
Insurance contracts issued liabilities	159,476	2,987	-	162,462	147,761	2,930	-	150,691
Reinsurance contracts held liabilities	-	1	-	1	-	-	-	-
TOTAL INSURANCE AND REINSURANCE CONTRACTS LIABILITIES	**159,476**	**2,987**	**-**	**162,463**	**147,761**	**2,930**	**-**	**150,691**

(1) The financial instruments measured using the fair value option through profit or loss 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

TABLE 4.3.D

	2025				2024			
	Insurance contracts				Insurance contracts			
(In EUR m)	*With direct participations features*	*Other*	**Other**	**Total**	*With direct participations features*	*Other*	**Other**	**Total**
Financial result of investments and other transactions from insurance activities	**6,493**	**46**	**179**	**6,718**	**6,066**	**43**	**87**	**6,196**
Interest and similar income	1,669	44	138	1,851	1,455	47	152	1,654
Interest and similar expense	(282)	(13)	(113)	(408)	(358)	(15)	(99)	(472)
Fee income	2	-	29	31	2	-	2	4
Fee expense	(14)	(8)	(13)	(35)	(30)	(4)	(6)	(40)
Net gains and losses on financial transactions	5,098	5	139	5,242	4,964	6	40	5,010
o/w gains and losses on financial instruments at fair value through profit or loss	5,051	3	144	5,198	5,049	7	58	5,114
o/w gains and losses on financial instruments at fair value through other comprehensive income	47	2	-	48	(85)	(1)	-	(86)
o/w gains and losses from the derecognition of financial instruments at amortised cost	-	-	(5)	(4)	-	-	(18)	(18)
Cost of credit risk from financial assets related to insurance activities	2	-	-	2	1	-	-	1
Net income from other activities (1)	18	19	(2)	35	32	9	(2)	39
Insurance service result	**1,064**	**724**		**1,788**	**1,080**	**673**		**1,753**
Income from insurance contracts issued	1,360	2,602		3,962	1,348	2,503		3,851
Insurance service expenses	(296)	(1,846)		(2,142)	(268)	(1,790)		(2,058)
Income and expenses from reinsurance contracts held	-	(31)		(31)	-	(40)		(40)
Financial result of insurance services	**(6,313)**	**(42)**		**(6,354)**	**(5,837)**	**(51)**		**(5,888)**
Net finance income or expenses from insurance contracts issued	(6,313)	(45)		(6,358)	(5,837)	(64)		(5,901)
Net finance income or expenses from reinsurance contracts held	-	3		3	-	13		13
Unrealised or deferred gains and losses from investments that will be reclassified subsequently into income	**(257)**	**16**	**(2)**	**(243)**	**238**	**30**	**(19)**	**249**
Revaluation of debt instruments at fair value through other comprehensive income	(229)	16	2	(211)	246	30	(6)	270
Revaluation of hedging derivatives	(28)	-	(4)	(32)	(8)	-	(13)	(21)
Unrealised or deferred gains and losses from insurance contracts that will be reclassified subsequently into income	**289**	**(26)**		**263**	**(249)**	**(3)**		**(252)**
Revaluation of insurance contracts issued	273	(12)		261	(238)	(22)		(260)
Revaluation of the reinsurance contracts held	16	(14)		2	(11)	19		8

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

NOTE 4.3.2.2 MONITORING OF THE AMOUNT OF THE GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY FOR DEBTS INSTRUMENTS UNDERLYING CONTRACTS WITH DIRECT PARTICIPATION FEATURES PRESENT AS AT THE TRANSITION DATE

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

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

TABLE 4.3.E

	2025	2024
(In EUR m)	**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	**(1,970)**	**(2,366)**
Unrealised or deferred gains and losses for the period and Unrealised or deferred gains and losses reclassified in profit or loss	(236)	396
Closing balance	**(2,206)**	**(1,970)**

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

TABLE 4.3.F

	31.12.2025				31.12.2024			
	Insurance contracts				Insurance contracts			
(In EUR m)	*With direct participations features*	*Other*	Other	Total	*With direct participations features*	*Other*	Other	Total
Insurance contracts issued assets	-	17	-	17	-	15	-	15
o/w insurance contracts measured under the general model	*-*	*17*	*-*	*17*	*-*	*15*	*-*	*15*
Insurance contracts issued liabilities	159,476	2,987	-	162,462	147,761	2,930	-	150,691
o/w insurance contracts measured under the general model	*159,476*	*1,197*	*-*	*160,673*	*147,761*	*1,272*	*-*	*149,033*
Reinsurance contracts held assets	-	632	-	632	-	600	-	600
o/w reinsurance contracts measured under the general model	*-*	*292*	*-*	*292*	*-*	*257*	*-*	*257*
Reinsurance contracts held liabilities	-	1	-	1	-	-	-	-
o/w reinsurance contracts measured under the general model	*-*	*1*	*-*	*1*	*-*	*-*	*-*	*-*
Investment contracts financial liabilities (1)	-	-	3,865	3,865	-	-	3,801	3,801

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

DETAILED NET INCOME FROM INSURANCE SERVICES

The table below shows the Net income from insurance services. The way in which the Insurance income and expenses are recognised are detailed in the accounting principles under the Presentation of the financial performance of insurance contracts heading.

TABLE 4.3.G

	2025			2024		
	Insurance contracts			Insurance contracts		
(In EUR m)	with direct participations features	Other	Total	with direct participations features	Other	Total
Income from insurance contracts issued	**1,360**	**2,602**	**3,962**	**1,348**	**2,503**	**3,851**
Contracts measured under the general model	1,360	1,082	2,442	1,348	1,017	2,365
Income of premiums (relating to changes in liabilities for remaining coverage) relative to:						
- *Deferred acquisition costs*	*39*	*208*	*247*	*30*	*186*	*216*
- *Expected claims and handling costs*	*103*	*462*	*565*	*128*	*420*	*548*
- *Expected non financial risk adjustment*	*271*	*123*	*394*	*291*	*116*	*407*
- *Expected contractual services margin*	*948*	*289*	*1,236*	*899*	*295*	*1,194*
Contracts measured under the simplidied model	-	1,519	1,519	-	1,486	1,486
Insurance service expenses	**(296)**	**(1,846)**	**(2,142)**	**(268)**	**(1,790)**	**(2,058)**
Amortisation of acquisition costs	(39)	(331)	(370)	(30)	(312)	(342)
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred claims) - Incurred in the period	(259)	(2,024)	(2,283)	(236)	(1,844)	(2,080)
Changes in net expenses for expected costs of claims and handling costs (changes in liabilities Incurred claims) - Past services	-	524	524	-	360	360
Losses and reversals of losses on onerous contracts (changes in liabilities for remaining coverage)	2	(16)	(14)	(2)	6	4
Net income or expenses from reinsurance contracts held	**-**	**(31)**	**(31)**	**-**	**(40)**	**(40)**
INSURANCE SERVICE RESULT	**1,064**	**724**	**1,788**	**1,080**	**673**	**1,753**

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)

TABLE 4.3.H

	2025					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the simplified model)		
(In EUR m)	Excluding the loss component	Loss compone nt		Present value of the future cash flows	Non financial risk adjustment	Total
Insurance contracts issued liabilities	147,661	36	1,171	1,732	91	150,691
Insurance contracts issued assets	(23)	-	7	1	-	(15)
NET BALANCE AS AT 1 JANUARY	**147,638**	**36**	**1,178**	**1,733**	**91**	**150,676**
Income from insurance contracts issued (1)	**(3,962)**	**-**	**-**	**-**	**-**	**(3,962)**
Insurance service expenses	**370**	**14**	**749**	**1,002**	**8**	**2,142**
Amortisation of acquisition costs	370	-	-	-	-	370
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Services delivered	-	-	1,001	1,245	36	2,283
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services	-	-	(252)	(243)	(28)	(524)
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	14	-	-	-	14
Net finance income or expenses from insurance contracts issued (2)	**6,065**	**-**	**8**	**22**	**1**	**6,097**
Changes relative to the deposits component including in the insurance contract	**(11,671)**	**-**	**11,671**	**-**	**-**	**-**
Other changes	**(154)**	**-**	**40**	**107**	**9**	**2**
Cash flows:	**20,876**	**-**	**(12,357)**	**(1,028)**	**-**	**7,491**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	*21,293*	-	-	-	-	*21,293*
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	-	-	*(12,357)*	*(1,028)*	-	*(13,385)*
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	*(417)*	-	-	-	-	*(417)*
NET BALANCE AS AT 31 DECEMBER	**159,161**	**50**	**1,288**	**1,836**	**109**	**162,445**
Insurance contracts issued liabilities	159,187	50	1,280	1,836	109	162,462
Insurance contracts issued assets	(26)	-	8	-	-	(17)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 216 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

TABLE 4.3.I

(In EUR m)	2024					
	Remaining coverage		Incurred claims (measured under the general model)	Incurred claims (measured under the simplified model)		
	Excluding the loss component	Loss component		Present value of the future cash flows	Non financial risk adjustment	Total
Insurance contracts issued liabilities	139,155	32	985	1,444	106	141,722
Insurance contracts issued assets	(87)	4	33	(31)	-	(81)
NET BALANCE AS AT 1 JANUARY	**139,068**	**36**	**1,018**	**1,413**	**106**	**141,641**
Income from insurance contracts issued [(1)]	**(3,851)**	**-**	**-**	**-**	**-**	**(3,851)**
Insurance service expenses	**342**	**(4)**	**733**	**997**	**(10)**	**2,058**
Amortisation of acquisition costs	*342*	-	-	-	-	*342*
Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Services delivered	-	-	*911*	*1,134*	*35*	*2,080*
Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services	-	-	*(178)*	*(137)*	*(45)*	*(360)*
Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage)	-	*(4)*	-	-	-	*(4)*
Net finance income or expenses from insurance contracts issued [(2)]	**6,079**	**1**	**16**	**54**	**2**	**6,152**
Changes relative to the deposits component including in the insurance contract	**(12,225)**	**-**	**12,225**	**-**	**-**	**-**
Other changes	**(1,277)**	**3**	**64**	**(124)**	**(7)**	**(1,341)**
Cash flows:	**19,502**	**-**	**(12,878)**	**(607)**	**-**	**6,017**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	*20,077*	-	-	-	-	*20,077*
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	-	-	*(12,878)*	*(607)*	-	*(13,485)*
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	*(575)*	-	-	-	-	*(575)*
NET BALANCE AS AT 31 DECEMBER	**147,638**	**36**	**1,178**	**1,733**	**91**	**150,676**
Insurance contracts issued liabilities	147,661	36	1,171	1,732	91	150,691
Insurance contracts issued assets	(23)	-	7	1	-	(15)

(1) Of which, for the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 281 million using the modified retrospective approach. Products from insurance contracts issued with direct participation are not monitored because the Group does not subdivide these contracts into annual cohorts in accordance with the exemption adopted by the European Union.

(2) This heading includes the financial expenses and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

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

TABLE 4.3.J

	2025			
(In EUR m)	**Present value of the future cash flows**	**Non financial risk adjustment**	**Contractual services margin**	**Total**
Insurance contracts issued liabilities	136,793	3,593	8,647	149,033
Insurance contracts issued assets	(39)	6	18	(15)
NET BALANCE AS AT 1 JANUARY	**136,754**	**3,599**	**8,665**	**149,018**
Changes that relate to future services	**(3,993)**	**1,330**	**2,679**	**16**
Changes in estimates that adjust the contractual service margin	*(2,946)*	*1,024*	*1,922*	*-*
Changes in estimates that result in losses and reversals on onerous contracts (i.e, that do not adjust the contractual service margin)	*2*	*2*	*-*	*4*
Effect of new contracts recognised in the year	*(1,049)*	*305*	*757*	*12*
Changes that relate to services delivered	**273**	**(234)**	**(1,236)**	**(1,197)**
Contractual services margin recognised in profit or loss for services delivered	*-*	*-*	*(1,236)*	*(1,236)*
Change in non-financial risk adjustment not linked to future or past services	*-*	*(234)*	*-*	*(234)*
Experiences adjustments	*273*	*-*	*-*	*273*
Changes that relate to past services (i.e, changes in fullfilment cash flows relative to incurred claims)	**(192)**	**(61)**	**-**	**(252)**
Net finance income or expenses from insurance contracts issued [(1)]	**6,046**	**3**	**25**	**6,073**
Other changes	**(622)**	**6**	**(30)**	**(647)**
Cash flows:	**7,647**	**-**	**-**	**7,647**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	20,387	-	-	20,387
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	(12,357)	-	-	(12,357)
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	(383)	-	-	(383)
NET BALANCE AS AT 31 DECEMBER	**145,913**	**4,642**	**10,101**	**160,656**
Insurance contracts issued liabilities [(2)]	145,959	4,635	10,078	160,673
Insurance contracts issued assets [(2)]	(46)	7	23	(17)

(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 295 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (in accordance with the exemption adopted by the European Union).

TABLE 4.3.K

	2024			
(In EUR m)	**Present value of the future cash flows**	**Non financial risk adjustment**	**Contractual services margin**	**Total**
Insurance contracts issued liabilities	127,374	3,844	9,232	140,450
Insurance contracts issued assets	(239)	57	136	(46)
NET BALANCE AS AT 1 JANUARY	**127,135**	**3,901**	**9,368**	**140,404**
Changes that relate to future services	**(681)**	**112**	**569**	**-**
Changes in estimates that adjust the contractual service margin	*272*	*(218)*	*(54)*	*-*
Changes in estimates that result in losses and reversals on onerous contracts (i.e, that do not adjust the contractual service margin)	*(2)*	*(2)*	*-*	*(4)*
Effect of new contracts recognised in the year	*(951)*	*332*	*623*	*4*
Changes that relate to current services	**274**	**(326)**	**(1,194)**	**(1,246)**
Contractual services margin recognised in profit or loss for services delivered	*-*	*-*	*(1,194)*	*(1,194)*
Change in non-financial risk adjustment not linked to future or past services	*-*	*(326)*	*-*	*(326)*
Experiences adjustments	*274*	*-*	*-*	*274*
Changes that relate to past services (i.e, changes in fullfilment cash flows relative to incurred claims)	**(125)**	**(54)**	**-**	**(179)**
Net finance income or expenses from insurance contracts issued (1)	**6,061**	**13**	**22**	**6,096**
Other changes	**(1,373)**	**(47)**	**(100)**	**(1,520)**
Cash flows:	**5,463**	**-**	**-**	**5,463**
Premiums received (as a reduction of premiums to be received included in the remaining coverage)	*18,768*	*-*	*-*	*18,768*
Costs of claims and handling costs (as a reduction of the incurred claims liabilities)	*(12,877)*	*-*	*-*	*(12,877)*
Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations)	*(428)*	*-*	*-*	*(428)*
NET BALANCE AS AT 31 DECEMBER	**136,754**	**3,599**	**8,665**	**149,018**
Insurance contracts issued liabilities (2)	136,793	3,593	8,647	149,033
Insurance contracts issued assets (2)	(39)	6	18	(15)

(1) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.

(2) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model excluding the VFA model): EUR 360 million using the modified retrospective approach. The stock of contractual service margin of the insurance contracts is not monitored on the VFA model because the Group does not distinguish between annual cohorts on this scope (in accordance with the exemption adopted by the European Union).

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

TABLE 4.3.L

(In EUR m)	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	2025
Insurance and reinsurance contracts liabilities	2,030	3,816	21,197	135,420	162,463

EXPECTED RECOGNITION IN THE INCOME STATEMENT OF THE CONTRACTUAL SERVICE MARGIN DETERMINED AT THE END OF THE PERIOD (1)

TABLE 4.3.M

(In EUR m)	31.12.2025	31.12.2024
Expected years before recognising in profit or loss	**Insurance contracts issued**	**Insurance contracts issued**
1 to 5 years	4,145	3,727
6 to 10 years	2,512	2,039
> 10 years	3,444	2,899
TOTAL	**10,101**	**8,665**

(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 159,476 million as at 31 December 2025 recognised as Insurance contracts issued liabilities with direct participation features (EUR 147,761 million as at 31 December 2024). In addition, the commitments of the protection portfolio recognised in Insurance contracts issued liabilities excluding direct participation feature amounted to EUR 2,987 million as at 31 December 2025 (EUR 2,930 million as at 31 December 2024).

Managing these risks is at the core of the Insurance business line activity. It is carried out by qualified and experienced teams, with significant and appropriate IT resources. Risks are regularly monitored and reported within the framework of risk policies validated by the Board of Directors of the entities.

Technical risk management

Technical risk management are based on the following:

- heightened security for the risk acceptance process, with the aim of ensuring that the *ab initio* pricing matches the policyholder’s risk profile and underwritten guarantees;
- regular monitoring of claim indicators in order to adjust some product parameters, such as the pricing or the level of coverage, if necessary;
- implementation of a reinsurance plan to protect the business line against major/serial claims;
- establishment of committees to monitor portfolio risks and decide on the launch of significant new products;
- implementation of the policies on subscription, provisioning and reinsurance risks.

RISK CONCENTRATION

The most material exposures in the portfolio are diversified on the French territory and do not show any specific concentration with regard to the French insurance market. The ALM and Risk Management Committee of the Insurance business line sets concentration limits per issuer and for certain sectors. This committee is regularly informed of the exposures and possible exceedances.

Risk management related to financial markets and asset-liability management

The management of the risks linked to the financial markets and asset-liability management is an integral part of the investment strategy just like long-term performance objectives. The optimisation of these two factors is highly influenced by the asset/liability balances. Liability commitments (guarantees offered to customers, policies length of detention), as well as the amounts booked under the major items on the accounting and prudential balance sheet (shareholders' equity, net income, provisions etc.) are analysed by the Finance, Investments and Risk division of the Insurance business line.

The management of the risks related to financial markets (interest rate, credit and equity) and to asset-liability management is based on the following:

- monitoring short- and long-term cash flows (match between the duration of the liabilities and assets, liquidity risk management);
- particular monitoring of policyholder behaviour (surrender);
- close monitoring of financial markets;
- hedging against interest rate risks (both upside and downside);
- hedging against equity risk downside;
- determination of thresholds and limits per counterparty, per issuer rating and per asset class;
- performance of stress tests, the result of which are presented annually to the entities' Board of Directors, as part of the ORSA (*Own Risk and Solvency Assessment*), transferred to the ACPR after approval by the Board;
- organisation of committees to monitor the portfolio and to rule on investment decisions;
- implementation of the asset-liability management and investment risk policies.

CONCENTRATION OF MARKET RISK AND CREDIT RISK

The companies in the Insurance business line invest in the various types of financial products while respecting a prudent investment risk management policy. Within each type of securities, exposures are diversified in terms of geography, issuers and sectors. The implementation of this policy is characterised by the definition of thresholds, limits and constraints. The main concentrations are monitored within the framework of the ALM and Risk Management Committee. Similarly, the concentration of credit risk is subject to thresholds and limits. Any crossing of thresholds or limits is reported to the ALM and Risk Management Committee, an emanation of the Board of Directors.

Regulatory framework

The Sogecap group is subject to the European "Solvency 2" framework. The capital requirement is determined using the standard formula and the yield curve with the volatility adjustment provided by the European Insurance and Occupational Pensions Authority.

NOTE 4.3.4.2 INSURANCE RISK MODELING

In savings life insurance, the ALM stochastic model takes into account asset/liability interactions and integrates assumptions regarding policyholder behaviour (surrenders, death, arbitrage), the behaviour of the insurer (interest rate policy in line with the investment policy), the use of financial reserves, and the modelling of fees and commissions.

In protection, liabilities are projected based on adapted models that reflect the flows of premiums, claims and fees related to the management of these claims. They include assumptions and calculation parameters such as experience or mortality tables, fall or early repayment rates depending on the product, overhead rates, inflation, etc.

The models used in relation to Insurance activities are reviewed by the Risk and Actuarial Supervision Department, which is the second line of defence in the context of model risk management. The review work focuses on the theoretical robustness (evaluation of the quality of design and development) of the models, their use, the compliance of their implementation and the continuous monitoring of their relevance over time. The independent review process ends with (i) the publication of a report describing the scope of the review, tests performed, results, conclusions or recommendations and by (ii) Validation committees.

NOTE 4.3.4.3 INSURANCE RISK EXPOSURES AND SENSITIVITY ANALYSES

Technical insurance risks

In life insurance, the Insurance business line is mainly exposed to surrender risks due to the preponderance of euro-denominated contracts in life insurance and borrower' insurance, and to a lesser extent, to mortality risk. The risk of surrender in life insurance is mitigated by the loss absorption capacity of the technical reserves (ability to reduce the level of discretionary profit-sharing attributed to policyholders). The Group implements a reinsurance program mainly to mitigate the mortality risks carried in the borrowers' insurance, individual personal protection and term life insurance contracts.

SENSITIVITY OF THE INSURANCE BUSINESS LINE TO UNDERWRITING RISK ON THE "SAVINGS" SCOPE (INSURANCE CONTRACTS WITH DIRECT PARTICIPATION FEATURES):

TABLE 4.3.O

(In EUR m)		31.12.2025	
Risk factors	**Shock used**	**Impact On the Net Income**	**Impact on the capital**
Increase in surrender	5% of outstanding 2025 year end	(16.5)	(16.5)

In property and casualty insurance, the Group is exposed to technical risk (underwriting, pricing, provisioning and reinsurance), i.e. the risk of loss of capital resulting from the difference between the costs related to the claims expected when pricing and the actual costs resulting from unfavourable changes in one or more risk factors (deviation in the frequency, the average costs, occurrence of atypical events).

Financial risks

Market risk: Given the preponderance of savings life insurance among its insurance business line, the Group is mainly exposed to market risk, defined as the risk of loss of capital on the value of financial instruments resulting from variations in market parameters, the volatility of these parameters and correlations between these parameters. The parameters concerned are, in particular exchange rates, interest rates, as well as the prices of securities (shares, bonds), financial derivatives, real estate assets or any other assets.

Sensitivities have been identified in relation to the main financial risk factors analysed either alone or in combination. They take into account policyholder behaviours (in particular surrender) and are net of tax and net of the participation allocated to policyholders.

SENSITIVITY OF THE INSURANCE BUSINESS LINE TO MARKET RISKS IN THE SAVINGS SCOPE (INSURANCE CONTRACTS WITH DIRECT PARTICIPATION):

TABLE 4.3.P

(In EUR m)		31.12.2025	
Risk factors	**Shock used**	**Impact On the Net Income**	**Impact on the capital**
Rising rates	-50 bps	3.9	3.9
Lower rates	+50 bps	(2.9)	(2.9)
Decline in equities	-10%	(4.9)	(4.9)

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 ALM risk 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

TABLE 4.4.A

(In EUR m)	31.12.2025	31.12.2024
Guarantee deposits paid (1)	48,705	50,970
Settlement accounts on securities transactions	6,606	4,518
o/w due from clearing houses bearing credit risk	*291*	*278*
Prepaid expenses	1,858	1,792
Miscellaneous receivables (2)	16,828	14,254
o/w miscellaneous receivables bearing credit risk (3)	*6,728*	*6,514*
GROSS AMOUNT	**73,997**	**71,534**
Impairments	(684)	(631)
Credit risk (3)	*(445)*	*(405)*
Other risks	*(239)*	*(226)*
NET AMOUNT	**73,313**	**70,903**

(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 2025, unchanged compared to 31 December 2024.

(3) Net value of miscellaneous receivables bearing credit risk amounts to EUR 6,283 million as at 31 December 2025, compared to EUR 6,109 million from 31 December 2024 (see Note 3.8).

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. As from 2016, this set of mechanisms took the form of a Single Resolution Fund (SRF), supplemented with National Resolution Funds (NRF) for the credit institutions subject to the resolution mechanism but not covered by the SRF. The SRF has been funded by annual contributions from European banking sector institutions subject to the mechanism and, as at 31 December 2023, had reached its target of an overall allocation equal to or greater than 1% of the covered deposits of all participating institutions. Consequently, no additional contribution was called in 2024 (EUR 658 million in 2023).

A fraction of the annual contributions was allowed to be paid in the form of irrevocable payment commitments secured by the payment of a cash security deposit remunerated at a market rate common to the institutions concerned. As at 31 December 2025, the amounts of cash deposits paid by the Group to SRF and NRFs and recorded as assets on the balance sheet among Other assets, are, respectively, EUR 765 million and EUR 217 million.

By a judgment delivered on 13 November 2025, the Court of Justice of the European Union dismissed the appeal lodged by a French credit institution in proceedings brought against the Single Resolution Board (SRB) following the latter's refusal to return the cash security deposit covering the irrevocable payment commitment made for the 2015 contributi5.1on period. The return of the deposit, requested by the institution a after the withdrawal of its banking licence 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 that deposit.

As at 31 December 2025, the Group considers that there is no prospect of a voluntary liquidation of any of its consolidated credit institutions subject to the resolution mechanism that would lead to the withdrawal of the relevant entity's banking licence.

Similarly, the Group does not envisage the occurrence in the near future of any voluntary request for a banking licence withdrawal by one of its consolidated credit institutions and its resulting exit from the Single Resolution Mechanism.

Finally, the Group does not expect the occurrence of a resolution action within the Euro area that would require a contribution call.

Consequently, as at 31 December 2025, no provision has been recognised within the Group's liabilities in respect of any future payment of amounts related to irrevocable payment commitments.

NOTE 4.4.2 OTHER LIABILITIES

TABLE 4.4.B

(In EUR m)	31.12.2025	31.12.2024
Guarantee deposits received (1)	48,447	54,259
Settlement accounts on securities transactions	6,365	4,822
Expenses payable on employee benefits	3,339	2,820
Lease liability	1,967	2,003
Deferred income	1,615	1,560
Miscellaneous payables (2)	25,456	25,322
TOTAL	**87,188**	**90,786**

(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 expenses from other activities to be paid.

NOTE 5 OTHER GENERAL OPERATING EXPENSES

TABLE 5.A

(In EUR m)		31.12.2025	31.12.2024
Personnel expenses [1]	Note 5.1	(11,090)	(11,544)
Other operating expenses [1]	Note 5.2	(5,429)	(6,028)
Other general operating expenses attributable to the insurance contracts [2]		778	751
TOTAL		**(15,741)**	**(16,821)**

(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.

NOTE 5.1 Personnel expenses and employee benefits

MAKING IT SIMPLE

Employee benefits correspond to the compensation granted by the Group to its employees in exchange for work carried out during the annual reporting period.

All forms of compensation for work rendered are recorded in the expenses:

- whether it be paid to employees or to outside social security agencies;
- whether it be paid during the annual reporting period or to be paid by the Group in the future as entitlements to employees (pension plans, retirement benefits…);
- whether it be paid in cash or in Societe Generale shares (free share plans, stock options).

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

TABLE 5.1.1.A

(In EUR m)	2025	2024
Employee compensation	(7,738)	(8,355)
Social security charges and payroll taxes	(1,970)	(1,953)
Net pension expenses - defined contribution plans	(771)	(821)
Net pension expenses - defined benefit plans	(54)	(75)
Employee profit-sharing and incentives	(557)	(340)
TOTAL	**(11,090)**	**(11,544)**
Including net expenses from share - based payments	*(385)*	*(243)*

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.

TABLE 5.1.1.B

(In EUR m)	2025	2024
Short-term benefits	12.7	14.7
Post-employment benefits	0.1	0.3
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	1.5	1.9
TOTAL	**14.3**	**16.9**

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 2025 for a total amount of EUR 3.3 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 2025 under IAS 19 for the payment of pensions and other benefits to Societe Generale's Chief Executive Officers (Mr. Krupa, Mr. Palmieri and the three staff-elected Directors) is EUR 0.7 million.

NOTE 5.1.2 EMPLOYEE BENEFITS

ACCOUNTING PRINCIPLES

Employee benefits are divided into four categories:

- Short-term employee benefits;
- Post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- Others long-term employee benefits which are employee benefits not expected to be settled wholly before twelve months, such as defined variable compensation paid in cash and not indexed to the Societe Generale share, long service awards and time saving accounts;
- Termination benefits.

Short-term employee benefits

Short-term employee benefits are recognised as Expenses payable on employee benefits. The settlement is expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing.

Post-employment benefits

Post-employment benefits can be broken down into two categories: defined contribution pension plans or defined benefit pension plans.

POST-EMPLOYMENT DEFINED CONTRIBUTION PLANS

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are recorded as an expense for the current year.

POST-EMPLOYMENT DEFINED BENEFIT PLANS

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bare the associated medium or long-term risk.

Provisions are recognised on the liabilities side of the balance sheet under Provisions, to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

The Group can choose to finance defined benefit plans by assets held by a long-term employee benefit fund or by qualifying insurance policies. Funding assets, made by funds or insurance policies, are classified as plan assets if assets are held by an entity (fund) that is legally separate from the reporting entity and are available to be used only to pay employee benefits. When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations. When these plans are financed from funds not classified as plan assets, these funds, classified as separate assets, are displayed separately in the assets of the balance sheet under Financial assets at fair value through profit or loss.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) and differences between actuarial assumptions and real performance are recognised as actuarial gains and losses. Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (or asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). These components are immediately and fully recognised in shareholder's equity among Unrealised or deferred gains and losses. These items cannot be subsequently reclassified as income and are presented under Retained earnings on the liabilities side of the balance sheet and on a separate line under the Statement of net income and unrealised or deferred gains and losses.

When a new or amended plan comes into force, past service cost is immediately recognised in profit or loss.

An annual charge is recorded under Personnel expenses for defined benefit plans consisting of the additional entitlements vested by each employee (current service cost), past service cost resulting from a plan amendment or a curtailment, the financial expense resulting from the discount rate and the interest income on plan assets (net interest on the net defined benefit liability or asset), plan settlements.

Other long-term benefits

Other long-term employee benefits are benefits other than post-employment and termination benefits, that are paid to employees more than twelve months after the end of the annual period in which they provided the related services.

Other long-term benefits are measured and recognised in the same way as post-employment benefits, with the exception of actuarial gains and losses, which are immediately recognised as profit or loss.

Termination benefits

Termination benefits refer to the benefits to be granted to an employee following the termination by the entity of the staff member's employment contract before the normal retirement age or the decision of the staff member to voluntarily leave in exchange for these benefits.

Termination benefits payable more than twelve months after the closing date shall be discounted.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

TABLE 5.1.2.A

(In EUR m)	Provisions as at 31.12.2024	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions as at 31.12.2025
Post-employment benefits	1,026	135	(20)	115	(66)	(73)	(12)	990
Other long-term benefits	653	203	(70)	133	(75)	-	(4)	707
Termination benefits	260	138	(60)	78	(133)	(2)	7	211
TOTAL	**1,939**	**477**	**(150)**	**327**	**(274)**	**(75)**	**(9)**	**1,907**

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 the Chapter 3 “Corporate Governance” of the present Universal Registration Document. This allowance depends in particular on the beneficiary’s seniority within Societe Generale. Since 4 July 2019, date of publication of the ordinance ending the so-called "random rights" defined benefit pension plans in application of the Loi Pacte, this plan is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

In Switzerland, the plan is managed by a personal protection insurance institution (the Foundation), comprised of employer and employee representatives. The employer and its employees pay contributions to the Foundation. Pension benefits are revalued at a guaranteed rate of return and converted to annuities (or lump-sum payment) also at a guaranteed conversion rate (cash balance scheme). Because of this minimum guaranteed return, the plan is considered similar to a defined benefit plan.

In the United Kingdom, the defined benefit plan has been closed to new employees for nearly 20 years, and the benefits of the last beneficiaries were frozen in 2015. The plan is managed by an independent institution (Trustee).

Similarly, in the United States, defined benefit plans were closed to new employees in 2015 and the vesting of new benefits was frozen.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

TABLE 5.1.2.B

	31.12.2025			
(In EUR m)	France	United Kingdom	Others	Total
A - Present value of defined benefit obligations	748	456	607	**1,812**
B - Fair value of plan assets	19	504	356	**879**
C - Fair value of separate assets	979	-	10	**989**
D - Change in asset ceiling	0	-	-	**0**
A - B - C + D = Net balance	**(250)**	**(48)**	**242**	**(56)**
On the liabilities side of the balance sheet	**730**	**-**	**259**	**990**
On the assets side (1) of the balance sheet	**980**	**48**	**18**	**1,046**

(1) *o/w EUR 989 million of separate assets recorded under Financial assets at fair value through profit or loss and EUR 57 million linked to surplus assets under Other assets.*

TABLE 5.1.2.C

	31.12.2024			
(In EUR m)	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.*

COMPONENTS OF THE COST OF DEFINED BENEFITS

TABLE 5.1.2.D

(In EUR m)	2025	2024
Current service cost including social security contributions	52	63
Employee contributions	(3)	(6)
Past service cost/curtailments	6	(13)
Transfer via the expense	-	(0)
Net interest	(4)	5
A - Components recognised in income statement	**52**	**49**
Actuarial gains and losses on assets	37	95
Actuarial gains and losses due to changes in demographic assumptions	(5)	(12)
Actuarial gains and losses due to changes in economic and financial assumptions	(46)	(109)
Actuarial gains and losses due to experience	(12)	13
Change in asset ceiling	-	(7)
B - Components recognised in unrealised or deferred gains and losses	**(26)**	**(20)**
C = A + B TOTAL COMPONENTS OF THE COST OF DEFINED BENEFITS	**26**	**28**

CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

TABLE 5.1.2.E

(In EUR m)	2025	2024
Balance as at 1 January	**2,120**	**2,426**
Current service cost including social security contributions	52	63
Past service cost/curtailments	6	(13)
Settlements	-	-
Net interest	77	86
Actuarial gains and losses due to changes in demographic assumptions	(5)	(12)
Actuarial gains and losses due to changes in economic and financial assumptions	(46)	(109)
Actuarial gains and losses due to experience	(12)	13
Foreign exchange adjustment	(51)	35
Benefit payments	(129)	(154)
Change in consolidation scope	(9)	(3)
Transfers and others	(193)	(211)
Balance as at 31 December	**1,811**	**2,120**

CHANGES IN THE FAIR VALUE OF FUNDING ASSETS

TABLE 5.1.2.F

	Plan assets		Separate assets	
(In EUR m)	2025	2024	2025	2024
Balance as at 1 January	**1,172**	**1,249**	**1,092**	**1,076**
Interest expenses on assets	45	48	36	34
Actuarial gains and losses on assets	(1)	(66)	(43)	(28)
Foreign exchange adjustment	(52)	35	(0)	0
Employee contributions	3	6	-	-
Employer contributions	(41)	20	(65)	10
Benefit payments	(58)	(72)	(31)	(0)
Change in consolidation scope	(3)	-	-	-
Transfers and others	(185)	(55)	-	-
Change in asset ceiling	0	7	-	-
Balance as at 31 December	**879**	**1,172**	**989**	**1,092**

INFORMATION AND TERMS REGARDING FUNDING ASSETS

Funding assets include plan assets and separate assets.

Funding assets represent around 103% 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 99% for the United States, while they are not funded in Germany.

The breakdown of the fair value of plan assets is as follows: 67% bonds, 12% equities and 21% other investments. Directly held Societe Generale shares are not significant.

Funding assets excess is EUR 342 million.

In 2025, EUR 65 million was withdrawn from separate assets and EUR 52 million was withdrawn from the plan asset for the reimbursement of benefits paid in financial years prior to 2025 in France. They are presented under the “Employer contributions” category.

Employer contributions to be paid to post-employment defined benefit plans for 2026 are estimated at EUR 14 million.

Plan hedging strategies are defined locally in connection with the Finance and Human Resources departments of the entities, by *ad hoc* structures (Trustees, Foundations, Joint structures etc.) if necessary. Besides, liability investment or financing strategies are monitored at Group level through a global governance system. Committee meetings, with the participation of representatives of the Human Resources Department, the Finance Department and the Risk Division, are organised in order to define Group guidelines for employee benefits investment and management, to validate decisions and to follow up the associated risks for the Group.

Depending on the duration of each plan and local regulations, funding assets are invested in equities and/or in fixed income products, whether guaranteed or not.

The actual returns on plan and separate assets can be broken down as follows:

TABLE 5.1.2.G

(In EUR m)	2025	2024
Plan assets	44	(18)
Separate assets	(7)	6

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

TABLE 5.1.2.H

	31.12.2025	31.12.2024
Discount rate		
France	3.82%	3.27%
United-Kingdom	5.45%	5.73%
Others	4.69%	3.67%
Long-term inflation		
France	1.92%	1.96%
United-Kingdom	2.80%	2.99%
Others	1.37%	1.95%
Future salary increase		
France	1.91%	1.91%
United-Kingdom	N/A	N/A
Others	1.46%	1.25%
Average remaining working lifetime of employees (in years)		
France	7.06	7.34
United-Kingdom	2.64	2.18
Others	7.98	7.93
Duration (in years)		
France	10.91	11.31
United-Kingdom	10.49	10.74
Others	10.63	11.12

Assumptions by geographical area are weighted average by the defined benefit obligations (DBO).

The discount yield curves used are AA corporate bonds yield curves (source: Merrill Lynch) observed at the end of October for USD, GBP and EUR, and corrected at the end of December if the change in discount rates had a significant impact.

Inflation rates used for EUR and GBP monetary areas are market rates observed at the end of October and corrected at the end of December if the change had a significant impact. Inflation rates used for the other monetary areas are the long-term targets of the central banks.

The average remaining working lifetime of employees is calculated taking into account turnover assumptions.

The assumptions described above have been applied to post-employment benefit plans.

SENSITIVITIES OF DEFINED BENEFIT OBLIGATIONS TO THE CHANGES IN MAIN ACTUARIAL ASSUMPTIONS

TABLE 5.1.2.I

(Percentage of item measured)	31.12.2025	31.12.2024
Variation in discount rate	*+0.5%*	*+0.5%*
Impact on the present value of defined benefit obligations at 31 December N	-5%	-5%
Variation in long-term inflation	*+0.5%*	*+0.5%*
Impact on the present value of defined benefit obligations at 31 December N	3%	3%
Variation in future salary increase	*+0.5%*	*+0.5%*
Impact on the present value of defined benefit obligations at 31 December N	1%	1%

Disclosed sensitivities are averages of the variations weighted by the present value of the defined benefit obligations.

BREAKDOWN OF FUTURE PAYMENTS OF BENEFITS

TABLE 5.1.2.J

(In EUR m)	2025	2024
N+1	130	147
N+2	119	136
N+3	128	140
N+4	127	148
N+5	133	146
N+6 to N+10	675	762

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

TABLE 5.1.3.A

	31.12.2025			31.12.2024		
(In EUR m)	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	216	169	**385**	173	69	**243**

EMPLOYEE SHARE OWNERSHIP PLAN

On 20 May 2025, 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 35.76 euros, this price includes a discount of 20% compared to the arithmetic average of the 20 average stock market prices preceding the day of the General Management's decision setting the price and the subscription period (the average prices have been weighted by the volumes -VWAP: Volume-Weighted Average Price- and each recorded daily on the regulated market of Euronext Paris). 7,531,065 shares were subscribed, representing for the Group, an expense for the financial year 2025 of EUR 101 million after taking into account a legal non-transferability period of five years of the shares corrected for early releases.

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 5.1.4 BREAKDOWN OF EMPLOYEES BY GEOGRAPHICAL LOCATION

The table below presents the year-end headcount by country of operation.

Geographical locations	31.12.2025
SOUTH AFRICA	-
ALGERIA	1,817
GERMANY	2,237
SAUDI ARABIA	6
AUSTRALIA	67
AUSTRIA	279
BELGIUM	594
BENIN	114
BERMUDA	-
BRAZIL	465
BULGARIA	37
BURKINA FASO	-
CAMEROON	696
CANADA	564
CHILE	50
CHINA	179
COLOMBIA	52
SOUTH KOREA	90
IVORY COAST	1,272
CROATIA	63
DENMARK	245
UNITED ARAB EMIRATES	66
SPAIN	1,066
ESTONIA	18
UNITED STATES OF AMERICA	1,811
FINLAND	118
FRANCE	47,645
GHANA	546
GIBRALTAR	-
GREECE	256
GUINEA	-

Geographical locations	31.12.2025
EQUATORIAL GUINEA	-
HONG KONG	1,025
HUNGARY	181
CAYMAN ISLANDS	-
ISLE OF MAN	-
GUERNSEY	-
INDIA	11,235
IRELAND	308
ITALY	2,204
JAPAN	224
JERSEY	6
LATVIA	23
LITHUANIA	16
LUXEMBOURG	1,371
MALAYSIA	24
MOROCCO	289
MAURITIUS	-
MAURITANIA	-
MEXICO	267
MONACO	289
NORWAY	149
NEW CALEDONIA	334
NETHERLANDS	1,236
PERU	37
POLAND	838
FRENCH POLYNESIA	250
PORTUGAL	412
CZECH REPUBLIC	6,817
ROMANIA	8,269
UNITED KINGDOM	2,510
SENEGAL	1,042
SERBIA	40
SINGAPORE	222
SLOVAKIA	170
SLOVENIA	15
SWEDEN	270
SWITZERLAND	223
TAIWAN	33
TOGO	28
TUNISIA	1,388
TURKEY	211
UKRAINE	42
TOTAL	**102,351**

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

NOTE 5.2 Other operating expenses

ACCOUNTING PRINCIPLES

The Group records operating expenses under expenses, according to the type of services to which they refer and the rate of use of said services.

Rentals include real estate and equipment leasing expenses, which do not result in a recognition of a lease liability and right-of-use asset (see Note 8.3).

Taxes and levies are only booked when the triggering event provided for by law occurs. If the obligation to pay the tax arises from the gradual operation of an activity, the expense must be spread out over the same period. Finally, if the obligation to pay is generated when a threshold is reached, the expense is only recorded once the threshold is reached.

Taxes and levies cover all contributions levied by a public authority and include the contributions paid to the Single Resolution Fund and the Deposit Insurance and Resolution Fund, the systemic risk tax, and contributions for ACPR control costs, which are recognised in profit or loss at the start of the financial year. The company social solidarity contribution (C3S), based on income generated in previous financial year, is fully recognised in profit or loss as at 1 January of the current financial year.

Other mainly includes building maintenance and other costs, travel and business expenses, and advertising expenses.

TABLE 5.2.A

(In EUR m)	2025	2024
Rentals	(463)	(510)
Taxes and levies	(541)	(571)
Data and telecom (excluding rentals)	(2,021)	(2,331)
Consulting fees	(1,216)	(1,250)
Other	(1,189)	(1,367)
TOTAL	**(5,429)**	**(6,029)**

NOTE 6 INCOME TAX

MAKING IT SIMPLE

Income tax expenses are presented separately from other taxes which are classified among Other operating expenses. They are calculated according to the rates and tax regulations applicable in the countries where each consolidated entity is located.

Income tax presented in the income statement includes current taxes and deferred taxes:

- current taxes correspond to the amount of taxes due (or refundable) as calculated according to the taxable profit base for the reporting period.
- deferred taxes correspond to the amount of taxes resulting from past transactions and that will be payable (or refundable) in a future reporting period.

ACCOUNTING PRINCIPLES

Current taxes

Current tax is based on the taxable profits of each consolidated taxable entity and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under Income tax in the income statement.

Deferred taxes

Deferred taxes are recognised whenever the Group identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments.

Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the local taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value.

Deferred tax assets can result from deductible temporary differences or from tax loss carry-forwards. These deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set time. These temporary differences or tax loss carry-forwards can also be used against future taxable profit.

Tax loss carry-forwards are subject to an annual review taking into account the tax system applicable to each relevant tax entity and a realistic projection of their tax income or expense: any previously unrecognised deferred tax assets are recorded in the balance sheet to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered; however, the carrying value of deferred tax assets already recognised in the balance sheet is reduced where a risk of total or partial non-recovery occurs.

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

TABLE 6.A

(In EUR m)	2025	2024
Current taxes [1]	(1,698)	(1,458)
o/w current taxes related to Pillar 2 taxes	*(3)*	*(5)*
Deferred taxes [2]	(73)	(143)
TOTAL	**(1,771)**	**(1,601)**

(1) o/w EUR -16 million of exceptional contribution on the profits of large companies in France as at 31 December 2025, included in the permanent differences below.
(2) In accordance with the provisions introduced by the amendments to Standard IAS 12, the Group applies the mandatory and temporary exception to the accounting of deferred income associated with additional tax arising from the Pilar Two rules.

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

TABLE 6.B

	2025		2024	
(In EUR m)	%	EUR m	%	EUR m
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill		**8.784**		**6.708**
Group effective tax rate	**20.16%**		**23.87%**	
Permanent differences	2.69%	236	0.54%	36
Differential on securities with tax exemption or taxed at reduced rate	1.24%	109	0.02%	1
Tax rate differential on profits taxed outside France	1.56%	107	1.30%	87
Changes in the measurement of deferred tax assets / liabilities	0.18%	16	0.10%	7
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%. In addition, article 48 of Finance Law no. 2025-127 for 2025 introduced, for fiscal year 2025, an exceptional contribution on the profits of large companies, with a rate of 41.2% for taxpayers whose revenue exceeds EUR 3 billion.

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

TABLE 6.C

(In EUR m)	31.12.2025	31.12.2024
Current tax assets	1,385	1,296
Deferred tax assets	3,324	3,391
o/w deferred tax assets on tax loss carry-forwards	*1,722*	*1,798*
o/w deferred tax assets on temporary differences	*1,552*	*1,555*
o/w deferred tax on deferrable tax credits	*50*	*38*
TOTAL	**4,709**	**4,687**

TAX LIABILITIES

TABLE 6.D

(In EUR m)	31.12.2025	31.12.2024
Current tax liabilities	1,297	929
Provisions for tax adjustments	43	46
Deferred tax liabilities	1,263	1,262
TOTAL	**2,603**	**2,237**

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 2026 to 2030), extrapolated to 2031, which corresponds to a “normative” year.

These budgets notably take into account the impacts of commitments related to the energy and environmental transition. The central scenario, consistent with an APS (Announced Pledges Scenario), assumes that governments and companies honour their stated policy commitments.

In this context, the United States initially roll back climate and energy policies, followed in the medium term by an acceleration of the transition. The scenario also anticipates an intensification of physical climate risks in the coming years, implying a pathway that does not meet the most ambitious warming target (1.5°C) but nevertheless remains below 2°C by the end of the century. Consequently, it foresees an increase in demand for adaptation investments, with a risk of reallocating funding to the detriment of mitigation investments.

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, in alignment with the business units’ financial forecasts. An extrapolation of the tax results is performed from 2031 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 2025, 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 2025, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax assets recovery is indicated in the table below:

TABLE 6.E

(In EUR m)	31.12.2025	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	**1,722**	**-**	**-**
o/w French tax group	*1,565*	*Unlimited* [(1)]	*6 years*
o/w US tax group	*59*	*20 years* [(2)]	*4 years*
Others	*98*	-	-

(1) In accordance with the 2013 French Finance Act, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

(2) Tax losses generated before 31 December 2011.

The main deferred taxes not recognised as assets in the balance sheet by tax group are presented in the table below. They may be recognised in the balance sheet when it becomes probable that a future taxable profit will allow their recovery

TABLE 6.F

(In EUR m)	31.12.2025	31.12.2024
French tax group	930	930
US tax groups	213	243
SG Singapore	61	83
SG de Banques en Guinée Equatoriale [(1)]	-	34

(1) The Group sold SG de Banques en Guinée Equatoriale to the State of Equatorial Guinea on 14 November 2025 (see Note 2.1).

The other deferred taxes on tax loss carryforwards and temporary differences not recognised as assets on the balance sheet amount, respectively, to EUR 73 million and EUR 4 million as at 31 December 2025 (versus EUR 106 million and EUR 3 million as at 31 December 2024).

The unrecognised deferred tax assets of US tax groups decreased in 2025 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

TABLE 7.1.A

(In EUR m)	31.12.2025	31.12.2024
Issued capital	959	1,000
Issuing premiums and capital reserves	19,000	20,392
Elimination of treasury stock	(722)	(111)
TOTAL	**19,237**	**21,281**

ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

TABLE 7.1.B

	Number of shares	Issued capital (in EUR m)
31.12.2024	**800,316,777**	**1,000**
Capital increase reserved for employees	7,531,065	9
Capital reductions arising from share buyback transactions	(40,953,056)	(51)
31.12.2025	**766,894,786**	**959**

The Group carried out a share buyback programme between 10 February 2025 and 8 April 2025. During this period, 22,667,515 Societe Generale shares were repurchased on the market for a total cost of EUR 872 million, for the purpose of cancellation in accordance with the resolution approved at the General Meeting of 22 May 2024. The capital reduction through share cancellation was completed on 24 July 2025.

As part of the Group's Employee Share Ownership Plan (see Note 5), Societe Generale offered its employees the opportunity to subscribe to a capital increase reserved for them on 20 May 2025. A total of 7,531,065 shares were subscribed. The capital increase was completed on 24 July 2025.

The Group carried out a share buyback programme between 4 August 2025 and 14 October 2025. During this period, 18,285,541 Societe Generale shares were repurchased on the market for a total cost of EUR 1 billion, for the purpose of cancellation in accordance with the resolution approved at the General Meeting of 22 May 2024. The capital reduction through share cancellation was completed on 6 November 2025.

As at 31 December 2025, the fully paid-up share capital of Societe Generale S.A. amounted to EUR 958,618,482.50 and consisted of 766,894,786 shares with a nominal value of EUR 1.25.

Furthermore, under the EUR 1 billion share buyback programme launched on 19 November 2025, Societe Generale held, as of 31 December 2025, 8,244,198 shares repurchased on the market for a total cost of EUR 513 million, for the purpose of cancellation in accordance with the resolutions of the General Meeting of 22 May 2024 and of the General Meeting of 20 May 2025.

NOTE 7.1.2 Treasury stock

As at 31 December 2025, the Group held 9,171,571 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 1.20% of the capital of Societe Generale S.A.

The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 722 million, of which EUR 22 million relate to market activities.

The change in treasury stock over 2025 breaks down as follows:

TABLE 7.1.C

(In EUR m)	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	-	(14)	(597)	**(611)**
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	(1)	(42)	**(43)**

NOTE 7.1.3 SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

PERPETUAL DEEPLY SUBORDINATED NOTES ISSUED BY SOCIETE GENERALE S.A.

As the deeply subordinated notes issued by Societe Generale S.A are perpetual and given the discretionary nature of the decision to pay dividends to shareholders, these securities are classified as equity and recognised under "Other equity instruments".

As at 31 December 2025, the amount of equity instruments issued by the Group, converted at the historical exchange rate, is EUR 9,762 million.

TABLE 7.1.D

Issuance Date	Amount in local currency at 31.12.2024	Repurchases and redemptions in 2025	Amount in local currency at 31.12.2025	Amount in millions of euros at historical rate	Remuneration
29 September 2015	USD 1,250m	USD 1,250m			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%
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	4.750%, from 26 May 2026 5-year US Treasury rate +3.931%
15 July 2022	SGD 200m		SGD 200m	142	8.250%, from 15 December 2027 5-year SGD OIS +5.6%
22 November 2022	USD 1,500m		USD 1,500m	1.460	9.375%, from 22 May 2028 5-year US Treasury rate +5.385%
18 January 2023	EUR 1,000m		EUR 1,000m	1.000	7.875%, from 18 July 2029 EUR 5-year Mid Swap rate +5.228%
14 November 2023	USD 1,250m		USD 1,250m	1.166	10%, from14 May 2029 5-year US Treasury rate +5.448%
25 March 2024	USD 1,000m		USD 1,000m	923	8.5%, from 25 September 2034 5-year US Treasury rate +4.150%
21 November 2024	USD 1,000m		USD 1,000m	955	8.125%, from 21 May 2030 5-year US Treasury rate +3.790%
17 September 2025			EUR 1,000m	1,000	6.125%, from 17 September 2032 EUR 5-year Mid Swap rate +3.779%

SUMMARY OF CHANGES IN EQUITY INSTRUMENTS ISSUED

Changes related to the deeply subordinated notes included in Shareholder's equity, Group share are detailed below:

TABLE 7.1.E

(In EUR m)	2025	2024
Exchange rate effect on reimbursement	10	(14)
Remuneration paid booked under reserves	(714)	(702)
Changes in nominal values	(111)	949
Tax savings on remuneration payable to shareholders and recorded under profit or loss	(184)	(181)
Issuance fees relating to subordinated notes	(1)	(7)

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 2025, the nominal amount of other equity instruments issued by the Group's subsidiaries is EUR 1,042 million.

TABLE 7.1.F

Issuance Date	Amount at 31.12.2024	Repurchases and redemptions in 2025	Amount at 31.12.2025	Remuneration
18 December 2014	EUR 800 M	EUR 558 M	EUR 242 M	4.125%, from 2026 5-year Mid-Swap rate + margin of 4.150%
8 July 2025			EUR 800 M	6.250%, from 8 July 2025 5-year Mid-Swap rate + margin of 3.753%

NOTE 7.1.4 EFFECT OF THE CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the consolidation scope recognised in shareholders' equity (EUR +21 million in Group's share and EUR -521 million in Non-controlling interests) mainly relates to:

- the increase of the Group's ownership interest in Ayvens Group from 52.59% to 54.81% (related to a capital reduction following a share buyback programme), resulting in EUR +45 million in Group's share and EUR -405 million in Non-controlling interests;
- the decrease in Non-controlling interests of EUR -130 million in connection with the disposals carried out during the period, mainly those relating to the professional equipment financing activities operated by Societe Generale Equipment Finance (SGEF), SG Burkina Faso, SG Guinee and SG de Banques en Guinee Equatoriale (see Note 2.1).

NOTE 7.2 Earnings per share and dividends

ACCOUNTING PRINCIPLES

The earnings per share are measured by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, excluding treasury shares. The net earnings attributable to ordinary shareholders are adjusted for the preferred shareholders rights, such as holders of preferred shares, subordinated securities or deeply subordinated notes classified in equity. The diluted earnings per share take into account the potential dilution of shareholders' interests in the event where dilutive instruments (stock options or free share plans) are converted into ordinary shares. This dilutive effect is determined using the share buyback method.

NOTE 7.2.1 EARNINGS PER SHARE

TABLE 7.2.A

(In EUR m)	2025	2024
Net income, Group share	6,002	4,200
Attributable remuneration to subordinated and deeply subordinated notes	(719)	(713)
Premium and issuance fees related to subordinated and deeply subordinated notes	(1)	(7)
Net income attributable to ordinary shareholders	**5,282**	**3,480**
Weighted average number of ordinary shares outstanding (1)	776,255,365	795,168,649
Earnings per ordinary share (in euros)	**6.80**	**4.38**
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	776,255,365	795,168,649
Diluted earnings per ordinary share (in euros)	**6.80**	**4.38**

(1) Excluding treasury shares.

NOTE 7.2.2 DIVIDENDS PAID ON ORDINARY SHARES

Dividends paid on ordinary shares by the Group in 2025 amounted to EUR 2,035 million and are detailed in the following table:

TABLE 7.2.B

	2025			2024		
(In EUR m)	Group Share (1)	Non-controlling interests	Total	Group Share	Non-controlling interests	Total
Paid in shares	-	-	-	-	-	-
Paid in cash	(1,315)	(720)	(2,035)	(719)	(604)	(1,323)
TOTAL	**(1,315)**	**(720)**	**(2,035)**	**(719)**	**(604)**	**(1,323)**

(1) Including an interim dividend of EUR 469 million.

After approving the annual financial statements of Societe Generale on 5 February 2026, the Board of Directors decided to submit to the General Assembly of 27 May 2026 for approval the distribution of a cash dividend of EUR 1,217 million for the financial year ended 31 December 2025. The dividend per Societe Generale share with dividend rights would thus amount to EUR 1.61. Subject to the decision of the General Meeting, taking into account the interim dividend already decided by the Board of Directors, the balance of the ordinary dividend for the 2025 financial year will amount to EUR 1.00 per share.

NOTE 7.3 Unrealised or deferred gains and losses

BREAKDOWN OF CHANGES OF UNREALISED OR DEFERRED GAINS AND LOSSES

TABLE 7.3.A

	31.12.2025				
				o/w	
(In EUR m)	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Translation differences	40	(35)	5	12	(7)
Revaluation of debt instruments at fair value through other comprehensive income [3]	(2,313)	578	(1,735)	(1,660)	(75)
Revaluation of insurance contracts at fair value through other comprehensive income	2,326	(599)	1,726	1,722	4
Revaluation of hedging derivatives	(318)	33	(285)	(286)	1
Subtotal of unrealised gains and losses with subsequent recycling in the income statement	**(265)**	**(23)**	**(289)**	**(212)**	**(77)**
Actuarial gains and losses on defined benefit plans [1]	26	(7)	19	19	-
Revaluation of own credit risk of financial liabilities at fair value through profit or loss [2]	(756)	195	(561)	(561)	-
Revaluation of equity instruments at fair value through other comprehensive income	35	(1)	34	34	-
Subtotal of unrealised gains and losses without subsequent recycling in the income statement	**(695)**	**187**	**(508)**	**(508)**	**-**
TOTAL	**(960)**	**164**	**(796)**	**(719)**	**(77)**

TABLE 7.3.B

	Changes of the period				
				o/w	
(In EUR m)	Gross value	Tax	Net value	Net Group share	Non-controlling interests
Allocation to retained earnings					
Actuarial gains and losses on defined benefit plans	(19)	4	(15)	(19)	4
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	39	(10)	29	29	-
TOTAL	**20**	**(6)**	**14**	**10**	**4**
Translation differences	(1,777)	(10)	(1,787)	(1,848)	61
Revaluation of debt instruments at fair value through other comprehensive income [3]	189	(40)	148	117	32
Revaluation of insurance contracts at fair value through other comprehensive income	263	(67)	195	196	(1)
Revaluation of hedging derivatives	201	(6)	195	196	(1)
Variation of unrealised gains and losses with subsequent recycling in the income statement	**(1,124)**	**(123)**	**(1,248)**	**(1,339)**	**91**
Actuarial gains and losses on defined benefit plans [1]	26	(7)	19	19	-
Revaluation of own credit risk of financial liabilities at fair value through profit or loss [2]	(606)	157	(449)	(450)	1
Variation of unrealised gains and losses without subsequent recycling in the income statement	**(580)**	**151**	**(429)**	**(430)**	**1**
Total of variation	**(1,704)**	**28**	**(1,677)**	**(1,769)**	**92**
TOTAL OF CHANGES	**(1,684)**	**22**	**(1,663)**	**(1,759)**	**96**

TABLE 7.3.C

	31.12.2024				
				o/w	
(In EUR m)	Gross value	Tax	Net value	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)**

(1) Gains and losses presented in these items are transferred into Retained earnings for the next financial year opening.

(2) When a financial liability measured at fair value through profit or loss using the fair value option is derecognised, unrealised gains and losses which are attributable to Group own credit risk are subject to transfer into Retained earnings for the next financial year opening.

(3) Including EUR -2,239 million (gross amount) for insurance sector subsidiaries as at 31 December 2025 (EUR -2,028 million as at 31 December 2024). This amount must be read together with the financial income and expenses 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.

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 BoursoBank;
  - Insurance activities;
- Mobility, International Retail Banking and Financial Services, which consists of:
  - International Retail Banking;
  - Mobility and Leasing services which comprises Financial services to Corporates, operational vehicle leasing and fleet management, and consumer credit activities;
- Global Banking and Investor Solutions which comprises:
  - Global Markets and Investor 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 average standard tax rate at the start of the financial year in line with the current standard income tax rate. 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

TABLE 8.1.A

	2025										
	French retail, Private Banking and Insurance			Global Banking and Investor Solutions			Mobility, International Retail Banking and Financial Services				
(In EUR m)	French retail and Private Banking	Insurance	Total	Global Markets and Investor Services	Financial and Advisory	Total	International Retail Banking	Mobility and Financial Services	Total	Corporate Centre [2]	Total group Societe Generale
Net banking income [1]	8,519	708	9,227	6,653	3,767	10,419	3,675	4,316	7,990	(383)	27,254
Operating expenses [3]	(5,972)	(129)	(6,100)	(4,434)	(2,041)	(6,474)	(2,000)	(2,335)	(4,334)	(429)	(17,338)
Gross operating income	**2,548**	**579**	**3,127**	**2,219**	**1,726**	**3,945**	**1,675**	**1,981**	**3,656**	**(812)**	**9,916**
Cost of credit risk	(703)	(0)	(703)	(9)	(288)	(297)	(123)	(365)	(489)	12	(1,477)
Operating income	**1,845**	**578**	**2,423**	**2,210**	**1,438**	**3,649**	**1,552**	**1,615**	**3,168**	**(800)**	**8,439**
Net income from investments accounted for using the equity method	2	-	2	(0)	(0)	(0)	-	18	18	(1)	18
Net income / expense from other assets	35	(0)	34	(1)	1	(0)	1	(1)	(0)	312	345
Eearnings before Tax	**1,881**	**578**	**2,459**	**2,208**	**1,439**	**3,648**	**1,553**	**1,632**	**3,185**	**(489)**	**8,803**
Income tax	(489)	(150)	(639)	(526)	(200)	(726)	(355)	(409)	(765)	358	(1,771)
Consolidated Net Income	**1,393**	**428**	**1,821**	**1,683**	**1,240**	**2,922**	**1,197**	**1,222**	**2,420**	**(131)**	**7,032**
Non controlling interests	2	4	6	7	1	8	436	496	932	85	1,030
Net income, Group Share	**1,391**	**424**	**1,815**	**1,676**	**1,239**	**2,915**	**761**	**726**	**1,489**	**(216)**	**6,002**
Segment assets	**253,174**	**191,842**	**445,016**	**611,753**	**195,527**	**807,280**	**105,643**	**89,568**	**195,211**	**99,135**	**1,546,641**
Segment liabilities [4]	**282,803**	**178,987**	**461,790**	**630,535**	**119,784**	**750,319**	**85,892**	**50,070**	**135,962**	**119,044**	**1,467,114**

TABLE 8.1.B

	2024 *										
	French retail, Private Banking and Insurance			Global Banking and Investor Solutions			International Retail, Mobility and Leasing Services				
(In EUR m)	**French retail and Private Banking**	**Insurance**	**Total**	**Global Markets and Investor Services**	**Financial and Advisory**	**Total**	**Inter-national Retail Banking**	**Mobility and Financial Services**	**Total**	**Corporate Centre (2)**	**Total group Societe Generale**
Net banking income (1)	8,005	674	8,679	6,572	3,582	10,153	4,187	4,318	8,504	(548)	26,788
Operating expenses (3)	(6,485)	(148)	(6,634)	(4,492)	(2,050)	(6,542)	(2,388)	(2,684)	(5,072)	(224)	(18,472)
Gross operating income	**1,519**	**526**	**2,045**	**2,080**	**1,532**	**3,611**	**1,799**	**1,633**	**3,432**	**(772)**	**8,316**
Cost of credit risk	(712)	(0)	(712)	8	(133)	(126)	(341)	(364)	(705)	12	(1,530)
Operating income	**807**	**526**	**1,333**	**2,088**	**1,398**	**3,485**	**1,457**	**1,270**	**2,727**	**(760)**	**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	2	6	1	(1)	(0)	93	3	96	(179)	(77)
Eearnings before Tax	**818**	**528**	**1,346**	**2,088**	**1,397**	**3,485**	**1,551**	**1,288**	**2,839**	**(939)**	**6,730**
Income tax	(202)	(132)	(334)	(499)	(165)	(664)	(386)	(322)	(709)	106	(1,601)
Consolidated Net Income	**615**	**396**	**1,011**	**1,590**	**1,232**	**2,821**	**1,164**	**965**	**2,130**	**(833)**	**5,129**
Non controlling interests	1	4	4	10	1	11	467	372	838	76	929
Net income, Group Share	**614**	**393**	**1,007**	**1,580**	**1,231**	**2,811**	**697**	**595**	**1,292**	**(909)**	**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 (4)	**294,093**	**168,887**	**462,980**	**645,505**	**114,662**	**760,167**	**81,610**	**58,780**	**140,390**	**130,420**	**1,493,957**

* *Amounts restated, on the one hand, in accordance with changes in capital allocation to businesses from 12% to 13% (as announced in the Q4 24 financial results' publication), and in the other hand, with a correction of an error on segment liabilities, compared to the financial statements published on 2024.*

(1) *In December 2025, the Net banking income is mainly composed of EUR 4,319 million of net interest income on French retail, private banking and insurance sub-pilar (EUR 3,889 million in 2024) and EUR 6,640 million of net gains and losses on financial transactions on Global Markets and Investor Services sub-pilar (EUR 5,801 million of net gains and losses on financial transactions in 2024).*

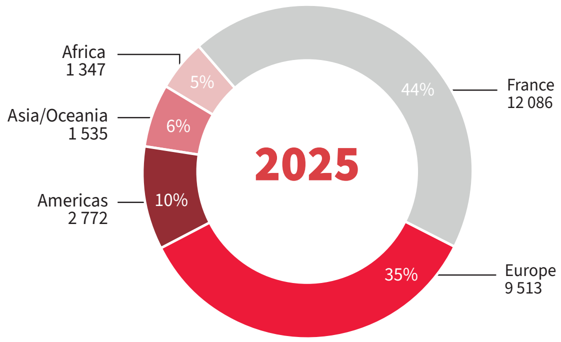
(2) *Income and expenses, as well as assets and liabilities that are not directly related to business line activities are allocated to the Corporate Centre. Corporate Centre income includes, in particular, some consequences of the Group's centralised management of litigation and of transactions leading 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.*

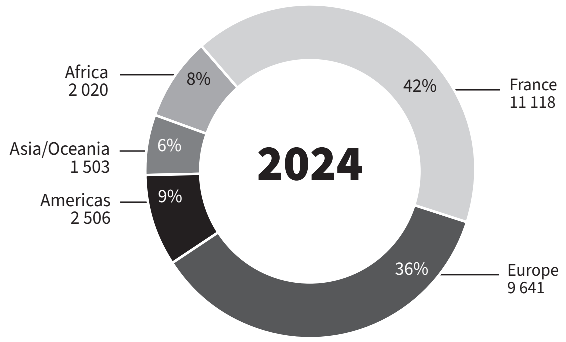
(3) *These amounts include Other general operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.*

(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 EUR M)





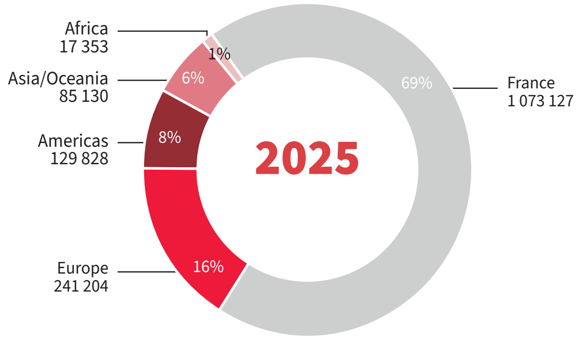
(In EUR m)	31.12.2025 Net banking income
France	12,086
Europe	9,513
Americas	2,772
Asia/Oceania	1,535
Africa	1,347
TOTAL	**27,254**

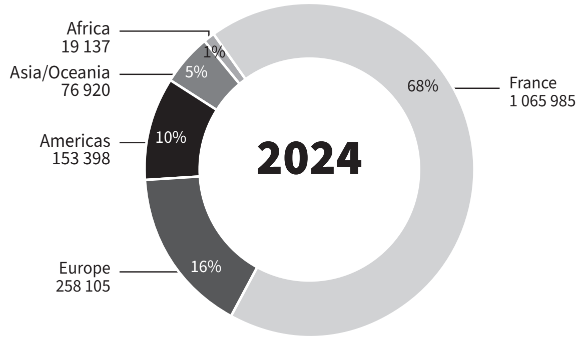
(In EUR m)	31.12.2024 Net banking income
France	11,118
Europe	9,641
Americas	2,506
Asia/Oceania	1,503
Africa	2,020
TOTAL	**26,788**

As at 31 December 2025, the amount of Net Banking Income is EUR 27,254 million compared to EUR 26,788 million as at 31 December 2024.

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS (iN EUR M)

ASSETS



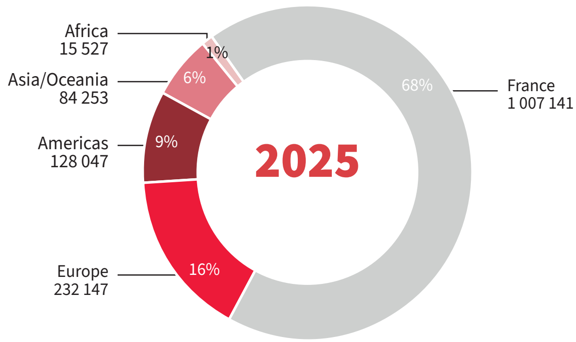


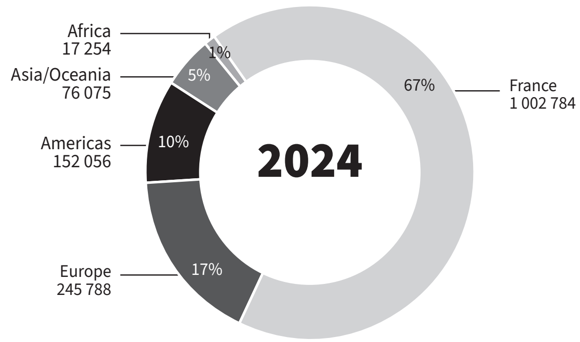
	31.12.2025
(In EUR m)	**Assets**
France	1,073,127
Europe	241,204
Americas	129,828
Asia/Oceania	85,130
Africa	17,353
TOTAL	**1,546,641**

	31.12.2024
(In EUR m)	**Assets**
France	1,065,985
Europe	258,105
Americas	153,398
Asia/Oceania	76,920
Africa	19,137
TOTAL	**1,573,545**

As at 31 December 2025, the amount of assets is EUR 1,546,641 million compared to EUR 1,573,545 million as at 31 December 2024.

LIABILITIES





	31.12.2025
(In EUR m)	**Liabilities**
France	1,007,141
Europe	232,147
Americas	128,047
Asia/Oceania	84,253
Africa	15,527
TOTAL	**1,467,114**

	31.12.2024
(In EUR m)	**Liabilities**
France	1,002,784
Europe	245,788
Americas	152,056
Asia/Oceania	76,075
Africa	17,254
TOTAL	**1,493,957**

As at 31 December 2025, the amount of liabilities (except shareholder equity) is EUR 1,467,114 million compared to EUR 1,493,957 million as at 31 December 2024.

Segment liabilities correspond to debts (total liabilities excluding equity).

NOTE 8.2 Provisions

ACCOUNTING PRINCIPLES

Under balance sheet liabilities, Provisions are comprised of provisions for financial instruments, disputes and employee benefits.

OVERVIEW

TABLE 8.2.A

(In EUR m)	Provisions as at 31.12.2024	Allocations	Write-backs available	Net allocation	Write-backs used	Currency and others	Provisions as at 31.12.2025
Provisions for credit of risk on off balance sheet commitments (see Note 3.8)	742	778	(828)	(50)	-	(18)	674
Provisions for employee benefits (see Note 5.1)	1,939	477	(150)	327	(274)	(84)	1,907
Provisions for mortgage savings plans and accounts commitments	125	-	(16)	(16)	-	-	109
Other provisions [(1)]	1,279	357	(252)	105	(289)	167	1,262
TOTAL	**4,085**	**1,611**	**(1,246)**	**365**	**(563)**	**64**	**3,952**

(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

TABLE 8.2.B

(In EUR m)	31.12.2025	31.12.2024
PEL accounts	11,164	13,132
Less than 4 years old	*939*	*907*
Between 4 and 10 years old	*1,143*	*2,886*
More than 10 years old	*9,082*	*9,339*
CEL accounts	1,708	1,752
TOTAL	**12,872**	**14,884**

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO PEL/CEL ACCOUNTS

TABLE 8.2.C

(In EUR m)	31.12.2025	31.12.2024
Less than 4 years old	31	22
Between 4 and 10 years old	-	-
More than 10 years old	1	1
TOTAL	**32**	**23**

PROVISIONS FOR COMMITMENTS LINKED TO PEL/CEL ACCOUNTS

TABLE 8.2.D

(In EUR m)	31.12.2024	Allocations	Write-backs	31.12.2025
PEL accounts	42	-	(7)	35
Less than 4 years old	*4*	-	-	*4*
Between 4 and 10 years old	*7*	-	*(4)*	*3*
More than 10 years old	*31*	-	*(3)*	*28*
CEL accounts	83	-	(9)	74
TOTAL	**125**	**-**	**(16)**	**109**

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 2025.

METHODS USED TO ESTABLISH PROVISION VALUATION INPUTS

The inputs used to estimate future customer behaviour are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these inputs can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market inputs used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the period in question, in line with the Retail Banking division’s policy of interest rate risk management.

The discount rates used are derived from the zero-coupon swaps vs. Euribor yield curve at the valuation date, averaged over a 12-month period.

NOTE 8.2.2 Other provisions

Other provisions include provisions for restructuring (excluding personnel expenses), provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

The Group is subject to an extensive legal and regulatory framework in the countries where it operates. In this complex legal context, the Group and some of its former and current representatives may be involved in various legal actions, including civil, administrative and criminal proceedings. The vast majority of these proceedings are part of the Group’s current business. In recent years, litigation with investors and the number of disputes involving financial intermediaries such as banks and investment advisors has increased, partly due to a difficult financial environment.

It is by nature difficult to foresee the outcome of disputes, regulatory proceedings and acts involving Group entities, particularly if they are initiated by various categories of complainants, if the amount of claims for damages is not specified or is indeterminate or if the proceedings have no precedent.

In preparing its financial statements, the Group assesses the consequences of the legal, regulatory or arbitration proceedings in which it is involved. A provision is booked when losses from these proceedings become probable and the amount can be estimated reliably.

To assess the probability of losses and the amount of these losses, and thus to determine the amount of provisions to book, estimations are important. Management makes these estimates by exercising its judgment and taking into account all information available when financial statements are prepared. In particular, the Group takes into account the nature of the dispute, the underlying facts, ongoing proceedings and court decisions already taken, as well as its experience and the experiences of other companies dealing with similar cases (assuming that the Group has knowledge thereof) and, where appropriate, the opinion and reports of experts and independent legal advisers.

Each quarter, the Group carries out a detailed examination of outstanding disputes that present a significant risk. The description of those disputes is presented in Note 9 “Information on risks and litigation”.

NOTE 8.3 Tangible and intangible fixed assets

ACCOUNTING PRINCIPLES

Tangible and intangible fixed assets

Tangible and intangible fixed assets include operating and investment fixed assets. Equipment assets held for operating leases purpose are included in operating tangible assets, while buildings held for leasing purposes are included in investment property.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortisation and impairment, except investment property held by insurance entities to back insurance contracts measured at fair value. The purchase price of fixed assets includes borrowing costs incurred to fund a lengthy construction period for the fixed assets, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets. Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development.

As soon as they are fit for use, fixed assets are depreciated or amortised using the component-based approach. Each component is depreciated or amortised over its own useful life. The Group has applied this approach to its operating properties, breaking down its assets into components with depreciation periods of 10 to 50 years. Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated at 3 to 20 years.

Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

Depreciation and amortisation are recorded in the income statement under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Fixed assets grouped into Cash Generating Units are tested for impairment whenever there is any indication that their value may have diminished. Allocations and reversals of provisions for impairment are recorded in profit or loss under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Realised capital gains and losses on operating fixed assets are recognised under Net income from other assets.

The Group's Investment properties are measured at cost. They are depreciated using a component-based approach. Each component is depreciated over its own useful life of between 10 and 50 years.

However, investment property held by insurance entities to back the insurance contracts issued, are measured at fair value through profit or loss, once a year, based on valuation reports by an independent expert. The fair value of investment property is based on unobservable inputs, thus corresponding to the level 3 category of fair value measurement (see Note 3.4).

Profits or losses on operating lease assets and on investment property, including amortisation, depreciation and revaluation are recognised under Income from lease activities, mobility and other activities and Expense from lease activities, mobility and other activities (see Note 4.2).

Operating lease assets

The cars leased by the Group in the context of fleet management are depreciated on a straight-line basis over the lease term for an average of 3 to 5 years. The depreciable amount of these cars is their acquisition cost less their residual value.

The acquisition cost of rental cars includes their acquisition cost plus the direct initial costs necessary for making them available to rental customers. Their residual value is an estimate of its resale value at the end of the contract. The estimate is based on statistical data and is reviewed at least once a year to take into account of price developments in the second-end car market. In case of increase or decrease in the residual value compared to its initial estimate, this change in estimate leads to adjust, vehicle by vehicle, its remaining depreciable value in order to modify its depreciation plan prospectively.

Profits or losses on the operating lease assets, including depreciation and impairment, are recognised under Income from lease activities, mobility and other activities and Expense from lease activities, mobility and other activities (see Note 4.2).

Rights-of-use for assets leased by the group

LEASE

Definition of the lease

A contract is, or contains, a 'lease' if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. (IFRS 16, paragraph 9)

- Controlling the use of the leased asset includes the right to obtain substantially all of the economic benefits from use of the identified asset until the end of the contract and the right (for the lessee) to direct the use of the asset.
- The existence of an identified asset will depend on the absence, for the lessor, of substantive rights to substitute the leased asset, throughout the period of use; this condition is assessed based on the facts and circumstances existing at the inception of the contract. When the lessor has the ability to freely substitute the leased asset and when it benefits economically from the substitution, the contact 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.

Lease term = Non-cancellable period of the lease + Periods covered by an option to terminate the lease ** + Periods covered by an option to terminate the lease **

** if the lessee is reasonably certain to exercise that option*
*** if the lessee is reasonably certain not to exercise that option*

The measurement of the reasonable certainty of exercising or not exercising the extension or early termination options shall take into account all the facts and circumstances that may create an economic incentive to exercise or not these options, specifically:

- the conditions for exercising these options (including measurement of the amount of the rental payments in case of an extension, or of the amount of penalties that may be imposed for early termination);
- substantial changes made to the leased premises (specific layouts, such as a bank vault);
- the costs associated with terminating the contract (negotiation costs, moving costs, research costs for a new asset that meets the lessee's requirements, etc.);
- the importance of the leased asset for the lessee, in view of its specific nature, its location, or the availability of substitute assets (specifically for branches located in commercially strategic sites, given their accessibility, expected traffic, or the prestige of the location);
- the history of renewals of similar contracts, as well as the strategy for the future use of the assets (based on the prospect of redeployment or rearrangement of a commercial branch network, for example).

When the lessee and the lessor each have the right to terminate the lease without the prior agreement of the other party and with no penalty other than a negligible one, the contract is no longer binding, and thus it no longer creates a lease liability.

In France, most property leases on premises occupied by branches are 9-year leases with an early-termination option at the end of 3 and 6-year term (leases referred to as "3/6/9"); at the end of the 9-year term, if no new agreement is signed, the initial lease is renewed by tacit agreement for a 5-year term. This 5year term may be modified depending on the quality of the location, the completion of major investments, or the planned closure of a group of designated branches.-

Changing the lease term

The term must be modified in case of a significant change of circumstances which lead the lessee to revise the exercise of the options included in the lease contract or in case of events which contractually oblige the lessee to exercise (or not) an option that had not been included (or is included) in the lease contract.

Following a change in the lease term, the lease obligation must be reassessed to reflect those changes by using a revised discount rate for the remaining estimated term of the contract.

Accounting treatment by the Group as a lessee

On the commencement date (on which the leased asset is made available for use), the lessee must record a lease liability on the liabilities side of the balance sheet and a right-of-use asset on the assets side of the balance sheet except for the exemptions described below.

In the income statement, the lessee must recognise an interest expense calculated on the lease liability under Net banking income and a depreciation of the right-of-use under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

The rental payments will partly reduce the lease liability and partly remunerate this liability in the form of interest expense.

EXEMPTIONS AND EXCLUSIONS

The Group does not apply the new lease treatment to contracts with a term of less than one year (including renewal options), nor to contracts on low-value items by applying the exemption threshold of USD 5,000 as indicated in the standard’s Basis for Conclusions (the threshold should be measured against the replacement cost per unit of the leased asset).

Rental payment amounts

The payments to be considered for the measurement of the lease liability include fixed and variable rental payments based on an index (*e.g.* consumer price index or construction cost index), plus, where applicable, the funds that the lessee expects to pay the lessor for residual value guarantees, purchase options, or early termination penalties.

However, variable lease payments that are indexed on the use of the leased asset (indexed on revenue or mileage, for example) are excluded from the measurement of lease liability. This variable portion of the rental payments is recorded in the net income over time according to fluctuations in contractual indexes fluctuations.

Rental payments have to be considered based on their amount net of value-added tax. In addition, for building leases, occupancy taxes and property taxes passed on by lessors will be excluded from lease liabilities because their amount, as set by the competent public authorities, is variable.

Recognition of the lease liability

The liability initial amount is equal to the discounted value of the rental payments that will be payable over the lease period.

This lease liability is then measured at the amortised cost using the effective interest rate method: part of each rental payment will then be booked as interest expenses in the income statement, and part will be gradually deducted from the lease liability on the balance sheet.

After the commencement date, the amount of the lease liability may be adjusted if the lease is amended, the lease period is re-estimated, or to account for contractual changes in the rental payments related to the application of indices or rates.

As applicable, the lessee must also recognise a provision in its liabilities to cover the costs of restoring the leased asset that would be assumed when the lease ends.

Recognition of the right-of-use

On the availability date of the leased asset, the lessee must enter a right-of-use asset, on the assets side of the balance sheet, for an amount equal to the initial value of the lease liability, plus, as applicable, initial direct costs (e.g. issuance of an authenticated lease, registration fees, negotiation fees, front-end fee, leasehold right, lease premium, etc), advance payments, and restoration costs.

This asset is then depreciated on a straight-line basis over the lease period that is applied for measuring the lease liability.

After the commencement date, the asset’s value may be adjusted if the lease is amended, as it is the case for the lease liability.

Rights-of-use is presented on the lessee’s balance sheet under the items of fixed assets where properties of the same type that are held in full ownership are entered. If the lease stipulates the initial payment of a leasehold right to the former tenant of the premises, the amount of that right is stated as a separate component of the right of use and presented under the same heading as the latter.

Lease discount rates

The Group uses the lessees’ incremental borrowing rate to discount the rental payments as well as the amount of lease liabilities. For the entities which can directly refinance themselves on their local markets, the incremental borrowing rate is set at the lessee entity level, not at the Group level, in consideration of the borrowing terms and that entity’s credit risk. For the entities which refinance themselves through the Group, the incremental borrowing rate is set by the Group.

The discount rates are set according to the currency, the country of the lessee entities and the maturity estimated of the contracts.

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

TABLE 8.3.A

(In EUR m)	31.12.2024	Increases / allowances	Disposals / reversals	Revaluation	Other movements	31.12.2025
Intangible Assets	**3,393**	**(117)**	**(86)**		**(22)**	**3,168**
of which gross value	*9,743*	*738*	*(183)*		*(66)*	*10,232*
of which amortisation and impairments	*(6,350)*	*(855)*	*97*		*44*	*(7,064)*
Tangible Assets (w/o assets under operating leases)	**3,885**	**(79)**	**(107)**		**(49)**	**3,650**
of which gross value	*10,294*	*387*	*(383)*		*(203)*	*10,095*
of which amortisation and impairments	*(6,409)*	*(466)*	*276*		*154*	*(6,445)*
Assets under operating leases	**51,762**	**12,395**	**(12,320)**		**(498)**	**51,338**
of which gross value	*69,231*	*21,020*	*(20,217)*		*(580)*	*69,454*
of which amortisation and impairments	*(17,469)*	*(8,625)*	*7,896*		*82*	*(18,116)*
Investment Property (except insurance activities)	**8**	**(1)**	**-**		**(2)**	**5**
of which gross value	*26*	*-*	*(1)*		*(5)*	*20*
of which amortisation and impairments	*(18)*	*(1)*	*1*		*3*	*(15)*
Investment Property (including insurance activities)	**701**	**-**	**(1)**	**(34)**	**-**	**666**
Rights-of-use	**1,660**	**74**	**(37)**		**(26)**	**1,671**
of which gross value	*3,658*	*462*	*(262)*		*(83)*	*3,775*
of which amortisation and impairments	*(1,998)*	*(388)*	*225*		*57*	*(2,104)*
TOTAL	**61,409**	**12,272**	**(12,552)**	**(34)**	**(597)**	**60,498**

BREAKDOWN OF MINIMUM PAYMENTS RECEIVABLE ON OPERATING LEASE ASSETS

TABLE 8.3.B

(In EUR m)	31.12.2025	31.12.2024
Payments due in less than five years	20,741	19,365
Payments due in less than one year	*4,749*	*4,172*
Payments due from one to two years	*4,981*	*4,601*
Payments due from two to three years	*5,352*	*5,043*
Payments due from three to four years	*3,997*	*3,958*
Payments due from four to five years	*1,662*	*1,591*
Payments due in more than five years	736	490
TOTAL	**21,477**	**19,855**

INFORMATIONS RELATIVE TO LEASES ON TANGIBLE ASSETS USED BY THE GROUP

Property Leases

Most of the leases (more than 90%) involve building leases contracted for the lease of commercial and office space:

- the commercial spaces are branches in the Group's French and international retail banking networks. In France, the majority of property leases contracted are 9-year commercial leases with early termination options at 3 and 6 years (so-called "3/6/9" leases). If a new contract is not signed by the end of that 9-year period, the initial lease is automatically extended;
- the office buildings are leased for certain departments reporting to the Group's French headquarters or the local head offices of the main foreign subsidiaries, and for certain locations in the main international financial centres: London, New York, Hong Kong...

Outside France, residual lease periods are generally below 10 years. In some countries, leases can be annual, with optional automatic renewal. In other locations, specifically London and New York, lease periods can be as long as 25 years.

Equipment Leases

Other leases (less than 10%) are mainly computer equipment leases and a very small percentage of vehicle leases.

OVERVIEW TABLE OF LEASE TRANSACTION COSTS AND SUBLEASE INCOME

TABLE 8.3.C

	31.12.2025			
(In EUR m)	**Real estate**	**IT**	**Others**	**Total**
Lease	(433)	(47)	(7)	(487)
Interest expenses on lease liabilities	*(55)*	*(2)*	*(0)*	*(57)*
Depreciation charge for right-of-use assets	*(344)*	*(38)*	*(4)*	*(386)*
Expense relating to short-term leases	*(23)*	*(2)*	*(2)*	*(27)*
Expense relating to leases of low-value assets	*(1)*	*(5)*	*(0)*	*(6)*
Expense relating to variable lease payments	*(10)*	*(0)*	*(1)*	*(11)*
Sublease income	23	-	-	23

TABLE 8.3.D

	31.12.2024			
(In EUR m)	**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**

NOTE 8.4 Entities included in the consolidation scope

TABLE 8.4.A

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
SOUTH AFRICA								
	(1)	SG JOHANNESBURG	Global Market and Investors Services	FULL	100	100	100	100
ALGERIA								
		ALD AUTOMOTIVE ALGERIE SPA	Mobility and Leasing Services	FULL	54.81	52.59	99.99	99.99
		SOCIETE GENERALE ALGERIE	International Retail Banking	FULL	100	100	100	100
GERMANY								
		ALD AUTOLEASING D GMBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ALD INTERNATIONAL GMBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ALD INTERNATIONAL GROUP HOLDINGS GMBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ALD LEASE FINANZ GMBH	Mobility and Leasing Services	FULL	100	100	100	100
		BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH	Mobility and Leasing Services	FULL	99.94	99.94	90	90
		BDK LEASING UND SERVICE GMBH	Mobility and Leasing Services	FULL	100	100	100	100
	(1)	BSG FRANCE SA GERMAN BRANCH	Global Market and Investors Services	FULL	51	51	100	100
		CAR PROFESSIONAL FUHRPARKMANAGEMENT UND BERATUNGSGESELLSCHAFT MBH & CO. KG	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		CARPOOL GMBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		FLEETPOOL GMBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(4)	GEFA BANK GMBH	Mobility and Leasing Services	FULL	0	100	0	100
	(4)	GEFA VERSICHERUNGSDIENST GMBH	Mobility and Leasing Services	EFS	0	100	0	100
		HANSEATIC BANK GMBH & CO KG	Mobility and Leasing Services	FULL	75	75	75	75
		HANSEATIC GESELLSCHAFT FUR BANKBETEILIGUNGEN MBH	Mobility and Leasing Services	FULL	75	75	100	100
		HSCE HANSEATIC SERVICE CENTER GMBH	Mobility and Leasing Services	FULL	75	75	100	100
		INTERLEASING DELLO HAMBURG G.M.B.H.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEAN AUTOVERMIETUNG GMBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(5)	LEASEPLAN DEUTSCHLAND GMBH	Mobility and Leasing Services	FULL	0	52.59	0	100
		LEASEPLAN VERSICHERUNGSVERMITTLUNGSGESELLSCHAFT MBH	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(4)	PHILIPS MEDICAL CAPITAL GMBH	Mobility and Leasing Services	FULL	0	60	0	60
		RED & BLACK AUTO GERMANY 10	Mobility and Leasing Services	FULL	100	100	100	100
		RED & BLACK AUTO GERMANY 11	Mobility and Leasing Services	FULL	100	100	100	100
	(6)	RED & BLACK AUTO GERMANY 12	Mobility and Leasing Services	FULL	100	0	100	0
	(6)	RED & BLACK AUTO GERMANY 13	Mobility and Leasing Services	FULL	100	0	100	0
	(2)	RED & BLACK AUTO GERMANY 7	Mobility and Leasing Services	FULL	0	100	0	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		RED & BLACK AUTO GERMANY 8	Mobility and Leasing Services	FULL	100	100	100	100
		RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHRANKT)	Mobility and Leasing Services	FULL	100	100	100	100
	(8)	SG EQUIPMENT FINANCE GMBH	Corporate Centre	FULL	100	100	100	100
	(1)	SG FRANCFORT	Financial and Advisory	FULL	100	100	100	100
	(6)	SG FRANKFURT BETEILIGUNGS GMBH	Mobility and Leasing Services	FULL	100	0	100	0
		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
	(1) (6)	TREEZOR SAS, ZWEIGNIEDERLASSUNG DEUTSCHLAND	French Retail and Private Banking	FULL	96.24	0	100	0
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								
	(5)	ALD AUTOMOTIVE FUHRPARKMANAGEMENT UND LEASING GMBH	Mobility and Leasing Services	FULL	0	52.59	0	100
		AYVENS AUSTRIA GMBH (ex - LEASEPLAN OSTERREICH FUHRPARKMANAGEMENT GMBH)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		FLOTTENMANAGEMENT GMBH	Mobility and Leasing Services	ESI	26.86	25.77	49	49
	(1)	SG VIENNE	Financial and Advisory	FULL	100	100	100	100
BELGIUM								
		AXUS FINANCE SRL	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AXUS SA/NV	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BASTION EUROPEAN INVESTMENTS S.A.	International Retail Banking	FULL	60.74	60.74	100	100
		BUMPER BE	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN FLEET MANAGEMENT N.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN PARTNERSHIPS & ALLIANCES	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	SG BRUXELLES	Global Market and Investors Services	FULL	100	100	100	100
	(1) (4)	SG EQUIPMENT FINANCE BENELUX B.V. BELGIAN BRANCH	Mobility and Leasing Services	FULL	0	100	0	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

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
BERMUDA								
		CATALYST RE INTERNATIONAL LTD.	Global Market and Investors Services	FULL	100	100	100	100
BRAZIL								
		ALD AUTOMOTIVE S.A.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ALD CORRETORA DE SEGUROS LTDA	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(6)	AYVENS HOLDING DO BRASIL LTDA	Mobility and Leasing Services	FULL	54.81	0	100	0
		BANCO SOCIETE GENERALE BRASIL S.A.	Global Market and Investors Services	FULL	100	100	100	100
		LEASEPLAN ARRENDAMENTO MERCANTIL S.A.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(5)	LEASEPLAN BRASIL LTDA.	Mobility and Leasing Services	FULL	0	52.59	0	100
	(4)	SOCIETE GENERALE EQUIPMENT FINANCE S/A - ARRENDAMENTO MERCANTIL	Mobility and Leasing Services	FULL	0	100	0	100
BULGARIA								
		ALD AUTOMOTIVE EOOD	Mobility and Leasing Services	FULL	54.81	52.59	100	100
BURKINA FASO								
	(4)	SOCIETE GENERALE BURKINA FASO	International Retail Banking	FULL	0	51.27	0	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								
		SG MONTREAL SOLUTION CENTER 2 INC.	Financial and Advisory	FULL	100	100	100	100
		SG MONTREAL SOLUTION CENTER INC.	Financial and Advisory	FULL	100	100	100	100
	(1)	SOCIETE GENERALE (CANADA BRANCH)	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE CAPITAL CANADA INC.	Global Market and Investors Services	FULL	100	100	100	100
CHILE								
		AYVENS LTDA (ex - ALD AUTOMOTIVE LIMITADA)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
CHINA								
		SOCIETE GENERALE (CHINA) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(4)	SOCIETE GENERALE LEASING AND RENTING CO. LTD	Mobility and Leasing Services	FULL	0	100	0	100
COLOMBIA								
		ALD AUTOMOTIVE S.A.S	Mobility and Leasing Services	FULL	54.81	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	100	100	100
		SOCIETE GENERALE CAPITAL SECURITIES WEST AFRICA	International Retail Banking	FULL	72.37	72.37	100	100
		SOCIETE GENERALE COTE D'IVOIRE	International Retail Banking	FULL	73.25	73.25	73.25	73.25

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
CROATIA								
		AYVENS CROATIA D.O.O. ZA OPERATIVNI I FINANCIJSKI LEASING	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS FLEET SERVICES CROATIA D.O.O. ZA TRGOVINU I USLUGE	Mobility and Leasing Services	FULL	54.81	52.59	100	100
DENMARK								
		AUTO CLAIM HANDLING DANMARK A/S	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS DANMARK A/S (ex - ALD AUTOMOTIVE A/S)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LPDK A/S (ex - LEASEPLAN DANMARK A/S)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		NF FLEET A/S	Mobility and Leasing Services	FULL	43.85	42.07	80	80
UNITED ARAB EMIRATES								
	(1)	BERNSTEIN AUTONOMOUS LLP (DIFC BRANCH) (ex - BERNSTEIN AUTONOMOUS LLP (DUBAI BRANCH))	Global Market and Investors Services	FULL	51	51	100	100
		LEASEPLAN EMIRATES FLEET MANAGEMENT - LEASEPLAN EMIRATES LLC, UAE	Mobility and Leasing Services	ESI	26.86	25.77	49	49
	(1)	SOCIETE GENERALE, DIFC BRANCH	Financial and Advisory	FULL	100	100	100	100
SPAIN								
		ALTURA MARKETS, SOCIEDAD DE VALORES, SA	Global Market and Investors Services	EJV	50	50	50	50
		AYVENS SPAIN MOBILITY SOLUTIONS S.A.U.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	BSG FRANCE SA SPANISH BRANCH	Global Market and Investors Services	FULL	51	51	100	100
		GARANTHIA PLAN S.L.U.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	GENEFIM SUCURSAL EN ESPANA	French Retail and Private Banking	FULL	100	100	100	100
	(5)	LEASE PLAN SERVICIOS S.A.U	Mobility and Leasing Services	FULL	0	52.59	0	100
		PAYXPERT SPAIN	French Retail and Private Banking	FULL	90.65	80	100	100
		PIRAMBU S.L.	Financial and Advisory	FULL	100	100	100	100
	(4)	SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.	Mobility and Leasing Services	FULL	0	100	0	100
		SOCGEN FINANCIACIONES IBERIA, S.L.	Financial and Advisory	FULL	100	100	100	100
		SOCGEN INVERSIONES FINANCIERAS S.L.	Financial and Advisory	FULL	100	100	100	100
	(1)	SOCIETE GENERALE SUCURSAL EN ESPANA	Global Market and Investors Services	FULL	100	100	100	100
		SODEPROM	French Retail and Private Banking	FULL	100	100	100	100
		SOLUCIONES DE RENTING Y MOVILIDAD, S.L. (SOCIEDAD UNIPERSONAL)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1) (6)	TREEZOR S.A.S. SUCURSAL EN ESPANA	French Retail and Private Banking	FULL	96.24	0	100	0
ESTONIA								
		ALD AUTOMOTIVE EESTI AS	Mobility and Leasing Services	FULL	41.11	39.45	75.01	75.01

Country			Operating Segments	Method *	Group ownership interest		Group voting interest	
					As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
UNITED STATES OF AMERICA								
		AEGIS HOLDINGS (ONSHORE) INC.	Financial and Advisory	FULL	100	100	100	100
		BERNSTEIN NORTH AMERICA HOLDINGS LLC	Global Market and Investors Services	ESI	33.33	33.33	36.36	36.36
		HAUSSMANN 1864 CAPITAL MANAGEMENT LLC	Financial and Advisory	FULL	100	100	100	100
		SG AMERICAS EQUITIES CORP.	Global Market and Investors Services	FULL	100	100	100	100
		SG AMERICAS OPERATIONAL SERVICES, LLC	Global Market and Investors Services	FULL	100	100	100	100
		SG AMERICAS SECURITIES HOLDINGS, LLC	Global Market and Investors Services	FULL	100	100	100	100
		SG AMERICAS SECURITIES, LLC	Global Market and Investors Services	FULL	100	100	100	100
		SG AMERICAS, INC.	Financial and Advisory	FULL	100	100	100	100
	(4)	SG EQUIPMENT FINANCE USA CORP.	Mobility and Leasing Services	FULL	0	100	0	100
		SG MORTGAGE FINANCE CORP.	Financial and Advisory	FULL	100	100	100	100
		SG MORTGAGE SECURITIES, LLC	Global Market and Investors Services	FULL	100	100	100	100
		SG STRUCTURED PRODUCTS, INC.	Global Market and Investors Services	FULL	100	100	100	100
	(1)	SOCIETE GENERALE (NEW YORK)	Global Market and Investors Services	FULL	100	100	100	100
		SOCIETE GENERALE FINANCIAL CORPORATION	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE INVESTMENT CORPORATION	Global Market and Investors Services	FULL	100	100	100	100
		SOCIETE GENERALE LIQUIDITY FUNDING, LLC	Global Market and Investors Services	FULL	100	100	100	100
FINLAND								
		AXUS FINLAND OY	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		NF FLEET OY	Mobility and Leasing Services	FULL	43.85	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
		29 HAUSSMANN EURO OBLIGATIONS D'ETATS - PART C	Insurance	FULL	44.93	44.93	44.93	44.93
		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	EJV	50	50	50	50
		ADMINISTRATIVE AND MANAGEMENT SERVICES	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AIR BAIL	Financial and Advisory	FULL	100	100	100	100
	(6)	AIRBUS IFC	Insurance	FULL	100	0	100	0
		AIX - BORD DU LAC - 3	French Retail and Private Banking	EJV	50	50	50	50

Country			Operating Segments	Method *	Group ownership interest		Group voting interest	
					As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
	(6)	AIX BOUENHOURE	French Retail and Private Banking	FULL	55	0	80	0
		ALFORTVILLE BAIGNADE	French Retail and Private Banking	ESI	40	40	40	40
	(6)	AMUNDI ACTIONS EMERGENTS	Insurance	FULL	42.72	0	42.72	0
	(3)	AMUNDI SMART BLENDED - I2-C EUR (C)	Insurance	FULL	0	99.97	0	99.97
	(6)	AMUNDI SOGECAP SMART	Insurance	FULL	100	0	100	0
	(6)	AMUNDI SOGECAP SMART II	Insurance	FULL	100	0	100	0
		ANNEMASSE-ILOT BERNARD	French Retail and Private Banking	FULL	80	80	80	80
		ANTALIS SA	Financial and Advisory	FULL	100	100	100	100
	(5)	ANTARIUS	Insurance	FULL	0	100	0	100
	(3)	ARTISTIK	French Retail and Private Banking	ESI	0	30	0	30
		AUBERVILLIERS 23 LANDY	French Retail and Private Banking	FULL	51	51	51	51
		AYVENS	Mobility and Leasing Services	FULL	54.81	52.59	70.81	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
		BERGERIE CHATEL	French Retail and Private Banking	FULL	51	51	51	51
		BERLIOZ	Insurance	FULL	84.05	84.05	84.05	84.05
		BEZIERS-LA COURONDELLE	French Retail and Private Banking	FULL	100	50	100	50
		BORDEAUX BOUTAUT	French Retail and Private Banking	FULL	51	51	51	51
		BOURSORAMA MASTER HOME LOANS FRANCE	French Retail and Private Banking	FULL	100	100	100	100
		BOURSORAMA SA	French Retail and Private Banking	FULL	100	100	100	100
		BREMANY LEASE SAS	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BRIE COSSIGNY	French Retail and Private Banking	FULL	70	70	70	70
		BSG FRANCE S.A.	Global Market and Investors Services	FULL	51	51	100	100
		BUMPER FR 2022-1	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		CEGELEASE	French Retail and Private Banking	FULL	100	100	100	100
		CENTRE IMMO PROMOTION	French Retail and Private Banking	FULL	60	60	60	60
	(6)	CHAMPS NM7	International Retail Banking	FULL	58	0	58	0
	(8)	COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Corporate Centre	FULL	100	100	100	100
		COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	Mobility and Leasing Services	FULL	99.89	99.89	99.89	99.89
		COURTRY GOULET	French Retail and Private Banking	FULL	51	51	51	51

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		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
	(5)	DISPONIS	French Retail and Private Banking	FULL	0	100	0	100
		DOUBLE IMMO (ex- PRIMONIAL DOUBLE IMMO)	Global Market and Investors Services	FULL	100	100	100	100
		ECHIQUIER AGENOR EURO SRI MID CAP	Insurance	FULL	40.85	40.85	40.85	40.85
		ETAMPES PARIS	French Retail and Private Banking	FULL	51	51	51	51
		ETOILE CAPITAL	French Retail and Private Banking	FULL	100	100	100	100
		F.E.P. INVESTISSEMENTS	French Retail and Private Banking	FULL	100	100	100	100
		FCT LA ROCHE	Financial and Advisory	FULL	100	100	100	100
		FCT RED & BLACK AUTO LOANS FRANCE 2024	Mobility and Leasing Services	FULL	99.89	99.89	100	100
	(6)	FCT RED & BLACK AUTO LOANS FRANCE 2025	Mobility and Leasing Services	FULL	99.89	0	100	0
		FEEDER LYX E ST50 D6	Insurance	FULL	100	100	100	100
		FEEDER LYXOR CAC40 D2-EUR	Insurance	FULL	100	100	100	100
		FENWICK LEASE	French Retail and Private Banking	FULL	100	100	100	100
		FINASSURANCE SNC	Mobility and Leasing Services	FULL	98.89	98.89	99	99
		FRANFINANCE	French Retail and Private Banking	FULL	100	100	100	100
		FRANFINANCE LA REUNION	French Retail and Private Banking	FULL	100	100	100	100
		FRANFINANCE LOCATION	French Retail and Private Banking	FULL	100	100	100	100
	(8)	GALYBET	Corporate Centre	FULL	100	100	100	100
	(8)	GENEBANQUE	Corporate Centre	FULL	100	100	100	100
		GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	French Retail and Private Banking	FULL	100	100	100	100
		GENECOMI FRANCE	Financial and Advisory	FULL	100	100	100	100
		GENEFIM	French Retail and Private Banking	FULL	100	100	100	100
	(8)	GENEFINANCE	Corporate Centre	FULL	100	100	100	100
	(8)	GENEGIS I	Corporate Centre	FULL	100	100	100	100
	(8)	GENEGIS II	Corporate Centre	FULL	100	100	100	100
		GENEPIERRE	Insurance	FULL	60.34	60.34	60.34	60.34
	(8)	GENEVALMY	Corporate Centre	FULL	100	100	100	100
	(6)	HAUTS DE LATTES LOT 25C3	French Retail and Private Banking	FULL	55	0	55	0
		HIPPOLYTE	Financial and Advisory	FULL	100	100	100	100
		HYUNDAI CAPITAL FRANCE (EX SEFIA)	Mobility and Leasing Services	ESI	49.95	49.95	50	50
		ILOT AB	French Retail and Private Banking	FULL	80	80	80	80
		IMMOBILIERE PROMEX	French Retail and Private Banking	ESI	35	35	35	35
	(5)	INVESTIR IMMOBILIER NORMANDIE	French Retail and Private Banking	FULL	0	100	0	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		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
		JUSTE-SOGEPROM	French Retail and Private Banking	FULL	70	70	70	70
	(6)	LA CIOTAT LA CARMELE	French Retail and Private Banking	EJV	50	0	50	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
		LA RESERVE	French Retail and Private Banking	FULL	60	60	60	60
		LAGNY LECLERC	French Retail and Private Banking	FULL	51	51	51	51
	(6)	LAMBERSART BONTE	French Retail and Private Banking	ESI	33.33	0	33.33	0
		LEASEPLAN FRANCE S.A.S	Mobility and Leasing Services	FULL	54.81	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
		LES NOUVEAUX PARTENAIRES AURA	French Retail and Private Banking	FULL	70	70	70	70
		LES NOUVEAUX PARTENAIRES IDF	French Retail and Private Banking	FULL	100	70	100	70
		LES TROIS LUCS 13012	French Retail and Private Banking	FULL	100	100	100	100
		LES VILLAS VINCENTI	French Retail and Private Banking	ESI	30	30	30	30
		L'HESPEL	French Retail and Private Banking	ESI	30	30	30	30
		LISTOPLAC	Financial and Advisory	FULL	100	100	100	100
		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
	(6)	LYXOR ACTIONS EURO CLIMAT	Insurance	FULL	100	0	100	0
		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

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(6)	MINT	French Retail and Private Banking	EJV	50	0	50	0
		NORBAIL France (ex - NORBAIL SOFERGIE)	French Retail and Private Banking	FULL	100	100	100	100
		NORMANDIE REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
		OPCI SOGECAPIMMO	Insurance	FULL	100	100	100	100
		ORADEA VIE	Insurance	FULL	100	100	100	100
		ORPAVIMOB	Financial and Advisory	FULL	100	100	100	100
		PARCOURS	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PARCOURS ANNECY	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PARCOURS BORDEAUX	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PARCOURS NANTES	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PARCOURS STRASBOURG	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PARCOURS TOURS	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PAYXPERT FRANCE	French Retail and Private Banking	FULL	90.65	80	100	100
	(4)	PHILIPS MEDICAL CAPITAL FRANCE	Mobility and Leasing Services	FULL	0	60	0	60
		PIERRE PATRIMOINE	Insurance	FULL	100	100	100	100
		PLEASE	Mobility and Leasing Services	EJV	54.43	52.23	50	50
	(5)	PRAGMA	French Retail and Private Banking	FULL	0	100	0	100
		PRIORIS	Mobility and Leasing Services	FULL	94.89	94.89	95	95
		PROGEREAL	French Retail and Private Banking	ESI	25.01	25.01	25.01	25.01
	(5)	PROJECTIM	French Retail and Private Banking	FULL	0	100	0	100
	(2)	RED & BLACK AUTO LEASE FRANCE 1	Mobility and Leasing Services	FULL	0	52.59	0	100
		RED & BLACK AUTO LEASE FRANCE 2	Mobility and Leasing Services	FULL	54.81	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
		RED & BLACK HOME LOANS FRANCE 3	French Retail and Private Banking	FULL	100	100	100	100
	(6)	REED MANAGEMENT SAS	Financial and Advisory	FULL	75	0	75	0
		REEZOCORP	Mobility and Leasing Services	FULL	99.95	99.95	100	100
	(6)	RESIDENCE DU PARC COROT	French Retail and Private Banking	FULL	60	0	60	0
		S.C.I. DU DOMAINE DE STONEHAM	French Retail and Private Banking	EJV	50	50	50	50
	(6)	SAINT CYPRIEN BLUE GARDEN	French Retail and Private Banking	FULL	60	0	60	0
		SAINTE-MARTHE ILOT C	French Retail and Private Banking	ESI	40	40	40	40

Country			Operating Segments	Method *	Group ownership interest		Group voting interest	
					As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
		SAINTE-MARTHE ILOT D	French Retail and Private Banking	ESI	40	40	40	40
		SALLANCHES MONTFORT	French Retail and Private Banking	FULL	70	70	70	70
		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
		SARL SEINE CLICHY	French Retail and Private Banking	FULL	100	100	100	100
	(5)	SAS AMIENS - AVENUE DU GENERAL FOY	French Retail and Private Banking	FULL	0	100	0	100
		SAS BF3 NOGENT THIERS	French Retail and Private Banking	ESI	20	20	20	20
		SAS BONDUES - COEUR DE BOURG	French Retail and Private Banking	ESI	25	25	25	25
	(5)	SAS COPRIM RESIDENCES	French Retail and Private Banking	FULL	0	100	0	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
		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
		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
		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

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(2)	SCCV CAEN CASERNE MARTIN	French Retail and Private Banking	FULL	0	100	0	100
		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
	(2)	SCCV CHARTREUX LOT E	French Retail and Private Banking	FULL	0	100	0	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
		SCCV EMPREINTE	French Retail and Private Banking	FULL	51	51	51	51
	(3)	SCCV EPRON - ZAC L'OREE DU GOLF	French Retail and Private Banking	FULL	0	70	0	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
	(2)	SCCV ETERVILLE ROUTE D'AUNAY	French Retail and Private Banking	EJV	0	50	0	50
		SCCV EURONANTES 1E	French Retail and Private Banking	EJV	50	50	50	50
		SCCV FAVERGES	French Retail and Private Banking	FULL	100	100	100	100
		SCCV GAMBETTA LA RICHE	French Retail and Private Banking	ESI	25	25	25	25
		SCCV GIGNAC MOUSSELINE	French Retail and Private Banking	FULL	70	70	70	70
		SCCV GIVORS ROBICHON	French Retail and Private Banking	FULL	85	85	85	85
		SCCV GOELETTES GRAND LARGE	French Retail and Private Banking	EJV	50	50	50	50
	(6)	SCCV HAUS CAMPUS	French Retail and Private Banking	FULL	51	0	51	0

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(6)	SCCV HAUS SENIORS	French Retail and Private Banking	FULL	51	0	51	0
	(2)	SCCV HEROUVILLE ILOT A2	French Retail and Private Banking	ESI	0	33.33	0	33.33
		SCCV ISTRES PAPAILLE	French Retail and Private Banking	FULL	70	70	70	70
	(6)	SCCV IVRY GAMBETTA	French Retail and Private Banking	FULL	51	0	51	0
		SCCV JA LE HAVRE 22 COTY	French Retail and Private Banking	ESI	40	40	40	40
	(2)	SCCV JDA OUISTREHAM	French Retail and Private Banking	EJV	0	50	0	50
		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
		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	EJV	50	33.4	50	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
		SCCV LES HAUTS VERGERS	French Retail and Private Banking	FULL	55	55	55	55
	(2)	SCCV LES PATIOS D'OR DE FLEURY LES AUBRAIS	French Retail and Private Banking	FULL	0	64	0	80
		SCCV LES SUCRES	French Retail and Private Banking	EJV	50	50	50	50
		SCCV LESQUIN PARC	French Retail and Private Banking	EJV	50	50	50	50
	(4)	SCCV L'IDEAL - MODUS 1.0	French Retail and Private Banking	FULL	0	80	0	80
		SCCV LILLE - JEAN MACE	French Retail and Private Banking	ESI	33.4	33.4	33.4	33.4
		SCCV LOOS GAMBETTA	French Retail and Private Banking	ESI	35	35	35	35
		SCCV MARCQ EN BAROEUL GABRIEL PERI	French Retail and Private Banking	ESI	20	20	20	20
		SCCV MARQUETTE CALMETTE	French Retail and Private Banking	EJV	50	50	50	50
		SCCV MASSY NOUAILLE	French Retail and Private Banking	FULL	80	80	80	80
		SCCV MEHUL 34000	French Retail and Private Banking	FULL	70	70	70	70

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		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
	(6)	SCCV NICE 47 VICTORIA	French Retail and Private Banking	FULL	60	0	60	0
		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
	(3)	SCCV ROUEN RUE LOUIS BLANC	French Retail and Private Banking	EJV	0	50	0	50
		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
		SCCV SAINT NAZAIRE MDP ILOT V4	French Retail and Private Banking	FULL	100	80	100	80
		SCCV SAY	French Retail and Private Banking	ESI	35	35	35	35
		SCCV SENSORIUM BUREAUX	French Retail and Private Banking	EJV	50	50	50	50
		SCCV SENSORIUM LOGEMENT	French Retail and Private Banking	EJV	50	50	50	50
		SCCV SOGAB ILE DE FRANCE	French Retail and Private Banking	FULL	80	80	80	80
		SCCV SOGAB ROMAINVILLE	French Retail and Private Banking	FULL	80	80	80	80
		SCCV SOGEPROM LYON HABITAT	French Retail and Private Banking	FULL	100	100	100	100
		SCCV SOPRAB IDF	French Retail and Private Banking	FULL	70	70	70	70
		SCCV ST MARTIN DU TOUCH ILOT S9	French Retail and Private Banking	EJV	50	50	50	50
		SCCV TOULOUSE LES IZARDS	French Retail and Private Banking	FULL	51	51	51	51
		SCCV TRETS CASSIN LOT 4	French Retail and Private Banking	FULL	70	70	70	70
		SCCV VERNONNET-FIESCHI	French Retail and Private Banking	FULL	51	51	51	51

Country			Operating Segments	Method *	Group ownership interest		Group voting interest	
					As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
		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	100	80	100	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
		SCCV WAMBRECHIES RESISTANCE	French Retail and Private Banking	EJV	50	50	50	50
		SCCV ZAC DES DOCKS R4	French Retail and Private Banking	FULL	70	70	70	70
		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
		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
	(2)	SCI LES JARDINS D'IRIS	French Retail and Private Banking	FULL	0	60	0	60
		SCI LINAS COEUR DE VILLE 1	French Retail and Private Banking	FULL	71	71	71	71
		SCI LOCMINE- LAMENNAIS	French Retail and Private Banking	ESI	30	30	30	30
		SCI MONTPELLIER JACQUES COEUR	French Retail and Private Banking	EJV	50	50	50	50
		SCI PRIMO E+	Global Market and Investors Services	FULL	100	100	100	100
		SCI PRIMO N+	Global Market and Investors Services	FULL	100	100	100	100
		SCI PRIMO N+2	Global Market and Investors Services	FULL	100	100	100	100
		SCI PRIMO N+3	Global Market and Investors Services	FULL	100	100	100	100
		SCI PROJECTIM HABITAT	French Retail and Private Banking	FULL	100	100	100	100
		SCI RESIDENCE DU DONJON	French Retail and Private Banking	EJV	40	40	40	40

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		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
	(2)	SCI SAINT-DENIS WILSON	French Retail and Private Banking	FULL	0	60	0	60
		SCI SCS IMMOBILIER D'ENTREPRISES	French Retail and Private Banking	FULL	52.8	52.8	66	66
	(2)	SCI SOGECIP	French Retail and Private Banking	FULL	0	80	0	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
		SCI VILLA EMILIE	French Retail and Private Banking	ESI	35	35	35	35
		SG ACTIONS EURO SELECTION	Insurance	FULL	40.05	40.05	40.05	40.05
		SG ACTIONS EURO SMALL CAP - P (C)	Insurance	FULL	63.33	63.33	63.33	63.33
		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
		SG ACTIONS MONDE	Insurance	FULL	74.66	74.66	74.66	74.66
	(3)	SG ACTIONS MONDE EMERGENT	Insurance	FULL	0	60.05	0	60.05
	(3)	SG ACTIONS US	Insurance	FULL	0	65.06	0	65.06
		SG ACTIONS US TECHNO (C)	Insurance	FULL	84.65	84.65	84.65	84.65
		SG AMUNDI ACTIONS FRANCE ISR - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	(3)	SG AMUNDI ACTIONS MONDE EAU - PART-C	Insurance	FULL	0	60.05	0	60.05
		SG AMUNDI MONETAIRE ISR	Insurance	FULL	100	100	100	100
		SG AMUNDI MONETAIRE ISR - GSM (C)	Insurance	FULL	99.96	99.96	99.96	99.96
		SG AMUNDI OBLIG ENTREPRISES EURO ISR - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
		SG BLACKROCK ACTIONS EURO ISR	Insurance	FULL	81.16	81.16	81.16	81.16
		SG BLACKROCK ACTIONS US ISR	Insurance	FULL	100	100	100	100
	(3)	SG BLACKROCK FLEXIBLE ISR	Insurance	FULL	0	100	0	100
		SG BLACKROCK OBLIGATIONS EURO ISR - PART-C	Insurance	FULL	60.05	60.05	60.05	60.05
	(6)	SG CPR ACTIONS USA	Insurance	FULL	88.98	0	88.98	0
	(8)	SG FINANCIAL SERVICES HOLDING	Corporate Centre	FULL	100	100	100	100
		SG FLEXIBLE	Insurance	FULL	92.48	92.48	92.48	92.48
	(6)	SG HAUSSMANN DETTE MIDCAP	Insurance	FULL	41.67	0	41.67	0
		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
		SG OBLIG HIGH YIELD (C)	Insurance	FULL	91.99	91.99	91.99	91.99
		SG OBLIGATIONS	Insurance	FULL	82.92	82.92	82.92	82.92
		SG OPTION EUROPE	Global Market and Investors Services	FULL	100	100	100	100
	(6)	SG PATRIMOINE	Insurance	FULL	80.23	0	80.23	0
		SG TIKEHAU DETTE PRIVEE	Insurance	FULL	100	100	100	100
		SG VALOR ALPHA ACTIONS FRANCE	Insurance	FULL	72.77	72.77	72.77	72.77
		SGA AXA IM US CORE HY LOW CARBON	Insurance	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		SGA AXA IM US SD HY LOW CARBON	Insurance	FULL	100	100	100	100
		SGA INFRASTRUCTURES	Insurance	FULL	87.62	100	87.62	100
		SGB FINANCE S.A.	Mobility and Leasing Services	FULL	50.94	50.94	51	51
	(4)	SGEF SA	Mobility and Leasing Services	FULL	0	100	0	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
		SNC COEUR 8EME MONPLAISIR	French Retail and Private Banking	ESI	30	30	30	30
		SNC D'AMENAGEMENT FORUM SEINE ISSY LES MOULINEAUX	French Retail and Private Banking	EJV	33.33	33.33	33.33	33.33
		SNC HPL ARROMANCHES	French Retail and Private Banking	FULL	100	100	100	100
		SNC NEUILLY ILE DE LA JATTE	French Retail and Private Banking	ESI	40	40	40	40
		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
	(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
		SOCIETE DE BOURSE GILBERT DUPONT	Global Market and Investors Services	FULL	100	100	100	100
		SOCIETE DE COURTAGES D'ASSURANCES GROUPE	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		SOCIETE DE SERVICES FIDUCIAIRES (2SF)	French Retail and Private Banking	EJV	33.33	33.33	33.33	33.33
	(8)	SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	Corporate Centre	FULL	100	100	100	100
	(7)	SOCIETE GENERALE	Multi-activities		100	100	100	100
		SOCIETE GENERALE - FORGE	Global Market and Investors Services	FULL	88.52	93.48	88.52	93.48
		SOCIETE GENERALE CAPITAL FINANCE	French Retail and Private Banking	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		SOCIETE GENERALE CAPITAL IMPACT (ex - SG CAPITAL DEVELOPPEMENT)	French Retail and Private Banking	FULL	100	100	100	100
		SOCIETE GENERALE CAPITAL PARTENAIRES	French Retail and Private Banking	FULL	100	100	100	100
		SOCIETE GENERALE FACTORING	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE INVESTMENT SOLUTIONS FRANCE (SG IS FRANCE) (ex - SG 29 HAUSSMANN)	French Retail and Private Banking	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
	(5) (8)	SOCIETE GENERALE VENTURES	Corporate Centre	FULL	0	100	0	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
		SOGECAP LONG TERME N°1	Insurance	FULL	100	100	100	100
		SOGECAP PROTECTED EQUITIES	Insurance	FULL	100	100	100	100
	(8)	SOGEFIM HOLDING	Corporate Centre	FULL	100	100	100	100
		SOGEFIMUR	French Retail and Private Banking	FULL	100	100	100	100
		SOGEFINERG FRANCE	Financial and Advisory	FULL	100	100	100	100
	(8)	SOGEFONTENAY	Corporate Centre	FULL	100	100	100	100
		SOGELEASE FRANCE	French Retail and Private Banking	FULL	100	100	100	100
	(8)	SOGEMARCHE	Corporate Centre	FULL	100	100	100	100
	(8)	SOGEPARTICIPATIONS	Corporate Centre	FULL	100	100	100	100
		SOGEPIERRE	Insurance	FULL	100	100	100	100
		SOGEPROM	French Retail and Private Banking	FULL	100	100	100	100
		SOGEPROM ALPES HABITAT	French Retail and Private Banking	FULL	100	100	100	100
		SOGEPROM CENTRE-VAL DE LOIRE	French Retail and Private Banking	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(5)	SOGEPROM COTE D'AZUR	French Retail and Private Banking	FULL	0	100	0	100
		SOGEPROM ENTREPRISES	French Retail and Private Banking	FULL	100	100	100	100
	(5)	SOGEPROM LYON	French Retail and Private Banking	FULL	0	100	0	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 REALISATIONS COTE D'AZUR (ex - RIVAPRIM REALISATIONS)	French Retail and Private Banking	FULL	100	100	100	100
	(5)	SOGEPROM SERVICES	French Retail and Private Banking	FULL	0	100	0	100
		SOGEPROM SUD REALISATIONS	French Retail and Private Banking	FULL	100	100	100	100
	(6)	SOGERETRAITE ACTIONS	Insurance	FULL	99.93	0	99.93	0
		SOGESSUR	Insurance	FULL	100	100	100	100
		SOGEVIMMO	Insurance	FULL	98.41	98.75	98.41	98.75
		ST BARNABE 13004	French Retail and Private Banking	EJV	50	50	50	50
		ST GERMAIN BENI	French Retail and Private Banking	FULL	51	51	51	51
		STAR LEASE	French Retail and Private Banking	FULL	100	100	100	100
		TEMSYS	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(6)	THIAIS LOT T2D LOGEMENT	French Retail and Private Banking	FULL	51	0	51	0
	(6)	THIAIS LOT T2D TERTIAIRE	French Retail and Private Banking	FULL	51	0	51	0
		THONON ALLINGES	French Retail and Private Banking	FULL	70	70	70	70
		TRANSACTIS	French Retail and Private Banking	EJV	50	50	50	50
		TREEZOR SAS	French Retail and Private Banking	FULL	96.24	96.09	96.24	96.09
	(5)	URBANISME ET COMMERCE PROMOTION	French Retail and Private Banking	FULL	0	100	0	100
		VALMINCO	Global Market and Investors Services	FULL	100	100	100	100
	(8)	VALMINVEST	Corporate Centre	FULL	100	100	100	100
		VAUBAN DESMAZIERES	French Retail and Private Banking	FULL	67	67	67	67
		VERMELLES NATIONALE	French Retail and Private Banking	FULL	51	51	51	51
		VG PROMOTION	French Retail and Private Banking	ESI	35	35	35	35

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		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								
	(4)	HAMBROS (GIBRALTAR NOMINEES) LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(1) (4)	SG KLEINWORT HAMBROS BANK LIMITED GIBRALTAR BRANCH	French Retail and Private Banking	FULL	0	100	0	100
GREECE								
		LEASEPLAN HELLAS COMMERCIAL VEHICLE LEASING AND FLEET MANAGEMENT SERVICES SINGLE-MEMBER SOCIETE ANON	Mobility and Leasing Services	FULL	54.81	52.59	100	100
GUINEA								
	(4)	SOCIETE GENERALE GUINEE	International Retail Banking	FULL	0	57.94	0	57.94
EQUATORIAL GUINEA								
	(4)	SOCIETE GENERALE DE BANQUES EN GUINEE EQUATORIALE	International Retail Banking	FULL	0	52.44	0	57.23
HONG KONG								
		SANFORD C. BERNSTEIN (HONG KONG) LIMITED	Global Market and Investors Services	FULL	51	51	100	100
		SG ASSET FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CAPITAL FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CAPITAL FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CORPORATE FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG CORPORATE FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG FINANCE (ASIA PACIFIC) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG FINANCE (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
	(1)	SG HONG KONG	Global Market and Investors Services	FULL	100	100	100	100
		SG LEASING (HONG KONG) LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG SECURITIES (HK) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
		SG SECURITIES ASIA INTERNATIONAL HOLDINGS LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(1)	SGL ASIA HK	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE ASIA LTD	Financial and Advisory	FULL	100	100	100	100
		TH INVESTMENTS (HONG KONG) 1 LIMITED	Financial and Advisory	FULL	100	100	100	100
		TH INVESTMENTS (HONG KONG) 5 LIMITED	Financial and Advisory	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest		Group voting interest	
					As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
HUNGARY								
	(5)	ALD AUTOMOTIVE MAGYARORSZAG AUTOPARK-KEZELO ES FINANSZIROZO KORLATOLT FELELOSSEGU TARSASAG	Mobility and Leasing Services	FULL	0	52.59	0	100
		LEASEPLAN HUNGARIA GEPJARMU KEZELO ES FIANNSZIROZO RESZVENYTARSASAG	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(4)	SG EQUIPMENT FINANCE HUNGARY PLC	Mobility and Leasing Services	FULL	0	100	0	100
JERSEY ISLAND								
	(4)	ELMFORD LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(4)	HANOM I LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(4)	J D CORPORATE SERVICES LIMITED	French Retail and Private Banking	FULL	0	100	0	100
		SG CORPORATE SERVICES (CI) LIMITED (ex - SG KLEINWORT HAMBROS CORPORATE SERVICES (CI) LIMITED)	French Retail and Private Banking	FULL	100	100	100	100
	(1) (4)	SG KLEINWORT HAMBROS BANK LIMITED, JERSEY BRANCH	French Retail and Private Banking	FULL	0	100	0	100
	(4)	SG KLEINWORT HAMBROS TRUST COMPANY (CI) LIMITED	French Retail and Private Banking	FULL	0	100	0	100
		SG SERVICES (CI) LIMITED (ex - SG KLEINWORT HAMBROS (CI) LIMITED)	French Retail and Private Banking	IG	100	100	100	100
	(4)	SGKH TRUSTEES (CI) LIMITED	French Retail and Private Banking	FULL	0	100	0	100
ISLE OF MAN								
		KBBIOM LIMITED	French Retail and Private Banking	FULL	100	100	100	100
GUERNSEY ISLAND								
	(4)	CDS INTERNATIONAL LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(4)	HAMBROS (GUERNSEY NOMINEES) LTD	French Retail and Private Banking	FULL	0	100	0	100
	(4)	KLEINWORT BENSON INTERNATIONAL TRUSTEES LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(1) (4)	SG KLEINWORT HAMBROS BANK LIMITED GUERNSEY BRANCH	French Retail and Private Banking	FULL	0	100	0	100
INDIA								
		ALD AUTOMOTIVE PRIVATE LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS INSURANCE SERVICES INDIA PRIVATE LIMITED (ex-LEASEPLAN FLEET MANAGEMENT INDIA PVT. LTD.)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASE PLAN INDIA PRIVATE LTD.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		SANFORD C. BERNSTEIN (INDIA) PRIVATE LIMITED	Global Market and Investors Services	FULL	51	51	100	100
	(1) (6)	SG GIFT CITY BRANCH	Financial and Advisory	FULL	100	0	100	0
	(1)	SG MUMBAI	Financial and Advisory	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(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								
		AYVENS IRELAND LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		EURO INSURANCES DESIGNATED ACTIVITY COMPANY	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		IRIS SPV PLC SERIES MARK	Global Market and Investors Services	FULL	100	100	100	100
		IRIS SPV PLC SERIES SOGECAP	Insurance	FULL	100	100	100	100
	(1)	LEASEPLAN DIGITAL B.V. (DUBLIN BRANCH)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1) (2)	LEASEPLAN FINANCE B.V. (DUBLIN BRANCH OF LEASEPLAN FINANCE B.V.)	Mobility and Leasing Services	FULL	0	52.59	0	100
		NB SOG EMER EUR - I	Insurance	FULL	100	100	100	100
		SANFORD C. BERNSTEIN IRELAND LIMITED	Global Market and Investors Services	FULL	51	51	100	100
	(1)	SG DUBLIN	Global Market and Investors Services	FULL	100	100	100	100
		SGBT FINANCE IRELAND DESIGNATED ACTIVITY COMPANY	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES SERVICES, SGSS (IRELAND) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
ITALY								
		ALD AUTOMOTIVE ITALIA S.R.L	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	BSG FRANCE SA ITALIAN BRANCH	Global Market and Investors Services	FULL	51	51	100	100
		FIDITALIA S.P.A	Mobility and Leasing Services	FULL	100	100	100	100
	(4)	FRAER LEASING SPA	Mobility and Leasing Services	FULL	0	86.91	0	86.91
	(5)	LEASEPLAN ITALIA S.P.A.	Mobility and Leasing Services	FULL	0	52.59	0	100
		MORIGI FINANCE S.R.L.	Financial and Advisory	FULL	100	100	100	100
		NIRONE FINANCE S.R.L.	Financial and Advisory	FULL	100	100	100	100
		RED & BLACK AUTO ITALY S.R.L	Mobility and Leasing Services	FULL	100	100	100	100
	(4)	SG EQUIPMENT FINANCE ITALY S.P.A.	Mobility and Leasing Services	FULL	0	100	0	100
	(5)	SG FACTORING SPA	Financial and Advisory	FULL	0	100	0	100
	(4)	SG LEASING SPA	Mobility and Leasing Services	FULL	0	100	0	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
	(1) (6)	SOCIETE GENERALE FACTORING S.A. (MILAN BRANCH)	Financial and Advisory	FULL	100	0	100	0
		SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Global Market and Investors Services	FULL	100	100	100	100
	(1)	SOGECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(1)	SOGESSUR SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100	100	100	100
	(1) (6)	TREEZOR S.A.S. (ITALIAN BRANCH)	French Retail and Private Banking	FULL	96.24	0	100	0
JAPAN								
		SANFORD C. BERNSTEIN JAPAN KK	Global Market and Investors Services	FULL	51	51	100	100
	(1)	SG TOKYO	Global Market and Investors Services	FULL	100	100	100	100
	(6)	SOCIETE GENERALE AIRCRAFT LEASING CO., LTD	Financial and Advisory	FULL	100	0	100	0
		SOCIETE GENERALE HAUSSMANN MANAGEMENT JAPAN LIMITED	Global Market and Investors Services	FULL	100	100	100	100
		SOCIETE GENERALE SECURITIES JAPAN LIMITED	Global Market and Investors Services	FULL	100	100	100	100
LATVIA								
		ALD AUTOMOTIVE SIA	Mobility and Leasing Services	FULL	41.11	39.44	75	75
LITHUANIA								
		UAB ALD AUTOMOTIVE	Mobility and Leasing Services	FULL	41.11	39.44	75	75
LUXEMBOURG								
		ALD INTERNATIONAL SERVICES S.A.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AXUS LUXEMBOURG SA	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(6)	AXUS LUXEMBOURG SPV SA	Mobility and Leasing Services	FULL	54.81	0	100	0
		BARTON CAPITAL SA	Financial and Advisory	FULL	100	100	100	100
		BUMPER DE S.A.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		CODEIS COMPARTIMENT A0084	Insurance	FULL	100	100	100	100
		CODEIS COMPARTIMENT A0076	Insurance	FULL	100	100	100	100
		CODEIS COMPARTIMENT A0092	Global Market and Investors Services	FULL	100	100	100	100
		CODEIS SECURITIES S.A.	Global Market and Investors Services	FULL	100	100	100	100
		COVALBA	Financial and Advisory	FULL	100	100	100	100
		INFRAMEWA CO-INVEST SCSP	Insurance	FULL	60.05	60.05	60.05	60.05
		ISCHIA INVESTMENTS SA	Financial and Advisory	FULL	100	100	100	100
		IVEFI S.A.	Financial and Advisory	FULL	100	100	100	100
	(1)	LEASEPLAN GLOBAL PROCUREMENT (A LUXEMBOURGISH BRANCH OF LEASEPLAN GLOBAL B.V.)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		MERIBOU INVESTMENTS SA	Financial and Advisory	FULL	100	100	100	100
	(6)	MOOREA FUND - EURO HIGH YIELD SHORT DURATION	Insurance	FULL	40.49	0	40.49	0
	(6)	MOOREA FUND - GLOBAL CONSERVATIVE ALLOCATION PORTFOLIO	Insurance	FULL	75.84	0	75.84	0
		MOOREA FUND - GLOBAL GROWTH ALLOCATION PORTFOLIO CLASS RE	Insurance	FULL	65.18	65.18	65.18	65.18
		MOOREA FUND - SG CREDIT MILLESIME 2029 RE	Insurance	FULL	71.89	71.89	71.89	71.89
	(6)	MOOREA FUND - SG CREDIT MILLESIME 2030	Insurance	FULL	64.37	0	64.37	0

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		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
		PROCIDA INVESTMENTS S.A.	Financial and Advisory	FULL	100	100	100	100
	(3)	RED & BLACK AUTO LEASE GERMANY 3 S.A	Mobility and Leasing Services	FULL	0	52.59	0	100
		RED & BLACK AUTO LEASE GERMANY S.A.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		SALINGER S.A	Financial and Advisory	FULL	100	100	100	100
		SG ISSUER	Global Market and Investors Services	FULL	100	100	100	100
		SG LUCI	Financial and Advisory	FULL	100	100	100	100
		SGBT ASSET BASED FUNDING SA	Financial and Advisory	FULL	100	100	100	100
		SGBTCI	Financial and Advisory	FULL	100	100	100	100
		SGL ASIA	Financial and Advisory	FULL	100	100	100	100
	(8)	SGL RE	Corporate Centre	FULL	100	100	100	100
		SOCIETE GENERALE CAPITAL MARKET FINANCE	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE FINANCING AND DISTRIBUTION	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE INVESTMENT SOLUTIONS EUROPE (ex - SOCIETE GENERALE PRIVATE WEALTH MANAGEMENT S.A.)	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE LIFE INSURANCE BROKER SA	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE LUXEMBOURG	Financial and Advisory	FULL	100	100	100	100
		SOCIETE GENERALE LUXEMBOURG LEASING	Financial and Advisory	FULL	100	100	100	100
		SOCIETE IMMOBILIERE DE L'ARSENAL	Financial and Advisory	FULL	100	100	100	100
		SOGELIFE	Insurance	FULL	100	100	100	100
		SPIRE SA - COMPARTIMENT 2021-51	Insurance	FULL	100	100	100	100
		VIVARA INVESTMENTS S.A.	Financial and Advisory	FULL	100	100	100	100
		ZEUS FINANCE LEASING S.A.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
MALAYSIA								
		AYVENS MHC MOBILITY SERVICES MALAYSIA SDN. BHD. (ex - ALD MHC MOBILITY SERVICES MALAYSIA SDN BHD)	Mobility and Leasing Services	FULL	32.89	31.55	60	60
MOROCCO								
		SOCIETE GENERALE AFRICAN BUSINESS SERVICES S.A.S A.U (ex - SOCIETE GENERALE AFRICAIN BUSINESS SERVICES S.A.S A.U)	International Retail Banking	FULL	100	100	100	100
MAURITIUS								
		SG SECURITIES BROKING (M) LIMITED	Global Market and Investors Services	FULL	100	100	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
MAURITANIA								
	(4)	SOCIETE GENERALE MAURITANIE	International Retail Banking	FULL	0	100	0	100
MEXICO								
		ALD AUTOMOTIVE S.A. DE C.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(5)	ALD FLEET SA DE CV SOFOM ENR	Mobility and Leasing Services	FULL	0	52.59	0	100
	(5)	LEASEPLAN MEXICO S.A. DE C.V.	Mobility and Leasing Services	FULL	0	52.59	0	100
	(2)	SGFP MEXICO, S.A. DE C.V.	Global Market and Investors Services	FULL	0	100	0	100
MONACO								
	(1)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS MONACO	Mobility and Leasing Services	FULL	99.89	99.89	100	100
	(1)	SOCIÉTÉ GÉNÉRALE (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	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		NF FLEET AS	Mobility and Leasing Services	FULL	43.85	42.07	80	80
NEW CALEDONIA								
		CREDICAL	International Retail Banking	FULL	88.34	88.34	98.05	98.05
		SOCALFI	International Retail Banking	FULL	88.34	88.34	100	100
		SOCIETE GENERALE CALEDONIENNE DE BANQUE	International Retail Banking	FULL	90.09	90.09	90.09	90.09
NETHERLANDS								
		AALH PARTICIPATIES B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ACCIDENT MANAGEMENT SERVICES (AMS) B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ASTEROLD B.V.	Financial and Advisory	FULL	100	100	100	100
		AXUS FINANCE NL B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AXUS NEDERLAND N.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS BANK N.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS RECHTSHULP B.V. (ex - LEASEPLAN RECHTSHULP B.V.)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(2)	BRIGANTIA INVESTMENTS B.V.	Financial and Advisory	FULL	0	100	0	100
	(1)	BSG FRANCE SA NETHERLANDS BRANCH	Global Market and Investors Services	FULL	51	51	100	100
		BUMPER NL 2020-1 B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BUMPER NL 2022-1 B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BUMPER NL 2023-1 B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BUMPER NL 2024-1 B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(6)	BUMPER NL 2025-1 B.V.	Mobility and Leasing Services	FULL	54.81	0	100	0
		CAPEREA B.V.	Financial and Advisory	FULL	100	100	100	100
		FIRENTA B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		FORD FLEET MANAGEMENT B.V.	Mobility and Leasing Services	FULL	27.46	26.35	50.11	50.11
		HERFSTTAFEL INVESTMENTS B.V.	Financial and Advisory	FULL	100	100	100	100
	(2)	HORDLE FINANCE B.V.	Financial and Advisory	FULL	0	100	0	100
		LEASE BEHEER VASTGOED B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN CN HOLDING B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN DIGITAL B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN FINANCE B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN GLOBAL B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LP GROUP B.V.	Mobility and Leasing Services	FULL	54.81	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
	(4)	SG EQUIPMENT FINANCE BENELUX BV	Mobility and Leasing Services	FULL	0	100	0	100
		SOGELEASE B.V.	Financial and Advisory	FULL	100	100	100	100
		TRANSPORT PLAN B.V.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
PERU								
		ALD AUTOMOTIVE PERU S.A.C.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
POLAND								
		AYVENS FINANCIAL SERVICES POLAND SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS POLAND SP.Z O.O.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1) (2)	BSG FRANCE SA POLISH BRANCH	Global Market and Investors Services	FULL	0	51	0	100
		FLEET ACCIDENT MANAGEMENT SERVICES SP.Z O.O.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(4)	SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Mobility and Leasing Services	FULL	0	100	0	100
	(1)	SOCIETE GENERALE S.A. ODDZIAL W POLSCE	Financial and Advisory	FULL	100	100	100	100
	(1)	SOGECAP SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
	(1)	SOGESSUR SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100	100	100	100
FRENCH POLYNESIA								
		BANQUE DE POLYNESIE	International Retail Banking	FULL	72.1	72.1	72.1	72.1
		SOGELEASE BDP "SAS"	International Retail Banking	FULL	72.1	72.1	100	100
PORTUGAL								
		FLEET COVER-SOCIEDADE MEDIACAO DE SEGUROS, LDA.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		LEASEPLAN PORTUGAL COMERCIO E ALUGUER DE AUTOMÓVEIS E EQUIPAMENTOS LDA.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
CZECH REPUBLIC								
		AYVENS S.R.O.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ESSOX SRO	International Retail Banking	FULL	80	80	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		FACTORING KB	International Retail Banking	FULL	60.73	60.73	100	100
		KB PENZIJNI SPOLECNOST, A.S.	International Retail Banking	FULL	60.73	60.73	100	100
		KB REAL ESTATE	International Retail Banking	FULL	60.73	60.73	100	100
		KB SMARTSOLUTIONS, S.R.O.	International Retail Banking	FULL	60.73	60.73	100	100
		KOMERCNI BANKA A.S	International Retail Banking	FULL	60.73	60.73	60.73	60.73
		KOMERCNI POJISTOVNA A.S	Insurance	FULL	80.76	80.76	100	100
		MODRA PYRAMIDA STAVEBNI SPORITELNA AS	International Retail Banking	FULL	60.73	60.73	100	100
		PROTOS	International Retail Banking	FULL	60.73	60.73	100	100
		SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	International Retail Banking	FULL	60.73	80.33	100	100
		SOGEPROM MICHLE S.R.O.	French Retail and Private Banking	FULL	100	100	100	100
		STD2, S.R.O.	International Retail Banking	FULL	60.73	60.73	100	100
		WORLDLINE CZECH REPUBLIC S.R.O.	International Retail Banking	ESI	0.61	0.61	40	40
ROMANIA								
		ACCIDENT MANAGEMENT SERVICES S.R.L.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ALD AUTOMOTIVE SRL	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AYVENS SERVICE CENTER S.R.L.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BRD - GROUPE SOCIETE GENERALE SA	International Retail Banking	FULL	60.17	60.17	60.17	60.17
		BRD ASSET MANAGEMENT SAI SA	International Retail Banking	FULL	60.17	60.17	100	100
		BRD FINANCE S.A.	International Retail Banking	FULL	80.48	80.48	100	100
		BRD SOGELEASE IFN S.A.	International Retail Banking	FULL	60.18	60.18	100	100
	(5)	LEASEPLAN ROMANIA S.R.L.	Mobility and Leasing Services	FULL	0	52.59	0	100
		S.C. ROGARIU IMOBILIARE S.R.L.	French Retail and Private Banking	FULL	75	75	75	75
	(8)	SOCIETE GENERALE GLOBAL SOLUTION CENTRE ROMANIA	Corporate Centre	FULL	100	100	100	100
		SOGEPROM ROMANIA SRL	French Retail and Private Banking	FULL	100	100	100	100
	(1)	SOGESSUR S.A PARIS - SUCURSALA BUCURESTI	Insurance	FULL	100	100	100	100
UNITED KINGDOM								
		ACR	Financial and Advisory	FULL	100	100	100	100
		ALD AUTOMOTIVE GROUP LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ALD AUTOMOTIVE LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		AUTOMOTIVE LEASING LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BERNSTEIN AUTONOMOUS LLP	Global Market and Investors Services	FULL	51	51	100	100
	(1) (2)	BRIGANTIA INVESTMENTS B.V. (UK BRANCH)	Financial and Advisory	FULL	0	100	0	100
		BUMPER UK 2019-1 FINANCE PLC	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		BUMPER UK 2021-1 FINANCE PLC	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS UK	Mobility and Leasing Services	FULL	99.89	99.89	100	100
		DIAL CONTRACTS LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
		DIAL VEHICLE MANAGEMENT SERVICES LTD	Mobility and Leasing Services	FULL	54.59	52.38	99.6	99.6
	(1)	EURO INSURANCES DAC TRADING AS LEASEPLAN INSURANCE	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		FENCHURCH NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
		FORD FLEET MANAGEMENT UK LIMITED	Mobility and Leasing Services	FULL	27.46	26.35	100	100
		FRANK NOMINEES LIMITED	French Retail and Private Banking	FULL	100	100	100	100
	(1) (2)	HORDLE FINANCE B.V. (UK BRANCH)	Financial and Advisory	FULL	0	100	0	100
		INTERNAL FLEET PURCHASING LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		INULA HOLDING UK LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		JWB LEASING LIMITED PARTNERSHIP	Financial and Advisory	FULL	100	100	100	100
	(2)	KBIM STANDBY NOMINEES LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(2)	KBPB NOMINEES LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(2)	KH COMPANY SECRETARIES LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(2)	KLEINWORT BENSON FARMLAND TRUST (MANAGERS) LIMITED	French Retail and Private Banking	FULL	0	75	0	75
	(2)	LANGBOURN NOMINEES LIMITED	French Retail and Private Banking	FULL	0	100	0	100
		LEASEPLAN UK LIMITED	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		PAYXPERT SERVICES LTD	French Retail and Private Banking	FULL	90.65	80	90.65	80
		RED & BLACK AUTO LEASE UK 1 PLC	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(2)	ROBERT BENSON, LONSDALE & CO. (CANADA) LIMITED	French Retail and Private Banking	FULL	0	100	0	100
		SANFORD C. BERNSTEIN (AUTONOMOUS UK) 1 LIMITED	Global Market and Investors Services	FULL	51	51	100	100
		SANFORD C. BERNSTEIN (CREST NOMINEES) LIMITED	Global Market and Investors Services	FULL	51	51	100	100
		SANFORD C. BERNSTEIN HOLDINGS LIMITED	Global Market and Investors Services	FULL	51	51	51	51
		SANFORD C. BERNSTEIN LIMITED	Global Market and Investors Services	FULL	51	51	100	100
	(2)	SG (MARITIME) LEASING LIMITED	Financial and Advisory	FULL	0	100	0	100
	(4)	SG EQUIPMENT FINANCE (DECEMBER) LIMITED	Mobility and Leasing Services	FULL	0	100	0	100
		SG HEALTHCARE BENEFITS TRUSTEE COMPANY LIMITED	Global Market and Investors Services	FULL	100	100	100	100
		SG INVESTMENT LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(4)	SG KLEINWORT HAMBROS BANK LIMITED	French Retail and Private Banking	FULL	0	100	0	100
	(4)	SG KLEINWORT HAMBROS NOMINEES LIMITED	French Retail and Private Banking	FULL	0	100	0	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
	(4)	SG KLEINWORT HAMBROS TRUST COMPANY (UK) LIMITED	French Retail and Private Banking	FULL	0	100	0	100
		SG LEASING (ASSETS) LIMITED	Financial and Advisory	FULL	100	100	100	100
	(2)	SG LEASING (GEMS) LIMITED	Financial and Advisory	FULL	0	100	0	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 PRIV HOLDING LIMITED (ex-SG KLEINWORT HAMBROS LIMITED)	French Retail and Private Banking	FULL	100	100	100	100
		SG TITANIUM LIMITED	Financial and Advisory	FULL	100	100	100	100
		SG TRUST COMPANY LIMITED (ex - SG HAMBROS TRUST COMPANY LIMITED)	French Retail and Private Banking	FULL	100	100	100	100
		SOCGEN NOMINEES (UK) LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(4)	SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	Mobility and Leasing Services	FULL	0	100	0	100
		SOCIETE GENERALE INTERNATIONAL LIMITED	Global Market and Investors Services	FULL	100	100	100	100
	(8)	SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	Corporate Centre	FULL	100	100	100	100
	(1)	SOCIETE GENERALE, LONDON BRANCH	Financial and Advisory	FULL	100	100	100	100
		STRABUL NOMINEES LIMITED	Global Market and Investors Services	FULL	100	100	100	100
SENEGAL								
		SOCIETE GENERALE SENEGAL	International Retail Banking	FULL	64.45	64.45	64.87	64.87
SERBIA								
		AYVENS D.O.O BEOGRAD	Mobility and Leasing Services	FULL	54.81	52.59	100	100
SINGAPORE								
		SANFORD C. BERNSTEIN (SINGAPORE) PRIVATE LIMITED	Global Market and Investors Services	FULL	51	51	100	100
		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								
	(5)	ALD AUTOMOTIVE SLOVAKIA S.R.O.	Mobility and Leasing Services	FULL	0	52.59	0	100
		AYVENS SLOVAKIA S.R.O. (ex - LEASEPLAN SLOVAKIA S.R.O.)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		ESSOX FINANCE S.R.O	International Retail Banking	FULL	80	80	100	100
		INSURANCEPLAN S.R.O.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	KOMERCNI BANKA SLOVAKIA	International Retail Banking	FULL	60.73	60.73	100	100
	(1)	SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O. ORGANIZACNA ZLOZKA (SLOVAK RUPUBLIC BRANCH)	Mobility and Leasing Services	FULL	60.73	80.33	100	100
SLOVENIA								
		AYVENS SLOVENIJA D.O.O.	Mobility and Leasing Services	FULL	54.81	52.59	100	100

Country			Operating Segments	Method *	Group ownership interest As at 31.12.2025	Group ownership interest As at 31.12.2024	Group voting interest As at 31.12.2025	Group voting interest As at 31.12.2024
SWEDEN								
	(5)	ALD AUTOMOTIVE AB	Mobility and Leasing Services	FULL	0	52.59	0	100
		AYVENS SWEDEN AB (ex - LEASEPLAN SVERIGE AB)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	BSG FRANCE SA SWEDEN BRANCH	Global Market and Investors Services	FULL	51	51	100	100
		CLAIMS MANAGEMENT SVERIGE AB	Mobility and Leasing Services	FULL	54.81	52.59	100	100
		NF FLEET AB	Mobility and Leasing Services	FULL	43.85	42.07	80	80
	(1)	SOCIETE GENERALE SA BANKFILIAL SVERIGE	Global Market and Investors Services	FULL	100	100	100	100
SWITZERLAND								
		AYVENS SWITZERLAND AG (ex - ALD AUTOMOTIVE AG)	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(5)	LEASEPLAN (SCHWEIZ) A.G.	Mobility and Leasing Services	FULL	0	52.59	0	100
		SANFORD C. BERNSTEIN (SCHWEIZ) GMBH	Global Market and Investors Services	FULL	51	51	100	100
	(4)	SG EQUIPMENT FINANCE SCHWEIZ AG	Mobility and Leasing Services	FULL	0	100	0	100
	(1)	SG ZURICH	Financial and Advisory	FULL	100	100	100	100
	(4)	SOCIETE GENERALE PRIVATE BANKING (SUISSE) S.A.	French Retail and Private Banking	FULL	0	100	0	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
TOGO								
	(1)	SOCIETE GENERALE TOGO	International Retail Banking	FULL	93.43	93.43	100	100
TUNISIA								
		UNION INTERNATIONALE DE BANQUES	International Retail Banking	FULL	55.1	55.1	52.34	52.34
TURKEY								
		LEASEPLAN OTOMOTIV SERVIS VE TICARET A.S.	Mobility and Leasing Services	FULL	54.81	52.59	100	100
	(1)	SG ISTANBUL	Global Market and Investors Services	FULL	100	100	100	100
UKRAINE								
		AYVENS UKRAINE LIMITED LIABILITY COMPANY	Mobility and Leasing Services	FULL	54.81	52.59	100	100

FULL: Full consolidation - JO: Joint Operation - EJV: Equity (Joint Venture) - ESI: Equity (significant influence) - EFS: Equity For Simplification (Entities controlled by the Group that are consolidated using the equity method for simplification because are not significant).

(1) Branches.
(2) Entities wound up.
(3) Removal from the scope.
(4) Entities sold.
(5) Merged.
(6) Newly consolidated.
(7) The entity Societe Generale carries out activities that contribute to the following segments: French Retail and Private Banking, International Retail Banking, Global Markets and Investor Services, Financial and Advisory and Corporate Centre.
(8) The Corporate Centre mainly gathers the Group's central funding departement, the operating real estate holding companies and the asset management of the Group.
(9) SG Frankfurt Beteiligungs GmbH, Germany, a wholly owned subsidiary of Société Générale S.A., has made use of the provisions in accordance with section 264 paragraph 3 and sections 291/292 of the German Commercial Code (HGB) for the financial year 2025 resulting in an exemption from the obligation to draw up, audit and disclose its annual single financial statements. Société Générale S.A. has made a loss-taking commitment towards SG Frankfurt Beteiligungs GmbH in accordance with section 264 paragraph 3 Nr. 2 German Commercial Code (HGB). The financial statements of SG Frankfurt Beteiligungs GmbH are fully included in the consolidated financial statements of Société Générale S.A. published in accordance with section 325 of the German Commercial Code (HGB).

The Corporate Centre mainly gathers the Group's central funding departement, the operating real estate holding companies and the asset management of the Group.

Additionnal information related to the consolidation scope and equity investments as required by the Regulation 201609 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 Société Générale 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.

Following the proposal from the Board of Directors and the recommendation of the Audit and Internal 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.

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 ensure that the engagement complies 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 C.

The table below shows the fees charged by KPMG SA and PwC - PricewaterhouseCoopers Audit to Société Générale S.A. and its subsidiaries.

		KPMG		PwC		Total	
(In EUR m excluded VAT)		2025	2024	2025	2024	2025	2024
Statutory audit, certification, examination of parent company and consolidated accounts	Issuer	8	8	6	6	14	14
	Fully consolidated subsidiaries	17	19	18	18	35	37
SUB-TOTAL AUDIT		**25**	**27**	**24**	**24**	**49**	**51**
Non-audit services (NAS)	Issuer	1	4	-	2	1	6
	Fully consolidated subsidiaries	2	2	2	4	4	6
Certification of sustainability information		1	1	1	1	2	2
TOTAL		**29**	**34**	**27**	**31**	**56**	**65**
Including Network:		*17*	*20*	*16*	*20*	*33*	*40*
Statutory audit		*15*	*15*	*14*	*15*	*29*	*30*
Certification of sustainability information		-	-	-	-	-	-
Non-audit services (SACC)		*2*	*5*	*2*	*5*	*4*	*10*

In 2025, non-audit services are mainly made up of internal control reviews in the context of compliance with ISAE (International Standard on Assurance Engagements) standards, extended audit procedures (agreed procedures, limited reviews and supplementary audits) and comfort letters in the context of financial transactions such as the issuance of debt or equity securities.

NOTE 9 INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the bank, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'Etat*) and its established case law, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale Group will not fail to assert its rights before the competent courts. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.
- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS"), which was then a subsidiary of SG Luxembourg, entered into an agreement, which became final on 28 March 2025, to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates, including Stanford International Bank Limited. The settlement provides for the payment by SGPBS of 157 million of American dollars in exchange for the release of all claims. As provided for in the contractual documentation regarding the sale of SGPBS, effective on 31 January 2025, the Societe Generale Group paid this amount. All US Stanford-related proceedings are now concluded.

  In Geneva, in separate litigation concerning the same underlying matter, a pre-contentious claim (requête en conciliation) and then a statement of claim were served (in November 2022 and June 2023, respectively) by the Antiguan Joint Liquidators, representing investors also represented by the US plaintiffs in the above-mentioned US proceedings. UBP, which acquired SGPBS, is now party to these Swiss proceedings. As provided for in the contractual documentation regarding the sale of SGPBS and subject to the terms and conditions included in it, Societe Generale ultimately continues to bear the financial risks associated to these proceedings. On 3 March 2025, the judge granted SGPBS' request to rule as a preliminary matter on the claimant's legal standing to sue, prior to ruling on the merits of the claim. On 26 August 2025, the judge granted SGPBS' request to rule as a preliminary matter on the res judicata attached to the Bar Order from 8 June 2023 and to the settlement agreement from 19 February 2023, prior to ruling on the merits of the claim.
- 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). 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 the 2002 and 2003 Suez claims and ordered a financial enforcement in favour of Societe Generale. 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. Regarding the Suez 1999 to 2001 claims and the Rhodia claim, Société Générale initiated compensation for damages litigation in April 2017 before the Paris Administrative Court, which rejected the claims on 28 February 2023.

In April 2023, Société Générale lodged an appeal against this decision before the Paris Administrative Court of Appeal and filed a complaint for breach of obligation on the initial breach of EU law before the European Commission. The Paris Administrative Court of Appeal issued a partially unfavorable decision, granting Societe Generale's Rhodia claim but rejecting its Suez's claims. Societe Generale appealed to the *Conseil d'Etat* in September 2025. The European proceedings are still pending.

- 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 Commodity Exchange Act 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 *Chicago Mercantile Exchange* (CME) sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for USD 50 million. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

  Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.
- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately USD 150 million from the Societe Generale entities. The latter have now resolved this matter through a settlement with the Trustee. The SG Defendants were dismissed from the action by order dated 20 June 2025. This matter is now concluded.
- 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. This matter is now concluded.
- 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. This matter is now concluded.

  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. This matter is now concluded.

- 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 of its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017 to 2022 audited years are subject to notifications of proposals of tax reassessments regarding the application of a withholding tax. These proposals are contested by the Group. Discussions with the tax administration are still ongoing. Given the significance of the matter, on 8 December 2023, following a recourse by the French Banking Federation ("FBF"), 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 characterizing 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, in 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.
- On 19 August 2022, a Russian fertiliser company, EuroChem NorthWest-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. EuroChem AG joined as claimant while proceedings were pending. On 31 July 2025, the Court rejected the claim for payment made against Société Générale, ruling that the bonds are frozen and unenforceable under EU sanctions law. On 29 October 2025, the plaintiffs launched an appeal against the English decision, proceedings from which they then decied to withdraw. The Court of Appeal should confirm the end of the appellate proceedings in the coming weeks. On 25 November 2025, EuroChem filed a claim against Societe Generale before the Commercial Court of Saint Petersburg, in Russia, in the same matter. Societe Generale is defending the claims.
- On 24 and 25 June 2025, the PNF conducted a raid in the premises of Societe Generale in La Défense. At the same time, the Luxembourg authorities, at the request of the PNF, conducted a raid at the premises of SG Luxembourg in Luxembourg. These measures seem to be part of a pending preliminary investigation by the PNF in relation to operations for French clients of the bank.

NOTE 10 RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS

Note 10 of published financial statements	**Chapter 4 of URD** *(the audited parts of Note 10 are indicated as "Audited" in Chapter 4)*	Page numbers - Chapter 4
10.1 Risk management	Part 4.2.3 Risk management organisation	P176-P177
10.2 Capital management and adequacy	Part 4.4 Capital management and adequacy	P185-198
10.3 Credit risk	Part 4.5 Credit risk	P199-214
10.4 Counterparty credit risk	Part 4.6 Counterparty credit risk	P215-223
10.5 Market risk	Part 4.7 Market risk	P224-235
10.6 Structural risk: interest rate and exchange rate	Part 4.8 Structural risks - Interest rate and exchange rate risks	P236-239
10.7 Structural risk: Liquidity	Part 4.9 Structural risk - Liquidity risk	P240-246

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 SA for the year ended 31 December 2025.

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 2025 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 these standards are further described in the "Responsibilities of 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 2025 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)

Risk identified

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.

At 31 December 2025, total outstanding customer loans exposed to credit risk amounted to €463,037 million, while the total corresponding impairment stood at €8,430 million.

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.

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.

- 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: 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.

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.

How our audit addressed this risk

In response to this risk, our work consisted of:

- 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 recognised.

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.

VALUATION OF LEVEL 2 AND LEVEL 3 FINANCIAL INSTRUMENTS

(See Notes 3.1, 3.2 and 3.4 to the consolidated financial statements)

Risk identified	How our audit addressed this 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 2025, the fair value of these financial instruments represented €267,119 million under assets and €282,470 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 held for trading purposes classified as Level 2 and Level 3 to be a key audit matter.	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 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 6, 8.2 and 9 to the consolidated financial statements)

Risk identified	How our audit addressed this risk
Société Générale is involved in certain legal, regulatory and tax proceedings, as described in Note 8.2.2 "Other provisions" and Note 6 "Income tax" to the consolidated financial statements. At 31 December 2025, other provisions totalled €1,262 million, including provisions for litigation. The amount of provisions for tax risks was €43 million at 31 December 2025. 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.	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 assessed the appropriateness of the disclosures in the notes to the consolidated financial statements.

RECOVERABILITY OF DEFERRED TAX ASSETS IN FRANCE

(See Note 6 to the consolidated financial statements)

Risk identified

Deferred tax assets on tax loss carryforwards are recognised in the amount of €1,722 million at 31 December 2025, including €1,565 million for the France tax group.

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.

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.

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 Group's ability to use its tax loss carryforwards generated at 31 December 2025 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 2026 budget forecast prepared by management and approved by the Board of Directors, and the assumptions underlying the medium-term projections;
- 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.

We also examined the appropriateness of the disclosures made in respect of deferred tax assets in Note 6 “Income tax” to the consolidated financial statements.

GENERAL IT CONTROLS RELATED TO MARKET ACTIVITIES

Risk identified

The market activities of the Global Banking & Investor Solutions (GBIS) division account for a significant proportion of the Group'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, 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)

Risk identified	How our audit addressed this 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 adjustment of the 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.	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 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)

Risk identified	How our audit addressed this risk
As part of its insurance activities, Société Générale has recognised liabilities relating to insurance contracts with direct participation features using the variable fee approach for a carrying amount of €159,476 million, as presented in table 4.3.F of Note "4.3 - Insurance activities" to the consolidated financial statements. 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 measurement model used is based on the following components: ■ 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.	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 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)

Risk identified

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, as well as the demonstration of the market reversal of internal derivatives.

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 and repayment schedule of hedged loans.

At 31 December 2025, revaluation differences on portfolios hedged against interest rate risk represented a negative €768 million recognised under assets and a negative €7,436 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 methods used to develop and control flow models for the hedged portfolios;
- examining the results of the effectiveness and eligibility tests for hedge accounting as at 31 December 2025, as well as the results of the demonstration of the market reversal of internal derivatives.

We also assessed the appropriateness of the disclosures 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 held on 22 May 2024 for PricewaterhouseCoopers Audit and KPMG SA.

As at 31 December 2025, PricewaterhouseCoopers Audit and KPMG SA were in the second 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 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, on 13 March 2026

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG S.A.
Emmanuel Benoist	Ridha Ben Chamek	Guillaume Mabille

6.4 SOCIETE GENERALE'S MANAGEMENT REPORT

SOCIÉTÉ GÉNÉRALE'S BALANCE SHEET ANALYSIS

(EUR billion at 31 December)	31/12/2025	31/12/2024	Change
Cash and interbank uses	194	271	(77)
Customer loans	341	352	(11)
Securities transactions	682	594	88
of which securities and notes received under repurchase agreements	*305*	*277*	*29*
Other Financial Accounts	182	154	27
of which premiums on contingent instruments	*78*	*56*	*22*
Tangible and intangible assets	3	3	
TOTAL ASSETS	**1,402**	**1,374**	**27**

(EUR billion at 31 December)	31/12/2025	31/12/2024	Change
Cash and interbank resources (1)	366	371	(7)
Customer deposits	427	444	(16)
Bond and subordinated debt (2)	24	29	(5)
Securities transactions	369	341	*28*
Of which securities and notes sold under repurchase agreements	*291*	*263*	*28*
Other financial accounts and provisions	177	151	27
of which premiums on contingent instruments	*89*	*67*	*22*
Shareholders' equity	39	38	1
TOTAL LIABILITIES	**1,402**	**1,374**	**27**

(1) *Including negotiable debt securities.*
(2) *Including perpetual subordinated notes.*

Against a backdrop of trade tensions and geopolitical uncertainty, global growth was resilient in 2025 and continued the trend set in 2024. In the United States, despite the slowdown in job creation and persistent inflation, economic activity, estimated at 2% over the year, remained strong. Household consumption and investment, particularly in the artificial intelligence sector, are helping to maintain growth. Driven by the normalisation of macro-financial conditions and a disinflationary environment, the euro area recorded growth of 1.5% in 2025, higher than initial expectations.

In view of the soft landing of inflation and a less tense economic environment, the main central banks eased their monetary policy. The US Federal Reserve began an easing cycle from September, with three consecutive cuts, reducing its key rates to within a range of 3.50% to 3.75%, amid a slowing labour market and increased political pressures. For its part, the ECB made several rate cuts, reducing its deposit rate to 2% in June 2025 in order to stabilise inflation around its target.

In this environment, Societe Generale rigorously executed its strategic plan by strengthening its long-term capital position and significantly improving its commercial and financial performance.

As of 31 December 2025, the balance sheet stood at EUR 1,402 billion, an increase of EUR 27 billion compared to 31 December 2024The EUR 77.1 billion decline in cash and interbank uses was mainly due to falls in excess liquidity deposited with Banque de France of EUR 64.6 billion, day-to-day accounts and loans of EUR 5.7 billion and term loans of EUR 5.1 billion

Cash resources fell by EUR 6.8 billion, mainly due to the decline in negotiable debt securities of EUR 15.1 billion and the drop in ordinary current accounts with credit institutions of EUR 2.2 billion. Conversely, term deposits and loans with credit institutions were up EUR 11.8 billion.

Loans granted to customers fell by EUR 10.7 billion. This change was due to a drop of EUR 7.1 billion in lending to financial customers and a decrease of EUR 3.1 billion in overdrafts. On the other hand, the drop in the average rate for new bank loans to businesses observed throughout 2025 supported investment decisions. In this context, investment loans increased by EUR 1.4 billion.

Customer deposits fell by EUR 16.2 billion, this decrease is mainly explained by outflows of EUR 11.4 billion from term deposits. Against a backdrop of easing key rates in the euro area, the fall in the rates paid on deposits in France over the year made these vehicles less attractive, leading investors to turn to products offering better returns. Recovery in demand and disinflation resulting in increased purchasing power led to a fall in current accounts of EUR 3.0 billion.

The ECB's continued quantitative tightening, combined with increased sovereign funding needs, reoriented the redistribution of liquidity and collateral towards the secure money market. As a result, government bonds and securities increased by EUR 20.6 billion and EUR 18.1 billion respectively.This additional High-Quality-Liquid-Assets (HQLA) collateral fuelled the repo business, leading to a simultaneous increase in outstanding securities bought or sold under repo agreements of EUR 28.7 billion and EUR 28.5 billion. Driven by monetary easing, better controlled inflation and solid earnings, particularly in the technology sector, equity markets are rising. As a result, outstanding equity transactions were up by EUR 21.0 billion.

Other financial accounts were up by EUR 27.4 billion in assets and liabilities. This change was mainly due to the high volatility observed, particularly during announcements of tariff increases in the spring of 2025, which drove investors to buy increasing levels of protection. As a result, premiums on purchases and sales of equity derivatives and indices were up respectively by EUR 23.0 billion and EUR 23.7 billion. Conversely, premiums on purchases and sales of interest rate derivatives fell by EUR 1.9 billion and EUR 2.5 billion respectively.

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 63 billion);
- Customer resources, down EUR 16 billion, collected in the form of deposits, which constitute a significant percentage of resources (30% of the balance sheet total);
- Resources from interbank operations (EUR 222 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 (EMTN, Certificates of Deposits), currencies and investor pools (EUR 133 billion);
- Resources from securities sold under repurchase agreements with customers and credit institutions (EUR 291 billion) were up compared to 2024.

ANALYSIS OF SOCIETE GENERALE’S RESULT

	2025			2024			Changes 2025/2024 (%)		
(In EUR m)	**France**	**Foreign**	**Societe Generale**	**France**	**Foreign**	**Societe Generale**	**France**	**Foreign**	**Societe Generale**
Net banking income	**12,078**	**3,210**	**15,288**	**10,505**	**2,982**	**13,487**	**15**	**8**	**13**
General operating expenses and depreciation and amortisation	(9,023)	(1,735)	(10,758)	(9,241)	(1,795)	(11,036)	-2	-3	-3
Gross operating income	**3,055**	**1,475**	**4,530**	**1,264**	**1,187**	**2,451**	**142**	**24**	**85**
Cost of risk	(510)	(215)	(725)	(563)	(105)	(668)	-9	105	9
Operating income	**2,545**	**1,260**	**3,805**	**701**	**1,082**	**1,783**	**263**	**16**	**113**
Gains or losses on fixed assets	570	31	601	317	(28)	289	80	211	108
Current income before tax	**3,115**	**1,291**	**4,406**	**1,018**	**1,054**	**2,072**	**206**	**22**	**113**
Income tax	89	(383)	(294)	476	(536)	(60)	81	-29	390
Net income	**3,204**	**908**	**4,112**	**1,494**	**518**	**2,012**	**114**	**75**	**104**

In 2025, Societe Generale amounted gross operating income of EUR 4.5 billion, an increase of EUR 2 billion compared to 2024, representing growth of 85%.

Net banking income (NBI) amounted to EUR 15 billion, increasing of EUR 1.8 billion, representing growth of 13% year-on-year.

Net banking income from Retail Banking activities in France increased by EUR 0.6 billion compared to 2024. This improvement was mainly driven by the rise in net interest margin, which grew by EUR0.5 billion.

This increase is primarily due to a decrease in interest expenses on customer deposits (+EUR 1.1 billion), resulting from lower interest rates and declining deposit volumes. This positive effect is partially offset by a decrease in interest received on cash loans (–EUR 0.2 million) in a more competitive commercial environment, as well as by the decline in internal refinancing results (–EUR 0.5 million).

Revenues from Global Banking and Investor Solutions continued to amount a strong performance, increasing by + EUR 0.7 billion compared to the previous year.

Revenues from Equities and Equity Derivatives activities contributed significantly to this growth, driven by a sustained volatile environment at the beginning of the year and by the market recovery in indices during the second half.

Fixed Income and Currencies also recorded a slight growth in a contrasting context : a volatile first half driven by trade and geopolitical tensions, followed by a more favourable end of the year supported by easing financial conditions and the anticipation of a rate-cutting cycle in 2026.

The **Corporate Centre** recorded an improvement of the net banking income for + EUR 0.5 billion, mainly due to lower funding costs (+EUR 0.6 billion) and the solid performance of liquidity portfolios (+EUR 0.1 billion). This increase was partially offset by an unfavourable asset-liability management effect (–EUR 0.4 billion). This perimeter, which notably includes the management of the Group’s equity investments, also benefited from higher dividends received from subsidiaries (+ EUR 0.1billion).

General operating expenses decreased by EUR 0.3 billion (-6%) compared to 2024.

Structural costs amounted to EUR -3.6 billion at 31 December 2025, down EUR 0.4 billion (-10%) year-on-year. The improvement in this item was attributable in particular to :

- the reduction of research costs of EUR 0.3 billion linked to the decrease of external interventions;
- the increase of re-invoicing of internal costs to subsidiaries by EUR 0.1 billion.

Staff costs stood at EUR -6 billion, slightly lower than in 2024. Staff remuneration, social and tax related decreased by EUR -0.3 billion, offset by an increase in profit-sharing and incentives.

The **net cost of risk** recorded a moderate deterioration of – EUR 57million, resulting contrasting effects across different types of risk. Provisions for receivables were the main negative factor, with an increase in allocations (EUR -0.3 billion) on doubtful portfolios, sector-specific provisions, and off-balance-sheet commitments, in an economic environment that remained volatil at the start of the year and marked by geopolitical tensions. These allocations were nevertheless partially offset by reversals (EUR +0.2 billion), particularly on off-balance-sheet commitments and doubtful or disputed receivables, reflecting an improvement in risk across several portfolios.

Furthermore, synthetic securitisation devices contributed positively, driven by favorable developments in both performing and doubtful exposures. Finally, the net contribution from other risk items was slightly positive due to recoveries on written-off receivables.

The combination of all these elements resulted in an increase in operating profit of EUR 2 billion compared to 2024, reaching EUR 3.8 billion at the end of 2025.

In 2025, **gains on fixed assets** amounted to EUR 0.6 billion, in progression for EUR 0.03 billion. This evolution is mainly explained by the exit of SGEF shares in the first quarter 2025, allowing the recovery of the corresponding unrealised capital loss.

In addition, income from securities recorded a positive variation of EUR 0.2 billion, mainly linked to the distribution of dividends from consolidated entities.

Income tax was EUR -0.3 billion.

Net profit after tax therefore reached at EUR 4 billion at the end of 2025, an increase of EUR 2.1 billion compared to the previous year.

SCHEDULE OF ACCOUNTS PAYABLE

	31/12/2025						31/12/2024					
	Unmatured debts						Unmatured debts					
(In EUR m)	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
Trade accounts payable	17	54	-	-	-	71	29	60	56	-	-	145

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 and payment 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. 2021-211 on 24 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.

	31/12/2025					
	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	8	177	165	57	3,842	4,249
Total amount of the invoices concerned including VAT *(in EUR million)*	0	3	1	2	30	36
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)						
☑ Legal deadlines (45 days end of month or 60 days invoice date)						
☐ 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 terms is monitored as part of the bank's risk management (seeChapter 4 of this reference 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.

	31/12/2025					
	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	-	224	120	92	2,825	3 261
Total amount of the invoices concerned including VAT (in EUR million)(1)	-	19	1	2	108	130
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)						
☐ Contractual deadlines (to be specified)						
☑ Legal deadlines						

(1) Including EUR 81 million in disputed debts

SOCIETE GENERALE'S FINANCIAL RESULTS (OVER THE LAST FIVE FINANCIAL YEARS)

(In EUR m)	2025	2024	2023	2022	2021
Financial position at year-end					
Share capital (in EUR million) (1)	959	1,000	1,004	1,062	1,067
Number of shares issued (1)	766,894,786	800,313,777	802,979,942	849,883,778	853,371,494
Overall results of operations carried out (in EURm)					
Turnover excluding taxes (2)	58,934	61,025	54,857	32,519	27,128
Earnings before taxes, depreciation, amortisation, provisions, profit-sharing and FRBG	5,105	3,777	4,385	292	209
Employee profit-sharing awarded over the course					
of the financial year	12	0	4	12	15
Income tax	294	60	47	(82)	(25)
Profit after tax, depreciation, amortisation and provisions	4,112	2,012	3,350	(260)	1,995
Dividend payments (3)	1,235	872	723	1,445	1,877
Adjusted results of operations reduced to a single share (in EUR)					
Profit after tax, but before depreciation, amortisation and provisions	6.32	4.66	5.40	0.43	2.91
Results after tax, depreciation, amortisation and provisions	5.36	2.51	4.17	(0.31)	2.34
Dividend paid on each share	1.61	1.09	0.90	1.70	1.65
Personnel					
Number of employees	45,449	48,130	49,592	42,450	43,162
Amount of the wage bill (in EUR million)	4,190	4,465	4,121	3,938	3,554
Amount of money paid for social benefits (Social Security, welfare schemes, etc.)(in EUR m)	1,932	1,949	1,817	1,535	1,655

(1) As of 31 December 2025, Societe Generale's fully paid-up capital amounted to EUR 958,618,482.50 and consisted of 766,894,786 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) Distribution of dividends based on the number of shares issued as of 31 December 2025. An interim payment of EUR 0.61 was made in October 2025.

Main movements affecting the securities portfolio in 2025

In 2025, Societe Generale carried out the following operations on its securities portfolio:

Abroad	In France
Creation	**Creation**
-	SocGen AI
Equity investment	**Equity investment**
-	Société Générale Forge Reezocorp Namr Ecotree Quarnot
Acquisition	**Acquisition**
-	-
Increased holding	**Increased holding**
-	Company Savings Service
Subscription to capital increases	**Subscription to capital increases**
Societe Generale Securities Australia EPI Company Payxpert Services Ltd.	Corporate Trust Services Treezor
Total disposal	**Total disposal**
Société Générale Mauritanie Société Générale Guinée Société Générale Burkina Faso Société Générale Banque Guinée équatoriale	Société Générale Equipment Finance Lumo
Reduction of holding[1]	**Reduction of holding**[1]
Société Générale Kleinwort Hambros Société Générale Australia Holding Ltd Visa INC	Sogemarché Société Générale Ventures Orpavimob Antarius

(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 2025:

Threshold	Companies	Rising above threshold: % of capital 31/12/2025	Rising above threshold: % of capital 31/12/2024	Threshold	Companies	Falling below threshold: % of capital 31/12/2025	Falling below threshold: % of capital 31/12/2024
5%	Qarnot	9.86%	0%	5%	Axora	0%	7%
	Sogecap	6%	0%				
10%	Namr	14%	0%	10%	Socamcci	0%	10%
	Ecotree	12%	0%		Sotel	8%	15%
20%	Reezocorp	21%	0%	20%			
33.33%				33.33%	Antarius	0%	50%
					Société Générale Banque Guinée équatoriale	0%	46%
					Société Générale Burkina Faso	0%	48%
50%	Company Savings Service	55%	40%	50%	Société Générale Guinée	0%	58%
66.66%	Société Générale Forge	89%	0%	66.66%	SGFP Mexico	0%	100%
	SocGen AI	100%	0%		Société Générale Australia Holding Ltd	5%	100%
					Société Générale Mauritanie	0%	95%
					Lumo	0%	100%
					Société Générale Afrique Centrale et de l'Est	0%	100%
					Société Générale Ventures	0%	100%
					Société Générale Equipment Finance	0%	100%
					Société Générale Kleinwort Hambros	6%	100%

(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 CODE MONÉTAIRE ET FINANCIER CONCERNING SOCIETE GENERALE SA

As part of its long-standing presence in the commodities market, Societe Generale offers derivative instruments on agricultural commodities to meet the different needs of its customers, 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, 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 put in place 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 Code monétaire et financier 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 2025, 31,096 inactive bank accounts were closed and the total amount of deposits made with the Caisse des dépôts et consignations was EUR 54,916,454.

At the end of December 2025, 380,629 bank accounts were listed as inactive for a total amount estimated at EUR 950,239,176.89.

6.5 FINANCIAL STATEMENT

6.5.1 PARENT COMPANY BALANCE SHEET

ASSETS

(In EUR m)		31.12.2025	31.12.2024
Cash, due from central banks and post office accounts		109,846	174,810
Treasury notes and similar securities	Note 2.1	106,890	88,764
Due from banks	Note 2.3	185,481	205,856
Customer loans	Note 2.3	544,893	518,718
Bonds and other debt securities	Note 2.1	138,318	117,744
Shares and other equity securities	Note 2.1	107,894	86,952
Affiliates and other long-term securities	Note 2.1	1,070	1,100
Investments in related parties	Note 2.1	21,734	22,380
Tangible and intangible fixed assets	Note 7.2	3,115	3,495
Treasury stock	Note 2.1	704	119
Other assets	Note 3.2	127,019	103,884
Accruals, other accounts receivables	Note 3.2	54,771	50,471
TOTAL		**1,401,735**	**1,374,293**

OFF-BALANCE SHEET ITEMS

(In EUR m)		31.12.2025	31.12.2024
Loan commitments granted	Note 2.3	294,630	309,208
Guarantee commitments granted	Note 2.3	224,968	233,064
Commitments made on securities		23,903	21,094

LIABILITIES AND SHAREHOLDERS' EQUITY

(In EUR m)		31.12.2025	31.12.2024
Due to central banks and post office accounts		9,645	11,242
Due to banks	Note 2.4	336,102	325,844
Customer deposits	Note 2.4	604,318	592,255
Liabilities in the form of securities issued	Note 2.4	135,385	150,511
Other liabilities	Note 3.2	212,750	190,310
Accruals, other accounts payables	Note 3.2	33,484	28,982
Provisions	Note 2.6	8,983	9,597
Long-term subordinated debt and notes	Note 6.4	21,733	27,408
Shareholders' Equity			
Common stock	Note 6.1	959	1,000
Additional paid-in capital	Note 6.1	18,615	20,173
Retained earnings	Note 6.1	15,649	14,959
Net income	Note 6.1	4,112	2,012
SUB-TOTAL		**39,335**	**38,144**
TOTAL		**1,401,735**	**1,374,293**

OFF-BALANCE SHEET ITEMS

(In EUR m)		31.12.2025	31.12.2024
Loan commitments received	Note 2.4	133,465	104,948
Guarantee commitments received	Note 2.4	72,324	68,805
Commitments received on securities		32,252	27,878

6.5.2 INCOME STATEMENT

(In EUR m)		31.12.2025	31.12.2024
Interest and similar income	Note 2.5	41,106	47,497
Interest and similar expense	Note 2.5	(41,013)	(45,788)
Dividend income	Note 2.1	3,462	3,227
Fee income	Note 3.1	6,701	7,096
Fee expense	Note 3.1	(3,124)	(2,785)
Net income from the trading portfolio	Note 2.1	7,527	4,693
Net income from short-term investment securities	Note 2.1	700	129
Income from other activities		498	273
Expense from other activities		(569)	(855)
Net banking income[1]	**Note 7.1**	**15,288**	**13,487**
Personnel expenses	Note 4.1	(6,435)	(6,440)
Other operating expenses		(3,623)	(4,014)
Impairment, amortisation and depreciation		(700)	(582)
Gross operating income		**4,530**	**2,451**
Cost of risk	Note 2.6	(725)	(668)
Operating income		**3,805**	**1,783**
Net income from long-term investments	Note 2.1	601	289
Operating income before tax		**4,406**	**2,072**
Income tax	Note 5	(294)	(60)
Net Income		**4,112**	**2,012**
Earnings per ordinary share	**Note 6.3**	**5.30**	**2.53**
Diluted earnings per ordinary share		**5.30**	**2.53**

(1) Including, in 2024, EUR 301 million received in respect of exposures in Russia linked to its former local presence via Rosbank, generating a positive contribution to net income of EUR 218 million after tax.

Information about fees paid to statutory auditors is disclosed in the notes to the consolidated financial statements of Societe Generale group. Consequently, this information is not provided in the notes to the parent company financial statements of Societe Generale.

6.6 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The parent company financial statements were approved by the Board of Directors on 5 February 2026.

NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES

1. Introduction

The preparation and presentation of the parent company financial statements for Societe Generale comply with the provisions of Regulation 2014-07 of the French Accounting Standards Board (*Autorité des Normes Comptables*, ANC), relating to the annual accounts for the banking sector.

As the financial statements of foreign branches were prepared using accounting principles generally accepted in their respective countries, they have been adjusted to comply with the accounting principles applicable in France.

The disclosures provided in the notes to the parent company financial statements focus on information that is both relevant and material to the financial statements of Societe Generale, its activities and the circumstances in which it conducted its operations over the period.

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 principles. 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. Translation of foreign currency financial statement

The on- and off-balance sheet items of branches reporting in foreign currencies are translated at the official exchange rate prevailing at year-end. The income statement items of these branches are translated at the average quarter-end exchange rate. Translation gains and losses arising from the translation of the capital contribution, reserves, retained earnings and net income of foreign branches, which result from changes in exchange rates, are included in the balance sheet under "Accruals, other accounts payable/ receivable and other liabilities/assets".

4. Use of estimates and judgment

In compliance with the accounting principles and methods applicable to the preparation of the financial statements and stated in the notes to the present document, the Management makes assumptions and estimates that may have an impact on the figures recorded in the income statement, the valuation of assets and liabilities on the balance sheet, and the information disclosed in the notes to the parent company financial statements.

In order to make these assumptions and estimates, the Management uses the information available as at the date of preparation of the financial statements and can exercise its own judgment. By nature, valuations based on these estimates involve risks and uncertainties about their materialization in the future. Consequently, the actual future results may differ from these estimates and may then have a significant impact on the financial statements.

The assumptions and estimates made in preparing these annual financial statements take account of the uncertainties related to the economic consequences of 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.

The use of estimates mainly concerns the following accounting topics:

- fair value in the balance sheet of financial instruments (securities portfolio and forward financial instruments) not quoted in an active market and held for trading activities (see Notes 2.1, 2.2 and 3.2);
- impairment of financial assets (see Note 2.6);
- provisions recognised as liabilities (see Notes 2.6, 4.2 and 5.2);
- deferred tax assets recognised in the balance sheet (see Note 5).

5. Geopolitical and macroeconomic context

The global economy proves resilient, buoyed by rising asset prices, low energy prices, investments in artificial intelligence, as well as by budgetary easing (increased defence spending, especially in the Unites States, in Europe and in China), regulatory easing (especially in the Unites States), and simplification measures in Europe (Omnibus initiative).

The full impact of the tariff hikes implemented by the United States is yet to be seen.

Meanwhile, labour markets are tightening in Europe and United States. Financial market volatility raises the risk of a faster than expected slowdown, whether in equity risk premiums, real estate or-sovereign debt.

Societe Generale is anticipating further interest rate cuts by the Federal Reserve, albeit with a more hesitant stance. Questions over its independence also remain a source of uncertainty. In Europe, Societe Generale expects the ECB to cut interest rates and announce an end to quantitative tightening.

In this context, Societe Generale updated the macroeconomic scenarios chosen for the preparation of its statutory statements as at 31 December 2025. 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 2025, Societe Generale has selected four macroeconomic scenarios to enhance understanding of the uncertainties associated with the current macroeconomic environment. This year, a new SG Debt Tension scenario was introduced to capture the risks associated with growing concerns about the sustainability of public finances in major economies, although this is not considered to be a systemic crisis.

The assumptions considered to draw up the scenarios are listed below:

- The central scenario ("SG Central"), weighted at 56%, predicts low growth in the eurozone in a context of more restrictive fiscal policy than in 2025 and of persistent geopolitical concerns. In the United States, while fiscal stimulus and deregulation may provide a boost to the US economy, this will not be enough to offset the headwinds of immigration, tariffs and general uncertainty. Downside risks, particularly related to financial volatility, remain. Compared with 31 December 2024, this central scenario is, therefore, unchanged in terms of underlying trends and expected developments. Forecasts of the main economic variables changed only marginally when the economic scenarios were updated.
- The favourable scenario ("SG Favourable"), weighted at 10%, describes accelerated economic growth compared with the trajectory envisaged 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") of stagflation, weighted at 14%, has been calibrated on the experience of the Iranian revolution in 1979 and the resulting oil shock. This scenario is based on a negative supply shock leading to inflationary pressures, combined with a financial crisis.
- The deflation scenario ("SG Debt tension"), weighted at 20%, is supported by widespread concern about the sustainability of public finances in the major economies. This scenario is based on a negative demand shock related to the increase of the global financing costs, amplified by a loss of credibility of central banks and the absence of unconventional policies. The result is a broad-based rise in long-term rates, a depreciation of the dollar, a widening of credit spreads and a downturn in equity markets.

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.

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 33.33% of the holding company Bernstein North America Holdings LLC, acquired for a purchase price of EUR 180 million.

Options have been negotiated to allow Societe Generale, subject to regulatory approvals, to ultimately own 100% of both entities.

On 1 July 2025, Societe Generale notified AllianceBernstein that it had the regulatory approvals to increase its ownership (" Increased Ownership Approval Notice "). On 18 July 2025, in accordance with the acquisition agreement, AllianceBernstein notified Societe Generale of its decision to exercise its right to sell its 17.67% stake in Bernstein North America Holding LLC to Societe Generale.

On 1 January 2026, AllianceBernstein transferred its 17.67% stake, enabling Societe Générale to increase its ownership in Bernstein North America Holdings LLC to 51%.

7. ANC regulation on the modernisation of financial statement

On 7 July 2023, the French Accounting Standards Board (Autorité des Normes Comptables, ANC), published Regulation No. 2023-03, amending various ANC regulations in coordination with ANC Regulation No. 2022-06 of November 22, 2022 relating to the modernisation of financial statements.

This regulation amends ANC Regulation No. 2014-07 of 26 November 2014 relating to the accounts of companies in the banking sector, by eliminating the concept of expense transfer under the item "Income from other activities". The presentation of Societe Generale's individual financial statements is not affected by the entry into force of this regulation. The other amendments introduced by these regulations have no impact on the accounts of companies in the banking sector applying ANC Regulation 2014-07.

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”. 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
- 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. 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.

At year-end, book value if short-term investment securities is compared to realisable value. Only the unrealised losses are recorded with the recognition of a depreciation of the securities portfolio (cf Note 2.6.2).

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 AND OTHER DEBT SECURITIES, SHARES AND OTHER EQUITY SECURITIES

	31.12.2025				31.12.2024			
(In EUR m)	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 [1]	Total
Trading securities	**83,600**	**107,738**	**30,964**	**222,302**	**63,286**	**86,716**	**39,217**	**189,219**
Of which listed	83,600	107,545	8,986	200,131	63,286	86,035	6,951	156,272
Short-term investment securities	**23,290**	**156**	**13,752**	**37,198**	**25,476**	**236**	**16,300**	**42,012**
Gross book value	23,225	188	13,771	37,184	25,643	254	16,425	42,322
Of which listed	23,225	23	11,072	34,320	25,463	76	8,513	34,052
Related receivables	(99)	(32)	(71)	(202)	(343)	(18)	(137)	(498)
Impairment	**164**	**-**	**52**	**216**	**176**	**-**	**12**	**188**
Long-term investment securities	**-**	**-**	**93,602**	**93,602**	**2**	**-**	**62,227**	**62,229**
Gross book value	-	-	93,065	93,065	-	-	61,950	61,950
Of which listed	-	-	23,436	23,436	-	-	4,843	4,843
Impairment	-	-	-	-	-	-	-	-
Related receivables	-	-	537	537	2	-	277	279
TOTAL[2][3]	**106,890**	**107,894**	**138,318**	**353,102**	**88,764**	**86,952**	**117,744**	**293,460**

(1) As at 31 December 2025, the amount of bonds and other fixed-income securities includes EUR 21,440 million of securities issued by public organisations (EUR 5,696 million as at 31 December 2024).

(2) As at 31 December 2025, the amount of bonds and other fixed-income securities relating to affiliated companies is EUR 80,782 million (EUR 67,873 million as at 31 December 2024).

(3) Societe Generale does not hold any securities classified in the "Portfolio Activity category".

ADDITIONAL INFORMATION ON SECURITIES

(In EUR m)	31.12.2025	31.12.2024
Unrealised Gains on Short-term investment securities[(1)]	876	598
Unrealised Losses on Investment Securities	(3,969)	(3,119)
Unrealised Result of the Long-term investment securities (excluding reclassified portfolio)	-	-
Amount of Premiums and Discounts on Short-term investment securities	267	452
Amount of Premiums and Discounts on Long-term investment securities	196	(58)
Amount of Subordinated Securities	-	302
Amount of Securities lent:	64,987	65,051
■ Treasury notes and similar securities	47,609	36,575
■ Shares and other equity securities	10,500	11,065
■ Bonds and other debt securities	6,878	17,411

(1) The amount does not include unrealised gains or losses on forward financial instruments used to hedge short-term investment securities.

NOTE 2.1.2 AFFILIATES, INVESTMENTS IN RELATED PARTIES AND OTHER LONG-TERM SECURITIES

AFFILIATES AND OTHER LONG-TERM SECURITIES

(In EUR m)	31.12.2025	31.12.2024
Banks	**294**	**296**
Listed	-	-
Unlisted	294	296
Others	**847**	**875**
Listed	-	-
Unlisted	847	875
Equity Interests and Other Long-Term Investments Before Impairment	**1,141**	**1,171**
Impairments	(71)	(71)
TOTAL	**1,070**	**1,100**

The main changes are:

- the partial conversion of preference shares in Visa Inc. resulting in a net effect of EUR - 48 million;
- the recognition of equity investments in the portfolio following the universal transfer of assets (TUP) of SG Ventures to Société Générale for an amount of EUR +18 million.

INVESTMENTS IN RELATED PARTIES

(In EUR m)	31.12.2025	31.12.2024
Banks	**8,797**	**8,799**
Listed	1,851	1,791
Unlisted	6,946	7,008
Others	**16,120**	**17,250**
Listed	1,948	1,948
Unlisted	14,172	15,302
Investments in related parties before impairment	**24,917**	**26,049**
Impairment	(3,183)	(3,669)
TOTAL	**21,734**	**22,380**

All transactions with the related parties were concluded under normal market conditions.

The mains changes are:

- subscription to the share capital increase of Societe Generale Securities Australia for EUR +99 million;
- subscription to the share capital increase of Societe Services Fiduciaires for EUR +41 million;
- the capital decrease of Societe Générale Kleinwort Hambros (Societe Generale Priv Holding Ltd) for EUR -478 million;
- foreign exchange effect and hedging adjustment impact (of which Societe Generale Americas Securities Holdings for EUR -243 million, Societe Generale International Limited for EUR - 55 million, Societe Generale Japan Limited for EUR -36 million) for EUR -408 million;
- the full disposal of the shares of Societe Generale Equipment Finance for EUR -282 million;
- the capital decrease of Sogemarché for EUR -50 million;
- the Societe Generale Ventures simplified merger impact in Societe Generale for EUR - 32 million;
- the capital decrease of Orpavimob: EUR -13 million;
- the capital decrease of Societe Generale Australia Holding for EUR -11 million.

The main changes in the impairment are as followed:

- the impairment of Treezor securities for EUR -93 million;
- the impairment of Societe Generale China securities for EUR -61 million;
- the impairment of Payxpert securities for EUR -36 million;
- the impairment of Reezocorp securities for EUR -26 million;
- the impairment of Banco Societe Generale Brasil securities for EUR -24 million;
- the impairment reversal of Franfinance securities for EUR +499 million;
- the impairment reversal of Societe Generale Equipment Finance securities for EUR +161 million;
- the impairment reversal of Societe Generale Americas securities for EUR +39 million;
- the impairment reversal of Societe Generale Securities Services S.P.A. securities for EUR +32 million.

NOTE 2.1.3 TREASURY STOCK

ACCOUNTING PRINCIPLES

Societe Generale’s shares acquired for allocation to employees are recorded as Short-term investment securities and presented under “Treasury stock” on the assets side of the balance sheet.

Societe Generale’s shares held with a view to underpinning the share price or as part of arbitrage transactions on the CAC 40 index are recorded as Trading securities and presented under “Treasury stock” on the assets side of the balance sheet.

Societe Generale’s shares acquired with the intend to cancel them are recorded as Long-term equity investments and presented under “Treasury stock” on the assets side of the balance sheet.

	31.12.2025			31.12.2024		
(In EUR m)	**Quantity**	**Book value[3]**	**Market value**	**Quantity**	**Book value[3]**	**Market value**
Trading securities[1]	62,371	4	4	600,003	16	16
Short-term investment securities	3,763,587	187	259	3,818,347	103	104
Long-term equity investments[2]	8,244,198	513	567	-	-	-
TOTAL	**12,070,156**	**704**	**830**	**4,418,350**	**119**	**120**

Nominal value of the share: 1.25 euro.

Share price as at 31 December 2025: 68.72 euro.

(1) Societe Generale terminated on 30 June 2025 the liquidity contract that had been in place to intervene in trading on Societe Generale shares.
(2) As at 31 December 2025, 8,244,198 Societe Generale shares were acquired on the market at a cost of EUR 513 million for cancellation purposes in accordance with the resolutions adopted by the General Meeting of 22 May 2024 and the General Meeting of 20 May 2025.
(3) The book value is assessed in accordance with CNC Notice No. 2008-17, approved on 6 November 2008, relating to stock options and free share allocations.

NOTE 2.1.4 DIVIDEND INCOME

(In EUR m)	2025	2024
Dividends from shares and other equity securities	71	25
Dividends from affiliates and other long-term securities	3,391	3,202
TOTAL	**3,462**	**3,227**

Dividends received from investments in the trading portfolio have been classified under "Net income from the trading portfolio."

NOTE 2.1.5 NET INCOME FROM THE TRADING PORTFOLIO AND SHORT-TERM INVESTMENT SECURITIES

(In EUR m)	2025	2024
Net income from the trading portfolio:	**7,527**	**4,693**
Net income from operations on trading securities[1]	25,632	18,212
Net income from forward financial instruments	(18,770)	(13,717)
Net income from foreign exchange transactions	665	198
Net income from short-term investment securities:	**700**	**129**
Gains on sale	522	607
Losses on sale	(113)	(448)
Allocation of impairment	(108)	(100)
Reversal of impairment	399	70
TOTAL	**8,227**	**4,822**

(1) Of which EUR 2,419 million of received dividends on trading portfolio in 2025 (EUR 2,404 million in 2024).

NOTE 2.1.6 NET INCOME FROM LONG-TERM INVESTMENTS

ACCOUNTING PRINCIPLES

This item includes capital gains or losses realised on disposals, as well as the net allocation to depreciation for investments in subsidiaries and affiliates, long-term investment securities.

(In EUR m)	2025	2024
Long-term investment securities:	**-**	**-**
Net capital gains (or losses) on sale	-	-
Net allocation to impairment	-	-
Investments in subsidiaries and affiliates:	**568**	**285**
Gains on sale[1]	250	1,010
Losses on sale	(178)	(119)
Allocation to impairment[2]	(264)	(775)
Reversal of impairment[2]	760	169
Subsidies granted to affiliates (subsidiaries)	-	-
Net income from long term investment (see Note 7.2)	**33**	**4**
TOTAL	**601**	**289**

(1) In 2025, the main sales are related to the disposal of SG Guinea for EUR +170 million, SG Burkina Faso for EUR +44 million, the partial conversion of preference shares in Visa Inc. for EUR +24 million and the disposal of Societe Generale Equipment Finance for EUR -154 million.

(2) Allocations and reversals mainly concern subsidiaries (See Note 2.1.2 - Investments in subsidiaries).

NOTE 2.2 Transactions on forward financial instruments

ACCOUNTING PRINCIPLES

Transactions on forward financial instruments on interest rates, foreign exchange rates or equities are used for trading or hedging purposes.

Nominal commitments on forward financial instruments are recorded as a separate off-balance sheet item. This amount represents the volume of current transactions and does not reflect the potential gain or loss associated with the market or counterparty risk on these transactions. Credit derivatives purchased to hedge credit risks on financial assets which are not valued at market value are classified and treated as 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 traded over-the-counter on less liquid markets.

These transactions are measured at their market value as at the closing date. When financial instruments are not quoted in an active market, this value is generally determined based on internal models. Where necessary, these valuations are adjusted for reasons of prudence by applying a discount (Reserve Policy). This discount is determined on the basis of the instruments concerned and the associated risks, and takes into account:

- a conservative valuation of all the instruments, regardless of the liquidity of the corresponding market;
- a reserve calculated based on the size of the exposure and intended to cover the risk that Societe Generale will be unable to liquidate the investment in one go due its size;
- an adjustment for the reduced liquidity of the instruments and for model risk in the case of complex products as well as transactions on less liquid markets (less liquid since they have been developed recently or are more specialised).

Furthermore, for over-the-counter transactions on forward interest rate instruments, these valuations also take into account counterparty risk and the present value of the future management fees.

The corresponding gains or losses are directly recognised as income or expense for the period, regardless of whether they are realised or unrealised. They are recognised in the income statement as “Net income from the trading portfolio”.

The gains or losses corresponding to the contracts concluded as part of the cash management activities managed by the trading room in order to benefit from any interest rate fluctuations, are recorded when these contracts are settled or prorata temporis over the life of the contracts, depending on the type of instrument. Any unrealised losses are provisioned at year-end and the corresponding amounts are recorded under “Net income from the trading portfolio”.

NOTE 2.2.1 FORWARD FINANCIAL INSTRUMENTS COMMITMENTS (NOTIONAL)

(In EUR m)	Fair Value Trading transactions	Hedging transactions	Total 31.12.2025	31.12.2024
Firm transactions	**18,316,711**	**22,933**	**18,339,644**	**14,587,372**
Transactions on organised markets	4,155,967	165	4,156,132	3,612,666
Interest rate futures	*947,076*	-	*947,076*	*746,594*
Foreign exchange futures	*2,944,990*	-	*2,944,990*	*2,580,734*
Other futures contracts	*263,901*	*165*	*264,066*	*285,338*
OTC agreements	14,160,744	22,768	14,183,512	10,974,706
Interest rate swaps	*11,495,721*	*21,853*	*11,517,574*	*8,636,966*
Currency financing swaps	*1,485,563*	*915*	*1,486,478*	*1,405,684*
Forward Rate Agreements (FRA)	*1,126,162*	-	*1,126,162*	*897,631*
Other	*53,298*	-	*53,298*	*34,425*
Optional transactions	**4,425,153**	**660**	**4,425,813**	**4,120,041**
Interest rate options	1,864,558	-	1,864,558	1,784,790
Foreign exchange options	995,102	604	995,706	1,065,400
Equity and index options	1,516,394	56	1,516,450	1,230,878
Other options	49,099	-	49,099	38,973
TOTAL	**22,741,864**	**23,593**	**22,765,457**	**18,707,413**

NOTE 2.2.2 FAIR-VALUE OF THE TRANSACTIONS QUALIFIED AS HEDGING

(In EUR m)	31.12.2025	31.12.2024
Firm transactions	**(5,966)**	**(6,213)**
Transactions on organised markets	100	20
Interest rate futures	-	-
Foreign exchange futures	-	-
Other forward contracts	*100*	*20*
OTC agreements	(6,066)	(6,233)
Interest rate swaps	*(6,094)*	*(6,139)*
Currency financing swaps	*28*	*(94)*
Forward Rate Agreements (FRA)	-	-
Other	-	-
Optional transactions	**35**	**15**
TOTAL[(1)]	**(5,931)**	**(6,198)**

(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 EUR m)	Up to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Firm transactions	**5,410,998**	**4,637,521**	**5,142,847**	**3,148,278**	**18,339,644**
Transactions on organised markets	2,478,523	1,150,009	477,781	49,819	4,156,132
OTC agreements	2,932,475	3,487,512	4,665,066	3,098,459	14,183,512
Optional transactions	**1,455,212**	**1,119,951**	**1,211,976**	**638,674**	**4,425,813**
TOTAL	**6,866,210**	**5,757,472**	**6,354,823**	**3,786,952**	**22,765,457**

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.

Doubtful and non-performing loans and receivables

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. The criteria for identifying non-performing loans used by Societe Generale are consistent with those detailed in the guidelines published by the European Banking Authority (EBA), in particular regarding the thresholds applicable in the event of non-payment and probationary periods.

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)

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.

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.

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.

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 restructured loan.

The restructured financial assets are classified as doubtful, 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.

Within the first 2 years of coming out of default, restructured receivables reclassified as performing loans are reclassified as non-performing loans if the debt goes unpaid for more than 30 days or if there is a new restructuring.

Loans and receivables 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. The restructured financial assets do not include the loans and receivables subject to commercial renegotiations.

These renegotiated loans and receivables are derecognised as at the renegotiation date and replaced as at the same date on the balance sheet by the new loans, contractualised under the renegotiated conditions. These new loans are subsequently measured at amortised cost, based on the effective interest rate arising from the new contractual conditions and taking into account the renegotiation fees billed to the customer.

NOTE 2.3.1 DUE FROM BANKS

(In EUR m)	31.12.2025	31.12.2024
Demand deposits and loans	**6,152**	**13,016**
Current accounts	4,836	5,949
Overnight deposits and loans	1,316	7,067
Loans secured by notes-overnight	-	-
Term accounts and loans	**179,338**	**192,851**
Term deposits and loans	76,598	81,725
Securities purchased under resale agreements	101,844	110,065
Subordinated and participating loans	467	479
Loans secured by notes and securities	-	-
Related receivables	429	582
Due from banks before impairment	**185,490**	**205,867**
Impairment	(9)	(11)
TOTAL(1)(2)	**185,481**	**205,856**

(1) As at 31 December 2025 doubtful loans amounted to EUR 10 million (of which EUR 7 million were non-performing loans) as in 2024.
(2) Including amounts receivable from related parties: EUR 71,485 million as at 31 December 2025 against EUR 78,124 million as at 31 December 2024.

NOTE 2.3.2 CUSTOMER LOANS

	31.12.2025				31.12.2024			
(In EUR m)	Performing Loans	Non-Impaired Doubtful Loans	Impaired Doubtful Loans	Total	Performing Loans	Non-Impaired Doubtful Loans	Impaired Doubtful Loans	Total
Overdrafts	15,307	-	-	15,307	18,412	-	-	18,412
Discount of trade notes	799	-	-	799	818	-	-	818
Other loans(1)(2)	318,794	4,357	3,372	326,523	325,902	4,688	3,025	333,614
Loans secured by notes and securities	96	-	-	96	98	-	-	98
Securities purchased under resale agreements	203,577	-	-	203,577	166,700	-	-	166,700
Related receivables	1,396	-	-	1,396	1,612	-	-	1,612
Customer loans before impairment	**539,969**	**4,357**	**3,372**	**547,698**	**513,542**	**4,688**	**3,025**	**521,254**
Impairment	-	(1,094)	(1,711)	(2,805)	-	(1,046)	(1,490)	(2,536)
Customer loans after impairment(3)(4)	**539,969**	**3,263**	**1,661**	**544,893**	**513,542**	**3,642**	**1,535**	**518,718**

(1) Including pledged loans: EUR 81,289 million (EUR 80,156 million as at 31 December 2024) of which amounts eligible for refinancing with Banque de France: EUR 12,141 million as at 31 December 2025 (EUR 11,853 million as at 31 December 2024).
(2) Of which participating loans: EUR 2,855 million as at 31 December 2025 (EUR 3,112 million as at 31 December 2024).
(3) Of which amounts receivable from related parties: EUR 92,908 million as at 31 December 2025 (EUR 108,506 million as at 31 December 2024).
(4) Including restructured loans: EUR 8,214 million as at 31 December 2025 (EUR 6,323 million as at 31 December 2024).

The detail of other loans is composed of:

(In EUR m)	31.12.2025	31.12.2024
Short-term loans	101,508	101,644
Export loans	11,211	11,830
Equipment loans	64,580	63,197
Housing loans	81,123	81,444
Lease financing agreements	-	-
Other loans	68,101	75,499
TOTAL	**326,523**	**333,614**

BREAKDOWN OF CUSTOMER TRANSACTION EXPOSURES BY COUNTERPARTY TYPE:

(In EUR m)	31.12.2025	31.12.2024
Businesses and sole proprietors	174,938	177,961
Individual customers	74,451	74,304
Financial customers	70,509	79,049
Others	24,127	23,142
Subtotal	**344,025**	**354,456**
Securities Received Under Repurchase Agreements	203,673	166,798
TOTAL GROSS LOAN OUTSTANDINGS	**547,698**	**521,254**

BREAKDOWN OF PROVISIONS ON CUSTOMER TRANSACTION EXPOSURES BY COUNTERPARTY TYPE:

(In EUR m)	31.12.2025	31.12.2024
Businesses and sole proprietors	(2,680)	(2,461)
Individual customers	(24)	(31)
Financial customers	(72)	(10)
Others	(29)	(34)
TOTAL PROVISIONS	**(2,805)**	**(2,536)**

NOTE 2.3.3 COMMITMENTS GRANTED

(In EUR m)	31.12.2025	31.12.2024
Loan commitments	**294,630**	**309,208**
To banks	62,343	74,059
To customers	232,287	235,149
Guarantee commitments	**224,968**	**233,064**
On behalf of banks	109,709	113,370
On behalf of customers	115,259	119,694

Commitments granted to affiliates from related parties amount to EUR 71,067 million as at 31 December 2025 (EUR 77,174 million as at 31 December 2024).

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 securitisation in order to substitute in the assets, housing loans against bonds which are eligible to the Eurosystem refinancing operations. In this context, Societe Generale has transferred EUR 10,625 million of housing loans to a securitisation mutual fund. To capitalise 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.

On 27 October 2025, Societe Generale completed a new residential mortgage securitisation transaction, involving the transfer of EUR 5,170 million of residential mortgage loans.

As at 31 December 2025, the bonds are recognised on the asset side of the balance sheet for a total amount of EUR 20,718 million as a result of the underlying housing loans partial amortisation.

NOTE 2.4 Debts

ACCOUNTING PRINCIPLES

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand debt (demand deposits, current accounts) and term deposits due to banks, regulated savings accounts and other deposits due to customers. They also include the securities sold to banks and customers under repurchase agreements.

The interest accrued on these deposits is recorded as related payables with a counterpart entry in the income statement.

NOTE 2.4.1 DUE TO BANKS

(In EUR m)	31.12.2025	31.12.2024
Demand deposits	**27,239**	**29,037**
Demand deposits and current accounts	27,239	29,037
Borrowings secured by notes - overnight	-	-
Term deposits	**192,683**	**180,586**
Term deposits and borrowings	192,683	180,586
Borrowings secured by notes and securities	-	-
Related payables	**1,701**	**1,925**
Securities sold under repurchase agreements	**114,479**	**114,296**
TOTAL	**336,102**	**325,844**

Related parties payables amount to EUR 139,585 million as at 31 December 2025 (EUR 131,228 million as at 31 December 2024).

NOTE 2.4.2 CUSTOMER DEPOSITS

(In EUR m)	31.12.2025	31.12.2024
Regulated savings accounts	**55,064**	**57,772**
Demand	43,012	43,746
Term	12,052	14,026
Other demand customer deposits	**175,901**	**178,059**
Businesses and sole proprietors	78,819	83,430
Individual customers	46,674	47,550
Financial customers	42,440	39,318
Others	7,968	7,761
Other term customer deposits	**194,784**	**206,349**
Businesses and sole proprietors	82,705	88,374
Individual customers	2,829	4,347
Financial customers	101,302	100,906
Others	7,948	12,722
Related payables	**1,620**	**1,428**
Securities sold to customers under repurchase agreements	**176,949**	**148,647**
TOTAL	**604,318**	**592,255**

Related parties due to customers amount to EUR 107,221 million as at 31 December 2025 (EUR 107,005 million as at 31 December 2024).

NOTE 2.4.3 LIABILITIES IN THE FORM OF SECURITIES ISSUE

ACCOUNTING PRINCIPLES

The liabilities in the form of securities issued are classified by type of security: loan notes, interbank market certificates and negotiable debt instruments, bonds and other debt securities, but exclude subordinated notes which are classified under “Subordinated debt”.

The interest accrued is recorded as related payables with a counterpart entry in the income statement. Bond issuance and redemption premiums are amortised on a straight-line or actuarial basis over the life of the related borrowings. The resulting expense is recorded in the income statement under “Interest and similar expense”.

Bond issuance costs accrued over the period are all recorded as expenses for the period under “Interest and similar expense” in the income statement.

(In EUR m)	**31.12.2025**	**31.12.2024**
Loan notes	-	-
Bond borrowings	-	-
Interbank market certificates and negotiable debt instruments	133,731	148,666
Related payables	1,654	1,845
TOTAL	**135,385**	**150,511**

Related parties payables amount to EUR 2,133 million as at 31 December 2025 (EUR 2,121 million as at 31 December 2024).

NOTE 2.4.4 COMMITMENTS RECEIVED

(In EUR m)	**31.12.2025**	**31.12.2024**
Loan commitments received from banks	133,465	104,948
Guarantee commitments received from banks	72,324	68,805

Related parties commitments amount to EUR 18,036 million as at 31 December 2025 (EUR 15,904 million as at 31 December 2024).

Financing and guarantee commitments received also include transactions with financial institutions, insurance and capitalization companies, as well as public sector entities.

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. Interest ceases to be recognised on non-performing loans.

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.

	2025			2024		
(In EUR m)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	**11,648**	**(12,554)**	**(906)**	**16,501**	**(14,080)**	**2,421**
Transactions with central banks, post office accounts and banks	8,508	(8,551)	(43)	11,749	(8,836)	2,913
Securities sold under repurchase agreements and borrowings secured by notes and securities	3,140	(4,003)	(863)	4,752	(5,244)	(492)
Transactions with customers	**20,273**	**(15,627)**	**4,646**	**22,500**	**(18,262)**	**4,238**
Trade notes	14	-	14	17	-	17
Other customer loans	11,975	-	11,975	14,213	-	14,213
Overdrafts	1,826	-	1,826	1,969	-	1,969
Regulated savings accounts	-	(939)	(939)	-	(1,362)	(1,362)
Other customer deposits	-	(8,338)	(8,338)	-	(10,471)	(10,471)
Securities sold / bought under repurchase agreements and borrowings secured by notes and securities	6,458	(6,350)	108	6,301	(6,429)	(128)
Bonds and other debt securities	**6,178**	**(8,110)**	**(1,932)**	**5,737**	**(9,280)**	**(3,543)**
Other interest expenses and related income	**3,007**	**(4,722)**	**(1,715)**	**2,759**	**(4,166)**	**(1,407)**
TOTAL	**41,106**	**(41,013)**	**93**	**47,497**	**(45,788)**	**1,709**

The detail of other customer loans is composed of:

(In EUR m)	2025	2024
Short-term loans	4,164	5,215
Export loans	413	525
Equipment loans	1,982	2,072
Housing loans	1,570	1,556
Other customer loans	3,845	4,845
TOTAL	**11,974**	**14,213**

NOTE 2.6 Impairment and provisions

NOTE 2.6.1 IMPAIRMENT AND PROVISIONS FOR CREDIT RISK

ACCOUNTING PRINCIPLES

Loans and receivables to credit institutions and customers, receivables and receivables included in other assets, as well as financing commitments and financial guarantees given, carry credit risk that exposes Societe Generale to potential losses should its counterparties be unable to meet their financial commitments.

These potential losses or expected credit losses, as estimated by Societe Generale, are recognised in profit or loss without waiting for a default event to occur that affects the counterparty individually.

When a loan or receivable carries proven credit risk and is individually impaired (see Note 2.3), then the expected credit loss is recognised as an impairment for credit risk presented as a deduction from the book value of the loan or receivable on the assets side of the balance sheet (see Note 2.6.1.1).

Expected credit losses on performing loans that are still unimpaired, as well as on homogeneous portfolios of assets under management for which a significant deterioration in credit risk has been identified, are recognised as provisions for credit risk presented on the liabilities side of the balance sheet (see Note 2.6.1.2).

Expected credit losses on off-balance sheet commitments for financing and financial guarantees given are recognised as provisions for credit risk presented on the liabilities side of the balance sheet (see Note 2.6.1.2).

GEOPOLITICAL AND MACROECONOMIC CONTEXT

In 2025, 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 2025.

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, discounts on restructured loans and recoveries of impaired debts are recognised under "Cost of risk", along with write-backs of impairment linked to the passage of time.

(In EUR m)	Amount as at 31.12.2024	Net charges for cost of risk	Used Reversals	Change in scope and reclassifying	Amount as at 31.12.2025
Impairments of credit Institutions	**11**	**1**	**(3)**	**-**	**9**
Impairments on non-compromised doubtful exposures	3	1	(3)	-	1
Impairments on compromised doubtful exposures	8	-	-	-	8
Impairments of customer Loans	**2,536**	**588**	**(289)**	**(30)**	**2,805**
Impairments on non-compromised doubtful exposures	1,046	234	(144)	(42)	1,094
Impairments on compromised doubtful exposures	1,490	354	(145)	12	1,711
Impairments of other Assets	**160**	**(10)**	**-**	**-**	**150**
Impairments on non-compromised doubtful exposures	160	(10)	-	-	150
Impairments on compromised doubtful exposures	-	-	-	-	-
TOTAL	**2,707**	**579**	**(292)**	**(30)**	**2,964**

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 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 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 (concept of risk segment that takes into account different types of customers and credit quality), 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, macro-economic 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 behaviour 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 relevant contract is impaired as described before.

(In EUR m)	Amount as at 31.12.2024	Net cost of risk	Change in scope and reclassifying	Amount as at 31.12.2025
Provisions for off-balance sheet commitments to banks	-	14	(14)	-
Provisions for off-balance sheet commitments to customers	191	(50)	13	154
Collective provisions for credit risk on performing loans	501	(2)	(9)	490
Collective provisions for credit risk on under performing loans	1,181	(7)	(27)	1,147
TOTAL	**1,873**	**(45)**	**(37)**	**1,791**

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.

(In EUR m)	2025	2024
Net allocations to provisions and impairments on receivables and off-balance sheet items	**(534)**	**(363)**
Allocations and reversals of provisions for doubtful receivables	(225)	(322)
Allocations and reversals of provisions for impaired doubtful receivables	(354)	(205)
Allocations and reversals on other provisions and impairments	45	164
Losses and recoveries	**(191)**	**(305)**
Uncovered losses	(227)	(338)
Recoveries on written-off receivables	36	33
TOTAL	**(725)**	**(668)**
of which gain on revaluation of currency hedge of provisions	5	10

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.

(In EUR m)	31.12.2025	31.12.2024
Short-term investment securities	202	498
Long-term investment securities	-	-
Affiliates and other long-term securities	71	71
Investments in related parties	3,183	3,669
TOTAL	**3,456**	**4,238**

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 EUR m)	Amount as at 31.12.2024	Allocations	Reversals	Change in scope and reclassifying	Amount as at 31.12.2025
Provisions on credit risk (See Note 2.6.1.2)	1,873	1,444	(1,489)	(37)	1,791
Provision on commitments related to mortgage saving agreements (PEL/CEL) (See Note 2.6.3.1)	117	-	(14)	-	103
Provisions on forward financial instruments (See Note 2.6.3.2)	4,731	835	(1,067)	(212)	4,287
Provisions on employee benefits (See Note 4.2)	1,925	656	(519)	(7)	2,055
Provisions for tax adjustments (See Note 5.2)	25	3	(6)	(2)	20
Other provisions on risks and expenses (See Note 2.6.3.3)(1)	926	359	(407)	(151)	727
TOTAL	**9,597**	**3,297**	**(3,502)**	**(409)**	**8,983**

(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 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 EUR m)	31.12.2025	31.12.2024
Mortgage savings plans (PEL)	**10,359**	**12,269**
Less than 4 years old	677	692
Between 4 and 10 years old	967	2,648
More than 10 years old	8,715	8,929
Mortgage savings accounts (CEL)	**1,549**	**1,575**
TOTAL	**11,908**	**13,844**

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO MORTGAGE SAVINGS AGREEMENTS (PEL / CEL)

(In EUR m)	31.12.2025	31.12.2024
Less than 4 years old	26	18
Between 4 and 10 years old	-	-
More than 10 years old	1	1
TOTAL	**27**	**19**

PROVISIONS FOR COMMITMENTS LINKED TO MORTGAGE SAVINGS AGREEMENTS (PEL / CEL)

(In EUR m)	31.12.2024	Allocations	Reversals	31.12.2025
Mortgage savings plans (PEL)	**40**	**-**	**(7)**	**33**
Less than 4 years old	1	-	-	1
Between 4 and 10 years old	7	-	(4)	3
More than 10 years old	32	-	(3)	29
Mortgage savings accounts (CEL)	**77**	**-**	**(7)**	**70**
TOTAL	**117**	**-**	**(14)**	**103**

The level of provisions is sensitive to long-term interest rates. The provisions for 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 31 December 2025.

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 the 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.

(In EUR m)	Amount as at 31.12.2024	Available allocations and reversals	Utilized reversals	Change in scope and reclassifying	Amount as at 31.12.2025
Provisions for forward financial instruments	4,731	(232)	-	(212)	4,287

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 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 funds, 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.

	2025			2024		
(In EUR m)	Income	Expense	Net	Income	Expense	Net
Transactions with banks	121	(59)	62	110	(51)	59
Transactions with customers	2,094	(57)	2,037	2,045	(45)	2,000
Securities transactions	405	(1,083)	(678)	406	(963)	(557)
Primary market transactions	163	-	163	529	-	529
Foreign exchange transactions and forward financial instruments	801	(851)	(50)	695	(732)	(37)
Loan and guarantee commitments	1,045	(561)	484	1,025	(509)	516
Services	2,072	-	2,072	2,286	-	2,286
Other	-	(513)	(513)	-	(485)	(485)
TOTAL	**6,701**	**(3,124)**	**3,577**	**7,096**	**(2,785)**	**4,311**

NOTE 3.2 Accruals, other assets and liabilities

NOTE 3.2.1 Accruals, other accounts receivables and other assets

(In EUR m)	31.12.2025	31.12.2024
Other assets	**127,019**	**103,883**
Guarantee deposits paid[(1)]	39,499	42,017
Miscellaneous receivables	3,800	3,381
Premiums on options purchased	78,199	55,751
Settlement accounts on securities transactions	5,538	2,752
Other	133	142
Impairment	(150)	(160)
Accruals and similar	**54,771**	**50,472**
Prepaid expenses	545	527
Deferred taxes	3,045	3,044
Accrued income	2,666	3,428
Others[(2)(3)]	48,515	43,473
TOTAL	**181,790**	**154,355**

(1) Mainly relates to guarantee deposits paid on financial instruments.
(2) Including derivative instruments valuation for EUR 38,670 million as at 31 December 2025 (EUR 33,833 million as at 31 December 2024).
(3) As at 31 December 2025, the translation adjustments of the branches amounted to EUR 6,250 million against EUR 6, 210 million as at 31 December 2024.

NOTE 3.2.2 Accruals, other accounts payables and other liabilities

(In EUR m)	31.12.2025	31.12.2024
Other liabilities	**212,750**	**190,310**
Guarantee deposits received[1]	37,890	40,689
Miscellaneous payables	2,066	1,656
Premiums on options sold	89,239	66,821
Settlement accounts on securities transactions	5,491	2,436
Other securities transactions	156	168
Related payables	180	155
Amounts payable for borrowed securities	15,012	15,857
Other amounts due for securities	62,716	62,528
Accruals and similar	**33,484**	**28,982**
Accrued expenses	5,109	5,231
Deferred taxes	10	4
Deferred income	1,798	1,754
Other[2][3]	26,567	21,993
TOTAL	**246,234**	**219,292**

(1) Mainly relates to guarantee deposits received on financial instruments.
(2) Including derivative instruments valuation for EUR 17,933 million as at 31 December 2025 (EUR 12,520 million as at 31 December 2024).
(3) As at 31 December 2025, the translation adjustments of the branches amounted to EUR 5,858 million against EUR 5,880 million as at 31 December 2024.

BREAKDOWN OF AMOUNTS PAYABLE FOR BORROWED SECURITIES

(In EUR m)	31.12.2025	31.12.2024
Gross book value of amounts payable for borrowed securities	**242,131**	**226,535**
Borrowed securities from trading securities deducted from related payables[1]	**227,119**	**210,678**
Treasury notes and similar securities	145,722	132,926
Shares and other equity securities	63,973	51,814
Bonds and other debt securities	17,424	25,938
NET TOTAL	**15,012**	**15,857**

(1) Including relent securities for EUR 32,273 million as at 31 December 2025 (EUR 39,638 million as at 31 December 2024).

NOTE 4 EXPENSES AND EMPLOYEE BENEFIT

NOTE 4.1 Personnel expenses and remuneration of members of the board of directors and chief executive officers

ACCOUNTING PRINCIPLES

The Personnel expenses include all expenses related to the staff, notably the cost of the legal employee profit-sharing as well as the cost of internal restructuring plans.

Short-term employee benefits are recorded under "Personnel expenses" during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and other long-term benefits are described in Note 4.2; those related to share-based payments are described in Note 4.3.

NOTE 4.1.1 PERSONNEL EXPENSES

(In EUR m)	2025	2024
Employee compensation	4,112	4,310
Social security benefits and payroll taxes	1,944	1,870
Employer contribution, profit sharing and incentives	379	260
TOTAL(1)	**6,435**	**6,440**
Average staff	**45,449**	**48,130**
In France	41,472	44,037
Outside France	3,977	4,093

(1) Including in 2024 a cost of EUR 0.3 billion related to the support measures for Societe Generale's head-office restructuring plan in France, which resulted in the elimination of 900 positions.

Analysis of employer contribution, profit sharing and incentives for the last five years:

(In EUR m)	2025	2024	2023	2022	2021
Societe Generale	**376**	**258**	**225**	**220**	**219**
Profit sharing	12	-	4	12	15
Incentives	288	188	146	144	163
Employer contribution	76	70	75	64	41
Subsidiaries	**3**	**2**	**2**	**2**	**-**
TOTAL	**379**	**260**	**227**	**222**	**219**

NOTE 4.1.2 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS

Total attendance fees paid in 2025 to the company's directors amounted to EUR 1,8 million. The remuneration paid in 2025 to the senior management (Chairman of the Board, the Chief Executive Officer and his Deputy) amounted to EUR 7,9 million (including EUR 4,0 million of variable remuneration paid in cash or in shares for 2019, 2020, 2021, 2022, 2023 and 2024 fiscal years).

NOTE 4.2 Employee benefits

ACCOUNTING PRINCIPLES

Employee benefits are divided into four categories:

- short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled within twelve months of the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing;
- post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- other long-term employee benefits are employee benefits that are not expected to be fully settled within twelve months, such as deferred variable compensation paid in cash and not indexed, long service awards and time saving accounts;
- termination benefits.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

(In EUR m)	Amount at 31 December 2024	Net allowances	Used Reversals	Change at scope	Amount at 31 December 2025
Post-employment benefits	835	27	(60)	(2)	800
Other long-term benefits	855	340	(96)	(5)	1,094
Termination benefits	235	53	(127)	-	161
TOTAL	**1,925**	**420**	**(283)**	**(7)**	**2,055**

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 benefits as annuities and end of career payments. Pension benefit annuities are paid in addition to pensions state plans.

In France, since 4 July 2019, date of publication of the ordinance ending the so-called "random rights" defined benefit pension plans in application of the Loi Pacte, the supplementary pension plan for executive managers, set up in 1991, is closed to new employees and the rights of beneficiaries were frozen on 31 December 2019.

RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

(En M EUR)	31.12.2025	31.12.2024
A - Present value of defined benefit obligations	1,532	1,650
B - Fair value of plan assets	781	874
C - Fair value of separate assets	979	1,081
D - Change in assets ceiling	0	0
E - Unrecognised items	-	-
A - B - C + D - E = Net balance	**(228)**	**(305)**
On the liabilities side of the balance sheet	800	829
On the asset side of the balance sheet(1)	(1,028)	(1,134)

(1) This item includes excess in plan assets for EUR 49 million and separate assets for EUR 979 million as at 31 December 2025 against EUR 53 million and EUR 1,081 million as at 31 December 2024.

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: 81% bonds, 8% equities and 11% other investments. Societe Generale's own financial instruments directly held are not significant.

Excess funding assets amounted to EUR 333 million.

Employer contributions to be paid to post-employment defined benefit plans for 2026 are estimated at EUR 3,8 million.

MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

(In percentage)	31.12.2025	31.12.2024
Discount rate		
France	3.83%	3.27%
United Kingdom	5.45%	5.73%
Other	4.26%	4.10%
Long-term inflation		
France	1.95%	1.95%
United Kingdom	2.80%	2.99%
Other	1.69%	1.69%
Future salary increase net of inflation		
France	1.93%	1.93%
United Kingdom	N/A	N/A
Other	0.52%	0.55%
Average remaining working lifetime of employees (in years)		
France	6.73	7.04
United Kingdom	2.64	2.02
Other	6.75	6.92
Duration (in years)		
France	10.80	11.24
United Kingdom	10.49	10.77
Other	11.02	11.58

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 at 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 at 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 2025 are briefly described below:

Issuer	**Societe Generale**
Year of grant	**2025**
Type of plan	**Performance shares**
Number of free shares granted	1,549,428
Shares delivered	
Shares forfeited as at 31.12.2025	26,547
Shares outstanding as at 31.12.2025	1,522,881
Number of shares reserved as at 31.12.2025	1,522,881

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 231 million as at 31 December 2025, and yearly expense is EUR 124 million.

NOTE 4.3.3 INFORMATION RELATED TO TREASURY SHARES FOR 2025 PLANS

At SG Group level, no action was initiated to cover 2025 plans, but they were partially covered with transfers from previous plans (312,618 treasury shares out of a total of 1,536,921 treasury shares).

NOTE 5 TAXES

ACCOUNTING PRINCIPLES

Current taxes

The corporate income tax due in respect of taxable profits for the financial year is an expense for the period.

Having set up a tax consolidation scheme since the 1989 financial year, Societe Generale recognises, as an integrating company, the receivables against the integrated subsidiaries, determined in accordance with the application of the tax consolidation agreements, as well as the overall tax debt due by the group.

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 EUR m)	2025	2024
Current taxes[1]	(315)	(27)
Deferred taxes	21	(33)
TOTAL	**(294)**	**(60)**

(1) Including EUR -16 million in respect of the exceptional contribution on the profits of large companies in France as at 31 December 2025.

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%. In addition, article 48 of Finance Law no. 2025-127 for 2025 introduced, for fiscal year 2025, an exceptional contribution on the profits of large companies, with a rate of 41.2% for taxpayers whose revenue exceeds EUR 3 billion.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount in a net long term capital gains situation (article 219 I a quinquies of the French Tax Code).

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale’s equity interest is at least 5% are tax exempt, subject to the taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate (article 216 of the French Tax Code).

NOTE 5.2 Provisions for tax adjustments

ACCOUNTING PRINCIPLES

Provisions for tax adjustment represent liabilities whose timing or amount cannot be determined precisely.

Provisions may be recorded only:

- when, by virtue of an obligation related to the corporate income tax toward a tax authority, Societe Generale will probably or certainly incur an outflow of resources to this third-party without receiving at least the equivalent value in exchange;
- and when the amount of probable outflow of resources can be reliably estimated.

The expected outflows are then discounted to present value to determine the amount of the provision, when this discounting has a significant impact. Charge to and reversals of provisions for tax adjustments are booked to current taxes in the income statement "Tax expenses/income".

Information on the nature and the amount of the associated risks is not disclosed when Societe Generale considers that such disclosure could seriously undermine its position in a dispute with other parties on the subject matter of the provision.

(In EUR m)	Amount as at 31.12.2024	Net allocations	Used reversals	Change in scope and reclassifying	Amount as at 31.12.2025
Provisions for tax adjustments	25	(3)	-	(2)	20

NOTE 5.3 Deferred tax assets

(In EUR m)	31.12.2025	31.12.2024
Tax loss carry-forwards	1,624	1,715
Gains on sales of assets to companies included in the tax consolidation, in France	(83)	(83)
Other (primarily relating to other reserves)	1,494	1,408
TOTAL	**3,035**	**3,040**

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 2026 to 2030) extrapolated to 2031, which corresponds to a "normative" year.

These budgets notably take into account the impacts of commitments related to the energy and environmental transition. The central scenario, consistent with an APS (Announced Pledges Scenario), assumes that governments and companies honour their stated policy commitments. In this context, the United States initially roll back climate and energy policies, followed in the medium term by an acceleration of the transition. The scenario also anticipates an intensification of physical climate risks in the coming years, implying a pathway that does not meet the most ambitious warming target (1.5°C) but nevertheless remains below 2°C by the end of the century. Consequently, it foresees an increase in demand for adaptation investments, with a risk of reallocating funding to the detriment of mitigation investments.

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 2031 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 macro-economic 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 2025, 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 2025, 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 EUR m)	31.12.2025	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	1,624		
o.w. French tax group	*1,565*	unlimited (1)	*6 years*
o.w. US tax group	*59*	*20 years* (2)	*4 years*
other	-		

(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.

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 EUR m)	31.12.2025	31.12.2024
French tax group	930	930
Franchises in the United States of America	*208*	238
SG Singapore	*61*	83

The unrecognised deferred tax assets of the US tax group decreased in 2025 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 8).

NOTE 6 SHAREHOLDER'S EQUITY

NOTE 6.1 Changes in shareholder's equity

(In EUR m)	Capital Stock	Additional paid-in-capital	Retained earnings				Net income of the period	Shareholder's equity
			Legal reserve	Special reserves	Other reserves	Retained earnings		
As at 1 January 2024	**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**
2024 - Income Allocation	-	-	1	-	-	2,011	(2,012)	-
Increase / Decrease in capital stock	(41)	(1,558)	(4)	-	-	-	-	(1,603)
Net income of the period	-	-	-	-	-	-	4,112	4,112
Dividends paid	-	-	-	-	-	(1,315)	-	(1,315)
Other movements	-	-	-	-	-	(3)	-	(3)
As at 31 December 2025	**959**	**18,615**	**96**	**2,098**	**1,434**	**12,021**	**4,112**	**39,335**

During the second semester of 2025, Societe Generale proceeded:

- a capital increase reserved for employees of EUR 9 million, with EUR 260 million issuing premium;
- two capital reductions of a total of EUR 51 million by cancelling 40,953,056 shares, with an impact on the issue premium of EUR 1,817 million and on the legal reserve of EUR 4 million.

As at 31 December 2025, Societe Generale's fully paid-up capital amounts to EUR 958,618,482.50 and comprises 766,894,786 shares with a nominal value of 1.25 euro.

The dividends distribution performed by Societe Generale in 2025 amounted to EUR 1,315 million after elimination of treasury stock dividend for EUR 26 million. This amount includes, on the one hand, EUR 846 million corresponding to the distribution of the profit for the 2024 fiscal year, and on the other hand, an interim dividend of EUR 469 million corresponding to the distribution of the 2025 profit.

Restated for this interim dividend, the retained earnings inamounts to EUR 12,490 million.

NOTE 6.2 Proposed distribution of income

At the Annual General Meeting of 27 May 2026, the Board of Directors will propose an allocation of income for the year ended 31 December 2025 and dividend distribution under the following terms:

(In EUR m)	2025
Net income	4,112
Unappropriated retained earnings (adjusted for the 2025 interim dividend)	12,021
2025 interim dividend	469
TOTAL INCOME TO BE APPROPRIATED	**16,602**
Dividend ordinary dividend for 2025: €1.61 per share	1,235
Retained earnings	15,367
TOTAL APPROPRIATED INCOME	**16,602**

The dividend corresponds to EUR 1.61 euro per share with a par value of EUR 1.25.

The amount of dividend of EUR 1,235 million is calculated on the basis of an existing number of shares at 31 December 2025 equal to 766 894 786.

Taking into account the interim dividend of EUR 469 million paid in October 2025, the remaining amount to be distributed to Societe Generale shareholders would amount to EUR 766 million.

NOTE 6.3 Net earnings per share

(In EUR m)	31.12.2025	31.12.2024
Net income attributable to ordinary shareholders	**4,112**	**2,012**
Weighted average number of ordinary shares outstanding	776,255,365	795,168,649
Earnings per ordinary share (in EUR)	**5.30**	**2.53**
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	776,255,365	795,168,649
Diluted earnings per ordinary share (in EUR)	5.30	2.53

(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 including 0.61 euro per share in interim dividend already paid in october 2025.

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.

(In EUR m)

Issuance date	Currency	Amount issued	Maturity date	31.12.2025	31.12.2024
Undated deeply subordinated capital notes					
29 September 2015	USD	1250	Undetermined duration	-	1,203
06 April 2018	USD	1250	Undetermined duration	1,064	1,203
16 April 2019	SGD	750	Undetermined duration	-	-
12 September 2019	AUD	750	Undetermined duration	-	-
18 November 2020	USD	1500	Undetermined duration	1,277	1,444
26 May 2021	USD	1000	Undetermined duration	851	963
15 July 2022	SGD	200	Undetermined duration	132	141
22 November 2022	USD	1500	Undetermined duration	1,276	1,444
18 January 2023	EUR	1000	Undetermined duration	1,000	1,000
14 November 2023	USD	1250	Undetermined duration	1,064	1,203
25 March 2024	USD	1000	Undetermined duration	851	963
21 November 2024	USD	1000	Undetermined duration	851	963
17 September 2025	EUR	1000	Undetermined duration	1,000	-
SUB-TOTAL				**9,366**	**10,527**
Subordinated long-term debts and notes					
21 July 2000	EUR	78	31 July 2030	4	4
16 August 2005	EUR	226	18 August 2025	-	216
17 January 2014	USD	1000	17 January 2024	-	0
27 February 2015	EUR	1250	27 February 2025	-	1,250
14 April 2015	USD	1500	14 April 2025	-	1,444
15 April 2015	EUR	150	07 April 2026	-	150
10 June 2015	AUD	50	10 June 2025	-	30
12 June 2015	JPY	27800	12 June 2025	-	170
12 June 2015	JPY	2500	12 June 2025	-	15
22 July 2015	USD	50	23 July 2035	43	48

(In EUR m)

Issuance date	Currency	Amount issued	Maturity date	31.12.2025	31.12.2024
30 September 2015	JPY	20000	30 September 2025	-	123
21 October 2015	EUR	70	21 October 2026	-	70
24 November 2015	USD	1000	24 November 2025	-	963
24 November 2015	USD	500	24 November 2045	426	481
03 June 2016	JPY	15000	03 June 2026	81	92
27 June 2016	USD	500	27 June 2036	426	481
19 August 2016	USD	1000	19 August 2026	851	963
13 October 2016	AUD	150	13 October 2026	-	89
16 December 2016	JPY	10000	16 December 2026	54	61
24 January 2017	AUD	200	24 January 2029	-	0
19 May 2017	AUD	500	19 May 2027	370	388
18 April 2019	AUD	300	18 April 2034	171	179
08 July 2020	USD	500	08 July 2035	426	481
24 November 2020	EUR	1000	24 November 2030	-	1,000
01 March 2021	USD	1000	01 March 2041	851	963
01 April 2021	EUR	1000	30 June 2031	1,000	1,000
30 June 2021	JPY	7000	30 June 2031	38	43
19 July 2021	JPY	7000	12 July 2032	38	43
09 December 2021	AUD	80	09 December 2036	46	48
19 January 2022	USD	750	21 January 2043	638	722
15 June 2022	USD	1250	15 June 2033	1,064	1,203
05 September 2022	EUR	500	06 September 2032	500	500
20 October 2022	JPY	10000	20 October 2032	54	61
10 January 2023	USD	1000	10 January 2053	851	963
02 June 2023	EUR	1000	02 June 2033	1,000	1,000
19 October 2023	JPY	5100	19 October 2033	28	31
19 January 2024	USD	1250	19 January 2055	1,064	1,203
17 February 2025	EUR	1000	17 May 2035	1,000	0
20 November 2025	EUR	1000	20 November 2035	1,000	0
SUB-TOTAL(1)				**12,024**	**16,478**
Related payables				**343**	**403**
TOTAL(1)				**21,733**	**27,408**

(1) The bank's global subordinated debt expense, excluding tax and repurchase impacts, amounted to EUR 1,323 million in 2025 (compared with EUR 1,411 million in 2024).

Societe Generale is entitled, at its discretion, to cancel the remuneration of the perpetual undated deeply subordinated debt issued. This remuneration may be cancelled in full or in part upon notification by the regulator based on its assessment of the issuer's financial and solvency situation. Unpaid interest is not carried forward.

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]

	France		Europe		Americas	
(In EUR m)	2025	2024	2025	2024	2025	2024
Net interest and similar income[2]	2,845	4,688	497	448	305	236
Net fee income	2,985	3,734	291	311	187	168
Net income from financial transactions	6,364	2,700	1,045	1,027	197	175
Other net operating income	(116)	(617)	41	33	3	-
NET BANKING INCOME	**12,078**	**10,505**	**1,874**	**1,819**	**692**	**579**

	Asia/Oceania		Africa		Total	
(In EUR m)	2025	2024	2025	2024	2025	2024
Net interest and similar income[2]	(92)	(436)	-	-	3,555	4,936
Net fee income	114	99	-	-	3,577	4,312
Net income from financial transactions	621	920	-	-	8,227	4,822
Other net operating income	1	1	-	-	(71)	(583)
NET BANKING INCOME	**644**	**584**	**-**	**-**	**15,288**	**13,487**

(1) Geographical regions in which companies recording income is located.
(2) Including dividends 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.

Infrastructure	Major stuctures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Technical installations	Elevators	10-30 years
	Electrical installations	
	Electrical generators	
	Air conditionning, extractors	
	Technical wiring	
	Securities and surveillance installations	
	Plumbing	
	Fire and safety equipment	
Fixtures and fittings	Finishing, surroundings	10 years

For the other fixed assets, depreciation periods have been defined based on the useful life of the assets considered which is generally estimated between 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 required	3-10 years
Concessions, patents, licenses, 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, amortisation 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 EUR m)	31.12.2024	Acquisition / Allocations	Disposals / Reversals	Scope variation and other movements	31.12.2025
Intangible assets					
Gross book value	6,398	284	(23)	(18)	6,641
Impairment and amortisation	(4,099)	(483)	6	12	(4,564)
Tangible operating assets					
Gross book value	4,133	95	(157)	(46)	4,025
Impairment and depreciation	(2,941)	(218)	131	37	(2,991)
Tangible non-operating assets					
Gross book value	17	-	(1)	-	16
Impairment and depreciation	(13)	-	1	-	(12)
TOTAL	**3,495**	**(322)**	**(43)**	**(15)**	**3,115**

NOTE 7.2.2 NET INCOME FROM FIXED ASSETS

ACCOUNTING PRINCIPLES

The Net income from fixed assets items covers the capital gains or losses realised on disposals, as well as the net allocation to impairment of operating fixed assets. Income from non-operating assets is recorded under net banking income.

(In EUR m)	31.12.2025	31.12.2024
Operating fixed assets:		
Gains on sale	35	11
Losses on sale	(2)	(7)
TOTAL	**33**	**4**

NOTE 7.3 Breakdown of assets and liabilities by term of maturity

	Outstanding as at 31 December 2025					
(In EUR m)	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	**364,597**	**172,545**	**355,680**	**196,566**	**(220,696)**	**868,692**
Due from banks	215,510	65,576	98,760	26,331	(220,696)	185,481
Customer loans	137,144	74,047	235,076	98,626	-	544,893
Bonds and other debt securities:	11,943	32,922	21,844	71,609	-	138,318
Trading securities	*8,515*	*20,008*	*2,030*	*411*	-	*30,964*
Short-term investment securities	*3,179*	*10,471*	*75*	*27*	-	*13,752*
Long-term investment securities	*249*	*2,443*	*19,739*	*71,171*	-	*93,602*
Liabilities	**723,099**	**180,910**	**264,892**	**127,600**	**(220,696)**	**1,075,805**
Due to banks	238,648	100,858	145,347	71,945	(220,696)	336,102
Customer deposits	470,066	53,759	63,879	16,614	-	604,318
Liabilities in the form of securities issued	14,385	26,293	55,666	39,041	-	135,385

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.

	31.12.2025				31.12.2024			
(In EUR m)	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered
EUR	552,491	555,850	576,230	528,001	570,681	566,801	402,159	389,065
USD	526,877	524,587	1,219,994	1,197,323	574,504	579,631	1,087,128	1,080,496
GBP	108,249	107,917	210,655	217,963	75,540	75,179	179,905	169,321
JPY	99,964	99,781	219,857	264,144	67,025	66,695	163,981	189,958
Other currencies	114,154	113,600	720,207	733,864	86,543	85,987	668,901	668,318
TOTAL	**1,401,735**	**1,401,735**	**2,946,943**	**2,941,295**	**1,374,293**	**1,374,293**	**2,502,074**	**2,497,158**

NOTE 7.5 Establishments in non-cooperative states or territories

Since 2013, Societe Generale has defined strict internal rules to prevent developing any establishment in an extended list of countries that could become non cooperative states or territories or generate a reputational risk. Any establishment or development of new activities as part of existing operations, may only be authorised by decision of the General Management after approval by the Corporate Secretariat and the Compliance and Risk divisions.

Since 2010, Societe Generale has decided to close (and has therefore taken the necessary steps to do so) all the Societe Generale's operations in countries and territories deemed non-cooperative by France that do not meet the criteria of the strict policy regarding tax havens established in the tax Code of Conduct. The list was updated by the Ministerial order of 18 April 2025 (published on 7 May 2025).

As at 31 December 2025, Societe Generale did not directly or indirectly own any business in the States and territories concerned.

NOTE 7.6 Table of subsidiaries and affiliates

TABLE OF SUBSIDIARIES AND AFFILIATES

						2025								
						Book value of shares held							Remarks	
(In EURk or local currency)	Activity/Division		Registered capital *(local currency)* (1)	Shareholders' equity other than capital (local currency) (1)	Share of capital herd *(%)*	Gross *(in EUR)*	Net *(in EUR)*	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 *(localn 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)*		Revaluation differences
Company/Head Office or Establishment														
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	2,059,673	100,00	2,799,662	2,799,662	0	0	941,965	464,146	287,881	1 EUR = 1.175 USD	
SG FINANCIAL SERVICES HOLDING	**Portfolio management**													
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	1,641,835	212,503	100,00	2,136,144	2,136,144	2,081, 033	0	654,948	655,784	946,458		
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	181,939	100,00	1,596,849	1,596,849	6,001,282	2,830,820	280,984	101,457	136,078		
GENEFINANCE	**Portfolio management**													
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	1,000,000	236,599	100,00	1,076,025	1,076,025	516,281	0	652,119	650,343	159,400		
SOCIETE GENERALE REAL ESTATE	**Real estate and real estate financing**													
29, boulevard Haussmann - 75009 Paris - France	French retail Banking	EUR	327,112	32,811	100,00	586,505	586,505	0	0	33,510	32,968	16,871		
SOCIETE GENERALE SECURITIES JAPAN LIMITED	**Brokerage**													
1-1, Marunouchi 1-chome, Chiyoda-ku - Tokyo - Japon	Global Banking and Investor Solutions	JPY	35,765,000	41,992,000	100,00	432,582	432,582	89,802	364	22,397	1,616	0	1 EUR = 184.09 JPY	
SOCIETE GENERALE SECURITIES SERVICES SPA	**Credit institution**													
Via Benigno Crespi, 19 A (MAC2) - 20159 Milan - Italie	Global Banking and Investor Solutions	EUR	111,309	264,208	100,00	745,062	423,771	0	100,000	182,298	55,726	0		
SOGEMARCHE	**Real estate**													
17, cours Valmy - 92800 Puteaux - France	Corporate Centre	EUR	390,000	864	100,00	410,400	410,400	0	0	25,546	6,602	8,210		
SALINGER S.A	**Portfolio management**													
2, rue Hildegard von Bingen - Luxembourg - Luxembourg	Global Banking and Investor Solutions	EUR	100	325,492	100,00	315,184	315,184	0	0	6,479	6,258	0		
SOCIETE GENERALE (CHINA) LIMITED	**International retail banking**													
F15, West Tower Genesis, 8 Xinyuannan Street - Chaoyang District - 100027 Beijing - Chine	Global Banking and Investor Solutions	CNY	4,000,000	486,452	100,00	402,682	241,551	0	0	267,026	1,040	0	1 EUR = 8.2262 CNY	
SOGECAMPUS	**Real estate**													
17, cours Valmy - 92800 Puteaux - France	Corporate Centre	EUR	241,284	51,515	100,00	241,284	241,284	37,663	0	25,657	4,775	0		
FIDITALIA SPA	**Consumer finance**													
Via Guglielmo Silva n°34 - 20149 Milan - Italie	International retail Banking and Financial Services	EUR	130,000	285,075	100,00	340,974	340,974	3,843,330	0	245,953	71,593	34,458		
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	(1,288,365)	100,00	881,519	220,383	0	197	339,366	60,682	0	1 EUR = 6.4364 BRL	
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	214,194	214,194	0	0	57,575	12,339	7,669	1 EUR = 1.6088 CAD	
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	391,115	100,00	1,573,453	197,760	0	0	(2,246)	(2,385)	0	1 EUR = 1.175 USD	
GENEGIS I	**Office space**													
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	192,900	2,845	100,00	196,061	180,517	6,317	0	197,344	1,130	6,429		
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	36,136,528	100,00	177,374	177,374	0	446,948	34,980,773	13,563,942	55,917	1 EUR = 152.113933 DZD	
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	**Office space**													
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	76,627	(1,003)	100,00	155,837	155,837	0	0	411	(1,727)	0		
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	265,000	(53,780)	100,00	161,963	129,046	0	227,518	13,910	816	0	1 EUR = 1.7581 AUD	

(In EURk or local currency)	Activity/Division		Registered capital (local currency) (1)	Shareholders' equity other than capital (local currency) (1)	Share of capital herd (%)	Book value of shares held – 2025 Gross (in EUR)	Book value of shares held – Net (in EUR)	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 – Revaluation differences
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	166,328,928	100,00	121,196	121,196	0	0	73,660,224	16,418,263	6 059	1 EUR = 1696.94 KRW
SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	**Office space**												
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	120,030	179,730	100,00	119,992	119,992	55,350	0	10,842	45,693	0	
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	(77,130)	100,00	212, 022	83, 214	274, 827	0	3, 373	79, 726	2, 594	1 EUR = 1.175 USD
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	17, 915	100,00	99, 756	75, 068	0	238, 298	29, 721	12, 230	5, 811	1 EUR = 1.5105 SGD
ETOILE CAPITAL	**Portfolio management**												
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	50,400	9, 057	100,00	57,977	57,977	0	0	9,445	8,594	7,672	
STAR LEASE	**Rental and Real Estate Lease**												
Tour Granite-17 cours Valmy CS50318 92800 PUTEAUX	French retail Banking	EUR	55,000	134,411	100,00	55,000	55,000	567,312	0	19,452	13,371	0	
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	42,365	42,365	0	0	3,971	19,058	29,391	1 EUR = 1.175 USD
SG PRIV HOLDING LIMITED	**Asset management**												
One Bank Street - Canary Wharf - Londres E14 4SG - Royaume-Uni	Global Banking and Investor Solutions	GBP	28,651	(84,320)	100,00	37,117	37,117	0	0	86,288	82,606	115,628	1 EUR = 0.8726 GBP
ORPAVIMOB	**Real estate and real estate financing**												
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	31,253	6,575	100,00	31,253	31,253	0	0	3,303	269	4,160	
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	130,904	100,00	146,513	146,513	138,122	0	469,885	199,375	177,125	1 EUR = 1.175 USD
SOCIETE GENERALE SFH	**Credit institution**												
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	375,000	433,250	100,00	375,000	375,000	192,344	55,056,042	841,660	70,993	73,889	
BOURSORAMA SA	**Online banking**												
44, rue Traversière - 92100 Boulogne-Billancourt - France	French retail Banking	EUR	53,577	1,046,041	100,00	1,668,841	1,668,841	11,180,133	0	529,893	97,313	0	
SOCIETE GENERALE IMMOBEL	**Real estate**												
11, Rue des Colonies - 1000 Bruxelles - Belgique	Global Banking and Investor Solutions	EUR	18,562	2,005	100,00	18,561	18,561	0	0	698	400	453	
SOCIETE GENERALE SCF	**Mortgages**												
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	150 000	182 578	100,00	150 000	150 000	0	20 167 044	33 912	20 048	0	
VALMINVEST	**Office space**												
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	248,877	15,562	100,00	249,427	249,427	0	0	17,011	11,211	10,479	
SOCIETE GENERALE SECURITIES SERVICES HOLDING	**Portfolio management**												
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	12,487	837	100,00	237,555	13,324	0	0	96	69	0	
SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	**Investment banking**												
One Bank Street - Canary Wharf - Londres E14 4SG - Royaume-Uni	Global Banking and Investor Solutions	GBP	157,883	128,997	98,96	190,270	190,270	64,465	0	8,309	6,364	0	1 EUR = 0.8726 GBP
REED SHIFT SLP	**Investment fund**												
15, rue soufflot - 75005 Paris - France	Global Banking and Investor Solutions	EUR	0	0	98,43	250,000	250,000	0	0	0	0	0	
SOCIETE GENERALE - FORGE	**Investment banking**												
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	28,954	(4 062)	88,40	49,485	49,485	48,335	0	1,740	(11,269)	0	
FRANFINANCE	**Credit institution**												
53, rue du port - 92000 Nanterre - France	Global Banking and Investor Solutions	EUR	202,912	1,086,025	84,55	1,434,280	1,404,779	9,895,490	381,063	343,079	21,149	62,196	

						2025							
						Book value of shares held							Remarks
(In EURk or local currency)	**Activity/Division**		**Registered capital** *(local currency)* (1)	**Shareholders' equity other than capital** (local currency) (1)	**Share of capital herd** *(%)*	**Gross** *(in EUR)*	**Net** *(in EUR)*	**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** *(localn* 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)*	**Revaluation differences**
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	9,958,901	72,10	12,397	12,397	234	156,794	7,282,581	1,743,997	7,938	1 EUR = 119.33174 XPF
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	371,268,277	71,84	30,504	30,504	0	0	276,371,820	113,045,230	57,311,	1 EUR = 655.957 XOF
KOMERCNI BANKA A.S	**International retail banking**												
Na Prikope 33 - Building Register number 969 - Prague 1 - République Tchèque	International retail Banking and Financial Services	CZK	19,005,026	88,830,603	60,35	1,453,849	1,453,849	17,556,238	10,545,935	35,310,546	17,591,909	420,279	1 EUR = 24.237 CZK
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	8,873,043	60,17	213,316	213,316	1,205,294	151,079	4,219,982	1,499,002	87,528	1 EUR = 5.0968 RON
SOCIETE GENERALE CAMEROUN	**International retail banking**												
78, Avenue Joss - Douala - Cameroun	International retail Banking and Financial Services	XAF	12,500,000	113,792,179	58,08	16,940	16,940	0	133,598	97,669,356	21,693,098	14,390	1 EUR = 655.957 XAF
GENEFIM	**Real estate lease finance**												
29, boulevard Haussmann - 75009 Paris - France	French retail Banking	EUR	72,779	29,170	57,62	89,846	89,846	2,948,273	0	32,751	19,692	17,011	
SOCIETE GENERALE FACTORING	**Factoring**												
6, Allée des Sablons - 94120 Fontenay-sous-Bois	Global Banking and Investor Solutions	EUR	17,065	337,687	55,70	50,445	50,445	6,242,861	423,197	110,136	30,786	0	
UNION INTERNATIONALE DE BANQUES	**International retail banking**												
65, avenue Habib Bourguiba - Tunis - Tunisie	International retail Banking and Financial Services	TND	172,800	672,032	55,10	153,211	153,211	0	0	510,092	23,776	4,260	1 EUR = 3.39263727 TND
AYVENS	**Automobile leasing and financing**												
1-3, rue Eugène et Armand Peugeot - Le Corosa - 92500 Rueil Malmaison- France	International retail Banking and Financial Services	EUR	1,175,793	5,980,711	52,59	1,947,662	1,947,662	2,258,580	0	155,657	1,000,380	339,423	
SANFORD C. BERNSTEIN HOLDINGS LIMITED	**Portfolio management**												
60 London Wall - Londres EC2M 5SH - Royaume-Uni	Global Banking and Investor Solutions	GBP	229,258	0	51,00	130,621	130,621	0	0	0	0	0	1 EUR = 0.8726 GBP
B) Affiliates (10% to 50% owned by Societe Generale)													
TRANSACTIS	**Payment**												
1, Boulevard des Bouvets - 92000 – Nanterre - France	Global Banking and Investor Solutions	EUR	46,948	1,234	50,00	23,474	23,474	62,875	0	179,747	359	0	
SOCIETE SERVICES FIDUCIAIRES	**Pooling of connected machines**												
3, rue du Général Compans - 93500 Pantin - France	International retail Banking and Financial Services	EUR	161,215	0	33,33	53,738	53,738	744,000	0	142,324	0	0	
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	352,000	0	33,33	184,595	184,595	0	0	219,853	(22,674)	0	1 EUR = 1.175 USD
SOGEPARTICIPATIONS	**Portfolio management**												
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	411,267	306,359	24,58	234,000	234,000	767,893	0	653,773	651,347	147,324	
SOCIETE GENERALE CALEDONIENNE DE BANQUE	**Retail banking**												
44, rue de l'Alma 98848 Nouméa cedex - Nouvelle Calédonie	International retail Banking and Financial Services	XPF	1,068,375	15,138,290	20,60	16,266	16,266	143,075	0	8,014,827	425,165	0	1 EUR = 119.33174 XPF
SICOVAM HOLDING	**Portfolio management**												
18, rue Lafayette - 75009 Paris - France	Corporate Centre	EUR	10,265	905,389	17,90	58,272	58,272	0	0	110,666	109,105	19,579	
CREDIT LOGEMENT	**Credit institution**												
50, boulevard Sébastopol - 75003 Paris - France	Corporate Centre	EUR	1,259,850	221,848	16,50	209,888	209,888	219,920	0	440,214	132,503	17,401	

(1) For foreign subsidiaries and affiliates, shareholders' equity is booked in the Group consolidated financial statements in their

(2) For banking and finance subsidiaries, revenue refers to net banking income.

(3) Financial statements not yet audited for French companies.

TABLE OF SUBSIDIARIES AND AFFILIATES (CONTINUED)

(In thousands of euros)	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	218,499	52,858	25,828	7,424	6,962	Revaluation difference.:	313
2°) Foreign subsidiaries	98,944	39,052	1,077,780	110,742	18,070	Revaluation difference:	1 447
B) Affiliates not included in paragraph 1:							
1°) French companies	29,903	20,746	52	0	2,898	Revaluation difference:	0
2°) Foreign companies	2,505	2,505	0	0	795	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 Societe Generale will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion in damages to Societe Generale. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by the bank and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale will be in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the Bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (*Conseil d'Etat*) and its established case law, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale will not fail to assert its rights before the competent courts. By a decision handed down on 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.
- On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS"), which was then a subsidiary of SG Luxembourg, entered into an agreement, which became final on 28 March 2025, to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates, including Stanford International Bank Limited. The settlement provides for the payment by SGPBS of 157 million of American dollars in exchange for the release of all claims. As provided for in the contractual documentation regarding the sale of SGPBS, effective on 31 January 2025, Societe Generale paid this amount. All US Stanford-related proceedings are now concluded.

  In Geneva, in separate litigation concerning the same underlying matter, a pre-contentious claim (requête en conciliation) and then a statement of claim was served (in November 2022 and June 2023, respectively) by the Antiguan Joint Liquidators, representing investors also represented by the US plaintiffs in the above-mentioned US proceedings. UBP, which acquired SGPBS, is now party to these Swiss proceedings. As provided for in the contractual documentation regarding the sale of SGPBS and subject to the terms and conditions included in it, Societe Generale ultimately continues to bear the financial risks associated to these proceedings. On 3 March 2025, the judge granted SGPBS' request to rule as a preliminary matter on the claimant's legal standing to sue, prior to ruling on the merits of the claim. On 26 August 2025, the judge granted SGPBS' request to rule as a preliminary matter on the res judicata attached to the Bar Order from 8 June 2023 and to the settlement agreement from 19 February 2023, prior to ruling on the merits of the claim.
- 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). 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 the 2002 and 2003 Suez claims and ordered a financial enforcement in favour of Societe Generale. 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. Regarding the Suez 1999 to 2001 claims and the Rhodia claim, Société Générale initiated compensation for damages litigation in April 2017 before the Paris Administrative Court, which rejected the claims on 28 February 2023. In April 2023, Société Générale lodged an appeal against this decision before the Paris Administrative Court of Appeal and filed a complaint for breach of obligation on the initial breach of EU law before the European Commission. The Paris Administrative Court of Appeal issued a partially unfavorable decision, granting Societe Generale's Rhodia claim but rejecting its Suez's claims. Societe Generale appealed to the *Conseil d'Etat* in September 2025. The European proceedings are still pending.

- 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 Commodity Exchange Act 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 *Chicago Mercantile Exchange* (CME) sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for USD 50 million. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.
- Since August 2015, various former and current employees of Societe Generale have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

  Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.
- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately USD 150 million from the Societe Generale entities. The latter have now resolved this matter through a settlement with the Trustee. The SG Defendants were dismissed from the action by order dated 20 June 2025. This matter is now concluded.
- 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. This matter is now concluded.
- 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. This matter is now concluded.

  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. This matter is now concluded.
- 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 of its securities lending/borrowing activities as well as equity and index derivatives activities. The 2017 to 2022 audited years are subject to notifications of proposals of tax reassessments regarding the application of a withholding tax. These proposals are contested by Societe Generale. Discussions with the tax administration are still ongoing. Given the significance of the matter, on 8 December 2023, following a recourse by the French Banking Federation ("FBF"), 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 characterizing 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, in 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.
- On 19 August 2022, a Russian fertiliser company, EuroChem NorthWest-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. EuroChem AG joined as claimant while proceedings were pending. On 31 July 2025, the Court rejected the claim for payment made against Societe Generale, ruling that the bonds are frozen and unenforceable under EU sanctions law. On 29 October 2025, the plaintiffs launched an appeal against the English decision, proceedings from which they then withdrew. The English proceedings are now concluded. On 25 November 2025, EuroChem filed a claim against Societe Generale before the Commercial Court of Saint Petersburg, in Russia, in the same matter. Societe Generale is defending the claims.

On 24 and 25 June 2025, the PNF conducted a raid in the premises of Societe Generale in La Defense. At the same time, the Luxembourg authorities, at the request of the PNF, conducted a raid at the premises of SG Luxembourg in Luxembourg. These measures seem to be part of a pending preliminary investigation by the PNF in relation to operations for French clients of the bank.

6.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 SA
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 2025.

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 2025 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 "Statutory Auditors' responsibilities for 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 2025 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.

EMPHASIS OF MATTER

Without qualifying our opinion expressed above, we draw your attention to the impact of the first application of ANC Regulation No.2023-03, as set out in the Note 1.7 to the annual financial statements.

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)

Risk identified

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 2025, total outstanding customer loans exposed to credit risk amounted to €344,025 million, while the total corresponding impairment stood at €2,805 million and provisions at €1,791 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 company;
- 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 transactions disclosed in the notes to the financial statements.

VALUATION OF UNLISTED TRADING FINANCIAL INSTRUMENTS

(See Notes 2.1, 2.2 and 3.2 to the financial statements)

Risk identified

As part of its trading activities, Société Générale holds financial instruments for trading purposes which are recognised in the balance sheet at market value.

This value is determined according to different approaches, depending on the type of instrument and its complexity: (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 2025, the value of unlisted trading securities represented €22,171 million, that of derivatives with a positive fair value €38,670 million and that of derivatives with a negative fair value €17,933 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 held for trading purposes that are not listed on an active market 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 that are not listed on an active market.

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:
- gained an understanding of the assumptions and inputs used in value adjustment methodologies and valuation models;
- performed independent counter valuations; and
- examined 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.)

Risk identified	How our audit addressed this risk
The Company is involved in certain legal, regulatory and tax disputes and proceedings. At 31 December 2025, other provisions for risks and expenses amounted to €727 million and provisions for tax adjustments to €20 million. 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 Company, we deemed the assessment of legal and tax risks to be a key audit matter.	Our approach involved: ■ 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. We also assessed the appropriateness of the disclosures relating to legal and tax risks in the notes to the financial statements.

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)

Risk identified	How our audit addressed this risk
Equity securities, other long-term securities and investments in related parties are recognised on the balance sheet at a net carrying amount of €22,804 million (including €3,254 million of impairment) at 31 December 2025. 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). 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.	Our work involved: ■ 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. Lastly, we assessed the appropriateness of the disclosures on equity securities, other long-term equity securities and investments in related parties in the notes to the financial statements.

RECOVERABILITY OF DEFERRED TAX ASSETS IN FRANCE

(See Notes 1.4 and 5 to the financial statements)

Risk identified	How our audit addressed this risk
Deferred tax assets related to tax loss carryforwards are recognised in the amount of €1,624 million at 31 December 2025, and more specifically €1,565 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.	In response to this risk, we assessed the Company's ability to use its tax loss carryforwards generated at 31 December 2025 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 2026 budget forecast prepared by management and approved by the Board of Directors, and the assumptions underlying the medium-term projections; ■ 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 made by the Company in respect of deferred tax assets in Note 5 “Taxes” to the financial statements.

GENERAL IT CONTROLS RELATED TO MARKET ACTIVITIES

Risk identified	How our audit addressed this 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.	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, 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.

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 acquisition of investments and controlling interests, 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 S.A.

At 31 December 2025, PricewaterhouseCoopers Audit and KPMG S.A. were in the second 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.

Statutory Auditors' responsibilities for 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, on 13 March 2026

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG S.A.
Emmanuel Benoist	Ridha Ben Chamek	Guillaume Mabille

REGISTERED OFFICE OF THE ISSUER

SG Issuer
10, Porte de France,
L-4360 Esch-sur-Alzette,
Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

Societe Generale
29, boulevard Haussmann
75009 Paris
France

ISSUER'S AUDITORS

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

GUARANTOR'S STATUTORY AUDITORS

KPMG S.A
Tour Eqho - 2 avenue Gambetta
92400 Courbevoie
France

PricewaterhouseCoopers Audit
63 rue de Villiers
92200 Neuilly-sur-Seine
France

WARRANT AGENT

THE CENTRAL DEPOSITORY (PTE) LIMITED
4 Shenton Way
#02-01 SGX Centre 2
Singapore 068807

LEGAL ADVISERS TO THE ISSUER
(as to Singapore law)

ALLEN & GLEDHILL LLP
One Marina Boulevard #28-00
Singapore 018989