

**Société Générale Effekten GmbH
Frankfurt am Main**

**Group Management Report
for the financial half-year from January 1 to June 30, 2025**

A. Basic information about the Group

I. Preliminary remarks

Société Générale Effekten GmbH (SGE), Frankfurt am Main, acquired the shares in Société Générale Securities Services GmbH (SGSS), Aschheim, and ALD Lease Finanz GmbH (ALD LF), Hamburg, including its subsidiaries, on closing of the purchase agreement on January 1, 2017. Based on the provisions of Section 290 of the German Commercial Code (Handelsgesetzbuch, HGB) and Section 117 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), SGE is required to prepare consolidated financial statements and a Group management report as of June 30, 2025.

II. Business model

The SGE Group operates in three segments that are managed respectively by SGE, SGSS and ALD LF.

Société Générale Effekten GmbH (SGE) is a wholly owned subsidiary of Société Générale S.A. Frankfurt, which is a branch of Société Générale S.A., Paris (SG). The Company's business object comprises the issuance and sale of securities and the acquisition, sale, holding, and management of equity investments.

The securities issued by SGE are offered publicly in one or more countries of the European Economic Area or Switzerland. In addition, the Company can apply to have the securities admitted for trading in a regulated market or multilateral trading system in the European Economic Area or on a Swiss stock exchange. These currently consist of the stock exchanges in Frankfurt, Stuttgart, Madrid, Barcelona, Milan, Paris, Stockholm, and Zürich.

The issues are purchased by SG and in a second step placed with the ultimate buyers by SG in such a manner that it does not have an impact on the economic situation of the issuer. Redemption of the securities is guaranteed by SG in the form of a parent company guarantee.

The parent company guarantee can be accessed at:

https://prospectus.socgen.com/program_search/JSE-%20Deed%20of%20Guarantee

The Company holds shares of Société Générale Securities Services GmbH, Aschheim, and ALD Lease Finanz GmbH, Hamburg.

ALD LF is an independent leasing company not affiliated with any manufacturers in the automotive industry, with its registered head office in Hamburg. Its mission is to leverage its service portfolio to promote the independence of car dealerships and to increase the profitability of car dealers.

Together with cooperation partners, in particular the subsidiary Bank Deutsches Kraftfahrzeuggewerbe GmbH (BDK), Hamburg, car dealerships and their customers are offered financing solutions and services covering all their automotive needs. The product range covers financial processes in the dealership: sales financing and leasing, purchase financing and insurance, which increase the loyalty of dealership customers and thus increase income opportunities. As a subsidiary of ALD LF, BDK also works with a number of manufacturers and importers. It assumes parts of the captive business through to the end-to-end service of a manufacturer bank.

A key focus of the product portfolio is on digital services that support car dealers in the digital transformation with an effective means to reach customers online. The products include the DIGEO new car configurator and DIGEO customer calculator as tools that can be embedded on the dealership website, the ju-connect omni-channel solution and the digital financing application. The JuhuAuto used car platform is slated to be discontinued on August 31, 2025.

All essential sales and processing functions are performed by employees of BDK under a management services agreement. Therefore, the cooperation partners and customers receive the service for all products from a single source.

Société Générale Securities Services GmbH (SGSS) was an asset management company as defined under Sections 17 and 18 of the German Investment Code (Kapitalanlagegesetzbuch, KAGB). SGSS' business model comprised the management of investment funds under so-called "master fund manager" models and the insourcing of fund administration from other asset management firms. Direct investments were administered as well. This service was provided primarily to European customers. The master fund manager business and the administration of direct investments were completely discontinued as of December 31, 2022.

The discontinuation of all the operating business activities of SGSS as of December 31, 2023, was resolved by Supervisory Board resolution of November 14, 2022 and by shareholder resolution of the same date. Since then, the company has been continued only on an administrative basis. The components of the company's operating business activities have been terminated.

The shareholder has pledged to support the company's orderly winding-up until completion of the liquidation process and to keep the existing profit and loss transfer agreement in place until that time. The company is provided sufficient liquidity by offsetting its losses under the profit and loss transfer agreement.

III. Internal management system

Due to the different business models of individual Group companies, Group management is performed locally in the individual segments and a differentiation is made between the segments Global Banking and Investor Solutions (SGE's warrant and certificate business), Financial Services to Corporates and Retail (ALD LF's lending and leasing business), and Asset Management (SGSS). We refer to the comments under B. IV. for the performance indicators and key figures applied with respect to this management.

B. Economic report

I. General economic and sector-specific environment

Following a prolonged recession in 2024, the German economy kicked off the first quarter of 2025 with gross domestic product (GDP) up a surprisingly high 0.4% on the prior-year quarter.¹ The greatest contribution came from the 3.2% increase in exports compared with the fourth quarter of 2024. This was due to the expectation of negative consequences from the tariff increases announced by the United States, which resulted in pull-forward effects.² By contrast, the 0.3% decline in GDP in the second quarter was higher than expected.³ This was due primarily to a 0.5% drop in exports in comparison with the previous quarter. However, weaker exports were to be expected in the second quarter due to the pull-forward effects in the first quarter.⁴

Germany's stock market has performed well so far this year. While the DAX was still just short of 20,000 points in December 2024, it closed the trading month of July 2025 at over 24,000 points for the first time in the index's history.⁵

Inflation continued to fall in Germany in the first half of the year.⁶ The inflation rate was still 2.6% in December 2024, while the figure for January 2025 was just 2.3%. The most recent inflation rate was 2% in June 2025. Compared with June 2024, the price of energy products in particular fell by 3.5%, while prices for food rose by 2% and for services by an above-average 3.3%.⁷

The European Central Bank (ECB) had begun to cut interest rates in 2024 and continued to do so in the first half of 2025. After cutting interest rates in January, March, April and June, each time by 25 basis points, in July 2025 the ECB decided to leave its base rate unchanged at 2.15%. According to the ECB's Governing Council, inflation has developed as expected and the economy has proven robust despite the conflict-laden global environment.⁸

In terms of global economic development, the key factor for Germany is the performance of China and the United States, its key trading partners. China's economy grew in both the first and second quarters of 2025 despite the trade dispute with the United States, however it could

¹ German Federal Statistical Office. (May 23, 2025). Gross Domestic Product: Detailed Results on Economic Output in Q1 2025. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/05/PD25_182_811.html?templateQueryString=netto+deutschland.de (August 25, 2025).

² Federal Ministry for Economic Affairs and Energy. (June 26, 2025). Economic development in the first quarter of 2025. <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Schlaglichter-der-Wirtschaftspolitik/2025/07/08-wirtschaftliche-entwicklung.html> (August 25, 2025).

³ German Federal Statistical Office. (August 22, 2025). Gross Domestic Product: Detailed Results on Economic Output in Q2 2025. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/08/PD25_310_811.html (August 25, 2025).

⁴ Federal Ministry for Economic Affairs and Energy. (August 13, 2025). The economic situation in Germany in August 2025. <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2025/20250813-die-wirtschaftliche-lage-in-deutschland-im-august-2025.html> (August 26, 2025).

⁵ Statista. (August 4, 2025). Monthly performance of the DAX from July 2021 to July 2025. <https://de.statista.com/statistik/daten/studie/162176/umfrage/monatliche-entwicklung-des-dax/> (August 27, 2025).

⁶ Statista. (August 14, 2025). Inflation rate in Germany from July 2023 to July 2025. <https://de.statista.com/statistik/daten/studie/1045/umfrage/inflationsrate-in-deutschland-veraenderung-des-verbraucherpreisindexes-zum-vorjahresmonat/> (August 26, 2025).

⁷ German Federal Statistical Office. (July 10, 2025). Inflation rate in June 2025 at +2.0%. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/07/PD25_250_611.html (August 26, 2025).

⁸ European Central Bank. (July 24, 2025). Monetary policy decisions. <https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.mp250724~50bc70e13f.de.html> (August 26, 2025).

have ramifications for economic growth over the remainder of the year.⁹ For instance, exports to the United States are expected to fall due to the high tariffs.¹⁰

In the first quarter of 2025, the US economy experienced a quarter-on-quarter decline in economic growth for the first time since the COVID-19 pandemic. This is due to the tariff conflict started by President Trump, which among other things has led to higher imports of goods from abroad and a fall in the share index of the largest US companies since 2025.¹¹ Following a 0.5% fall in GDP in the first quarter, however, the US economy recovered in the second quarter, with an estimated increase of 3%.¹² The inflation rate in the United States has been volatile so far this year, with both increases and decreases.¹³ The inflation rate was 2.7% at the end of June 2025.¹⁴ Following a further cut in January 2025, the benchmark interest rate in the United States has since remained unchanged at 4.33%.¹⁵

GDP in the Eurozone grew by 0.6% quarter-by-quarter in the first quarter of 2025 and then by 0.1% in the second quarter. Growth in the EU amounted to 0.5% and 0.2%.¹⁶ The unemployment rate in the EU was 5.9% in July 2025, with 13 million unemployed, the same level as in November 2024. At 6.2%, the unemployment rate in the Eurozone remains above the EU level.¹⁷

Issuance business

Given the macroeconomic developments described above, the transaction volume in the issuance business remained at a high level in the first half of 2025. Positive effects from the stock market and stable demand for warrants and certificates led to trading partnerships being gradually expanded. In addition, the German market for investors independently managing their finances in particular recorded strong organic growth, driven primarily by the increasing importance of neobrokers. This enabled SG Effekten GmbH to continue adding new partnerships. The market also showed a keen interest in the diverse range of products offered by SG Effekten GmbH, which gave the issuance business a significant boost.

SG Effekten GmbH is currently represented in more than 20 countries and boasts a market share of 21%, making it Europe's market leader in the public distribution of certificates and warrants.

⁹ Statista. (July 15, 2025). China: growth in real gross domestic product (GDP) from Q2 2022 to Q2 2025. <https://de.statista.com/statistik/daten/studie/179388/umfrage/wachstum-des-bruttoinlandsprodukts-bip-in-china-nach-quartalen/> (August 27, 2025).

¹⁰ Organisation for Economic Co-operation and Development. (June 3, 2025). OECD Economic Outlook, Volume 2025 Issue 1: Tackling Uncertainty, Reviving Growth. https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2025-issue-1_83363382-en/full-report/china_bb7827bc.html (August 27, 2025).

¹¹ Statista. (July 30, 2025). USA: growth in real gross domestic product (GDP) from Q2 2023 to Q2 2025. <https://de.statista.com/statistik/daten/studie/197319/umfrage/entwicklung-des-bruttoinlandsprodukts-bip-in-den-usa-nach-quartalen/> (August 26, 2025).

¹² Bureau of Economic Analysis. (July 30, 2025). Gross Domestic Product, 2nd Quarter 2025 (Advance Estimate). <https://www.bea.gov/news/2025/gross-domestic-product-2nd-quarter-2025-advance-estimate> (August 27, 2025).

¹³ Bureau of Labor Statistics. (June 18, 2025). Consumer prices rose 2.4 percent over the last year; food prices up 2.9 percent. <https://www.bls.gov/opub/ted/2025/consumer-prices-rose-2-4-percent-over-the-year-food-prices-up-2-9-percent.htm> (August 27, 2025).

¹⁴ Bureau of Labor Statistics. (July 18, 2025). The Consumer Price Index rose 2.7 percent for the 12 months ending June 2025. <https://www.bls.gov/opub/ted/2025/consumer-price-index-rose-2-7-percent-for-the-12-months-ending-june-2025.htm> (August 27, 2025).

¹⁵ Statista. (August 4, 2025). Monthly Federal funds effective rate in the United States from July 1954 to July 2025. <https://www.statista.com/statistics/187616/effective-rate-of-us-federal-funds-monthly/> (August 27, 2025).

¹⁶ Eurostat. (August 14, 2025). GDP and employment in the Eurozone both rise by 0.1%. <https://ec.europa.eu/eurostat/de/web/products-euro-indicators/w/2-14082025-ap> (August 27, 2025).

¹⁷ German Federal Statistical Office. (August 2025). EU-wide unemployment rate stands at 5.9% in July 2025. <https://www.destatis.de/Europa/DE/Thema/Bevoelkerung-Arbeit-Soziales/Arbeitsmarkt/EUArbeitsmarktMonat.html> (August 27, 2025).

Regulation and supervision remains highly complex (capital regulations, detailed requirements for risk management systems, information and frequency of disclosure obligations, amended prospectus laws).

Automotive industry

New car registrations were down 4.7% year-on-year in the first half of 2025, at 1,402,789.

The share of electric vehicles (BEVs) rose to 17.7% (PY: 13.5%), with hybrid vehicles also increasing their share to 38.4% (PY: 33.6%).

The share of petrol cars was down year-on-year at 28.3% (PY: 35.2%), with diesel cars accounting for 15.1% (PY: 17.2%) of the half-year total.

Among the import brands, registrations increased for Polestar (20.8%), Renault (9.0%) and Cupra (67.6%). Volvo remained level year on year at 0.4%, while Peugeot (-7.0%), Citroën (-20.9%), Tesla (-58.2%), Fiat (-21.1%) and Hyundai (-6.9%) lost ground.

There were notable debuts from pure-electric manufacturers XPENG (1,065 units) and BYD (6,323 units).

The used car market remained level year on year, at 3,273,781 (0.3%).

As a brand-independent automotive financier, Group company ALD LF recorded year-on-year growth in new business and is thus outperforming the market.

Asset Management

The discontinuation of customer-related business operations as of December 31, 2023 means that developments in the fund industry are no longer relevant to the economic situation of Société Générale Securities Services GmbH.

II. Business performance

Global Banking and Investor Solutions

Issuance activity in the first half of financial year 2025 was 37.04% above the level of the same period in the previous year (H1 2025: 469,704 issued products; H1 2024: 342,753 issued products). The increase in issuance activity is due to the high level of customer activity. In addition, strong market volatility meant that in some cases additional issuances were organized to close the gaps in the product range caused by knock-outs. This expanded the range.

In total, 20,707 investment products were issued in the first half of financial year 2025 (PY: 15,929). In the class of products without capital protection, 9,349 products were issued as discount certificates, 9,605 products as bonus certificates, 1,553 products as reverse convertibles and 152 products as index/participation certificates. In the class of products with capital protection, 48 products were issued as capital protection certificates.

In addition, 448,997 leverage products (PY: 326,824) were issued. In addition to 270,448 products with knock-out options, 136,784 products were issued as warrants and 41,765 products were issued as factor certificates in the class of products without knock-out options.

The German market accounted for 80% of the issuance business and foreign markets for 20% (thereof France 45%, Scandinavian market 35%, Switzerland 10%, Benelux 2%, the Iberian market 4%, and Italy 4%).

Taking into account the expansion of issuance activities, the overall performance in the financial year can be regarded as positive.

Financial Services to Corporates and Retail

Subsidiary ALD Finanz Lease GmbH, Hamburg, which was acquired in 2017, continued to hold its own in a difficult market environment, however its financial performance continued to decline. The decline in profit is mainly due to a smaller leasing portfolio, smaller lending portfolios at subsidiary BDK and lower gains from the sale of leased assets at the end of the lease term.

New business in sales financing recorded a volume of EUR 712.8 million in the first half of 2025, up 31% on the figure for the previous year.

Sales financing receivables rose by 0.6% to EUR 3,447 million (December 31, 2024: EUR 3,425 million), while at the same time the number of loan agreements fell by 3.0% to 261,609 (December 31, 2024: 269,688).

New business has staged a significant recovery in comparison with previous years, when sharp interest rate movements reduced volumes. The prior-year trend continued into the current financial year, albeit at a lower level than in the years before the interest rate rise.

Overall, however, new business in leasing and financing fell short of expectations.

Drawdowns in purchase financing fell by 5% to EUR 554 million in the first half of 2025 and were therefore well below the expectations at the time the budget was prepared.

In unit figures, the leasing portfolio, which designates the number of active leasing contracts, developed as follows:

Financial year	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>H1 2025</u>
Portfolio additions	17,024	12,975	11,153	8,806	4,166
Vehicle portfolio	67,782	60,075	50,663	39,269	36,038

Asset Management

The purpose of Société Générale Securities Services GmbH is to fulfill obligations towards former investors in domestic investment funds and EU investment funds previously managed by the company, and to fulfill obligations arising after terminating the business relationship with other clients for whom the company provided other activities directly related to the management of investment funds.

With regard to the shares in Société Générale Securities Services GmbH, the impairment of the purchase price from EUR 515 thousand to EUR 1 recognized on the basis of future profit contributions was retained.

Earnings before taxes amounted to EUR -625 thousand as of June 30, 2025. The net profit of EUR 362 thousand was due primarily to non-recurring effects, in particular a VAT refund of EUR 489 thousand. This was offset by general administrative expenses of EUR 987 thousand, which comprised primarily personnel expenses of EUR 324 thousand, legal consultancy costs of EUR 174 thousand and an impairment loss of EUR 219 thousand in connection with right-of-use assets under IFRS 16.

Overall assessment

Based on the developments in the individual segments described above, management considers the Group's business performance in the first half of 2025 to be satisfactory despite the challenging economic conditions.

1. Financial position, cash flows and financial performance

a) Financial performance

The financial performance of the SGE Group presented in the table below covers the period from January 1 to June 30, 2025.

<i>EUR million</i>	6/30/2025	12/31/2024	6/30/2024
Net interest income	18	111	59
Net commission income	6	12	6
Net result from financial transactions	12	0	3
Result from other activities	15	9	1
Net banking income	51	131	69
Personnel expenses	(23)	(48)	(25)
Other administrative expenses	(13)	(27)	(12)
Depreciation, amortization and impairments	(2)	(6)	(3)
Gross operating result	13	50	29
Risk expenses	(11)	(9)	(3)
Operating result	2	42	26
Net result from discontinued operations	0	3	3
Profit/loss before taxes	2	44	29
Net profit/loss (Group share)	7	44	38

Net interest income in the first half of 2025 amounted to EUR 18 million and can be attributed primarily to the lending and leasing business in the Financial Services to Corporates and Retail segment. Net commission income amounted to EUR 6 million in the first half of 2025 and was mainly generated by the Financial Services to Corporates and Retail segment.

The result from other activities in the amount of EUR 15 million can be attributed mainly to the Financial Services to Corporates and Retail segment and comprises in particular expenses and income from operating leases in connection with lessor relationships.

Consolidated net banking income amounted to EUR 51 million.

Key expense items in the Group include personnel expenses and other administrative expenses. Personnel expenses amounted to EUR 23 million and other administrative expenses amounted to EUR 13 million. In both cases, these expenses were primarily incurred in the Financial Services to Corporates and Retail and Asset Management segments.

The Group's net profit after non-controlling interests amounted to EUR 7 million in the first half of 2025.

The financial performance of each segment is detailed in the following.

Global Banking and Investor Solutions

The Company does not generate any profit from new issuance activities because the proceeds from the sales of issued warrants and certificates are always offset by the expenses for the purchases of matching hedging transactions.

As a result of the hedging of currency risks, there are no effects from exchange rate fluctuations on the income statement.

Personnel and other operating expenses are charged to Société Générale S.A., Paris, on the basis of a “cost-plus rule”.

The segment incurred a loss of EUR 3.8 million in the first half of 2025. This can be attributed mainly to the difference in income collected under the cost-plus method, losses on financial instruments measured at fair value through profit or loss, and the interest expenses of EUR 3.8 million on the loan extended by Société Générale S.A. Frankfurt for the acquisition of the shares of ALD LF and SGSS.

Financial Services to Corporates and Retail

Net interest income fell to EUR 32.8 million in the first half of financial year 2025 from EUR 62.2 million in the prior-year period.

Net commission income declined to EUR 5.4 million in the first half of the year. This is due to the decline in new business and the lower level of commission due to the amended Insurance Mediation Directive since July 1, 2022, which caused commissions to decrease.

Risk provisions amounted to EUR 10.5 million in the first half of the year (first half of the previous year: EUR 10.3 million).

Overall, the segment’s net profit amounted to EUR 9.1 million (first half of the previous year: EUR 18.6 million).

Asset Management

Net profit amounted to EUR 362 thousand as of June 30, 2025. This mainly comprised a VAT refund of EUR 489 thousand, returns on cash and cash equivalents of EUR 59 thousand and a net interest loss of EUR 206 thousand on lease liabilities under IFRS 16.

Overheads totaled EUR 987 thousand in the first half of financial year 2025. These consisted primarily of EUR 219 in impairments in connection with right-of-use assets under IFRS 16, EUR 174 thousand in legal and court costs and EUR 324 thousand in personnel expenses, which mainly comprised EUR 136 thousand for wages and salaries and EUR 165 thousand for pension expenses.

Overall, this discontinued segment recorded a loss of EUR 0.6 million.

b) Cash flows and liquidity position

The nature and execution of the Group’s business activities are oriented toward ensuring that its liquidity position is always sufficient. Liabilities from the issuance of certificates and

warrants are generally hedged using financial instruments with matching maturities denominated in the same currency and with identical price risks.

In the Global Banking and Investor Solutions segment, cash transactions involving warrants and certificates arise from the issues and their hedging transactions, the payment of personnel and other operating expenses, and the charging of those expenses to Société Générale S.A., Paris and Société Générale Frankfurt. Due to the full reimbursement of all costs incurred by Société Générale S.A. in connection with the issues, the Group has sufficient liquidity at its disposal and is in a position to satisfy all payment obligations in the Global Banking and Investor Solutions segment.

In addition to equity, the Group primarily uses funding from Société Générale S.A., Paris, with a fixed interest rate with bullet maturity or an amortizing structure in order to fund its leasing activities. We adhere to the principle of funding based primarily on matching maturities.

In accordance with the business plan, credit lines were also agreed with Société Générale S.A. and other financial institutions in order to ensure fundamental liquidity. As of the reporting date, SG Effekten had a credit line with Société Générale S.A. Frankfurt Branch in the amount of EUR 10 million, of which EUR 8.9 million had been drawn down as of the reporting date, as well as credit lines in the Financial Services to Corporates and Retail segment in the amount of EUR 4,900 million, of which EUR 2,530 million had not been drawn down.

Moreover, the instrument of securitized loan receivables is also employed in the Financial Services to Corporates and Retail segment. To date, receivables have been bundled and publicly placed in 12 special-purpose entities under the name “Red & Black”, which is used for Société Générale Group securitizations. There were five active special-purpose entities as of the reporting date (PY: four active special-purpose entities). We present liabilities to the special-purpose entities resulting from securitization under “Liabilities to customers”. At the reporting date, these amounted to EUR 1,972 million (PY: EUR 1,554 million).

As of June 30, 2025, the Group held cash and cash equivalents in the amount of EUR 110.7 million (December 31, 2024: EUR 138.6 million) (see Note 4.4).

As of June 30, 2025, liabilities to banks decreased to EUR 2,807 million (December 31, 2024: EUR 3,294 million) mainly as a result of lower term deposits (see Note 4.5).

The Other liabilities decreased by EUR 7.9 million compared to December 31, 2024 to EUR 136.1 million (see Note 7.3).

Provisions amounted to EUR 37.1 million (December 31, 2024: EUR 77.3 million).

As of December 31, 2024, there were off-balance-sheet transactions and other obligations in the form of guarantee commitments and certificate transactions amounting to EUR 282 million.

c) Financial position

The statement of financial position mainly includes the item of issued securities as well as the associated hedging transactions, which varies in amount depending on the Group's issuing activity.

Compared to December 31, 2024, total assets rose by EUR 1,383 million to EUR 10,532 million. This is mainly due to the increase in financial assets measured at fair value through profit or loss.

Compared to December 31, 2024, receivables from customers decreased by EUR 7.6 million to EUR 3,945 million. These receivables mainly consist of installment loans related to sales financing in the Financial Services to Corporates and Retail segment. The installment loans extended for sales financing have fixed terms and interest rates.

Receivables from banks in the amount of EUR 110.6 million consisted primarily of short-term deposits with Société Générale S.A. and Deutsche Bank AG.

The non-current assets of EUR 205.7 million (December 31, 2024: EUR 237.4 million) consisted mainly of leased assets in the amount of EUR 177.9 million (December 31, 2024: EUR 207.8 million) and intangible assets in the amount of EUR 1.6 million (December 31, 2024: EUR 1.9 million).

Receivables from leases amounted to EUR 442.3 million as of June 30, 2025 (December 31, 2024: EUR 452.1 million).

The other assets (EUR 161 million) consisted mainly of prepaid expenses in the amount of EUR 89 million (December 31, 2024: EUR 81 million) as well as other receivables in the amount of EUR 75 million (December 31, 2024: EUR 118 million) less impairments in the amount of EUR 2 million (December 31, 2024: EUR 2 million).

Liabilities in the amount of EUR 10,540 million consisted mainly of financial liabilities measured at fair value through profit or loss in the amount of EUR 5,531 million and liabilities to banks in the amount of EUR 2,807 million resulting from the funding of lending and leasing activities and the raising of loans to acquire subsidiaries.

The Group's equity as of June 30, 2025 amounted to EUR -9 million (December 31, 2024: EUR 18 million). Please refer to Note 10 of the notes to the consolidated financial statements and the statement of changes in equity for more information.

Overall assessment

Based on the developments in the individual segments described above, management considers the Group's business performance and its financial position, financial performance and cash flows in the first half of 2025 to be satisfactory overall.

2. Financial/non-financial performance indicators

Global Banking and Investor Solutions

SGE, which makes up the Global Banking and Investor Solutions segment, is a pure issuance vehicle within the Société Générale S.A. Group, which generates its income from the cost-plus agreements in effect with Société Générale S.A. Paris and Société Générale Frankfurt. The issuance vehicle is managed on the basis of engineering new products and the related targeted placement of securities with investors. SGE's performance indicator is issuance volume, which is measured by the number of products.

The Company's internal management system is mainly operated through the systems and control procedures of the parent company. As part of its efforts to enhance operational efficiency, the parent company continuously adjusts the existing systems and control processes and supplements these controls as needed. Financial accounting processes and

the corresponding controls are continually reviewed and adjusted when necessary. No other non-financial performance indicators are used.

Financial Services to Corporates and Retail

The financial performance indicators used in the Financial Services to Corporates and Retail segment are the net result, the cost-income ratio (C/I), the return on equity (RoE) and new business.

At EUR 11.2 million, the net result in the first half of 2025 was lower than in the previous year (EUR 38.1 million). It was forecast at EUR 34.9 million for the first half of 2025.

RoE is the ratio of earnings after taxes, including subsidiaries, to normalized equity. RoE before profit transfer was forecast at 9.2% for the first half of 2025, with the actual RoE of 5.3% falling short of that projection.

The C/I ratio increased slightly to 62.8% compared with the first half of 2024 (62%). The forecast for the first half of the year was a C/I ratio of 58.2%.

The number of new contracts represents another key figure. In the first half of the year, 4,166 new leases and 35,942 new financing contracts were entered into. The forecast for the first half of 2025 was for 7,388 leases and 50,919 financing contracts.

Asset Management

Société Générale Securities Services GmbH discontinued its range of services completely on December 31, 2023. The purpose of Société Générale Securities Services GmbH is to fulfill obligations towards former investors in domestic investment funds and EU investment funds previously managed by the company and to fulfill obligations arising after terminating the business relationship with other clients for whom the company provided other activities directly related to the management of investment funds. For this reason, there are neither financial nor non-financial performance indicators available for SGSS.

3. Report on the Group's future development, opportunities and risks

I. Expected development of the Group (report on expected developments)

General economic developments

Germany's economic growth is expected to stagnate in the third quarter. The uncertainty in the trade dispute with the United States remains high due to the lack of any clear agreement and the generally changeable course of US economic policy. However, demand from other sectors of the economy is providing more stable than expected despite the additional tariffs. Businesses' investment activity is likely to remain subdued as a result of the ongoing uncertainty, lower order intake and weak capacity utilization. Consumer spending is also likely to be somewhat subdued due to the unfavorable outlook on the labor market and more sluggish wage growth.¹⁸ The domestic political uncertainty lessened at least partially as the new federal government took office in May 2025. The easing of the debt limit and the stimulus packages announced by the new government could provide economic momentum in the second half of the year and help brighten the mood among consumers and businesses.¹⁹ SG expects full-year economic growth of 0.1% for 2025.

The European Central Bank is expecting the inflation rate to stabilize at around the 2% target in the long term. However, the crucial factor will be further developments in the global trade conflict.²⁰ Lower grid fees, electricity tax and energy prices will likely have a positive effect on the inflation rate.²¹ A rising trend is forecast for food. Prices for services are also likely to remain high but fall by the end of the year.²² SG assumes an inflation rate of 2.2% for 2025.

Recently, the lead indicators for Germany's labor market have developed positively.²³ Nevertheless, the outlook for the labor market remains somewhat subdued, with another decline in demand for labor reported in July 2025. Redundancies also continue to be observed in the retail and manufacturing sectors. Since the actual economic recovery is not expected until 2026, the labor market will likely continue to stagnate in the second half of the year.²⁴ Consequently, an unemployment rate of 6.3% is forecast for 2025.²⁵

¹⁸ Deutsche Bundesbank. (August 21, 2025). German economy suffers setback in second quarter. <https://www.bundesbank.de/de/aufgaben/themen/deutsche-wirtschaft-erleidet-rueckschlag-im-zweiten-quartal-964172> (August 28, 2025).

¹⁹ Hamburg Institute of International Economics (HWWI). (June 2025). Economic Forecast Germany Summer 2025. https://www.hwwi.org/wp-content/uploads/2025/06/HWWI_Konjunkturprognose_2_2025.pdf (August 28, 2025).

²⁰ European Central Bank. (April 17, 2025). Monetary policy decisions. <https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.mp250417~42727d0735.de.html> (August 28, 2025).

²¹ Ifo Institute. (June 12, 2025). ifo Economic Forecast Summer 2025: Recovery Is Getting Closer – Economic Policy Uncertainty Remains High. <https://www.ifo.de/fakten/2025-06-12/ifo-konjunkturprognose-sommer-2025> (August 28, 2025).

²² German Institute for Economic Research. (June 13, 2025). Tariff chaos overshadows global economy – Financial package supports German economy. https://www.diw.de/de/diw_01.c.957776.de/publikationen/wochenberichte/2025_24_2/zollchaos_ueberschattet_weltwirtschaft_finanzpaket_stuetzt_deutsche_konjunktur.html#section4 (August 29, 2025).

²³ Institute for Employment Research (IAB). (August 27, 2025). IAB Labour Market Barometer rises for the fifth time in a row. <https://iab.de/presseinfo/iab-arbeitsmarktbarmeter-steigt-zum-fuenften-mal-in-folge/#:~:text=Das%20IAB-Arbeitsmarktbarmeter%20legt%20erneut%20zu%20und%20liegt%20im,Berufsforschung%20%28IAB%29%20befindet%20sich%20damit%20weiter%20im%20Aufwind.> (August 28, 2025).

²⁴ Federal Ministry for Economic Affairs and Energy. (August 13, 2025). The economic situation in Germany in August 2025. <https://www.bundeswirtschaftsministerium.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2025/20250813-die-wirtschaftliche-lage-in-deutschland-im-august-2025.html> (August 28, 2025).

²⁵ German Institute for Economic Research. (June 13, 2025). Tariff chaos overshadows global economy – Financial package supports German economy. https://www.diw.de/de/diw_01.c.957776.de/publikationen/wochenberichte/2025_24_2/zollchaos_ueberschattet_weltwirtschaft_finanzpaket_stuetzt_deutsche_konjunktur.html#section4 (August 29, 2025).

Global Banking and Investor Solutions

The favorable overall conditions in the sector form the basis for a continued strong market position and growth potential in the issuance business. Management assumes a moderate increase in issuance volume, with 5–10% growth in comparison with 2024. As in the previous years, a broad range of products continues to be offered in the area of warrants and certificates in 2025. Furthermore, an increased volume of follow-up issues of turbo warrants must be expected when barrier levels are breached in a volatile market environment.

SG Effekten GmbH boasts significant secular growth potential in the coming years, and it is in an excellent position to continue playing a leading role in the European issuer market. SGE's goal is to continually extend its market position and further establish itself as a leading issuer in Germany and in the European market for listed products.

Including accrued interest on borrowed loans in the amount of around EUR 7.0 million and the reimbursements paid on the basis of cost-plus agreements, we expect net profit of around EUR 6.2 million before profit transfer to Société Générale Frankfurt on the basis of the existing profit transfer agreement.

Based on our budget assumptions, no liquidity shortfalls are expected.

Financial Services for Corporates and Retail

A net HGB result of EUR 24.0 million is expected for 2025.

RoE is expected to increase to 10.7% in 2025 on the back of the improved net result.

Based on the projected development for 2025, the C/I ratio is expected to improve further to 55%.

Overall, we expect a significant increase in our new business, in particular through 14,900 leases and 100,000 financing contracts, and anticipate a similar performance at our subsidiary BDK.

A change in the political environment can create opportunities and pose risks to our business. At the same time, renewed rises in inflation and interest rates may lead to lower new business. In this respect, the uncertainty surrounding business development remains high.

Asset Management

Due to the discontinuation of the client business, Société Générale Securities Services GmbH expects only a small amount of income for the second half of 2025 from retentions in class action suits and withholding tax refunds and from subletting the business premises.

In terms of operating costs, Société Générale Securities Services GmbH expects that these will be relatively low and comprise mainly personnel expenses, legal costs and services provided by Société Générale Frankfurt for SGSS.

An operating loss of approximately EUR 0.2 million is forecast for 2025 (HGB accounting).

Overall assessment

For 2025, ALD Lease Finanz GmbH is expected to contribute EUR 24.0 million in profit, with loss absorption of approximately EUR 0.2 million from Société Générale Securities Services GmbH based on the profit and loss transfer agreements in place.

In consideration of the interest incurred on borrowed loans in the amount of approximately EUR 7.0 million and the reimbursements based on the cost-plus agreements, a net profit before the profit transfer to Société Générale Frankfurt is expected in the amount of approximately EUR 32.1 million.

Based on the existing credit line with Société Générale Frankfurt Branch in the amount of EUR 10 million, no liquidity shortfalls are expected.

II. Risk report

Risk management system

Risk management in the Group is carried out at the level of the risk-relevant entities ALD LF/BDK and SGSS. The risk management of SGE's warrants and certificates business at the level of SGE is based on the fact that all risks are transferred to the Société Générale Group under a global guarantee.

Risks incurred by the subgroup are presented on a net basis.

Key elements of the risk management system include the risk strategy, risk inventory and risk-bearing capacity, as well as the risk management and controlling processes.

Risk inventory

The following types of risk were identified as significant by the Group companies during the risk inventory that is carried out at least once every year:

- Counterparty default risk
- Market and residual value risk
- Liquidity risk
- Operational risk
- Business and reputation risk
- Compliance risk

Risk strategy

Every Group company has its own risk strategy that is based on the respective company's business strategy and which defines goals and actions for every type of risk. The risk strategies are reviewed annually and adjusted if necessary.

Work instructions coordinated with the risk strategies, structured reporting and limit systems adapted for the type of risk, as well as the training and further education of our employees, are key elements of the risk management system for all types of risk.

Key risk indicators are also analyzed on a monthly and/or quarterly basis and documented in the Société Générale Group tool “GPS”.

Complaints are recorded in another central databank, analyzed monthly and reported to the management and all department heads. Specific measures to reduce risks are derived with the aid of these instruments.

a) Counterparty default risk

Global Banking and Investor Solutions

The Company is not exposed to settlement risk since payments from the sale of issued securities always offset payments for hedges and payments related to the exercise of warrants. Receivables from hedging transactions are only owed by Société Générale S.A., Paris. The creditworthiness of Société Générale S.A., Paris, and its subsidiaries is the determining factor for the risk assessment.

Financial Services to Corporates and Retail

Credit Risk Management (CRM) manages and monitors the Bank’s credit risk. This department prepares the credit analyses that determine the approval or rejection of loan applications in purchase financing. For loans exceeding a certain credit volume, credit decisions are made with the involvement of the Credit Department of Société Générale and the supervisory board of BDK.

We have 714 exposures in purchase financing, with the 10 biggest borrowers accounting for 37% of the granted credit lines. Risk & Finance prepares a quarterly risk report for the management and supervisory board of BDK. This is an integral part of the Bank’s risk report and is presented to the full Supervisory Board on a quarterly basis. The Bank’s Risk Committee, which is composed of representatives of front-office and back-office operations, also meets on a quarterly basis to analyze the current risk situation and adopt measures.

The Bank has a low exposure to individual risks in the sales financing business due to broad diversification. The 10 biggest borrowers account for 0.25% of the total sales financing portfolio.

The credit decision in sales financing is made on the basis of a standardized and system-supported loan decision-making process, primarily in the Decision & Support department. Larger single loans are also voted on and decided in the CRM-CF department within Risk & Finance.

ABS transactions nos. 8–11 were divided into 5 tranches, while no. 12 was divided into just 4 tranches. As in the case of the preceding transactions, Class A (issuance volume EUR 935 million, EUR 705 million, EUR 567 million and EUR 705.7 million, respectively) is rated AAA. Classes B–D of ABS transaction no. 8, which are rated AAA, AA, A+ and BBB+, respectively, were placed in October 2021. Classes B–D of ABS transaction no. 9, which are rated AA, A+, BBB+, AAA and BB+, respectively, were placed in October 2022. Classes B–D of ABS transaction no. 10, which are rated AA+, A+, A, AA+, AA- and BBB, respectively, were placed in October 2023. Classes B–D of ABS transaction no. 11, which are rated AAA, AA, A+, AA+, A and BBB+, respectively, were placed in October 2024. Classes B–C of ABS transaction no. 12, which are rated AA, A, AA+ and AA-, respectively, were placed in May 2025. The ABS transactions relate to the companies included in the Red & Black Auto Germany consolidated group.

Acute and latent credit risk is accounted for by recognizing valuation allowances in accordance with IFRS 9.

Please refer to Note 4.8 to the consolidated financial statements for details of how valuation allowances are calculated under IFRS 9.

Depending on the default and status of the loan, the valuation allowances vary between 0.25% and 100%. In total, the specific valuation allowances recognized for credit risk amounted to 1.4% (PY: 1.3%) of the sales financing portfolio.

The specific valuation allowance rates for loans not in default in dealer financing are up to 10.32%, depending on their classification. The specific valuation allowances for loans in default are determined by analyzing specific cases. In total, specific valuation allowances have been recognized in the amount of 1.2% (PY: 1.3%) of the purchase financing portfolio.

The carrying amounts were reduced by the respective valuation allowances.

The sum total of expected and unexpected credit risk (credit value at risk) as at the end of the year amounted to EUR 78 million (PY: EUR 87 million, confidence level 99,9%).

There are no counterparty or country risks. Sustainability risk is also of note in this context. Sustainability risk covers events and conditions relating to environmental, social and governance aspects, whose occurrence could have an actual or potential adverse effect on the financial position, cash flows and financial performance and on the reputation of ALD Lease Finanz GmbH. This includes climate risk in the form of physical and transitory risks. Sustainability risk is taken into consideration within the corresponding risk types.

As part of the risk inventory, the effects of sustainability risk on the individual risk types is examined, estimated and included in the assessment of the individual risk type. The same applies to how sustainability risk is handled in the context of stress testing. In this respect, sustainability risk is included in the risk profile indirectly.

The ongoing transition in vehicle propulsion towards e-mobility and possible changes in the legal framework are potential transitory factors influencing the future financial position, cash flows and financial performance.

For more information on the subject of credit risks, please refer to our comments in Note 4.8 to the consolidated financial statements.

Asset Management

There is no counterparty default risk in Asset Management.

b) Market and residual value risk

Global Banking and Investor Solutions

All market risk from issued warrants and certificates is fully hedged by means of hedging transactions entered into with Société Générale S.A., Paris. Therefore, there is no price risk, currency risk or interest rate risk.

Financial Services to Corporates and Retail

Residual value risk arises in connection with the leasing business from the Financial Services to Corporates and Retail segment.

The percentage of vehicles for which ALD LF assumes the residual value risk is 29% (PY: 33%) of the total volume.

ALD LF determines the residual value based on its experience in marketing its own lease returns. For certain models and model variants, moreover, the company's residual value estimates are checked against those of DAT as a neutral outside organization.

ALD LF relies on the expertise of sister company ALD AutoLeasing D GmbH to classify new vehicle models.

The residual values calculated for new contracts are reviewed and determined in regular meetings of the Residual Value Committee. Forecasts are used to ascertain the risk inherent in the portfolio.

As a general rule, ALD LF strives for break-even results at the end of the term when calculating residual values for the marketing of its used vehicles, taking into account the final invoices at the end of the contract. This target was largely exceeded last year, however the assumption is that some losses will arise from the sale of lease returns in the coming years. A provision of EUR 6.1 million (PY: EUR 7.4 million) has been recognized for these expected losses.

Overall, we expect a positive result on the sale of lease returns in 2025.

There are payment obligations in foreign currency under IT contracts. To limit currency risk, a balance is maintained in GDP and USD that matches the expected costs over a one-year time horizon. There is no other currency risk.

Interest rate risk is managed using an interest rate gap analysis that is prepared and analyzed by Controlling on a monthly basis. In order to measure risk, the key figure "sensitivity" is used to track the change in present value on the assets side and liabilities side based on different variations of the yield curve. The maximum change in value based on the assumed scenarios, which include in particular the scenarios required by the supervisory authority, amounted to EUR 10.6 million as of June 30, 2025 (PY: EUR 13.5 million).

Risk potential of EUR 6 million was calculated for liquidity risk as at the end of the year (PY: EUR 7.5 million).

ABS transactions nos. 8–12, which were launched in 2021 to 2025 and are fully consolidated, were divided into five tranches of which BDK holds the last-ranking class over the entire term of the transaction. This tranche carries the expected risks of the sold portfolio.

The risk of default for these securities is already factored into the credit default risk of the loan receivables sold to the special-purpose entities.

The Group uses short and medium-term means of funding as well as interest rate swaps to fund its operations.

Due to the fact that the funding is largely based on matching maturities and the use of derivatives, there was no elevated interest rate risk as of the reporting date. The intention is to hold all instruments until the end of their contracts.

Asset Management

There is no market risk or residual value risk in Asset Management.

c) Liquidity risk

Due to the integration with the Société Générale Group, there is no identifiable liquidity risk at the present time. The funding requirements are determined annually during the planning process and coordinated with the Société Générale Group. The funding is therefore largely provided in the form of credit lines from Société Générale Group.

It is ensured that the Company is capable of meeting its payment obligations at all times by monitoring the cash flows on a daily basis and by close coordination with the back office departments in Paris. No liquidity risk is discernible at the present time due to the integration with the Société Générale Group.

As part of liquidity controlling, the management of the individual Group companies is also regularly informed of any liquidity risk. Statistical analyses of the past are used to manage liquidity risk, in particular to forecast early loan redemptions. The funds' liquidity risk is monitored independently of this, using methods recognized by the supervisory authorities.

Available credit lines totaled EUR 2,530 million for ALD and EUR 1.1 million for SG Effekten as of June 30, 2025.

Please refer to Note 13 to the consolidated financial statements for more information on the management of liquidity risk.

d) Operational risk

The Group strives to reduce its operational risk to a minimum. Société Générale S.A., Paris, has developed processes and systems to monitor and manage operational risk that are used by the Group. These are based mainly on the principle of permanent monitoring. Processes are documented in specially designed applications and assessed based on specified criteria in order to rule out losses from operational risk. Climate-related risk must also be considered when analyzing operational risk. Climate-related risk is divided into four sub-categories: physical risks (consequences of extreme weather events and long-term changes in climatic and ecological conditions), mitigation risks (legislative measures to reduce greenhouse gas emissions), transition risks (risks arising from adjustment processes), and adaptation risks (measures to prepare society and the environment for the effects of the climate crisis). The greatest risks for the Company could arise from physical risks. To minimize these risks, precautions have been taken as part of the Business Continuity Plan (BCP) to ensure that operations continue smoothly in the event of infrastructure disruptions.

The same rules and principles applicable to Société Générale Effekten GmbH also apply to the outsourced processes in the service centers in Bangalore and Bucharest. Compliance with the specified processes is ensured by means of standardized committees and "Key Process Indicators" (KPIs).

The function of fraud prevention, which monitors new business and the loan portfolio, identifies suspicious events and initiates measures to mitigate losses and also educates employees, is especially important for the Financial Services to Corporates and Retail segment.

In addition, the use of standardized loan agreements, the review of individual contracts by lawyers, published organizational guidelines and work instructions and a functioning internal control system also reduce operational risk. Service providers are integrated into BDK's control system by means of regular reporting and outsourcing monitoring.

Non-compliance risk (including legal and tax risks) is also identified in Asset Management. This refers to the risk of contractual or regulatory penalties or sanctions or other material financial losses resulting from non-compliance with regulatory and contractual provisions. There is a fundamental risk that the Group will be liable to investors for recourse as a result of violations of statutory or contractual provisions or due to breaches of a duty to exercise due care and diligence. The Group counters these risks in particular by means of the careful selection and continuing education of its employees, as well as through the use of adequate controlling instruments. If necessary, external consultants are also brought in. Furthermore, the Group maintains extensive insurance cover (personal injury, property damage, financial losses, etc.) to protect against these risks. In connection with fund management, compliance with statutory and contractual provisions is assured by means of organizational, personnel and technical measures. The business processes are performed with the aid of high-performance computer systems. Operational errors are systematically recorded and reported, and the implementation status of corrective action is systematically tracked.

By means of the measures and processes described above, we were able to ensure that there were no significant losses resulting from operational risk within the Group in the following areas in the first half of financial year 2025:

- Reports required under supervisory law
- Risks associated with information technology
- Outsourcing risks
- Fraud risks

The risk of cyber crime in the financial sector is assessed as stable for the first half of 2025. SGE continues to benefit from the Bank's investments in strengthening controls and defense mechanisms to protect assets and data.

There were no cyber incidents at SGE in the first half of the year.

e) Business and reputation risk

Asset Management monitors customer satisfaction by means of customer KPIs, inquiry and complaint management and regular customer surveys.

Business risks that have materialized are identified by means of variances in the financial/budgetary planning, taking into account their type, scope and complexity.

Risk management and controlling processes

The management teams of the individual Group companies are responsible for risk management. SGE's management focuses primarily on the "global guarantee" of the Société Générale Group. SGE's management defines the risk strategies and also decides on the design of the risk-bearing concepts, the relevant economic capital and the amount of assigned limits. There are no overarching risk management and control processes at the level of the Société Générale Effekten GmbH sub-group due to the integration with the Société Générale Group.

With respect to both the operational and organizational structure, rules have been issued to ensure compliance with the requisite separation of functions in all Group companies. The

responsibilities for the initiation of transactions at risk are separated from the responsibilities for risk management, back office functions, processing and accounting.

Potential legal risks

The Group is exposed to risks from legal disputes or proceedings involving investors, public authorities or business partners in which the Group is either currently involved or which could arise in the future. In addition, the Group and its products are subject to continual tax and regulatory audits. The outcome of current, pending or future audits and proceedings cannot be foreseen; as a result, expenses can be incurred due to decisions handed down by courts or other authorities or the agreement of settlements that are not (fully) covered by insurance benefits and which could have an impact on the Company and its results. Significant legal risks are covered by counter-guarantees issued by Société Générale S.A. Frankfurt.

Ongoing or future investigations and inquiries as a result of potential violations of statutory or regulatory provisions can lead to sanctions under criminal and civil law, including fines and other financial disadvantages, have a negative impact on the Group's reputation and ultimately have a negative impact on the success of its business.

In financial year 2020, SGSS and its parent company became aware of a potential liability case totaling EUR 60.0 million. This related to a fund managed by SGSS as asset management company. A provision was recognized in the corresponding amount. The liability creditor subsequently reduced the liability amount to EUR 19.7 million, and SGSS made the corresponding payment of EUR 19.7 million in July 2025. In a letter dated July 31, 2025, the liability creditor confirmed that the liability amount had been paid in full with legally binding effect and that the joint and several liability was thus extinguished. Consequently, the liability creditor has no further claims against SGSS in relation to the fund.

III. Report on opportunities

The strategies of the individual Group companies are designed to identify emerging opportunities early, to assess them using the risk management systems and based on resource estimates and to take advantage of them by means of appropriate actions for the successful development of the Group.

Global Banking and Investor Solutions

A key determinant of the opportunities for SGE is organic growth in the market due to demographic change and increasing awareness of the pension gap. This has hastened the growth in online and neobrokers in particular, as the need for the younger generation to take an active role in retirement provision has increased significantly. This trend has further intensified in recent years and neobrokers such as Trade Republic in particular have seen strong customer growth. SG has long-standing product partnerships with these neobrokers and with traditional online brokers, and as such is reaping significant benefits from this growth. As market leader in the segment for investors independently managing their finances, SGE is also particularly well positioned to benefit from this long-term trend.

The current economic uncertainty may also lead investors to shift their focus away from traditional sectors to those that may be less exposed to the current challenges. Furthermore in a volatile market environment marked by uncertainty and geopolitical tensions, investors often seek diversified investment products and innovative solutions to secure their portfolios or benefit from movements in the market. This creates opportunities for SGE to offer a broader

range of products tailored to investors' changing preferences. The increased volatility could also boost trading activity, which could have a positive impact on issuance volume.

In a volatile market environment in particular, it is crucial to react flexibly to investors' needs and develop innovative products that are geared towards different sectors and investment trends. The corporate strategy is designed to identify emerging opportunities early, to assess them using the risk management system and based on resource estimates and to take advantage of them by means of appropriate actions for the successful development of the Company. To provide investors with the optimal selection of products, the product range is adjusted to current market conditions on a daily basis. A new product committee (NPC) convened at the level of Société Générale S.A., Paris, also serves to design new products due to the activity of SGE as an issuance vehicle within the SG Group, which uses hedging transactions to cover all risks. In this connection, all departments involved in the issuance process state their respective requirements and resource allocations in this context. The analysis includes all relevant factors for the Company, including markets, the competition situation, strategic orientation, available organization, personnel, back-office technical processing potential, and volumes. The risks for financial year 2025 were analyzed in this regard and risk management was adjusted accordingly. By proactively adapting the product range to changing market conditions, SGE is able to react flexibly to investors' requirements and tap into new business opportunities. This strategic approach, combined with robust risk management, could enable SGE to benefit from the challenges in the market while simultaneously protecting investors' interests.

Against this background, management sees the opportunity to achieve positive business development in 2025 despite the existing uncertainties.

Financial Services to Corporates and Retail

The strategic orientation of the Financial Services to Corporates and Retail segment in the German market is coordinated with the international strategy of the Société Générale Group. The strategy is compared on a regular basis with the Group's strategy in the meetings of the Board of Directors and in the regular reports to Société Générale S.A., Paris.

As an independent leasing company originally founded by car dealers that is not affiliated with any manufacturers, ALD and its subsidiary BDK see themselves as a professional and reliable partner to dealers. The mission is to leverage its service portfolio to promote the independence of car dealerships and to increase the profitability of car dealers.

The product range covers the financing processes relating to car sales at dealership: sales financing and leasing, purchase financing and insurance. Our financial services help to increase earnings opportunities for our dealership partners and at the same time increase customer loyalty to those dealerships.

For this reason, our digital products for car dealerships, which are also geared to leasing and financing, have become increasingly important in the last few years. They include the DIGEO new car configurator and DIGEO customer calculator as tools that can be embedded on the dealership website, the omni-channel solution and the digital financing application. The products ju-connect and the JuhuAuto used car platform will be discontinued as at August 31, 2025. In addition, our digitalization specialists in the field advise car dealerships in matters of the digital transformation.

We also pursue a marketing concept for lease returns that relies on selected dealer partners to sell the vehicles, with goods offered to end customers at the partners' sales outlets.

The sales success is thus closely associated with the success of our sales partners and cooperating dealers. The collaboration with importers, dealer associations and their members has been strengthened and expanded in the last few years. More than 2,200 car dealerships used these services to refer products to their customers in the first half of 2025.

The association (Zentralverband Deutsches Kraftfahrzeuggewerbes e.V.) expects a higher level in the used car market due to higher prices for new cars, with 6.8 million changes of ownership. BDK benefits from this because it primarily finances used cars. An increase is expected in market share, new business and lending volume. Reference is also made to the political uncertainties and potential rises in interest rates and inflation, which could pose risks for the new business.

As such, there are current risks in the continuing uncertain development in the economic environment on the new and used car market.

Overall assessment

The economic outlook for 2025 remains challenging given the geopolitical uncertainties. Nevertheless, management continues to anticipate positive development on the whole.

4. Internal control and risk management system as it relates to the financial reporting process

At the Group level, the Société Générale Group is subject to supervision by the French supervisory authority ACPR and, since November 4, 2014, to supervision by the European Central Bank. It is also subject to the regulations of French banking regulation, which require a minimum standard for all Group entities.

To the extent that local laws and regulations prescribe stricter standards than the laws applicable in France, the stricter standards are applicable in every case.

The internal control system (ICS) is based on the three-lines-of-defense model, which is continually adapted to fulfill the latest requirements.

FIRST LINE OF DEFENSE

The first line of defense (LOD1) comprises the business units (BUs) and support units (SUs). They assume risks and take direct responsibility for ongoing operational management. The BUs and SUs bear primary responsibility for risk assessment and for control and oversight measures within their given areas, and for the ongoing performance of first-level controls according to the norms, standards and procedures established by the second line of defense. At the level of the first line of defense, suitable procedures and control systems are employed to ensure risk identification, analysis, measurement, control and mitigation with due regard to the Group's risk appetite and in compliance with all external and internal requirements for the respective business activities. To this end, the senior managers of the BUs and SUs or the managers responsible for business processes implement the following measures, to the extent necessary:

- Allocation of necessary and adequate resources to perform the first-level controls;
- Specification of normative first-level control processes (LOD1) to ensure the fulfillment of the control objectives in an appropriate relationship to the Group's risk appetite;

- Assurance of the preparation, implementation and monitoring of the first-level controls;
- Monitoring of the quality of implementation and appropriateness of the reported results;
- Regular review of controls and the implementation of necessary changes, particularly in the case of changes in the business activities and the associated risks due to new laws and regulations;
- Quarterly approval of control measures at the senior management level;
- Communication of control results.

Senior operational managers are also responsible for ensuring that all employees under their supervision are appropriately informed of their responsibilities related to risk management and control.

SECOND LINE OF DEFENSE

The Risk Department, Compliance Department and Finance Department form the second line of defense (LOD2). They are responsible for the identification, assessment, analysis, measurement, monitoring and control of all risks, as well as correct reporting in the form of a risk summary prepared by the respective Group entities. This includes the adoption of suitable norms, standards and procedures in consideration of the operational risk framework and the provision of material indicators and analyses for general risk monitoring. They are also responsible for assessing the Group's risk profile and for the effectiveness of the operational risk framework at the level of the BUs and SUs. The three SUs monitor and support the implementation of risk management measures by the BUs in order to ensure the appropriateness and effectiveness of the processes and controls at the level of the first line of defense. By continually performing second-level control activities, they ensure the appropriateness, functionality and effectiveness of the continual first-level controls.

In this context, the three strategic SUs exercise the following functions in the risk areas assigned to them:

- Group-wide control function;
- Continual second-level control activities.

Within the Finance Department (DFIN), the group-wide control function is distributed to several sub-departments, depending on the process in question. The responsibilities of these departments ("process owners") are listed below:

- The Accounting Department is responsible for processes related to the preparation of information from the accounting system;
- The Regulation Department is responsible for processes related to the preparation of supervisory and regulatory information;
- The ALM Department is responsible for processes related to the management of structural risks;
- The Funding and Treasury Department is responsible for processes related to funding and liquidity management;
- The Finance Management Department is responsible for processes related to the preparation of management reports and indicators and for finance administration;
- The Finance Communication Department is responsible for processes related to finance communication;
- The Vendor Payments Department is responsible for processes related to the payment of overhead costs and vendors.

THIRD LINE OF DEFENSE

Within Société Générale S.A., the second-level control teams report to the responsible Group SUs. The Risk Management Function or the Finance Management Function (DFIN) under the supervision of the Risk Division are therefore responsible for the control function for second-level structural risks.

Within the third line of defense, all Group-level activities, transactions and processes are reviewed by the General Inspection or Internal Audit departments (LOD3), without exception. General Inspection and Internal Audit are also authorized to audit Group activities in countries that do not have a Group location. The awarding of services to outside service providers is subject to audits by General Inspection or Internal Audit under the leadership of the General Inspections Committee (CIIG), i.e. several Group companies can commission a single audit of a service provider engaged by them jointly.

CONTINUAL CONTROLS

CONTINUAL FIRST-LEVEL CONTROL ACTIVITIES

The continual first-level control activities are performed within the BUs as part of their operational activities. They ensure the security and quality of transactions and operational activities. These control activities comprise a number of continual measures to ensure compliance with regulations and with the validation and security requirements for transactions at the operational level. The continual control activities include:

- Risk avoidance systems: These control measures are performed on a regular and ongoing basis or by means of automated processes as part of transaction processing. This includes a framework plan for risk management, i.e. security regulations and controls (including automated ones) as part of transaction processing or controls as part of operational processes.
- Control activities by the senior management: Line managers are responsible for ensuring the correct functioning of all systems in their area of responsibility. In this context, regularly performed, formal procedures ensure employees' compliance with regulations and procedures and the effective performance of first-level controls. The control activities of line managers mainly comprise adjustments of the primary controls from the standard normative controls.

Division managers use controls performed by special teams, e.g. (i) for sensitive processes for which stricter or standardized controls are required or to avoid self-controls (e.g. the commencement of customer relationships in the retail business), and/or (ii) insofar as the bundling of control activities increases productivity.

CONTINUAL SECOND-LEVEL CONTROL ACTIVITIES

Continual second-level control activities are the measures performed by the second line of defense. In this way, operational managers bear responsibility for risk assessment and management as well as operational security using tools including the prescribed standards and the procedures, methods and controls defined for this purpose.

The continual second-level control activities are performed by teams that act independently of the operational teams:

At the Group level, the continual control activities are performed by teams reporting to the Group SUs, which form the second line of defense for the following three functions:

- Finance: The continual second-level control activities relate to quality in accounting, regulatory/supervisory and financial information, as well as tax matters, with the exception of tax avoidance risks (FATCA – Foreign Account Tax Compliance Act and CRS – Common Reporting Standard);
- Compliance: The continual second-level control activities relate to compliance audits and comprise legal audits and audits related to tax avoidance risks;
- Risk: The continual second-level control activities relate to credit and market risk, as well as structural risks such as liquidity risk and operational risk. Operational risk includes in particular risks within the scope of the core business (including fraudulent acts), as well as procurement, communication, property or personnel risks and risks in IT processes and systems.

5. Non-financial Group statement

Due to the affiliation with the Société Générale Group, SGE Group avails itself of the exemption granted under Section 315b (2) sentence 2 of the German Commercial Code (Handelsgesetzbuch, HGB). Société Générale S.A., Paris, publishes a separate non-financial Group report in English annually on its website (www.societegenerale.com).

Frankfurt am Main, September 26, 2025

The management

Société Générale Effekten GmbH

Helmut Höfer

Timo Felix Zapf

**Consolidated Interim Financial Statements of
Société Générale Effekten GmbH,
Frankfurt am Main**

**Semiannual Financial Information
as of June 30, 2025**

(figures not audited)

WEBSITE: <https://www.sg-zertifikate.de/>

Explanation of changes in the name or other identifying characteristics of the reporting entity that have occurred since the end of the previous reporting period	N/A
Name of Group	SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH
Address where the consolidated interim financial statements can be obtained	Neue Mainzer Straße 46-50 60311 Frankfurt am Main
Group's address	Neue Mainzer Straße 46-50 60311 Frankfurt am Main
Legal form of the parent company of the Group	GmbH – <i>Gesellschaft mit beschränkter Haftung</i> – German limited liability company
Country of the Group	Germany
Registered office of the Group	Neue Mainzer Straße 46-50 60311 Frankfurt am Main
Head office of the subsidiary	N/A
Description of the nature of the entity's business and its primary activities	Issuance activities and holding equity investments
Name of parent company	SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH
Name of the ultimate parent company of the Group	Société Générale S.A., Paris
Name or other identification of the reporting entity	Frankfurt am Main - HRB 32283

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

<i>(in euro thousands)</i>	Note	06/30/2025	12/31/2024	06/30/2024
Interest and similar income calculated using the effective interest method	Note 4.7	111,706	265,554	151,547
Interest and similar expenses calculated using the effective interest method	Note 4.7	(93,352)	(154,335)	(92,615)
Commission income	Note 7.1	13,844	21,913	10,177
Commission expenses	Note 7.1	(8,122)	(10,069)	(4,409)
Net result from financial transactions	Note 4.1	12,340	284	3,502
<i>Thereof net gains or losses on financial instruments measured at fair value through profit or loss</i>	Note 4.1	12,340	284	3,502
Income from other activities	Note 7.2	136,833	363,737	190,422
Expenses for other activities	Note 7.2	(121,659)	(355,927)	(189,658)
Net banking income		51,590	131,157	68,966
Personnel expenses	Note 8	(22,971)	(48,044)	(24,729)
Other administrative expenses	Note 12.2	(13,478)	(27,365)	(12,151)
Expenses for amortization, depreciation and impairments of intangible assets and property, plant and equipment	Note 5	(2,086)	(5,701)	(3,057)
Gross operating result		13,055	50,047	29,029
Risk expenses (impairments of financial assets and commitments)	Note 4.8	(10,515)	(8,533)	(2,721)
Operating result		2,540	41,514	26,308
Net gains or losses from other assets		(21)	1	1
Impairment of goodwill	Note 6	-	-	-
Net result from continuing operations		2,519	41,515	26,309
Net result from discontinued operations		(419)	2,881	3,188
Profit/loss before taxes		2,100	44,396	29,497
Income taxes	Note 9	4,964	-	4,584
Profit/loss after taxes		7,064	44,396	34,081
Net profit/loss of all companies in the consolidation group		7,064	44,396	34,081
Non-controlling interests		110	277	1,977
Net profit/loss (Group share)		6,954	44,119	32,104

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Net profit/loss	7,064	44,396	34,081
Gains and losses recognized directly in equity, which will be subsequently reclassified to profit or loss:			
Gains and losses in connection with hedging instruments	(2,850)	(11,117)	(2,196)
Gains and losses recognized directly in equity, which will not be subsequently reclassified to profit or loss:			
Actuarial gains and losses from post-employment benefits	(1,766)	(117)	1,246
Tax-related	2,702	(2,275)	(2,702)
Total other comprehensive income	(1,914)	(13,509)	(3,652)
Comprehensive income (net profit/loss and other comprehensive income)	5,150	30,887	30,429
<i>Thereof attributable to owners of the parent company</i>	<i>5,750</i>	<i>30,776</i>	<i>35,581</i>
<i>Thereof non-controlling interests</i>	<i>(600)</i>	<i>111</i>	<i>(5,153)</i>

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION – ASSETS

<i>(in euro thousands)</i>	Note	06/30/2025	12/31/2024
Financial assets measured at fair value through profit or loss	Note 4.1	5,613,006	4,129,063
<i>Thereof derivatives held for trading</i>	Note 4.1	4,234,795	2,966,977
Hedging derivatives	Note 4.2	-	-
Receivables from banks at amortized cost	Note 4.4 4.9	147,606	175,750
<i>Thereof call deposits</i>	Note 4.4	110,672	138,555
Loans to and receivables from customers at amortized cost	Note 4.4 4.9	3,944,524	3,952,208
Receivables from finance leases	Note 4.4 4.9	442,339	452,116
Tax assets	Note 9	15,834	3,465
Other assets	Note 7.3	161,226	196,677
Intangible assets	Note 5	1,628	1,856
Property, plant and equipment	Note 5	204,035	235,576
Goodwill	Note 6	1,569	1,569
Total		10,531,767	9,148,280

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

<i>(in euro thousands)</i>	Note	06/30/2025	12/31/2024
Financial liabilities measured at fair value through profit or loss	Note 4.1	5,531,233	4,046,168
<i>Thereof derivatives held for trading</i>	Note 4.1	4,236,047	2,965,780
Hedging derivatives	Note 4.2	11,750	10,542
Securitized liabilities	Note 4.5 4.9	1,973,140	1,556,549
Liabilities to banks	Note 4.5 4.9	2,806,956	3,293,612
Liabilities to customers	Note 4.5 4.9	19	25
Tax liabilities	Note 9	44,488	1,698
Other liabilities	Note 7.3	136,138	144,088
Provisions	Note 12.3	37,050	77,269
Total liabilities		10,540,774	9,129,951
EQUITY	Note 10		
Equity, Group share			
Subscribed capital, equity instruments and capital reserves		26	26
Profit carried forward		1,138	1,138
Group reserves		(10,653)	(21,413)
Half-year net profit/loss		6,954	44,119
Subtotal		(2,535)	23,870
Unrealized or deferred capital gains and losses		(7,521)	(5,607)
Subtotal equity (Group share)		(10,056)	18,263
Non-controlling interests		1,049	66
Total equity		(9,007)	18,330
Total		10,531,767	9,148,280

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital and related reserves				Gains and losses recognized directly in equity				Non-controlling interests				Total Group equity
	Subscribed capital	Group reserves	Total	Profit carried forward	Net profit/loss (Group share)	To be subsequently reclassified to profit or loss	Not to be subsequently reclassified to profit or loss	Total	Equity, Group share	Capital and reserves	Gains and losses recognized directly in equity	Total	
<i>(in euro thousands)</i>													
Equity at 01/01/2024	26	6,683	6,709	1,138	-	6,432	1,470	7,902	15,749	(440)	-	(440)	15,310
Gains and losses recognized directly in equity	-	-	-	-	-	(2,196)	(1,456)	(3,652)	(3,652)	-	-	-	(3,652)
Net profit/loss for the first half 2024	-	-	-	-	32,104	-	-	-	32,104	1,977	-	1,977	34,081
Other changes	-	32,882	32,882	-	(32,104)	-	-	-	778	469	-	469	1,247
<i>Thereof profit transfer to the owner</i>	-	(8,825)	-	-	-	-	-	-	-	-	-	-	(8,825)
<i>Thereof retention of earnings</i>	-	32,104	-	-	-	-	-	-	-	-	-	-	32,104
<i>Thereof other miscellaneous changes</i>	-	9,603	-	-	-	-	-	-	-	-	-	-	9,603
Subtotal	-	32,882	32,882	-	-	(2,196)	(1,456)	(3,652)	29,230	2,446	-	2,446	31,676
Equity at 06/30/2024	26	39,564	39,591	1,138	-	4,236	14	4,249	44,978	2,007	-	2,007	46,985
Gains and losses recognized directly in equity	-	-	-	-	-	(8,920)	(936)	(9,856)	(9,856)	-	-	-	(9,856)
Net profit/loss for the second half 2024	-	-	-	-	12,015	-	-	-	12,015	(1,700)	-	(1,700)	10,315
Other changes	-	(16,858)	(16,858)	-	(12,015)	-	-	-	(28,874)	(241)	-	(241)	(29,114)
<i>Thereof profit transfer to the owner</i>	-	38,251	-	-	-	-	-	-	-	-	-	-	38,251
<i>Thereof retention of earnings</i>	-	12,015	-	-	-	-	-	-	-	-	-	-	12,015
<i>Thereof other miscellaneous changes</i>	-	(9,377)	-	-	-	-	-	-	-	-	-	-	(9,377)

Subtotal	-	(16,858)	(16,858)	-	-	(8,920)	(936)	(9,856)	(26,714)	(1,941)	-	(1,941)	(28,655)
Equity at 12/31/2024	26	22,706	22,733	1,138	-	(4,685)	(922)	(5,607)	18,264	66	-	66	18,330
Equity at 01/01/2025	26	22,706	22,733	1,138	-	(4,685)	(922)	(5,607)	18,264	66	-	66	18,330
Gains and losses recognized directly in equity	-	-	-	-	-	(2,850)	936	(1,914)	(1,914)	-	-	-	(1,914)
Net profit/loss for the first half 2025	-	-	-	-	6,954	-	-	-	6,954	110	-	110	7,064
Other changes	-	(26,405)	(26,405)	-	(6,954)	-	-	-	(33,359)	873	-	873	(32,486)
<i>Thereof profit transfer to the owner</i>	-	5,624	-	-	-	-	-	-	-	-	-	-	5,624
<i>Thereof retention of earnings</i>	-	6,954	-	-	-	-	-	-	-	-	-	-	6,954
<i>Thereof other miscellaneous changes</i>	-	(38,983)	-	-	-	-	-	-	-	-	-	-	(38,983)
Subtotal	-	(26,405)	(26,405)	-	-	(2,850)	936	(1,914)	(28,319)	983	-	983	(27,336)
Equity at 06/30/2025	26	(3,699)	(3,672)	1,138	-	(7,535)	14	(7,521)	(10,056)	1,049	-	1,049	(9,007)

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Net profit/loss	7,064	41,515	34,081
Expenses for depreciation and amortization of property, plant and equipment and intangible assets (including operating leases)	19,634	42,054	26,948
Expenses for impairments of property, plant and equipment and intangible assets (including operating leases) and net additions to provisions	31,438	(6,345)	(4,632)
Proceeds from disposal of consolidated subsidiaries and other non-current securities – equity instruments recognized at fair value through profit or loss	-	-	-
Other changes	(59,904)	(53,546)	(54,593)
Non-monetary elements included in the net profit/loss after taxes, and other adjustments, excluding the result from financial instruments measured at fair value through profit or loss	(8,832)	(17,837)	(32,277)
Net result from financial instruments measured at fair value through profit or loss	26,667	80,610	40,524
Interbank transactions	(223,405)	(312,990)	(339,112)
Transactions with customers	7,971	390,200	273,412
Transactions with other financial assets/liabilities	616,808	129,577	(5,525)
Transactions with non-financial assets/liabilities	(54,933)	(53,603)	(1,506)
Net increases/decreases in operating assets/liabilities	373,108	233,794	(32,208)
Cash flow from operating activities – continuing operations	457,036	257,472	(11,686)
Cash flow from operating activities – discontinued operations	(85,696)	(8,470)	(18,717)
NET CASH FLOW FROM OPERATING ACTIVITIES	371,340	249,002	(30,404)
Cash flows from purchase and sales of financial assets and equity investments	(490)	-	-
Cash flows from purchase and sales of property, plant and equipment and intangible assets	172,785	114,944	83,595
Cash flow from investing activities – continuing operations	40,881	114,944	64,878
Cash flow from investing activities – discontinued operations	131,414	8,470	18,717
NET CASH FLOW FROM INVESTING ACTIVITIES	172,295	123,414	83,595
Repayment of refinancing loans	(506,870)	(232,070)	8,749
Profit transfer SG Frankfurt	(27,073)	(64,235)	(64,235)
Other cash flow from financing activities	8	(50)	-
Cash flow from financing activities – continuing operations	(533,935)	(296,355)	8,749

Cash flow from financing activities – discontinued operations	-	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(533,935)	(296,355)	8,749
NET CASH FLOW FROM CASH AND CASH EQUIVALENTS	9,700	76,061	61,941
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	76,892	832	831
Net amount of accounts, sight deposits in/loans to banks	9,700	76,061	61,941
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	86,591	76,893	62,772
CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	45,718	-	-

In accordance with the guidelines of Société Générale Group, the SGE Group considers cash on hand, sight deposits and short-term loans and advances with central banks and banks (with terms of less than three months) as cash and cash equivalents in preparing the statement of cash flows. At June 30, 2025, cash and cash equivalents consisted solely of call deposits with banks in the amount of EUR 111 million (December 31, 2024: EUR 139 million (Note 4.4)), less loans to banks payable at call (deposits and current accounts) in the amount of EUR 24 million (December 31, 2024: EUR 11 million (Note 4.5)).

Cash flows from interest amounted to EUR 206 million and cash flows from taxes amounted to EUR 0 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIC INFORMATION ABOUT THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Société Générale Effekten GmbH is a limited liability company under German law, with its registered head office in Frankfurt am Main (Neue Mainzer Str. 46–50, 60311 Frankfurt am Main, Germany). It is registered with the Frankfurt am Main Local Court under commercial register no. HRB 32283. The company's consolidated interim financial statements include the company and the subsidiaries it controls (referred to collectively as the "Group"). The Group is primarily active in the issuance of warrants and certificates, the provision of leasing services, and asset management. The activities of Société Générale Securities Services GmbH's Asset Management operating segment were discontinued as of December 31, 2023, with the company merely continuing on an administrative basis. Because of this, they have been presented in the consolidated interim financial statements under discontinued operations in accordance with IFRS 5 since December 31, 2023.

The parent company, Société Générale Effekten GmbH, is a wholly owned subsidiary of Société Générale Frankfurt, a branch of Société Générale S.A. Paris, and is included in the consolidated interim financial statements of that company.

The consolidated interim financial statements of Société Générale Effekten GmbH cover the period from January 1, 2025 to June 30, 2025. The consolidated interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the corresponding Interpretations of the International Financial Reporting Standards Interpretations Committee (IFRIC) as they are to be applied in the European Union, as well as the commercial-law disclosures required by Section 315e (1) German Commercial Code (Handelsgesetzbuch, HGB).

The present consolidated interim financial statements are presented in euros, the functional currency of the parent company. Unless otherwise indicated, all financial information presented in euros is rounded to thousands of euros.

PROFIT TRANSFER AGREEMENT

A profit transfer agreement for an indefinite term has been in effect between Société Générale Effekten GmbH as the subsidiary company and Société Générale S.A., Frankfurt, as the parent company since January 1, 2016. In addition, a profit transfer agreement for an indefinite term has been in effect between Société Générale Effekten GmbH as the parent company and ALD Lease Finanz GmbH as subsidiary company and Société Générale Securities Services GmbH as subsidiary company since January 1, 2017.

CONSOLIDATED TAX GROUP FOR INCOME TAX PURPOSES

The profit transfer agreement between Société Générale Effekten GmbH as the subsidiary company and Société Générale S.A. Frankfurt Branch as the parent company established a consolidated tax group for income tax purposes with Société Générale S.A. Frankfurt Branch with effect as of January 1, 2016. In addition, there are profit and loss transfer agreements with all consolidated subsidiaries within the SGE Group.

USE OF DISCRETIONARY DECISIONS AND ESTIMATES

The preparation of the consolidated interim financial statements requires the management to exercise discretion and make estimates and assumptions which affect the application of accounting methods as well as the recognition and measurement of assets and liabilities, the amounts of income and expenditures presented in the income statement and the information disclosed in the notes to the consolidated interim financial statements. In formulating these assumptions and making these estimates, the management relies on the information available at the time of preparing the consolidated interim financial statements and makes decisions at its own discretion. By their nature, the valuations based on these estimates entail certain risks and uncertainties as to whether they will materialize in the future. As a consequence the actual values and results in the following half year may deviate from the estimates and result in significant adjustments to carrying amounts.

Uncertainty as to these assumptions and estimates may lead to results which require a material adjustment of the carrying amounts of the affected assets or liabilities in future periods. When applying the Group's accounting policies, the management has made judgments and assumptions about the future and other material sources of estimation uncertainty as of the reporting date which entail a material risk that a material adjustment to the carrying amounts of assets and liabilities will become necessary within the next half year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions as to whether and when they will occur. The items with the most significant impact on the amounts recognized in the financial statements, for which management has made significant judgments and/or estimates, are listed below, providing a description of the relevant judgments/estimates made. In applying the uniform accounting policies of the parent company, the management of SG Effekten has made the following judgments and estimates that have the most significant effect on the amounts recognized in the Group's interim consolidated financial statements:

- Measurement of the stated fair value of financial instruments that are not traded in an active market, which are presented under "Financial assets and liabilities measured at fair value through profit or loss" or "Hedging derivatives," and the fair value of financial instruments for which this value is disclosed in the notes to the consolidated financial statements (see Notes 4.1, 4.2 and 4.3);
- Classification of financial instruments, in particular the analysis of the contractual cash flow characteristics (SPPI) of financial assets (see Notes 3 and 4.4);
- Assessment of the observed increase in credit risk since initial recognition of financial assets (allocation to level) as well as assessment of the amount of valuation allowances for default risks in connection with

financial assets measured at amortized cost or at fair value through other comprehensive income (not currently in portfolio), credit and guarantee commitments granted, which are measured in accordance with models or on the basis of internal assumptions based on historical, current and forward-looking data. The balance sheet items affected essentially include “Loans to and receivables from customers at amortized cost” and “Receivables from finance leases” as well as off-balance sheet contingent liabilities (see Notes 4.8, 5 and 12.3);

- Measurement of the provisions recognized on the equity and liabilities side of the statement of financial position, including the provisions for employee benefits (see Notes 8 and 12.3).

NEW AND REVISED ACCOUNTING STANDARDS TO BE APPLIED FOR THE FIRST TIME

The following presents the IFRS Accounting Standards which are applicable for the first time in the reporting period or which will become applicable in the future.

A. STANDARDS TO BE APPLIED FOR THE FIRST TIME

The following new and amended IFRS Accounting Standards were applied in the consolidated interim financial statements for the first half of financial year 2025:

- Amendments to IAS 21: Lack of Exchangeability

Amendments to IAS 21: Lack of Exchangeability

The amendments require entities to apply a uniform approach when assessing whether a currency lacks exchangeability. If that is the case, the manner in which the exchange rate is determined must be disclosed in the notes.

The amendments had no material impact on the consolidated financial statements.

B. STANDARDS TO BE APPLIED IN THE FUTURE

The following new and revised IFRS Accounting Standards and Interpretations, some of which have not yet entered into effect in the EU, must be applied for future financial years:

Relevant standard	Mandatory application and effective date for financial years beginning on	Endorsement (Yes/no)	Substance of IFRS Accounting Standard
IFRS 9/IFRS 7	01/01/2026	No	Amendments to both standards were published in 2024 relating to the classification and measurement of financial instruments. Specifically, these related to interest components as part of a basic lending arrangement, contract terms which affect the timing or amount of cash flows, non-recourse financial assets and contractually linked instruments. The following are also affected: derecognition of financial liabilities settled by electronic payment transactions and disclosures on equity instruments measured at fair value through other comprehensive income.
Annual Improvements to IFRS Accounting Standards — Volume 11	01/01/2026	No	IFRS 1 – Hedge accounting by first-time adopters: amendment to align wording with that of IFRS 9 and inclusion of a cross-reference to improve comprehensibility.

			IFRS 7 – Derecognition gain or loss, disclosures concerning deferred difference between the fair value and the transaction price, disclosures on credit risk. IFRS 9 – Transaction price, derecognition of a lease liability by the lessee: inclusion of a cross-reference to clarify that a gain or loss on the repayment of a lease liability must be recognized through profit or loss. IFRS 10 – Determination of a de facto agent. IAS 7 – Cost method.
IFRS 18	01/01/2027	No	The new standard, IFRS 18 “Presentation and Disclosures in Financial Statements” will replace IAS 1 “Presentation of Financial Statements”, although many requirements will be taken from IAS 1 without amendment. The new standard will introduce requirements relating to defined subtotals in the income statement, disclosures of management performance measures in the notes and guidelines on aggregation and disaggregation of information in IFRS financial statements.
IFRS 19	01/01/2027	No	The new standard, IFRS 19 “Subsidiaries without Public Accountability: Disclosures” will render it possible to account for subsidiaries in accordance with IFRS, albeit with reduced disclosure requirements. To qualify for such treatment, the subsidiary must not be publicly accountable and the parent company must prepare consolidated financial statements in accordance with the full IFRS.

The Group has not exercised, nor does it intend to exercise, the option of applying these amendments to standards and interpretations early. The Group will apply the new or amended standards and interpretations at the latest when their application becomes mandatory following their adoption by the EU.

With the exception of IFRS 18 and IFRS 7/IFRS 9, the effects of which are still under review, the future amendments to the standards explained here are not expected to have any significant impact on the Group’s financial position, cash flows or financial performance. The Group will examine in greater detail the future effects of the amendments to IFRS 7/IFRS 9 and the requirements of IFRS 18 relating to the presentation and disclosures in the financial statements before their application becomes mandatory.

NOTE 2 – CONSOLIDATION GROUP

BASIC PRINCIPLES OF CONSOLIDATION

The consolidated interim financial statements include the financial statements of the parent company Société Générale Effekten GmbH and all companies that it controls. The consolidated interim financial statements are based on the separate financial statements of the aforementioned entities, which have been aligned with the Group's accounting policies. Intercompany balances, transactions, and all unrealized income and expenses from intercompany transactions are eliminated in the preparation of the consolidated interim financial statements.

SUBSIDIARIES

Subsidiaries are companies controlled by the parent company. The parent company controls a company when it is exposed to or holds rights to variable returns from its investment in the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are to be included in the consolidated interim financial statements from the date on which control begins and up to the date on which control ends.

Subsidiaries are fully consolidated.

The parent company consolidates structured entities. The entities are included in the consolidated interim financial statements by reason of their asset-backed design. These are primarily securitization vehicles for ALD, which serve as a refinancing instrument. Under these transactions, credit receivables are sold to a special purpose vehicle (SPV) and converted into marketable securities which are collateralized by credit receivables (asset-backed securities). As presently structured, these securities merely transfer the contractual risks attaching to receivables, while the receivables themselves remain on (the originator) ALD's balance sheet without being legally hived off to the SPV. As a result, the ownership structure of the securitized loan does not change.

In particular, the investments consist of holdings in debt instruments in securitization companies, which leads to risks and inflows, depending on the profitability of the structured entity. The contractual commitments to the consolidated structured entities consist exclusively of subordinated promissory note loans assumed for the purpose of financing the SPV's purchase of the receivables (as of June 30, 2025, the portfolio no longer contained any subordinated loans). Aside from the contractual commitments, the Group has not financially supported the consolidated structured entities and also does not plan to do this at the present time.

When determining control over a structured entity, the predominant factor used is often not voting rights (which usually relate only to administrative duties), but rather other comparable rights. In the case of the securitization vehicles initiated by ALD as described above, the Group retains control via contractual rights (on the basis of a servicing agreement) and has the practical ability to unilaterally direct relevant activities of the special purpose entity. In addition, the Group bears the risk of the companies and has rights to variable returns from them.

The maximum loss risk of the consolidated structured entities is determined by the carrying amount of the assets held in relation to the structured entities.

CHANGES IN THE CONSOLIDATION GROUP

Other than the creation of the structured entity “Red & Black Auto Germany 12 UG (HAFTUNGSBESCHRAENKT)”, there were no changes to the consolidation group between December 31, 2024 and the end of the first half of 2025.

CONSOLIDATION GROUP

The following disclosures are made in accordance with Section 315e HGB.

06/30/2025				
Name of company	Registered head office of the company	Business activity	Share of equity [%]	Share of voting rights [%]
Consolidated companies				
ALD LEASE FINANZ GMBH	Hamburg, Germany	Leasing company	100	100
SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES GMBH	Aschheim, Germany	Successor entity to asset management company	100	100
BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH	Hamburg, Germany	Special financing institution	99.9	90
BDK LEASING UND SERVICE GMBH	Hamburg, Germany	Service company	100	100
RED & BLACK AUTO GERMANY 8 UG (HAFTUNGSBESCHRÄNKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHRÄNKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 10 UG (HAFTUNGSBESCHRÄNKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 11 UG (HAFTUNGSBESCHRÄNKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 12 UG* (HAFTUNGSBESCHRÄNKT)	Frankfurt, Germany	Structured entity	-	-
Non-consolidated companies				
ALD AUTOLEASING UND DIENSTLEISTUNGS GMBH	Hamburg, Germany	Service company	43.8	43.8

* "ABS - Red & Black Auto Germany 12 UG" with a total volume of EUR 750,000,000 was formed in May 2025. It comprises Class A Notes in the amount of EUR 705,700,000 and Class B Notes in the amount of

EUR 28,500,000, Class C Notes in the amount of EUR 12,800,000, and Class D Notes in the amount of EUR 3,000,000.

The non-consolidated entity ALD Auto Leasing und Dienstleistungs GmbH is classified as an associate because the Group's 43.8% share of voting rights gives rise to significant influence.

Structured entities:

	RED & BLACK AUTO GERMANY	RED & BLACK AUTO GERMANY	RED & BLACK AUTO GERMANY	RED & BLACK AUTO GERMANY	RED & BLACK AUTO GERMANY
<i>(in euro thousands)</i>	8 UG	9 UG	10 UG	11 UG	12 UG
Equity	(756)	(532)	5,046	1,926	1,019
Total assets of the company	160,682	219,159	420,301	481,499	745,719
Result at 06/30/2025	(1,727)	(948)	1,164	(778)	(1,027)

NOTE 3 – ACCOUNTING POLICIES AND MEASUREMENT METHODS

The semiannual financial statements of the subsidiaries included in the consolidated interim financial statements are based on the IFRS recognition and measurement principles described in the following.

TRANSACTIONS IN FOREIGN CURRENCIES

Items of the statement of financial position denominated in foreign currencies are translated to the company's functional currency at the reporting date. Currency translation differences are recognized in profit or loss.

Forward exchange transactions are measured at fair value on the basis of the current forward exchange rate for the remaining term to maturity. Spot exchange positions are translated to the official spot exchange rates at the reporting date. The resulting revaluation differences are recognized in profit or loss.

Monetary items denominated in foreign currencies are translated at the exchange rate in effect on the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates in effect on the date of fair value measurement. Non-monetary items measured at cost are translated at the exchange rate in effect on the date of initial recognition.

In the case of financial assets and liabilities measured at fair value through profit or loss, gains or losses from currency translation are recognized as part of fair value in period profit or loss under "Net gains or losses from financial instruments measured at fair value through profit or loss."

CLASSIFICATION OF FINANCIAL ASSETS

In accordance with IFRS 9, all financial assets and liabilities falling under the scope of this standard, including derivative financial instruments, must be recognized in the statement of financial position. A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for the other party. Financial instruments are measured at fair value upon initial recognition. If a financial instrument is subsequently measured at fair value through other comprehensive income or at amortized cost, directly attributable transaction costs must also be taken into account. In the case of financial assets, these costs increase the fair value.

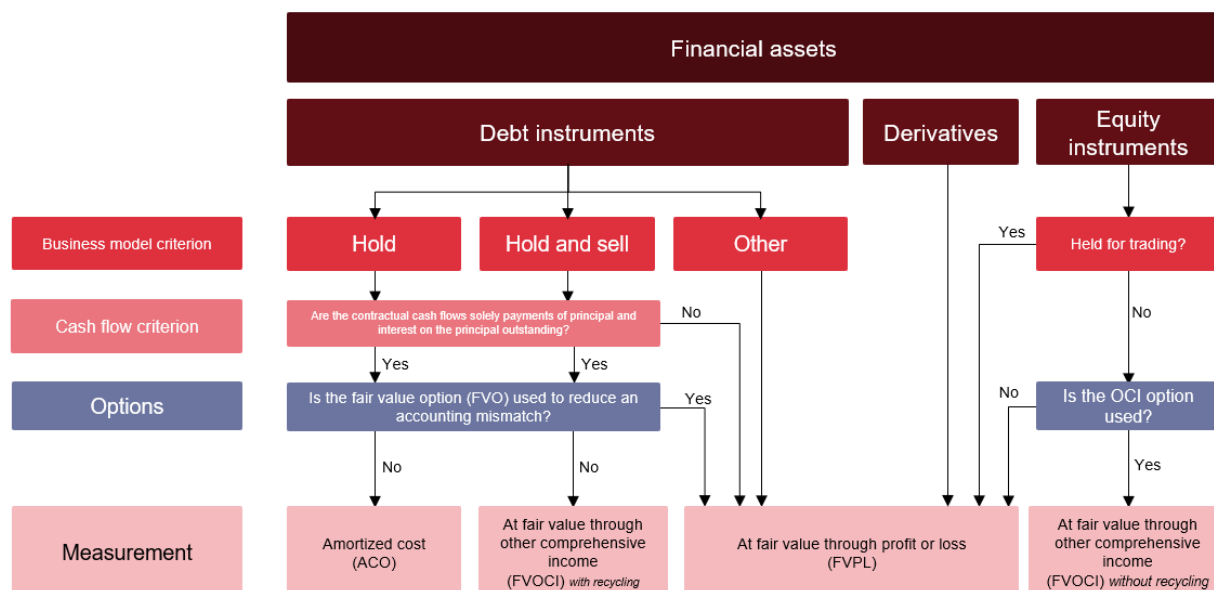
Analysis of the business model

The Group employs a variety of different business models within its different business segments. These are assessed according to how groups of financial instruments are managed together in order to achieve a specific business objective. The business model is not assessed for each individual instrument, but at portfolio level, taking into account relevant factors, including:

- assessing the performance of the portfolio and reporting it to the Group management;
- how the risks associated with the financial assets held within the scope of the business model are managed;
- the remuneration structure for the managers of the business model;
- already realized or expected disposal of assets (value, frequency, purpose).

In accordance with the provisions of IFRS 9, financial assets are classified on the basis of the underlying business model and the contractual cash flow characteristics (also known as SPPI – solely payments of principal and interest). The business models influence how the assets are measured (at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income). A distinction is made between three different business models:

1. “Hold to collect” – Financial assets are held with the intention of collecting cash flows. A financial asset is measured at amortized cost if it is held as part of the “hold to collect” business model and meets the SPPI condition, i.e. its contractual cash flows consist solely of principal and interest.
2. “Hold to collect and sell” – Financial assets are held to collect contractual cash flows as well as to be sold. A financial asset is measured at fair value through other comprehensive income (FVOCI) if it is held as part of the “hold and sell” business model and meets the SPPI condition. Changes in fair value are initially recognized in other comprehensive income (OCI) and only reclassified to the income statement (P&L) when the asset is sold (currently not applicable to the SGE Group’s business model).
3. Collection by other means – Financial assets that collect cash flows other than by holding or by a combination of holding and selling. These financial assets are measured at fair value, with changes in value recognized in profit or loss (FVPL). They are measured regardless of whether the SPPI condition is fulfilled.



Analysis of the contractual cash flows from financial assets

In addition to the business model, the characteristics of the contractually agreed cash flows of a financial asset also determine how that asset is classified. In order to be able to recognize a financial asset at amortized cost or at fair value through other comprehensive income, it must be similar to a basic lending arrangement and may only generate interest and principal payments (SPPI – solely payments of principal and interest). This means that no additional harmful components such as share price dependencies or leverage effects may be included.

Repayment refers to the repayment of the principal. The concept of principal is defined as the fair value of the financial asset on initial recognition. This fair value corresponds to the disbursement amount for loans granted in line with market conditions. The same applies to securities. However, if financial assets are acquired on the secondary market, the fair value on initial recognition generally corresponds to the purchase price. Transaction costs are not a component of the principal.

Under a basic lending arrangement, interest is paid as compensation for the time value of money and credit risk. Furthermore, the interest may also include compensation for other risks associated with a loan (e.g. liquidity risk), premiums for costs associated with a loan (e.g. administrative costs) and a profit margin. Negative interest is not a contradiction of this definition.

The assessment of the cash flow criterion is limited to analyzing whether there are contractually agreed cash flows that represent neither interest nor principal payments. This assessment is carried out in the currency in which the financial asset is denominated. The analysis does not address whether the contractually agreed interest rate is appropriate. However, if the interest rate is exceptionally high, it must always be questioned whether risks are being remunerated that are not compatible with a basic lending arrangement (e.g. linking the interest rate to the performance of share indexes or commodities).

The Group bases its SPPI assessment on the corresponding requirements of the parent company and has defined a framework for determining whether financial assets meet the SPPI criteria on initial recognition or in the event of a substantial contract modification with derecognition and reacquisition. All contractual conditions must be reviewed.

In the case of contractual agreements that create uncertainty with regard to the timing or amount of the contractually agreed cash flows (e.g. termination and prolongation rights), it must also be carefully examined whether these payments conflict with the definition of interest and principal in IFRS 9.

In the case of termination rights, interest and principal payments are only deemed to have been made if the amount due early essentially consists of principal payments not yet made, interest payments not yet made on the outstanding principal amount and, if applicable, an appropriate additional fee for the early termination of the contract. This additional fee primarily includes prepayment penalties and, if applicable, reasonable processing fees.

The compensation payment upon early repayment is particularly seen as appropriate when

- the amount is calculated as a percentage of the still outstanding principal amount and is capped by statutory regulations (in France, for example, the compensation payment for the early repayment of mortgage loans by individuals is legally limited to an amount equal to the interest for six months or 3% of the outstanding principal), or is limited by competition conditions in the market;
- the amount equals the difference between the contractual interest that would have been collected up to the maturity of the loan and the interest that would have been received by reinvesting the early repaid amount at an interest rate that is identical to the corresponding benchmark interest rate.

Some loans can be repaid ahead of maturity at their current fair value, others at the fair value of the costs required to cancel a related hedging swap. Such early repayments can be classified as SPPI if they take the effects of changes in the corresponding benchmark interest rate into account.

Basic financial assets (which fall under the definition of SPPI) are debt instruments that typically include the following product groups:

- fixed-interest loans,
- variable-rate loans, possibly with an interest rate collar (cap, floor),
- fixed-interest or variable-interest debt instruments (government bonds or corporate bonds, other issuable debt instruments),
- securities purchased with repurchase agreements (reverse repo transactions),
- disbursed security deposits,
- trade receivables.

Contractual terms that include a possible risk or that result in volatility of the contractual cash flows that are not related to the basic lending arrangement (e.g. fluctuations of stock prices or stock indexes or changes in the borrowing of debt capital) may generally not be regarded as SPPI.

The “**non-SPPI financial assets**” typically include the following product groups:

- derivative financial instruments,
- stocks and other equity instruments held by the entity,
- fund unit certificates,
- financial debt instruments that can be converted into or exchanged for a certain number of equity shares (convertible bonds, equity-linked securities, etc.).

If the time value component of the interest rate can be adjusted in accordance with the contractual term of the instrument, it may be necessary under certain circumstances to compare the contractual cash flow with the cash flow that would result from a benchmark instrument. This is the case when, for example, an interest rate is regularly reset, but the time value of this reset does not match the term of the interest rate (e.g. monthly reset of an interest rate with a term of one year), or when an interest rate is regularly adjusted to match an average of short-term and long-term interest rates.

If the difference between non-discounted contractual cash flows and non-discounted benchmark cash flows is significant or could be significant, the instrument is not to be classified as “basic.”

Depending on the contractual terms, the comparison with the benchmark cash flow can be performed by means of a qualitative assessment; in other cases, however, a quantitative test is necessary. The difference between the contractual cash flows and the benchmark cash flows must be considered in every reporting period and in total, over the life of the instrument. In performing the benchmark test, the Group also considers factors that could influence future non-discounted contractual cash flows: Applying a reference interest rate at the first-time measurement date is not sufficient. In addition, the Group checks whether the reference interest rate could shift during the term of the instrument on the basis of possible scenarios.

The provisions of IFRS 9 also state that violations of the cash flow criterion are negligible if they have no noticeable impact on the contractually agreed payments (“de minimis”) or only occur in extremely rare, highly unusual and very unlikely cases (“not genuine”).

The analysis of the characteristics is decisive for the classification and measurement of the financial instrument. The effective interest method is generally used for financial instruments that constitute a basic lending arrangement. This means that it applies to financial instruments measured at amortized cost (AC) and to those measured at fair value through other comprehensive income (FVOCI). The effective interest method is not applicable for financial instruments that do not exclusively contain principal and interest payments, as these must be measured at fair value through profit or loss (FVPL).

For investments in equity instruments that are not held for trading, there is also a voluntary irrevocable election to classify and measure these at fair value through other comprehensive income (FVOCI, currently not applied in the SGE Group). In subsequent periods, the gains or losses recognized in other comprehensive income are not reclassified to profit or loss (only dividends on these investments are recognized as income).

Disbursed security deposits, trade receivables and receivables under operating leases are presented in the “Other assets” item (see Note 7.3).

Derivative financial instruments and hedges

Derivatives are financial instruments if they meet the following criteria:

- their value changes in response to the change in a specified interest rate, foreign exchange rate, share price, price index, commodity price, credit rating, etc.;
- they require little or no investment;
- they are settled at future date.

Derivative financial instruments are sub-divided into two categories:

1. Derivative financial instruments held for trading – Derivative financial instruments are generally regarded as held-for-trading derivative instruments unless they can be classified as hedging instruments from an accounting standpoint. They are recognized in the statement of financial position under “Financial assets measured at fair value through profit or loss.” Changes in fair value are recognized in profit or loss.

Changes in the fair value of derivative financial instruments with counterparties that default at a later time are recognized in “Net gains or losses from financial instruments measured at fair value through profit or loss” until the date when they are annulled. At this date, receivables from or liabilities to the corresponding counterparties are recognized at their fair value. Any subsequent impairments of these receivables are recognized in “Risk expenses” in the income statement.

2. Derivatives designated as hedging instruments – In order to classify a derivative financial instrument as a hedging instrument in hedge accounting, the Group documents this hedging relationship at the time of designation. This documentation covers the underlying transaction and the hedging transaction, the nature of hedged risk, the type of derivative financing instruments used, and the measurement method to be applied to assess the effectiveness of the hedging relationship. The derivative financial instrument designed as a hedging instrument must be highly effective in order to offset the changes in fair value or cash flows resulting from the hedged risk. This effectiveness is continually assessed over the life of a hedge from the date of inception. If derivative financial instruments are used for hedging purposes, they are presented separately in the statement of financial position under “Hedging derivatives.”

For a detailed presentation of derivatives and the Group's hedge accounting concept, please refer to the explanations in Notes 4.1 and 4.2.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also contains a non-derivative underlying instrument. If the host contract is a financial asset, the entire hybrid contract is measured at fair value through profit or loss if its contractual cash flows do not pass the SPPI test.

If the host contract is a financial liability that is not measured at fair value through profit or loss, the embedded derivative is separated from the host contract if:

- at the time of acquisition, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; and
- it would meet the definition of a derivative.

After separation, the derivative is recognized in the statement of financial position at fair value under financial assets or liabilities at fair value through profit or loss. The host contract is classified in one of the categories of financial liabilities measured at amortized cost.

Fair value option

Financial assets may be measured at fair value through profit or loss upon initial recognition if that would eliminate or significantly reduce recognition inconsistencies in the accounting treatment of certain financial assets and liabilities (accounting mismatch).

CLASSIFICATION OF FINANCIAL LIABILITIES

Financial liabilities are classified to one of the two following categories:

1. Financial liabilities measured at fair value through profit or loss: These are financial liabilities that are held for trading purposes. As a general rule, they comprise derivative financial liabilities that do not meet the conditions for hedging instruments and non-derivative financial liabilities, which the Group measures at fair value through profit or loss upon initial recognition by exercising the fair value option.
2. Other financial liabilities: These are other non-derivative financial liabilities and are measured at amortized cost.

Derivative financial assets and liabilities that meet the conditions of a hedging instrument are presented in a separate line item of the statement of financial position (see Note 4.2).

Disbursed security deposits and trade payables are presented under “Other liabilities” (see Note 4.3).

RECLASSIFICATION OF FINANCIAL ASSETS

A reclassification of financial assets is only required in the unusual case that the Group changes the business model for managing these assets.

IMPAIRMENT

A detailed description of the methods used by the Group to determine impairment is provided in Note 4.8.

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. If no observable prices for identical assets or liabilities are available, the fair value of financial instruments is determined by application of another measurement technique under which the use of the determining, observable input factors is kept at the highest level possible, based on the assumptions that market participants would apply for pricing the asset or liability.

The measurement methods employed by the Group for determining the fair value of financial instruments are described in Note 4.3.

INITIAL RECOGNITION

Financial assets are recognized in the statement of financial position as follows:

- at the settlement/delivery date for securities;
- at the trade date for derivatives;
- upon disbursement of the loans.

In the case of instruments measured at fair value, changes in fair value that arise between the trade date and the settlement/delivery date are recognized either in profit or loss or in other comprehensive income, depending on the accounting classification of each financial asset. The trade date is the date when the contractual obligation becomes binding and irrevocable for the Group.

Upon initial recognition, financial assets and liabilities are measured at fair value, including transaction costs that are directly allocable to the purchase or issuance. Financial assets measured at fair value through profit or loss represent an exception to this rule; in this case, the transaction costs are recognized directly in profit or loss.

If the fair value upon initial measurement is based solely on observable market data, any difference between that fair value and the transaction price, i.e. a day one profit or loss, is recognized immediately in the income statement. However, if one of the valuation inputs is not observable or the valuation model used is not recognized by the market, the imputed gain or loss is not recognized in the income statement. For some complex instruments, this accounting gain or loss is not recognized until maturity or upon early disposal. As soon as measurement inputs become observable, any unrecognized portion of the imputed gain or loss is recognized in the income statement.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The Group derecognizes financial assets (or similar assets) in full or in part when the contractual rights to receive the cash flows of such assets expire or when the Group transfers the contractual right to receive the cash flows and substantially all the risks and rewards of ownership of the assets.

Financial assets are also derecognized when the Group still has the contractual right to receive the cash flows, but is contractually obligated to pass on these cash flows to another party ("pass-through agreement") and has transferred substantially all the risks and rewards of ownership.

If the Group has transferred the cash flows from a financial asset, but has neither transferred nor retained the risks and rewards of ownership and has relinquished effective control of such a financial asset, the asset is derecognized and if necessary, the Group recognizes a separate asset or liability to account for all rights and obligations arising from the transfer of the asset. If the Group retains control of the asset, it is still recognized in the statement of financial position to the extent that the Group has a continuing involvement in the asset, i.e., it is exposed to changes in the value of the asset.

When a financial asset is derecognized in full, the disposal gain or loss, i.e. the difference between the carrying amount of the asset and the payment received, is recognized in the income statement at the time of sale. If necessary, this amount is adjusted for unrealized gains or losses recognized directly in equity in the past, and for assets or liabilities arising from the servicing right. Prepayment fees charged to borrowers after the early repayment of loans are recognized under "Interest and similar income calculated using the effective interest method" of the income statement on the basis of the date of early repayment.

The Group derecognizes a financial liability in full or in part when it is extinguished, i.e. when the obligations specified in the contract are either discharged or canceled or when they expire.

A financial liability may also be derecognized when there has been a substantial modification of the contractual terms or when there has been an exchange with the lender in connection with an instrument whose contractual terms have been substantially modified.

LEASES

ACCOUNTING FOR LEASES BY LESSORS

Upon initial recognition of a lease, the party to which economic ownership is attributable must be determined. A lease is classified as an operating lease when substantially all the risks and rewards incidental to ownership of the leased object remain with the lessor. If this is not the case, the lease is classified as a finance lease.

Operating leases

Leased objects held under operating leases are presented in the statement of financial position as operational plant and equipment in the line item "Property, plant and equipment." Regardless of the residual value, they are depreciated down to the calculated residual value over the term of the lease.

The risk provision for residual value risks relating to vehicles held under operating leases is determined based on the group to which the respective vehicles are allocated, taking into account their age and mileage.

Existing residual value risks are determined using the procedure known as “fleet revaluation”. The fleet revaluation forecasts the disposal proceeds after the end of the lease for all vehicles for which ALD LF bears the residual value risk. This is done on the basis of the disposal proceeds from comparable vehicles sold over the last 18 months. The vehicles sold are allocated to groups according to their characteristics (make, model, body, age, mileage, fuel type, engine output). Each vehicle to be assessed is assigned to a group of at least 10 vehicles. The vehicles in this group were sold in the last 18 months at a minimum selling price of EUR 5,000. The expected selling price is calculated as the average of these, taking into account an underlying inflation factor, age-based depreciation and the expected selling costs.

The forecast disposal proceeds are compared against the calculated residual values. Any negative difference between these two figures represents the residual value risk.

Lease revenues are recognized in the income statement on a straight-line basis over the term of the lease.

In addition, the income from the technical service, which is invoiced monthly as part of the full-service lease for operating leases, must be recognized in proportion to the expense over the term of the lease.

Finance leases

If the lease is classified as a finance lease, the lessor recognizes a receivable in the amount of its net investment in the lease at the beginning of the lease term. This net investment is the discounted amount of the gross investment, which is defined as the sum of minimum lease payments plus any unguaranteed residual value. The gross investment is discounted to present value at the interest rate implicit in the lease. The receivable is recognized within the statement of financial position item “Receivables under leases.”

The interest included in the lease payments is recognized through profit or loss under “Interest and similar income calculated using the effective interest method.” If the unguaranteed residual values applied for the purpose of calculating the lessor’s net investment in the finance lease decrease, the discounted present value of this decrease is recognized in the income statement as an impairment of the finance lease receivable. The individual or collective impairment charges recognized in receivables under finance leases are subject to the same rules as those described for financial assets measured at amortized cost.

Disposal of leased assets

The disposal of leased assets entails the sale of assets under leases for which the basic lease term has ended, assets under onerous leases and assets under leases which have been terminated early by mutual agreement. Proceeds from the disposal of leased assets are recognized if the Group fulfills the performance obligation by transferring the promised asset to a customer. The transfer is effected when the customer obtains control over the asset. The Group therefore recognizes the proceeds at a specific date. The payment terms are short-term.

Proceeds from the disposal of leased assets are recognized under “Income from other activities.” The expenses in connection with the disposal of leased assets, which essentially comprise the residual carrying amount for the leased assets, are reported under “Expenses for other activities.”

ACCOUNTING FOR LEASES BY LESSEES

Separation of lease components from non-lease components

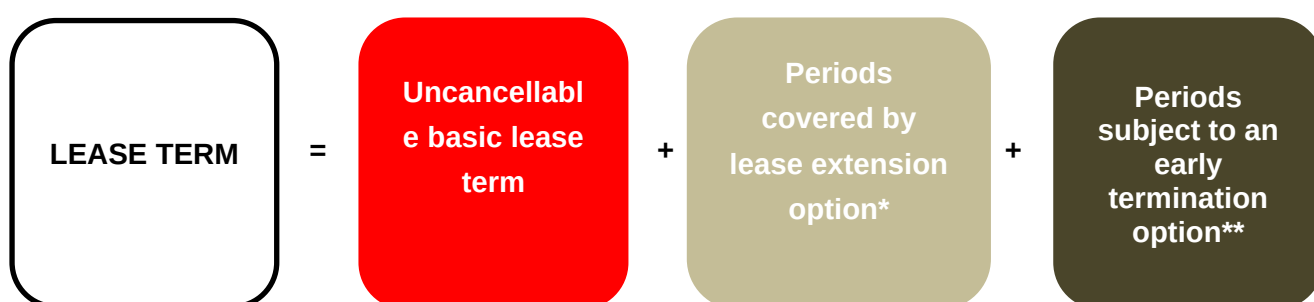
A contract may contain both a lease component and the provision of additional services by the lessor. In this case, the lessee can separate the lease components from the non-lease components and treat them separately. The contractually specified consideration for lease components and non-lease components should be handled separately on the basis of relative stand-alone selling prices (as indicated in the contract or on the basis of observable information). If the lessee is not able to separate lease components from non-lease components (or services), the entire contract should be treated as a lease.

Lease term

Definition of lease term

The lease term applied for the calculation of discounted lease payments is the uncancellable term with due regard to:

- Lease extension options if the exercise of such options by the lessee is reasonably certain, and
- Early termination options if the lessee is reasonably certain not to exercise such options.



* Which the lessee is reasonably certain to exercise.

** Which the lessee is reasonably certain not to exercise.

In assessing the reasonable certainty that extension or early termination options will be exercised, all facts and circumstances that could represent economic incentives to exercise or not exercise these options must be taken into consideration:

- the conditions for exercising these options (including the calculation of lease payments in the event of extension or penalties in the event of early termination);

- significant changes in the leased areas (designated floor plans, e.g. of a bank vault);
- the costs associated with the termination of the lease (including negotiating and relocation costs);
- the importance of the leased assets for the lessee due to special characteristics, location or availability of similar assets (especially in the case of properties at locations of strategic importance for the business due to transportation links, expected capacity utilization or the attractiveness of the location);
- earlier extensions of similar contracts and the future use strategy for the assets (e.g. expected restructuring of a branch network).

If both the lessee and the lessor have the right to terminate the lease without the consent of the other party and without a substantial contractual penalty, the lease is no longer binding and therefore no longer represents a lease liability.

Changes to lease term

If the circumstances that influence the exercise of lease options by the lessee or the conditions of the lease change or when events occur that legally obligate the lessee to exercise (or not exercise) an option that had not been or had earlier been included in the lease, the lease term must be adjusted.

After a change of the lease term, the lease liability must be recalculated on the basis of these changes and an adjusted discount rate for the estimated remaining lease term.

Accounting treatment of leases by the Group

At the commencement date of the lease (the date when the right to use the leased asset is transferred), the lessee must recognize a lease liability and a right-of-use asset in the statement of financial position.

The lessee must recognize interest expenses on the basis of the lease liability as an interest expense and the depreciation of the recognized right-of-use asset under “Depreciation, amortization and impairments of property, plant and equipment and intangible assets” in the income statement.

Lease payments must be apportioned between a reduction of the lease liability and an offset of the liability in the form of interest expenses.

Exceptions and exclusions

The Group does not recognize right-of-use assets and lease liabilities for leases of low-value assets (EUR 5 thousand or less) or for short-term leases. The Group expenses the lease payments in connection with these leases on a straight-line basis over the lease term.

Amount of lease payments

The payments serving as the basis for calculating the lease liability are composed of fixed and variable lease payments on the basis of an index (e.g. consumer price index or construction cost index), plus any amounts that

the lessee would be expected to pay to the lessor for residual value guarantees, purchase options or penalties for early termination.

Variable lease payments tied to the use of the leased asset (e.g. sales or kilometers) are not included in the calculation of the lease liability. Over the long term, the variable portion of lease payments is recognized in the income statement on the basis of the fluctuations of the contractual index.

Lease payments are recognized after deduction of value-added tax. In addition, construction leases are transferred to the lessor. Hotel and property taxes are not recognized as lease liabilities because these are variable amounts established by the responsible government authorities.

Recognition of lease liabilities

The original amount of the liability is the present value of the lease payments owed over the term of the lease.

The lease liability is measured at amortized cost in accordance with the effective interest rate method. The lease payments are broken down in the income statement into interest expenses and successive reductions in the recognized lease liability.

After the date of commencement, the amount of the lease liability can be adjusted to reflect lease adjustments, new estimates of the lease term, or contractual changes that affect the indices or interest rates on which the lease payments are based.

The lessee may be required to recognize a provision for the costs of restoring the original condition of the leased asset that are expected to be incurred after the end of the lease.

Accounting for the right-of-use asset

On the date when the leased asset is made available, the lessee must recognize a right-of-use asset in the amount of the initial value of the lease liability, plus all directly incurred costs (e.g. issuance of a notarized lease agreement, registration fees, transfer expenses, commitment fees, lease right, lease bonus), advance payments, and restoration expenses in the statement of financial position.

This asset is then depreciated on a straight-line over the lease term on which the calculation of the lease liability is based.

After the date of effect, the value of the asset can be changed if the lease is adjusted. This also applies to the lease liability.

The right-of-use asset is presented in the statement of financial position of the lessee under "Property, plant and equipment" in the same sub-item where similar, legally owned property is presented.

Discount rates for leases

To measure the net investment in the lease, the lessor uses the interest rate implicit in the lease.

Lease liabilities for leases in which the Group is the lessee are initially measured at the present value of the lease payments not yet made at the commencement date, discounted at the interest rate implicit in the lease or, if this cannot be readily determined, at the incremental borrowing rate. The incremental borrowing rate is normally used as the discount rate. For companies of the Group that are able to raise funding directly in their local markets, the incremental borrowing rate is determined at the company level of the lessee and not at the Group level, based on the credit conditions and credit risk of that company. For companies that receive funding from the Group, the interest rate for the additional borrowing from the Group is applied.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets include operating assets. Assets held for operating leases are included in operating property, plant and equipment.

Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortization and impairments. Assets are depreciated/amortized by application of the component approach from the time when they are available for use. The individual components are depreciated/amortized individually over their economic useful lives. A depreciation period of 10 to 50 years is applied for the individual components of the real estate used in the Group's operations. Items of property, plant and equipment are depreciated over their economic useful lives, which are estimated at between 3 and 20 years. Intangible assets such as custom and industry software are amortized over useful lives of 3 to 5 years.

Property, plant and equipment and intangible assets with finite useful lives are subjected to impairment tests as soon as indications of an impairment arise. Intangible assets with indefinite useful lives are subject to an annual impairment test. The impairment test is conducted on the basis of the cash-generating unit to which the item of property, plant and equipment or the intangible asset is assigned. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Gains or losses on the sale of operationally used property, plant and equipment or intangible assets are presented under "Net gains or losses on other assets."

BUSINESS COMBINATIONS AND GOODWILL

The Group accounts for business combinations in the consolidated interim financial statements using the acquisition method under IFRS 3. If the consideration transferred for the acquisition of a subsidiary is higher than the fair value of the net assets acquired at the acquisition date, goodwill arises and must be recognized in the company's statement of financial position. If the transferred consideration is less than the value of the net assets acquired, negative goodwill arises and must be recognized in profit or loss. The transactions to transfer Société

Générale Securities Services GmbH and ALD Lease Finanz GmbH to Société Générale Effekten GmbH at January 1, 2017 were not business combinations under IFRS 3, but intragroup restructurings through transactions under joint control. Any difference between the purchase price and carrying amounts of the assets and liabilities received was presented in equity.

For purposes of calculating goodwill, the assets, liabilities and contingent liabilities of the acquired company that are identified in accordance with IFRS 3 are generally measured at their acquisition-date fair value. In addition, non-controlling interests are measured at their proportion of the fair value of identified assets and liabilities of the acquired company. The difference between the net assets measured at fair value and the value of the transferred consideration is recognized as goodwill. For the purpose of conducting regular impairment tests, the calculated goodwill is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the business combination. Costs that can be directly attributed to the business combination are recognized in the income statement, with the exception of costs related to the issuance of equity instruments.

The Group periodically reviews goodwill and subjects it to an annual impairment test. When indications of an impairment arise, an impairment test may also be necessary during the year. A determination of whether there are indications of an impairment is made before every end-of-year reporting date and interim reporting date. The Company calculates the amount of an impairment of goodwill by comparing the recoverable amount of the cash-generating unit or group of cash-generating units with its carrying amount. If the recoverable amount is less than the carrying amount, an impairment loss is recognized in profit or loss.

PROVISIONS

Provisions mainly consist of provisions for employee benefits and provisions for risks.

A provision must be recognized when:

- Due to an obligation to a third party, an outflow of economic resources is expected without receiving equivalent consideration in return;
- The amount of the liability can be estimated reliably.

To calculate the amount of the provision, the expected outflow of resources is discounted to present value if the effect of discounting is material. Additions to and reversals of provisions are recognized in profit or loss.

If it is more likely than not that the company will receive a reimbursement upon the settlement of a liability for which a provision was recognized, the reimbursement claim is treated as an other asset. The amount recognized for the reimbursement is limited to the amount of the provision.

DISTINCTION BETWEEN DEBT INSTRUMENTS AND EQUITY INSTRUMENTS

The proper distinction between equity and debt instruments is also important for the issuer of a financial instrument. This is carried out on the basis of the parent company's uniform Group guidelines.

The financial instruments issued by the Group are classified as equity instruments in accordance with IAS 32 if there is no contractual obligation for the issuer to deliver cash or another financial asset to the holders of these instruments (such as certain perpetual subordinated bonds). However, this does not rule out the possibility that the holder of an equity instrument may not be entitled to receive (pro rata) dividends or other profit distributions from the equity. For the classification of financial instruments with termination rights ("puttable instruments") or financial instruments that distribute the net asset value on liquidation, the Group as issuer follows the provisions of IAS 32.18(b) in conjunction with IAS 32.16A-D. From the issuer's point of view, these are basically debt instruments. However, they are recognized as equity instruments if the requirements of IAS 32.16A-D are met.

If the issued financial instruments meet the criteria for debt instruments, they are classified as "Securitized liabilities" by reason of their features.

If they meet the requirements for classification as equity instruments, the securities issued are reported under "Subscribed capital, equity instruments and capital reserves." If the equity instruments are issued by subsidiaries to third parties, these instruments are presented under "Non-controlling interests" and the funds distributed to the holders of these instruments are presented under "Non-controlling interests" in the income statement.

NON-CONTROLLING INTERESTS

"Non-controlling interests" represent the investments in fully consolidated subsidiaries that cannot be attributed to the Group directly or indirectly. They include the equity instruments issued by these subsidiaries and not held by the Group.

INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized in the income statement for all financial instruments measured at amortized cost under "Interest and similar income/expenses calculated using the effective interest method" utilizing the effective interest method.

The effective interest rate is the interest rate that exactly discounts future cash receipts and payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. To calculate the effective interest rate, the cash flows estimated on the basis of the contractual terms of the financial instrument are considered, without regard for any future credit losses. The calculation also includes commissions paid or received between the parties if they are comparable to interest, directly attributable transaction fees, premiums or discounts.

If the value of a financial asset or group of similar financial assets has been reduced by reason of an impairment loss in Level 3 of the expected credit loss model, the subsequently accrued interest income is recognized on the basis of the effective interest rate with due regard to the impaired net carrying amount.

Interest accrued from the compounding of receivables under finance leases is recognized as "Interest income."

In addition, all provisions recognized on the equity and liabilities side of the statement of financial position – with the exception of provisions for employee benefits – lead to interest expenses from an accounting standpoint, which are calculated using the same interest rate applied to discount expected outflows of resources to present value.

NET INCOME/EXPENSES FROM COMMISSIONS FOR SERVICES

The Group recognizes income from fees and commissions for services rendered and expenses for services utilized in profit or loss, depending on the type of services in question.

The fees and commissions earned as compensation for ongoing services, such as certain fees and commissions for cash, for the safe custody of securities in custody accounts, or for purchases of telecommunications services are recognized as income in the income statement over the duration of the services in question. The fees and commissions earned as compensation for one-time services such as money transfer fees, brokerage fees, arbitrage fees, and penalty interest related to payment events are recognized in full in profit or loss when the services are provided.

NET INCOME FROM FINANCIAL TRANSACTIONS (THEREOF NET GAINS OR LOSSES FROM FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS)

The net gains or losses from financial instruments measured at fair value through profit or loss include the unrealized result of fair value measurement, the realized result on disposal of the financial instrument, and current income from financial instruments measured at fair value through profit or loss.

In measuring the unrealized result of fair value measurement, all changes in fair value are considered so that changes in interest rates, creditworthiness, exchange rate and other rates and prices have an effect on the net gains or losses from financial instruments measured at fair value through profit or loss.

Interest income and expenses and dividend income and expenses related to financial instruments measured at fair value through profit or loss are elements of current income recognized under “Net gains or losses from financial instruments measured at fair value through profit or loss.”

PERSONNEL EXPENSES

The “Personnel expenses” item comprises all expenditures related to personnel. In particular, it includes expenses for wages and salaries, as well as expenditures for the Group’s various pension plans.

EMPLOYEE BENEFITS

Group companies may grant the following benefits to their employees:

- Post-employment benefits such as pension plans or termination benefits for early retirement;
- Long-term benefits such as variable compensation, bonuses for many years of service with the company, and working time accounts;
- Termination benefits.

Post-employment benefits

The pension plans set up for employees may be either defined contribution plans or defined benefit plans.

In the case of defined contribution plans, the amount of the current and future pension benefit is determined on the basis of the contributions paid to the pension provider. The amounts paid by SGE are recognized as personnel expenses in the corresponding financial year.

Defined benefit plans are plans under which the Group is formally or tacitly obligated to pay a certain amount or level of benefits and therefore assumes a medium-term or long-term risk.

A provision is recognized on the equity and liabilities side of the statement of financial position to cover the entirety of these pension liabilities. It is regularly measured by independent actuaries on the basis of the projected unit credit method. This measurement method relies on assumptions concerning demographics, early departures from the company, wage and salary increases, the discount factor, and the rate of inflation. When these plans are financed with borrowed funds that meet the definition of plan assets, the provision recognized to cover the corresponding liabilities is reduced by the fair value of these borrowed funds.

Differences arising from changes in calculation assumptions (early retirement, discount factor, etc.) or differences between the actuarial assumptions and actual developments are referred to as actuarial differences (gains or losses). These actuarial gains and losses, as well as income from plan assets from which the amount of net interest on net liabilities (or assets) already recognized as expenses is deducted, and the change in the effect of the limit on plan assets, are the factors considered in re-estimating (or remeasuring) the net liabilities (or net assets). These factors are recognized immediately and completely in equity and may not be reclassified to profit or loss at a later time.

In the consolidated interim financial statements, those items that cannot be subsequently reclassified to profit or loss are presented in a separate line item of the statement of comprehensive income. However, they are reclassified to reserves in the statement of changes in equity so that they are presented directly in the item "Group reserves" on the equity and liabilities side of the statement of financial position.

The expenses for defined benefit plans recognized in "Personnel expenses" comprise:

- the additional entitlements earned by every employee (current service cost);
- the change in the liability resulting from a change or curtailment of a plan (past service cost);
- financial costs resulting from the effect of compounding the liability and the interest income on plan assets (net interest on net liabilities or net assets);
- the effect of plan settlements.

Long-term benefits

These are benefits paid to employees more than 12 months after the close of the financial year in which the corresponding service was provided. The same measurement method as that applied to post-employment benefits is applied for this purpose, with the exception of actuarial gains or losses, which are recognized immediately in profit or loss.

RISK EXPENSES

The “Risk expenses” item comprises the net amounts of loss allowances for identified risks, losses on non-performing loans, and the recovery of amortizing loans.

INCOME TAXES

The profit transfer agreement of September 7, 2016 between Société Générale Effekten GmbH (subsidiary company) and Société Générale S.A. Frankfurt Branch (parent company) established a consolidated tax group for income tax purposes with Société Générale S.A. Frankfurt Branch with retroactive effect to January 1, 2016. In addition, ALD Lease Finanz GmbH (subsidiary company) was integrated into the consolidated tax group for income tax purposes upon the conclusion of a profit transfer agreement with Société Générale Effekten GmbH (parent company) on September 26, 2017 and Société Générale Securities Services GmbH (subsidiary company) was integrated into the consolidated tax group for income tax purposes upon the conclusion of a profit transfer agreement with Société Générale Effekten GmbH (parent company) on December 1, 2017, both with effect as of January 1, 2017.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 governs the measurement and disclosure of non-current assets held for sale (or for distribution to owners) and discontinued operations. A non-current asset (or disposal group) is classified as “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is the case if the asset is available for immediate sale and as such a sale is highly probable.

A non-current asset held for sale (or a disposal group) is not depreciated in accordance with IFRS 5, but measured at the lower of its carrying amount and fair value less costs to sell. If assets are measured in accordance with the provisions of IFRS 9, the measurement provisions of IFRS 5 do not apply.

Only those components of an entity that are sold as a whole or in parts making up a single coordinated plan or that are also discontinued as part of a single coordinated plan can constitute a discontinued operation.

The Group reports the Asset Management business segment of Société Générale Securities Services GmbH, which is being discontinued due to closure and comprises at least one major line of business or geographical area of operations, as a discontinued operation. The main reasons for discontinuing the business segment as of

December 31, 2022 were the high risks associated with fund management and the considerable pressure on margins coupled with rising costs due to increasingly complex regulatory requirements. The aim is to concentrate on the insourcing business and outsourcing within the Group as well as reducing personnel in order to harmonize the company's services with the Group's range of services and operational risks, thereby reducing costs.

In light of the difficult market environment for the remaining insourcing business and the loss of existing customers, the SG Group decided in 2022 to discontinue all business operations as of December 31, 2023. The company continues to operate for administrative purposes only. Pursuant to the entry in the commercial register in spring 2024, the Articles of Association were modified to reflect the changed purpose of the company, namely the fulfillment of the follow-up obligations from the prior business model. It is not known when the company is expected to wind down.

The discontinuation of the entire operating business as of December 31, 2023 represents an application case within the meaning of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

The result from the activities of Société Générale Securities Services GmbH, as a discontinued operation, is made up as follows:

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Interest and similar income calculated using the effective interest method	59	128	64
Interest and similar expenses calculated using the effective interest method	(206)	(428)	(218)
Commission income	28	1,653	3,019
Commission expenses	(2)	(2)	(1)
Net result from financial transactions	3	77	31
<i>Thereof net gains or losses on financial instruments measured at fair value through profit or loss</i>	3	115	31
Income from other activities	481	2,323	838
Expenses for other activities	(1)	(1,002)	(1)
Net banking income	362	2,749	3,732
Personnel expenses	(324)	(246)	203
Other expenses/income	(444)	819	(313)
Expenses for amortization, depreciation and impairments of intangible assets and property, plant and equipment	(219)	(441)	(434)
Gross operating result	(625)	2,881	3,188
Risk expenses (impairments of financial assets and commitments)	-	-	-
Operating result	(625)	2,881	3,188
Net gains or losses from other assets	-	-	-
Impairment of goodwill	-	-	-
Profit/loss before taxes	(625)	2,881	3,188
Income taxes	207	-	-
Non-controlling interests	-	-	-

Net result from discontinued operations	(419)	2,881	3,188
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The assets and liabilities of the discontinued operations of Société Générale Securities Services GmbH as of June 30, 2025 are broken down as follows:

ASSETS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Financial assets measured at fair value through profit or loss	1,108	1,108
Receivables from banks at amortized cost	54,277	59,491
Tax assets	4	86
Other assets	29,827	70,729
Property, plant and equipment and intangible assets	-	-
Total assets	85,216	131,414

LIABILITIES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Tax liabilities	1,061	7,510
Other liabilities	11,698	22,357
Provisions	28,744	69,015
Total liabilities	41,503	98,882

NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED INCOME STATEMENT

NOTE 4 – FINANCIAL INSTRUMENTS

NOTE 4.1 – FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	06/30/2025		12/31/2024	
(in euro thousands)	Assets	Liabilities	Assets	Liabilities
Held for trading	4,234,795	4,236,138	2,966,977	2,965,871
Financial instruments subject to mandatory measurement at fair value through profit or loss	1,378,207	-	1,162,082	-
Financial instruments optionally measured at fair value through profit or loss	4	1,295,095	4	1,080,296
Total	5,613,006	5,531,233	4,129,063	4,046,168

FINANCIAL INSTRUMENTS HELD FOR TRADING

FINANCIAL ASSETS

(in euro thousands)	06/30/2025	12/31/2024
Bonds and other debt instruments	-	-
Equities and other equity instruments	-	-
Loans to customers and securities purchased with repurchase agreements	-	-
Derivatives	4,234,795	2,966,977
Other financial assets	-	-
Total	4,234,795	2,966,977

FINANCIAL LIABILITIES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Securitized liabilities	91	91
Liabilities from loaned securities	-	-
Bonds and other short-sale debt instruments	-	-
Equities and other short-sale equity instruments	-	-
Loans and securities sold with repurchase agreements	-	-
Derivatives	4,236,047	2,965,780
Other financial liabilities	-	-
Total	4,236,138	2,965,871

The counterparty for the derivatives held is the Group's parent company, Société Générale S.A. in Paris. They are therefore managed together in a portfolio in risk management on the basis of their net exposure to the risks. However, the exception under IFRS 13.48 for a portfolio-based fair value measurement of jointly managed financial assets and liabilities is not utilized, as the net exposure of the derivatives (EUR -1.3 million) is not considered material. The fair values of the derivatives are reported gross.

FINANCIAL ASSETS SUBJECT TO MANDATORY MEASUREMENT AT FAIR VALUE THROUGH PROFIT OR LOSS ("NON-SPPI")

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Receivables from banks, measured at fair value through profit or loss	1,295,198	1,080,037
Loans to customers, measured at fair value through profit or loss	-	-
Securitized liabilities	-	-
Equities and other equity instruments	81,515	81,041
Securities/equities held on a long-term basis	1,494	1,004
Total	1,378,207	1,162,082

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS BY EXERCISE OF THE FAIR VALUE OPTION

(in euro thousands)	06/30/2025	12/31/2024
Bonds and other debt instruments	4	4
Loans to customers and securities purchased with repurchase agreements	-	-
Other financial assets	-	-
Special fund for employee benefits	-	-
Total	4	4

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS BY EXERCISE OF THE FAIR VALUE OPTION

(in euro thousands)	06/30/2025	12/31/2024
Interbank loans	-	-
Deposit guarantees received	-	-
Liabilities from loaned securities	-	-
Bonds and other short-sale debt instruments	1,295,095	1,080,296
Repo transactions, banks	-	-
Total	1,295,095	1,080,296

OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with the offsetting conditions set out in IAS 32.42, a financial asset and a financial liability are offset and the net amount presented in the statement of financial position if the Group has a legally enforceable right to set off the recognized amounts and intends either to settle the asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The right to set off the recognized amounts must be enforceable under any and all circumstances, both in the normal course of business and in the event of default by one of the counterparties.

On December 18, 2019, Société Générale Effekten GmbH signed a netting agreement with Société Générale S.A. Paris for the portfolio of certificates. In addition, further netting agreements for the warrant portfolio were entered into on October 22 and 27, 2020. On the basis of these agreements, corresponding financial assets and financial liabilities are netted, with the netting carried out separately within the certificate portfolio and the warrant portfolio. The offsetting conditions in accordance with IAS 32.42 are fulfilled on the basis of these agreements.

NETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Certificates

06/30/2025						
	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial assets/liabilities netted in the statement of financial position	Net amounts of financial assets/liabilities presented in the statement of financial position	Corresponding amounts that are not netted in the statement of financial position		Net amount
				Financial instruments	Collateral received/furnished	
<i>(in euro thousands)</i>						
Derivative financial instruments	4,549,556	3,254,358	1,295,198	-	-	1,295,198
Total receivables	4,549,556	3,254,358	1,295,198	-	-	1,295,198
Derivative financial instruments	4,544,272	3,249,177	1,295,095	-	-	1,295,095
Total liabilities	4,544,272	3,249,177	1,295,095	-	-	1,295,095

12/31/2024						
	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial assets/liabilities netted in the statement of financial position	Net amounts of financial assets/liabilities presented in the statement of financial position	Corresponding amounts that are not netted in the statement of financial position		Net amount
				Financial instruments	Collateral received/furnished	
<i>(in euro thousands)</i>						
Derivative financial instruments	4,329,519	3,249,449	1,080,070	33	-	1,080,037
Total receivables	4,329,519	3,249,449	1,080,070	33	-	1,080,037
Derivative financial instruments	4,329,779	3,249,449	1,080,330	33	-	1,080,297
Total liabilities	4,329,779	3,249,449	1,080,330	33	-	1,080,297

Warrants

06/30/2025						
	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial assets/liabilities netted in the statement of financial position	Net amounts of financial assets/liabilities presented in the statement of financial position	Corresponding amounts that are not netted in the statement of financial position		Net amount
				Financial instruments	Collateral received/furnished	
<i>(in euro thousands)</i>						
Derivative financial instruments	23,329,869	19,083,578	4,246,291	11,496	-	4,234,795
Total receivables	23,329,869	19,083,578	4,246,291	11,496	-	4,234,795
Derivative financial instruments	23,313,004	19,083,578	4,229,426	(6,621)	-	4,236,047
Total liabilities	23,313,004	19,083,578	4,229,426	(6,621)	-	4,236,047

12/31/2024						
	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
	Gross amounts of recognized financial assets/liabilities	Gross amounts of recognized financial assets/liabilities netted in the statement of financial position	Net amounts of financial assets/liabilities presented in the statement of financial position	Corresponding amounts that are not netted in the statement of financial position		Net amount
				Financial instruments	Collateral received/furnished	
<i>(in euro thousands)</i>						
Derivative financial instruments	16,518,842	13,535,962	2,982,880	15,902	-	2,966,978
Total receivables	16,518,842	13,535,962	2,982,880	15,902	-	2,966,978
Derivative financial instruments	16,496,376	13,535,962	2,960,414	(5,366)	-	2,965,780
Total liabilities	16,496,376	13,535,962	2,960,414	(5,366)	-	2,965,780

NET GAIN OR LOSS FROM FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Net result from trading portfolio	-	-	-
Net result from financial instruments measured at fair value through profit or loss (non-SPPI)	88,559	152,893	176,649
Net result from financial instruments measured at fair value, for which the fair value option is exercised	(76,341)	(150,596)	(175,276)
Net result from derivative financial instruments and hedge accounting	122	(2,309)	2,129
<i>Thereof net result from derivative financial instruments</i>	172	(13,242)	2,129
<i>Thereof recycling from unwound hedges</i>	-	10,933	-
<i>Thereof net result from hedge accounting</i>	-	-	-
<i>Thereof ineffective portion from cash flow hedges</i>	-	-	-
<i>Thereof net result from foreign currency transactions</i>	(50)	296	-
Total gains or loss from financial instruments measured at fair value through profit or loss	12,340	284	3,502
Gains from financial instruments measured at fair value through other comprehensive income	-	-	-

NOTE 4.2 – DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group uses derivative financial instruments to manage and hedge against certain market risks. From an accounting perspective, derivative financial instruments are divided into the categories “held for trading” (stand-alone derivatives, see also Note 4.1) and “derivative hedging instruments”, which are recognized as part of hedge accounting.

In accordance with the transitional provisions of IFRS 9, the Group has decided to retain the hedge accounting provisions of IAS 39 (in the version in which IAS 39 is endorsed and applicable in the EU). The Group currently only applies cash flow hedge accounting.

Within the Group (in the ALD LF Group), securitization vehicles are regularly used as a refinancing instrument. As part of these transactions, a pool of fixed-interest loan receivables (sales financing customers pay fixed interest) is transferred to a special purpose vehicle (SPV) set up specifically for this purpose. The SPV refinances itself on the market via variable-interest securities that are covered by the loan receivables (asset-backed securities). Due to the structure of the securitization and the imbalance between fixed-interest pool receivables (in the ABS structure) on the one hand and variable-interest securities on the other, the Group is exposed to interest rate risk, which manifests itself in the variability of the cash flows of the securities to be serviced.

To hedge this interest rate risk, a payer swap (back-to-back swap) is entered into, which converts fixed cash flows generated from the securitized loan receivables into variable cash flows based on the expected repayment schedule of the ABS transaction. It is therefore an economic cash flow hedge that hedges the variability of the security interest cash flows resulting from the variable interest rate.

The hedging derivatives are therefore amortizing interest rate swaps (back-to-back interest rate swaps), which are used as part of the interest rate risk management of the loan receivables securitized by ALD LF and, together with the security, form a fixed-interest liability as a unit.

The aim of this cash flow hedging strategy is to ensure protection against fluctuations in future cash flows due to changes in interest rates in connection with financial instruments recognized in the statement of financial position (in this case, variable-interest securitized liabilities), to protect the Group against adverse effects on its financial performance and to minimize the effects of market volatility on its cash flow statements.

The Group uses cash flow hedge accounting to account for the hedge, which is fully in line with the economic strategy. The application of cash flow hedge accounting in the statement of financial position serves to avoid one-sided effects on earnings for derivatives that are used to hedge against the risk of a change in future cash flows from underlying transactions.

In order to be able to recognize a hedging relationship in the statement of financial position, it is documented in detail from the outset. This documentation specifies the underlying transaction to be hedged, the risk to be hedged and the associated risk management strategy, the type of hedge used and the valuation method used to measure its effectiveness.

- The back-to-back swap is designated as a **hedging instrument**.
- The tranche A notes are designated as the **underlying transaction** (hedged item): as the tranche A notes are securities with identical terms and conditions, the homogeneity criterion is met by definition.
- The **risk to be hedged** is equal to the risk of changes in the reference interest rate on which the notes are based (usually 1-M-EURIBOR). The reference interest rate of the securities (usually the 1-M EURIBOR) is hedged.

The derivative designated as a hedging instrument must be highly effective in compensating for the changes in cash flows resulting from the hedged risk. This effectiveness is achieved when changes in the cash flows of the hedged instrument are almost completely offset by changes in the cash flows of the hedging instrument, whereby the expected ratio between the two changes is between 80% and 125%. Effectiveness is assessed both when the hedge is first established and throughout its term. Effectiveness is measured quarterly both prospectively (expected effectiveness over future periods) and retrospectively (effectiveness measured against past periods). If the effectiveness is outside the range specified above, hedge accounting is discontinued.

The prospective effectiveness is determined by a sensitivity analysis based on probable market trends or by a regression analysis of the statistical relationship (correlation) between the hedged risk component and the hedging instrument. The prospective effectiveness of the hedge is evaluated by means of the hypothetical derivative method. This method involves the following steps:

- i. First, a hypothetical derivative with the exact same characteristics as the hedged instrument is created (notional value, interest rate adjustment date, day count method, etc.), but which moves in the opposite direction, and the fair value of which at inception is zero.
- ii. In the next step, the expected changes in the fair value of the hypothetical derivative are compared with those of the hedging instrument (sensitivity analysis) or a regression analysis of the expected effectiveness of the hedging instrument is performed.

During the term of the hedging relationship, the prospective effectiveness is demonstrated by the historical effectiveness of the hedging relationship since the designation date and thus implicitly via the retrospective test.

As part of the retrospective effectiveness test, the cumulative changes in value of the hedging derivative that have occurred are compared with those of the hypothetical derivative. An effective hedge relationship exists if the quotient is between -1.25 and -0.8 (dollar offset method). The clean price method is used here, i.e. the effectiveness test is calculated on the basis of clean prices.

The main reason for the ineffectiveness lies in the differences between the forecast and actual repayments. These differences lead to a deviation in the notional values of the swaps compared to the actual performance of the portfolio. This influences the market values of the swaps, resulting in ineffectiveness according to the dollar offset method.

The hedges are formed with the intention of being able to maintain them over the entire term of the underlying transactions without adjustments. Ongoing rebalancing is therefore not in line with the risk strategy and has also not been implemented in the statement of financial position due to the continued application of hedge accounting rules in accordance with IAS 39.

Derivatives used in cash flow hedge accounting are recognized at fair value. The effective portion of the cumulative FV changes of the hedging derivative is recognized in equity (OCI) under "Net remeasurement differences from hedging instruments." The ineffective portion is presented in the income statement line item "Net gains or losses from financial instruments measured at fair value through profit or loss." Accrued interest income and expenses from interest rate derivatives are recognized in the income statement under "Interest and similar income/expenses calculated using the effective interest method" at the same time as accrued interest income and expenses related to the hedged item.

Amounts recognized directly in equity in connection with a remeasurement of hedging derivatives are later reclassified to the income statement item "Interest and similar income/expenses calculated using the effective interest method" at the time when the hedged cash flows occur.

The accounting logic for the hedged item remains unchanged compared to the presentation without the application of hedge accounting. This means that the Group's securitized liabilities, which are included as underlying transactions in an active hedging relationship, continue to be recognized at amortized cost.

If the effectiveness criteria for hedge accounting are no longer met or an underlying transaction or hedging instrument expires, is terminated or sold, hedge accounting is discontinued at the time of the last effectiveness or disposal.

Amounts that had previously been recognized directly in equity are reclassified to the income statement item of "Interest and similar income/expenses calculated using the effective interest method" in the periods in which the cash flows from the hedged underlying take effect. If the sale or redemption of the hedged underlying occurs at an earlier time than expected, the unrealized gains or losses recognized in equity are immediately reclassified to the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR TRADING

	06/30/2025		12/31/2024	
<i>(in euro thousands)</i>	Assets	Liabilities	Assets	Liabilities
Interest rate instruments	11,496	20,680	15,902	24,490
Foreign currency instruments	122,348	83,441	122,428	90,804
Equity and index instruments	2,302,676	1,932,455	1,548,124	1,428,234
Commodity instruments	1,798,274	2,199,471	1,280,524	1,422,252
Credit derivatives	-	-	-	-
Other forward financial instruments	-	-	-	-
Total	4,234,795	4,236,047	2,966,978	2,965,780

HEDGING DERIVATIVES HELD FOR HEDGING PURPOSES

	06/30/2025		12/31/2024	
<i>(in euro thousands)</i>	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Interest rate instruments	-	11,750	-	10,542
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Commodity instruments	-	-	-	-
Other financial instruments	-	-	-	-
Total	-	11,750	-	10,542

In the same period of the previous year, two hedge relationships were also terminated due to their ineffectiveness. As both the underlying transactions concerned and the hedging derivatives are still in the portfolio, the related accumulated other comprehensive income (OCI) is recycled to the income statement over the term of the instruments. EUR 2,944 thousand was recycled to the income statement as of June 30, 2025.

MATURITIES OF HEDGED FINANCIAL INSTRUMENTS

<i>(in euro thousands)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	06/30/2025
Floating cash flows hedged	(10,953)	-	-	-	(10,953)

<i>(in euro thousands)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2024
Floating cash flows hedged	(6,802)	-	-	-	(6,802)

MATURITIES OF HEDGING DERIVATIVES (NOTIONAL VALUES)

<i>(in euro thousands)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	06/30/2025
Interest rate swaps (assets)	-	-	-	-	-
Interest rate swaps (liabilities)	100,849	387,885	1,113,836	-	1,602,570

<i>(in euro thousands)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2024
Interest rate swaps (assets)	-	-	-	-	-
Interest rate swaps (liabilities)	76,191	258,766	713,685	-	1,048,642

MATURITIES OF HEDGED FINANCIAL INSTRUMENTS

<i>(in euro thousands)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	06/30/2025
Interbank market securities and tradable debt instruments	205,066	584,977	1,183,097	-	1,973,140

<i>(in euro thousands)</i>	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2024
Interbank market securities and tradable debt instruments	168,786	539,038	848,726	-	1,556,549

NOTE 4.3 – FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

FAIR VALUE HIERARCHY

For information purposes, the fair value of financial instruments is presented in the notes to the consolidated interim financial statements on the basis of a fair value hierarchy that reflects the significance of the data used for measurement purposes. This fair value hierarchy consists of the following levels:

Level 1 (L1): Instruments measured on the basis of (non-adjusted) quoted prices in active markets for comparable assets or liabilities.

The financial instruments included in this category and recognized in the statement of financial position include in particular equities and government or corporate bonds quoted in an active market, which benefit from direct external quotations (quotations by brokers/traders), derivative financial instruments (futures, options) traded in regulated markets, and fund units (including UCITs – Undertakings for Collective Investment in Transferable Securities), the liquidation value of which is available at the reporting date.

A financial instrument is deemed to be quoted in an active market when price quotations can be easily and regularly obtained from a stock exchange, broker, intermediary, industry association, pricing agency, or regulatory authority, and are based on actual transactions that take place regularly under normal competition conditions in the market.

The classification of a market as inactive is based on indicators such as a substantial decline of the trading volume and level of activity in the market, the wide temporal distribution and dispersal of available prices to the aforementioned different market participants, or the fact that the last transaction effected under normal competition conditions did not occur recently.

If a financial instrument is traded in different markets and if the Group has direct access to these markets, the price in the market in which the volume and level of activity is highest is applied as the fair value of the financial instrument. Transactions that are the result of compulsory sale situations are generally not considered for the purpose of determining the market price.

Level 2 (L2): Instruments measured on the basis of other inputs besides the quoted prices indicated for Level 1, which are observable for the asset or liability in question either directly (i.e. in the form of prices) or indirectly (i.e. in the form of derived price information).

Financial instruments quoted in markets that are not deemed to be sufficiently active and those which are traded in OTC markets are assigned to this level. Derived price information is deemed to be prices derived from the measurement of similar instruments and published by an external source.

The L2 category particularly includes securities measured at fair value for which no direct quotations are available (this can include corporate bonds, mortgage-backed securities, or fund units) and unconditional forward transactions and option contracts with derivatives on the OTC market: interest rate swaps, caps, floors, swaptions, warrant rights to shares, indices, exchange rates, commodities, credit derivatives. These instruments have maturities that correspond to maturities that are customarily traded in the market. They may be plain vanilla instruments or also feature more complex income profiles (e.g. barrier options, products with underlying multiples). In this case, however, the complexity remains limited. The measurement benchmarks applied for this purpose correspond to the methods customarily applied by the key market players.

This category also includes the fair value of loans and receivables at amortized cost that are granted to counterparties whose credit risk is quoted in the form of credit default swaps (CDSs).

Level 3 (L3): Instruments for which the inputs applied for measurement purposes are not based on observable data (non-observable data).

Thus, the financial instruments assigned to category L3 include both derivatives with longer maturities than customary in the markets and/or with income profiles that exhibit special features. Liabilities measured at fair value are likewise assigned to the L3 category when the embedded derivatives related to them are also measured on the basis of methods for which the input parameters are not observable.

For purposes of the disclosures in the notes to the financial statements, a fair value analysis of assets measured at cost must be performed; this is done by discounting future cash flows to present value by application of a risk-appropriate interest rate.

As for complex derivatives, the most important instruments assigned to the L3 category are the following:

- Equity derivatives: These are option contracts with long maturities and/or tailored income mechanisms. These instruments are dependent on market parameters (volatilities, dividend ratios, correlations). Due to the lack of market depth and possibility of objectification by regular quotations, they are measured on the basis of proprietary methods (e.g. extrapolation of observable data,

historical analysis). Hybrid equity products (i.e. equity products for which at least one underlying asset is not an equity instrument) are likewise assigned to the L3 category due to the correlation between normally unobservable different underlying assets.

- Interest rate derivatives: These are long-term and/or exotic options, i.e. products that are dependent on correlations between different interest rates and exchange rates or between interest rates and exchange rates, such as in the case of quanto products for which the underlying assets are not denominated in the payment currency. They are assigned to the L3 category due to the non-observable measurement parameters in consideration of the liquidity of the currency pairs and the residual maturity of the transactions; for example, the interest rate-interest rate correlations of the USD/JPY pair are deemed to be non-observable.
- Credit derivatives: In this case, the L3 category particularly includes financial instruments aggregated in a basket with exposure to the default time correlation (products of the type “N to default” under which the buyer of the protection is indemnified from the Nth default, with exposure to the credit quality of the signatures that make up the basket and their correlation, or the type “CDO Bespoke,” which are CDOs (Collateralized Debt Obligations) with tailored tranches that are specifically created for a group of investors and structured according to their needs), and products which are exposed to the volatility of credit spreads.
- Commodity derivatives: They are assigned to this product category because they refer to non-observable parameters in relation to volatility or correlation (e.g. option rights to commodity swaps, financial assets measured at fair value).

FINANCIAL ASSETS MEASURED AT FAIR VALUE

	06/30/2025			
<i>(in euro thousands)</i>	Level 1	Level 2	Level 3	Total
Held for trading	-	-	-	-
Bonds and other debt instruments	-	-	-	-
Equities and other equity instruments	-	-	-	-
Loans and securities purchased under repo transactions	-	-	-	-
Other financial assets	-	-	-	-
Derivatives in the trading portfolio	-	4,234,795	-	4,234,795
Interest rate instruments	-	11,496	-	11,496
Foreign currency instruments	-	122,348	-	122,348
Equity and index instruments	-	2,302,676	-	2,302,676
Commodity instruments	-	1,798,274	-	1,798,274
Credit derivatives	-	-	-	-
Other forward financial instruments	-	-	-	-
Financial assets subject to mandatory measurement at fair value through profit or loss	1,108	1,285,646	91,452	1,378,207
Bonds and other debt instruments	-	-	-	-
Equities and other equity instruments	1,108	-	81,901	83,009
Loans and securities purchased with repurchase agreements	-	1,285,646	9,551	1,295,198
Financial assets for which the fair value option was exercised	-	4	-	4
Bonds and other debt instruments	-	4	-	4
Loans and securities purchased under repo transactions	-	-	-	-
Other financial assets	-	-	-	-
Special fund for employee benefits	-	-	-	-
Hedging derivatives	-	-	-	-
Interest rate instruments	-	-	-	-
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Bonds and other debt instruments	-	-	-	-
Equity instruments	-	-	-	-
Loans and receivables	-	-	-	-
Total financial assets at fair value	1,108	5,520,446	91,452	5,613,006

	12/31/2024			
<i>(in euro thousands)</i>	Level 1	Level 2	Level 3	Total
Held for trading	-	-	-	-
Bonds and other debt instruments	-	-	-	-
Equities and other equity instruments	-	-	-	-
Loans and securities purchased under repo transactions	-	-	-	-
Other financial assets	-	-	-	-
Derivatives in the trading portfolio	-	2,966,978	-	2,966,978
Interest rate instruments	-	15,902	-	15,902
Foreign currency instruments	-	122,428	-	122,428
Equity and index instruments	-	1,548,124	-	1,548,124
Commodity instruments	-	1,280,524	-	1,280,524
Credit derivatives	-	-	-	-
Other forward financial instruments	-	-	-	-
Financial assets subject to mandatory measurement at fair value through profit or loss	1,108	1,055,381	105,593	1,162,082
Bonds and other debt instruments	-	-	-	-
Equities and other equity instruments	1,108	-	80,937	82,045
Loans and securities purchased with repurchase agreements	-	1,055,381	24,656	1,080,037
Financial assets for which the fair value option was exercised	-	4	-	4
Bonds and other debt instruments	-	4	-	4
Loans and securities purchased under repo transactions	-	-	-	-
Other financial assets	-	-	-	-
Special fund for employee benefits	-	-	-	-
Hedging derivatives	-	-	-	-
Interest rate instruments	-	-	-	-
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Bonds and other debt instruments	-	-	-	-
Equity instruments	-	-	-	-
Loans and receivables	-	-	-	-
Total financial assets at fair value	1,108	4,022,362	105,593	4,129,063

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	06/30/2025			
<i>(in euro thousands)</i>	Level 1	Level 2	Level 3	Total
Held for trading	-	91	-	91
Securitized liabilities	-	91	-	91
Liabilities from loaned securities	-	-	-	-
Bonds and other short-sale debt instruments	-	-	-	-
Equities and other short-sale equity instruments	-	-	-	-
Loans and securities sold under repo transactions	-	-	-	-
Other financial liabilities	-	-	-	-
Trading derivatives	-	4,236,047	-	4,236,047
Interest rate instruments	-	20,680	-	20,680
Foreign currency instruments	-	83,441	-	83,441
Equity and index instruments	-	1,932,455	-	1,932,455
Commodity instruments	-	2,199,471	-	2,199,471
Credit derivatives	-	-	-	-
Other forward financial instruments	-	-	-	-
Financial liabilities for which the fair value option was exercised	-	1,285,544	9,551	1,295,095
Hedging derivatives	-	11,750	-	11,750
Interest rate instruments	-	11,750	-	11,750
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Total financial liabilities at fair value	-	5,533,432	9,551	5,542,983

	12/31/2024			
<i>(in euro thousands)</i>	Level 1	Level 2	Level 3	Total
Held for trading	-	91	-	91
Securitized liabilities	-	91	-	91
Liabilities from loaned securities	-	-	-	-
Bonds and other short-sale debt instruments	-	-	-	-
Equities and other short-sale equity instruments	-	-	-	-
Loans and securities sold under repo transactions	-	-	-	-
Other financial liabilities	-	-	-	-
Trading derivatives	-	2,965,780	-	2,965,780
Interest rate instruments	-	24,490	-	24,490
Foreign currency instruments	-	90,804	-	90,804
Equity and index instruments	-	1,428,234	-	1,428,234
Commodity instruments	-	1,422,252	-	1,422,252
Credit derivatives	-	-	-	-
Other forward financial instruments	-	-	-	-
Financial liabilities for which the fair value option was exercised	-	1,055,640	24,656	1,080,296
Hedging derivatives	-	10,542	-	10,542
Interest rate instruments	-	10,542	-	10,542
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Total financial liabilities at fair value	-	4,032,053	24,656	4,056,710

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

Financial assets measured at fair value

<i>(in euro thousands)</i>	Balance at 12/31/2024	Additions	Disposals/ redemptio ns	Reclassifi cations to Level 2	Reclassifi cations from Level 2	Periods gains and losses	Exchange rate difference s	Other	Balance at 06/30/2025
Held for trading	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equities and other equity instruments	-	-	-	-	-	-	-	-	-
Loans and securities purchased under repo transactions	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-
Derivatives in the trading portfolio	-	-	-	-	-	-	-	-	-
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Commodity instruments	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Other forward financial instruments	-	-	-	-	-	-	-	-	-
Financial assets subject to mandatory measurement at fair value through profit or loss	105,593	174	(44,919)	-	-	30,604	-	-	91,452
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equities and other equity instruments	80,937	-	(929)	-	-	1,893	-	-	81,901
Loans and securities purchased with repurchase agreements	24,656	174	(43,990)	-	-	28,711	-	-	9,551
Financial assets for which the fair value option was exercised	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-

	Balance at 12/31/2024	Additions	Disposals/ redemptio ns	Reclassifi cations to Level 2	Reclassifi cations from Level 2	Periods gains and losses	Exchange rate difference s	Other	Balance at 06/30/2025
<i>(in euro thousands)</i>									
Loans and securities purchased under repo transactions	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-
Special fund for employee benefits	-	-	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	-	-	-	-
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-	-
Total financial assets at fair value	105,593	174	(44,919)	-	-	30,604	-	-	91,452

Financial liabilities measured at fair value

<i>(in euro thousands)</i>	Balance at 12/31/202 4	Additi ons	Disposals/Redempti ons	Reclassificatio ns to Level 2	Reclassificatio ns from Level 2	Periods gains and losses	Exchang e rate differenc es	Other	Balance at 06/30/202 5
Held for trading	-	-	-	-	-	-	-	-	-
Liabilities from loaned securities	-	-	-	-	-	-	-	-	-
Bonds and other short-sale debt instruments	-	-	-	-	-	-	-	-	-
Equities and other short-sale equity instruments	-	-	-	-	-	-	-	-	-
Loans and securities sold under repo transactions	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Trading derivatives	-	-	-	-	-	-	-	-	-
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Commodity instruments	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Other forward financial instruments	-	-	-	-	-	-	-	-	-
Financial liabilities for which the fair value option was exercised	24,656	174	(43,990)	-	-	-	28,711	-	9,551
Hedging derivatives	-	-	-	-	-	-	-	-	-
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Total financial liabilities at fair value	24,656	174	(43,990)	-	-	-	28,711	-	9,551

MEASUREMENT METHODS FOR FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE IN THE STATEMENT OF FINANCIAL POSITION

The fair value of financial instruments measured at fair value through profit or loss is primarily determined on the basis of prices quoted in an active market. These prices may possibly be adjusted if they are not available at the reporting date or if the settlement value does not reflect the transaction prices.

However, most of the financial products traded by the Group are not quoted directly in the markets due to the diverse characteristics of the OTC financial instruments traded in the financial markets. For these products, the fair value is determined with the aid of valuation methods that are commonly used by market participants to measure the value of financial instruments, such as discounted future cash flows or the Black-Scholes model for certain bonds or options, or measurement parameters the value of which is estimated on the basis of market conditions at the reporting date are applied. These valuation models are subjected to an independent validation by the experts of the Market Risks Department of the Risks Directorate of the higher-ranking corporate group of Société Générale S.A., Paris.

Regardless of whether or not they are based on observable data in the market, the parameters applied in the valuation models are subjected to monthly, detailed reviews by the Finance Directorate for Key Customers and Investors (GBIS) of Société Générale S.A., Paris, in accordance with the methods specified by the Market Risks Department.

Where applicable, these valuations are supplemented by premiums and discounts (particularly including bid-ask or liquidity), which are determined in a meaningful and appropriate manner after reviewing the available information.

Because these instruments are derivative financial instruments and repos at fair value, an adjustment for counterparty default risk ("Credit Valuation Adjustment"/"Debt Valuation Adjustment," CVA/DVA) is also recognized. All customers and clearing centers are included in this adjustment. In determining this adjustment, due consideration is also given to all clearing agreements in effect with all counterparties. The CVA is calculated on the basis of the entity's expected positive exposure to the counterparty, the counterparty's conditional default probability assuming non-default on the part of the affected entity, and the amount of losses to be incurred upon default. The DVA is calculated symmetrically on the basis of the expected negative exposure. The calculations are performed for the life of the potential exposure on the basis of observable and relevant market data.

For derivatives for which no clearing agreements are in effect, an adjustment is similarly applied on the basis of expenses or income related to the funding of these transactions (Funding Valuation Adjustment, FVA).

Observable data must exhibit the following characteristics: It must be non-proprietary (independent of the Group), available, publicly circulated data based on a broad consensus. EUR 1,108 thousand in instruments traded on the financial markets is recognized under "Equities and other equity instruments."

Consensus data provided by external counterparties is deemed to be observable if the underlying market is liquid and the stated prices are confirmed by genuine transactions. In the case of long maturities, such consensus data is not deemed to be observable. This is the case with implied volatilities, which are applied to measure equity option instruments with a horizon of longer than 5 years. On the other hand, the instrument may be considered for the purpose of measurement on the basis of observable parameters when its remaining term to maturity is less than the threshold value of 5 years.

In the event of unusual tensions in the markets that result in the absence of the reference data customarily applied to measure the value of a financial instrument, a new model based on the data available at the time may be employed, one that follows the pattern of the methods applied by other market participants as well.

Equities and other equity-related securities

The fair value of listed securities is equal to their respective stock exchange price at the reporting date. The fair value of listed securities is determined with the aid of one of the following valuation methods, depending on the financial instrument in question:

- Measurement on the basis of a transaction in the recent past that affected the issuer, including (for example) the recent acquisition of company stock by a third party, measurement on the basis of an expert opinion;
- Measurement on the basis of a transaction in the recent past in the sector in which the issuer is active, including (for example) earnings multiples, asset multiples;
- Share of remeasured net assets held.

In the case of larger volumes of unlisted securities, the measurements performed on the basis of the aforementioned methods are supplemented with the use of methods based on the discounting to present value of the cash flows generated in the company's business activity or derived from business plans, or based on the valuation multiples of similar companies.

Debt instruments, issues of structured securities and derivative financial instruments

The fair value of these financial instruments is calculated with reference to quoted prices at the reporting date or the prices provided by brokers for the same date, if available. The fair value of unlisted financial instruments is determined with the aid of measurement techniques. In the case of financial liabilities measured at fair value, the chosen measurement methods also take the effect of the Group's credit risk as an issuer into account.

Other debt instruments

The fair value of listed financial instruments is equal to the fair value of the quoted prices at the reporting date. The fair value of unlisted financial instruments is determined by discounting future cash flows to

present value at the reference rate of interest (including counterparty, default and liquidity risk) (discounted cash flow method).

Loans and receivables

The fair value of loans and receivables for which there is no actively traded market is determined by discounting the expected future cash flows. A discount rate is used that is based on the interest rates applicable on the reporting date for loans with comparable terms and maturities. These discount rates are adjusted according to the borrower's credit risk.

SIGNIFICANT UNOBSERVABLE PARAMETERS – LEVEL 3

In accordance with the fair value hierarchy defined by IFRS 13, Level 3 (L3) comprises products that are measured using unobservable inputs, i.e. inputs that are not based on observable market data.

The following table shows the measurement of the financial instruments allocated to Level 3 in the statement of financial position as of June 30, 2025 and the range of values of the significant unobservable inputs by main product type. The value ranges listed represent the highest and lowest values in the respective unobservable inputs that were used for the measurements in the Level 3 category from the perspective of the parent company as a whole. However, there are significant differences in the financial instruments concerned. The ranges of certain inputs can therefore be large.

Type of financial instrument	Financial assets (in euro thousands)	Financial liabilities (in euro thousands)	Main products	Measurement method used	Significant unobservable inputs	Value range min. max.	
Equities and other equity instruments	81,901	-	Equities and shares	Discounted cash flow or dividend distribution model	Equity volatility	3.00%	138.00%
					Equity dividend	0%	8%
					Correlation	-200.00%	200%
Loans and securities	9,551	-	Loans with embedded derivatives, convertible bonds, securities with repurchase agreements	Projection models for the recoverable amount and base correlation	Time-to-default correlation	0%	100%
					Variance of the recovery rate for individual underlying assets	0%	100%
					Credit spreads	0 bps	82.4 bps
Total	91,452	-					

Unobservable inputs are carefully evaluated, especially in this persistently uncertain economic environment and market. However, due to their nature, they introduce a certain degree of uncertainty into the measurement of Level 3 financial instruments. In order to quantify this, the sensitivity of the fair value was determined as of June 30, 2025 for instruments whose measurement requires the use of certain unobservable inputs. This determination is based on a “standardized” variation of unobservable inputs calculated for the respective parameters on a net position or on assumptions that correspond to the additional valuation adjustment guidelines for the financial instruments concerned. The

“standardized” variation corresponds to the standard deviation of consensus prices (TOTEM, etc.) used to measure an unobservable input. If this data is not available, the standard deviation of historical data is used to evaluate the inputs.

However, due to the current focus of its business activities (mainly Global Banking and Investor Solutions (SGE’s warrants and certificates business) and Financial Services to Corporates and Retail (ALD LF’s lending and leasing business)), the Group is exposed to only limited market risk. The effects of a direct change in an unobservable input would have only a very limited impact on consolidated profit or loss.

NOTE 4.4 – LOANS AND RECEIVABLES AT AMORTIZED COST

LOANS TO AND RECEIVABLES FROM BANKS AT AMORTIZED COST

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Current accounts	110,672	138,555
Term deposits and loans	36,930	37,186
Corresponding receivables	4	9
Loans and receivables before valuation allowances (total gross)	147,606	175,750
less valuation allowances (risk provisioning for credit risks)	-	-
Remeasurement of hedged balance sheet items	-	-
Total net	147,606	175,750

LOANS TO AND RECEIVABLES FROM CUSTOMERS (INCLUDING FINANCE LEASES)

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Loans to customers	4,000,983	4,008,960
Finance leases	452,021	459,005
Loans to customers before loss allowances (total gross)	4,453,004	4,467,965
less valuation allowances (risk provisioning for credit risks)	(66,141)	(63,641)
<i>Thereof customers</i>	(56,459)	(56,752)
<i>Thereof finance leases</i>	(9,682)	(6,889)
Remeasurement of hedged balance sheet items	-	-
Total net	4,386,863	4,404,324
<i>Thereof loans to customers</i>	3,944,524	3,952,208
<i>Thereof finance leases</i>	442,339	452,116

Please see Note 4.8 “Impairments and provisions” for details.

NOTE 4.5 – LIABILITIES AT AMORTIZED COST

LIABILITIES TO BANKS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Deposits and current accounts	24,082	10,673
Term liabilities	2,777,148	3,280,248
Other liabilities	5,726	2,691
Remeasurement of hedged balance sheet items	-	-
Securities sold with repurchase agreements	-	-
Total	2,806,956	3,293,612

LIABILITIES TO CUSTOMERS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Other sight deposits	19	25
Total liabilities to customers	19	25
Liabilities secured by bonds and securities	-	-
Securities sold to customers with repurchase agreements	-	-
Total	19	25

SECURITIZED LIABILITIES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Interbank market securities and tradable debt instruments	1,971,063	1,554,095
Other liabilities	2,077	2,454
Total	1,973,140	1,556,549

NOTE 4.6 – TRANSFERRED ASSETS

FINANCIAL ASSETS TRANSFERRED BUT NOT DERECOGNIZED

The financial assets that have been transferred but not derecognized primarily include the Group's own assets (certain loan receivables) that are transferred to consolidated securitization vehicles.

The securitization of loan receivables is used as an instrument in the Financial Services to Corporates and Retail segment. To date, loan receivables have been bundled and publicly placed in 12 structures (December 31, 2024: 11 structures) under the name “Red & Black”, which is used for Société Générale Group securitizations. There were 5 active structures at the reporting date (December 31, 2024: 4 active structures).

At the reporting date, the carrying amount of transferred receivables was EUR 1,999.2 million (December 31, 2024: EUR 1,576.7 million) and the carrying amount of the corresponding liabilities was EUR 1,971.1 million (December, 20214: EUR 1,554.1 million). The corresponding market value of the receivables is EUR 1,999.2 million (December 31, 2024: EUR 1,576.7 million) and that of the liabilities is EUR 1,925.0 million (December 31, 2024: EUR 1,516.3 million), yielding a net receivable of EUR 74.2 million (December 31, 2024: EUR 60.3 million).

Under this set-up, the Group remains exposed to the majority of the opportunities and risks associated with the transferred receivables. The transferred assets are therefore not derecognized and are classified among the assets subject to restrictions on disposal. Accordingly, they may not be used as collateral or sold directly as part of another transaction. The receivables are presented within “Loans to and receivables from customers,” the liabilities within “Securitized liabilities.”

TRANSFERRED FINANCIAL ASSETS THAT ARE PARTIALLY OR FULLY DERECOGNIZED

As of June 30, 2025 and December 31, 2024, the Group had not carried out any material transactions leading to the partial or full derecognition of financial assets (retention of ongoing exposure).

NOTE 4.7 – INTEREST AND SIMILAR INCOME/EXPENSES CALCULATED USING THE EFFECTIVE INTEREST METHOD

	06/30/2025			12/31/2024		
<i>(in euro thousands)</i>	Income	Expenses	Net	Income	Expenses	Net
Financial instruments at amortized cost	103,476	(75,663)	27,813	241,027	(154,335)	86,692
Central banks	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-
Issued debt instruments	-	(23,977)	(23,977)	-	(67,837)	(67,837)
Transactions with banks	403	(51,450)	(51,047)	1,182	(85,993)	(84,811)
Loans to customers and sight deposits	89,372	-	89,372	211,827	-	211,827
Subordinated liabilities	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
Securities purchased/sold with repurchase agreements and loans secured by securities	414		414	2,056	-	2,056
Lease agreements	13,287	(236)	13,051	25,962	(505)	25,457
<i>Thereof real estate</i>	-	(236)	(236)	-	(505)	(505)
<i>Thereof equipment</i>	13,287		13,287	25,962	-	25,962
From financial instruments in cash flow hedges – issued securities	18,891	(17,689)	1,202	24,527	-	24,527
Financial instruments measured at fair value through profit or loss	(10,661)	-	(10,661)	-	-	-
<i>Thereof receivables from banks</i>	(10,661)	-	(10,661)	-	-	-
Total interest income and interest expenses	111,706	(93,352)	18,354	265,554	(154,335)	111,219

NOTE 4.8 – IMPAIRMENT AND PROVISIONS

ACCOUNTING POLICIES

Debt instruments as financial assets measured at amortized cost or at fair value through other comprehensive income, receivables under operating leases, customer receivables¹, collectible income presented in other assets, and loan commitments and issued guarantees are subject to credit risk, which is accounted for as an impairment or loss allowance in the amount of the expected credit loss. These impairments and loss allowances are recognized at the date of commitment or granting of the loan or purchase of securities. Objective indications of an impairment are not a requirement for such impairments and loss allowances.

In order to address sustainability risks, the regulations of Société Générale S.A. (ESG blacklist for sectors and borrowers) are adhered to when lending decisions are made and in the course of ongoing portfolio monitoring.

Impairments and loss allowances are determined based on a model that categorizes credit risk into one of three levels. The table below provides a schematic representation of the model for determining impairments and loss allowances depending on the level assigned to a given asset.

Observed risk of credit quality deterioration Since initial recognition of the financial asset			
Category of credit risk	Level 1 Assets upon acquisition	Level 2 Assets with a significant increase in credit risk	Level 3 Credit-impaired assets
Transfer criteria	Initial recognition of the instrument in Level 1 → <i>Unchanged if the credit risk has not increased significantly</i>	The credit risk of the instrument has increased significantly since initial recognition/30 days past due	Indication that the instrument is credit-impaired/90 days past due
Measurement of credit risk	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Measurement basis for interest income	Gross carrying amount of the asset before impairment	Gross carrying amount of the asset before impairment	Net carrying amount of the asset after impairment

Upon initial recognition, the risk positions are systematically classified to Level 1, unless they are already credit-impaired upon acquisition. An impairment is recognized in Level 1 risk positions in the amount of the credit losses which the Group expects within the next 12 months on the basis of historical data and the current situation (12-month expected credit losses).

¹No risk provisions are recognized for loans and receivables from banks at amortized cost, as the amount in question is not material from the perspective of the Group's consolidated interim financial statements.

The change in credit risk since the addition of a financial instrument is then used to determine the amount of impairment or loss allowance to be recognized on each reporting date. If there is a significant deterioration in the credit risk (Level 2) or objective evidence of impairment is identified (Level 3), the risk positions concerned are impaired by the amount of credit defaults that the Group expects over the entire remaining term of the risk positions (lifetime expected credit losses). Historical data, the current situation, and trackable changes in economic forecasts, as well as relevant macroeconomic factors up to the maturity date, are taken into consideration. However, if there is no significant deterioration in the credit risk, it is still allocated to Level 1 and only the losses expected over the term of the instrument resulting from possible loss events within the next 12 months are taken into account.

Due to the retail nature of the portfolio, the allocation of assets to risk levels in the sales financing business is derived exclusively from the number of days past due of the oldest receivable (S1a not past due, S1b past due up to 30 days, S2 past due up to 90 days).

In dealer financing, the levels are assigned by the CRM CF department. Customers without an increased default risk have a correspondingly good Group rating ("NOVA rating") and are allocated to Level 1; customers switched to watchlist status are allocated to Level 2. The NOVA rating is reviewed or reassigned once a year and as required.

In the sales financing business, only collective specific valuation allowances are calculated for defaulted receivables. Level 3 is defined as default and is set if a receivable is overdue by more than 90 days. Level 3 can also be derived from another known reason for default regardless of the age structure of the outstanding customer receivable, such as insolvency, fraud or other known negative information about the customer's solvency. A mathematical-statistical calculation method is used for all global and collective specific valuation allowances, in which the expected loss is estimated on the basis of observed past defaults, current information and future expectations. For this purpose, a value adjustment rate is calculated as the product of the probability of default and the loss given default.

The value adjustment ratios for all portfolios are validated once a year and, if necessary, on an ad hoc basis. A five-year data history is used to validate the probability of default (PD) and the loss given default (LGD). Macroeconomic indicators are used for forward-looking developments, which are included in the ECL estimate as a forward-looking component. These indicators are economic growth, unemployment rate, production index, oil price index and interest rate development.

In dealer financing, specific valuation allowances are recognized for Level 3 customers classified as in default. These customers are in problem loan management. Their status is reported to a committee on a monthly basis. The specific valuation allowance is reviewed or adjusted on a monthly basis. The amount of the specific valuation allowance corresponds to the difference between the carrying amount of the loan and the present value of the expected cash flows from interest and principal repayments as well as cash flows from the realization of collateral. If the need to recognize impairment diminishes, the specific valuation allowances are reversed through profit or loss.

Interest income is recognized for Level 1 and Level 2 financial instruments on the basis of the gross carrying amount. Interest income for these financial instruments in Level 3 is recognized on the basis of the net carrying amount.

In the case of financial assets that are already impaired upon acquisition (“purchased or originated credit-impaired financial assets”, POCI), the impairment amount is included in the net carrying amount of the credit-impaired financial asset. Additions to and reversals of impairments are recognized as expenses under “Risk expenses.”

Due to the Group’s business model, POCI cases occur extremely rarely if at all, and then only to an insignificant extent, and are therefore not reported separately. If there are individual cases that meet the POCI definition, they are assigned to Level 3 on the basis of the default rating upon initial recognition.

Loans granted by the Group could possibly be restructured to ensure the collection of principal and interest payments. To this end, the original contractual terms of the loan are adjusted (e.g. repayment moratorium, suspension/deferral of repayment, change of repayment type, change of interest payment dates, interest deferral (suspension of next due interest payment), or inclusion of additional collateral). Assets may only be restructured when the borrower has encountered financial difficulties, become insolvent and/or filed for insolvency proceedings (regardless of whether the borrower is already or will become insolvent with a high degree of probability if the loan is not restructured).

When recognizing restructured loans in the statement of financial position, the Group follows the uniform accounting policies of the parent company. A distinction is drawn between substantial and non-substantial modifications. According to the parent company’s requirements, contractual modifications to loans that do not meet the SPPI test (see Note 3 on the analysis of the characteristics of contractual cash flows) represent substantial modifications and result in the derecognition and reacquisition of modified financial assets (currently not applicable to SGE). By contrast, loans whose contractual cash flows after restructuring continue to represent solely interest and principal payments on the outstanding amount (i.e. assets which fall under the definition of SPPI) are classified as non-substantial modifications and continue to be recognized in the statement of financial position, and are thus not derecognized. Instead, the gross carrying amount is adjusted to the present value of the modified cash flows calculated using the original effective interest rate. This valuation difference represents a modification gain or loss and is recognized in the income statement under “Risk expenses” and amortized through net interest income on subsequent reporting dates. The related interest income is subsequently still measured at the original effective interest rate of the loans.

In addition to the qualitative distinction based on whether the changed contractual conditions are detrimental to the definition of the assets as SPPI, a quantitative present value test is also applied. The present value test is a comparative calculation. The present value of the contractually modified payment series is compared against the present value of the original contractually agreed payment series.

If forbearance leads to a loss in present value by more than 1%, the receivable is transferred to Level 3 and thus in default status (material financial loss). If the loss in present value is no more than 1% or if the present value difference is even positive after restructuring, it is allocated to Level 2.

In instances where it can no longer be reasonably assumed that the asset can still be fully realized, the asset is (partially) written off directly. If no surrogate takes the place of the defaulted receivable, it is considered unrecoverable and is derecognized. This is the case, for example, with:

- insolvencies if no further payments from the realization of collateral or an insolvency dividend are expected;
- terminated receivables if the remaining outstanding amount can no longer be settled;
- full or partial debt waiver.

Exposures that continue to be recovered after they have been written off are processed centrally with the aim of collecting extraordinary income from these receivables and settling them in the accounts.

OVERVIEW OF IMPAIRMENTS AND PROVISIONS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Impairments of financial assets at fair value through other comprehensive income	-	-
Impairments of financial assets at amortized cost	67,514	64,872
<i>Thereof loans and receivables at amortized cost*</i>	66,141	63,641
<i>Thereof other assets at amortized cost</i>	1,373	1,231
Provisions for financial commitments	1,464	1,478
Provisions for guarantee commitments	-	-
Total impairments upon default	1,464	1,478

* Including impairment losses from finance leases (see also Note 4.4, table "Loans to and receivables from customers (including finance leases)")

IMPAIRMENTS OF FINANCIAL ASSETS

	Impairment at 01/01/2025	Additions	Reversals	Net impairment expenses	Utilizations	Other changes	Impairment at 06/30/2025
<i>(in euro thousands)</i>							
Financial assets at amortized cost							
Impairments of performing receivables (Level 1)	15,418	2,634	(2,435)	199	-	-	15,617
Impairments of poorly performing receivables (Level 2)	6,179	3,879	(3,555)	324	-	-	6,503
Impairments of doubtful receivables (Level 3)	43,275	19,052	(8,117)	10,935	(8,816)	-	45,394
Total	64,872	25,565	(14,107)	11,458	(8,816)	-	67,514
Thereof finance leases and similar contracts							
Impairments of performing receivables (Level 1)	2,537	439	(511)	(72)	-	-	2,465
Impairments of poorly performing receivables (Level 2)	392	1,054	(382)	672	-	-	1,064
Impairments of doubtful receivables (Level 3)	3,960	3,844	(1,028)	2,816	(623)	-	6,153
Total	6,889	5,337	(1,921)	3,416	(623)	-	9,682

PROVISIONS

	Impairment at 01/01/2025	Additions	Reversals	Net impairment expenses	Utilizations	Other changes	Impairment at 06/30/2025
<i>(in euro thousands)</i>							
Financial commitments							
Impairments of performing receivables (Level 1)	1,456	-	(111)	(111)	-	-	1,345
Impairments of poorly performing receivables (Level 2)	-	-	-	-	-	-	-
Impairments of doubtful receivables (Level 3)	22	97	-	97	-	-	119
Total	1,478	97	(111)	(14)	-	-	1,464
Guarantee commitments							
Impairments of performing receivables (Level 1)	-	-	-	-	-	-	-
Impairments of poorly performing receivables (Level 2)	-	-	-	-	-	-	-
Impairments of doubtful receivables (Level 3)	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

CHANGES IN RISK PROVISIONS

The table below presents the risk provisions deducted from financial assets to reflect changes in the carrying amount of the assets:

Impairments of financial assets at amortized cost							Total
(in euro millions)	Level 1	Thereof lease receivables etc.	Level 2	Thereof lease receivables etc.	Level 3	Thereof lease receivables etc.	
As of 12/31/2024	15	6	6	2	43	-	64
Acquisitions ¹	2	-	-	-	2	-	4
Disposals ²	11	2	3	(1)	(14)	7	-
Transfer from Level 1 to Level 2 ³	-	-	1				1
Transfer from Level 2 to Level 1 ³	-	-	(1)	-	-	-	(1)
Transfer to Level 3 ³	-	-	-	-	1	1	1
Transfer from Level 3 ³	(13)	(2)	(3)	-	14	(5)	-
Additions, reversals and utilizations without transfer to different Level ³	-		-				(2)
Other changes	-	-	-	-	-	-	-
As of 06/30/2025	15	6	6	1	46	3	67

¹The impairment amounts reported in the line "Additions" in Level 2/Level 3 may include contracts that originated in Level 1 and were reclassified to Level 2/Level 3 during the reporting period.

²Including repayments, disposals and debt waivers.

³The amounts shown in the transfers include deviations due to amortization. Transfers to Level 3 correspond to outstanding amounts that were originally classified as Level 1 or 2 and were downgraded directly to Level 3, or to Level 2 and later to Level 3 during the reporting period.

The table below presents changes in provisions in the lending business (for irrevocable loan commitments and financial guarantees issued) in connection with the change in the amount of loan and guarantee commitments:

<i>(in euro millions)</i>	Provisions for loan commitments				Provisions for financial guarantees			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As of 12/31/2024	1	-	-	1	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer from Level 1 to Level 2	-	-	-	-	-	-	-	-
Transfer from Level 2 to Level 1	-	-	-	-	-	-	-	-
Transfer to Level 3	-	-	-	-	-	-	-	-
Transfer from Level 3	-	-	-	-	-	-	-	-
Additions, reversals and utilizations without transfer to different Level	-	-	-	-	-	-	-	-
Currency effects	-	-	-	-	-	-	-	-
IFRS 5 effects	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
As of 06/30/2025	1	-	-	1	-	-	-	-

DEFAULT RISK AND CONCENTRATIONS

The following disclosures are based on the figures and nomenclature used in the parent company's consolidated interim financial statements. The breakdowns relate to assets measured at amortized cost (excluding collateral) that fall under the scope of the impairment rules of IFRS 9.

Breakdown by sector

	As of 06/30/2025							
	Gross carrying amount				Risk provisions			
<i>(in euro millions)</i>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Sovereigns	14	-	1	15	-	-	1	1
Institutions	48	-	-	48	-	-	-	-
Corporates	2,594	40	24	2,658	8	4	14	26
<i>Thereof SMEs</i>	333	11	6	350	2	1	3	6
Retailers	1,739	9	56	1,804	6	2	32	40
<i>Thereof micro-enterprises</i>	884	3	27	914	3	1	16	20
Miscellaneous	-	-	-	-	-	-	-	-
Total	4,395	49	81	4,525	14	6	47	67

	As of 12/31/2024							
	Gross carrying amount				Risk provisions			
<i>(in euro millions)</i>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Sovereigns	16	1	-	17	-	-	-	-
Institutions	38	-	-	38	-	-	-	-
Corporates	1,946	33	23	2,002	6	4	11	21
<i>Thereof SMEs</i>	100	8	4	112	-	-	-	-
Retailers	2,396	16	55	2,467	9	2	32	43
<i>Thereof micro-enterprises</i>	1,147	12	25	1,184	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total	4,396	50	78	4,524	15	6	43	64

Breakdown by geographical region

	As of 06/30/2025							
	Gross carrying amount				Risk provisions			
<i>(in euro millions)</i>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
France	2	-	-	2	-	-	-	-
Western European countries (excl. France)	4,393	49	81	4,523	15	6	46	67
Eastern European EU member states	-	-	-	-	-	-	-	-
Eastern European, non-EU countries	-	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-	-
Latin America and the Caribbean	-	-	-	-	-	-	-	-
Asia/Pacific	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-
Total	4,395	49	81	4,525	15	6	46	67

	As of 12/31/2024							
	Gross carrying amount				Risk provisions			
<i>(in euro millions)</i>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
France	2	-	-	2	-	-	-	-
Western European countries (excl. France)	4,394	50	78	4,522	15	6	43	64
Eastern European EU member states	-	-	-	-	-	-	-	-
Eastern European, non-EU countries	-	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-	-
Latin America and the Caribbean	-	-	-	-	-	-	-	-
Asia/Pacific	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-
Total	4,396	50	78	4,524	15	6	43	64

Breakdown by rating class

	As of 06/30/2025							
	Gross carrying amount				Risk provisions			
<i>(in euro millions)</i>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
1	4	-	-	4	-	-	-	-
2	11	-	-	11	-	-	-	-
3	49	-	-	49	-	-	-	-
4	63	-	-	63	-	-	-	-
5	103	-	-	103	1	-	-	1
6	300	18	-	318	2	2	-	4
7	49	9	-	58	-	1	-	1
Default (8, 9, 10)	-	-	4	4	-	-	2	2
Other (not rated)*	3,816	22	77	3,915	13	4	45	62
Total	4,395	49	81	4,525	16	7	47	70

* The allocation to rating classes is based on the Group rating scale (NOVA rating). The assets that do not have a NOVA rating and are rated according to local internal rating classes automatically fall into the rating class "Other (not rated)" according to the nomenclature of the parent company.

At SGE, this category includes in particular loans to retail customers and securitizations.

As of 12/31/2024								
(in euro millions)	Gross carrying amount				Risk provisions			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
1	2	-	-	2	-	-	-	-
2	14	1	-	15	-	-	-	-
3	38	-	-	38	-	-	-	-
4	52	-	-	52	-	-	-	-
5	88	-	-	88	-	-	-	-
6	239	22	-	261	1	2	-	3
7	25	5	-	30	-	1	-	1
Default (8, 9, 10)	-	-	3	3	-	-	1	1
Other (not rated)*	3,938	22	75	4,035	14	3	42	59
Total	4,396	50	78	4,524	15	6	43	64

* The allocation to rating classes is based on the Group rating scale (NOVA rating). The assets that do not have a NOVA rating and are rated according to local internal rating classes automatically fall into the rating class "Other (not rated)" according to the nomenclature of the parent company.

At SGE, this category includes in particular loans to retail customers and securitizations.

RISK EXPENSES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Credit risk	(10,515)	(8,533)	(2,721)
Net additions to impairments	(11,458)	(11,077)	(4,207)
<i>Thereof financial assets measured at fair value through other comprehensive income</i>	-	-	-
<i>Thereof financial assets at amortized cost</i>	(11,458)	(11,077)	(4,207)
Net additions to provisions	14	247	186
<i>Thereof financial commitments</i>	14	247	186
<i>Thereof guarantee commitments</i>	-	-	-
Losses from written-off receivables (or loans) not covered by impairments	-	-	-
Payments received on written-off receivables (or loans)	929	2,297	1,300
Other risks	-	-	-
Total	(10,515)	(8,533)	(2,721)

NOTE 4.9 – FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT COST

The fair values of financial instruments not measured at fair value in the statement of financial position are presented in this note to the consolidated financial statements.

FINANCIAL ASSETS MEASURED AT COST

<i>(in euro thousands)</i>	06/30/2025	
	Carrying amount	Fair value
Receivables from banks	147,606	147,602
Loans to customers	4,386,863	3,360,670
<i>Thereof loans to customers at amortized cost</i>	3,944,524	2,895,009
<i>Thereof receivables from leases</i>	442,339	465,661
Securities	-	-
Total financial assets measured at cost	4,534,469	3,508,272

	12/31/2024	
<i>(in euro thousands)</i>	Carrying amount	Fair value
Receivables from banks	175,750	175,741
Loans to customers	4,404,324	4,159,189
<i>Thereof loans to customers at amortized cost</i>	<i>3,952,208</i>	<i>3,655,203</i>
<i>Thereof receivables from leases</i>	<i>452,116</i>	<i>503,986</i>
Securities	-	-
Total financial assets measured at cost	4,580,074	4,334,929

FINANCIAL LIABILITIES MEASURED AT COST

	06/30/2025	
<i>(in euro thousands)</i>	Carrying amount	Fair value
Liabilities to banks	2,806,956	2,806,956
Liabilities to customers	19	19
Issued debt instruments	1,973,140	1,973,140
Subordinated liabilities	-	-
Total financial liabilities measured at cost	4,780,115	4,780,115

	12/31/2024	
<i>(in euro thousands)</i>	Carrying amount	Fair value
Liabilities to banks	3,293,612	3,293,612
Liabilities to customers	25	25
Issued debt instruments	1,556,549	1,556,549
Subordinated liabilities	-	-
Total financial liabilities measured at cost	4,850,187	4,850,187

MEASUREMENT METHODS

Loans, receivables and finance leases

Due to the lack of an active market for these loans, the fair value of loans and receivables and finance lease receivables from large companies is calculated by discounting expected cash flows to present value by application of a discount factor based on market interest rates (actuarial reference rate and zero-coupon rate published by the Banque de France) applicable at the reporting date to loans that have essentially the same

terms and maturities. These interest rates are adjusted by adding premiums for liquidity and administrative expenses to account for the borrower's credit risk.

Due to the lack of an active market for these loans, the fair value of loans and receivables and finance lease receivables from retail banking customers, primarily consisting of individuals and small and medium-sized enterprises, is calculated by discounting the future cash flows to present value by application of market interest rates that apply for loans of the same category and maturity at the reporting date.

In the case of loans, receivables and finance lease receivables with variable interest rates and loans with fixed interest rates and initial terms of one year or less, it is assumed that the fair value is equal to the carrying amount if there have been no significant fluctuations of the credit spreads for the counterparties since being recognized in the statement of financial position.

Liabilities

Due to the lack of an active market for these liabilities, it is assumed that the fair value of liabilities is equal to the value of future cash flows discounted to present value by application of the market interest rate on the reporting date. If the liability is securitized in the form of an exchange-listed financial instrument, the value is equal to the market price.

In the case of liabilities with variable interest rates and liabilities with an initial term of one year or less, it is assumed that the fair value is equal to the carrying amount. In the same way, the individual fair value of sight deposits is equal to the carrying amount.

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

<i>(in euro thousands)</i>	Intangible assets	Operating property, plant and equipment	Assets under leases	Right-of-use assets*	Total
Cost					
Balance at 01/01/2025	10,437	6,656	302,681	49,954	369,728
Acquisitions	75	112	24,083	251	24,521
Disposals	-	(4)	(66,465)	(1,712)	(68,181)
Reclassifications	-	-	-	-	-
Balance at 06/30/2025	10,512	6,764	260,299	48,493	326,068
Cumulative depreciation, amortization and impairment					
Balance at 01/01/2025	(8,581)	(4,187)	(94,914)	(24,614)	(132,296)
Depreciation and amortization	(303)	(487)	(17,548)	(2,345)	(20,683)
Impairment	-	-	-	-	-
Reversals of impairment/disposals	-	3	30,030	2,541	32,574**
Reclassifications	-	-	-	-	-
Balance at 06/30/2025	(8,884)	(4,671)	(82,432)	(24,418)	(120,405)
Carrying amounts					
At January 1, 2025	1,856	2,469	207,767	25,340	237,432
Balance at 06/30/2025	1,628	2,093	177,867	24,075	205,663

* Right-of-use assets are reported in the statement of financial position under "Property, plant and equipment."

* *Thereof EUR 12.5 million in disposals of assets under leases.

NOTE 6 – GOODWILL

In the 2025 financial year, goodwill was reported as follows at the level of the cash-generating units:

- Financial Services to Corporates and Retail: Goodwill of EUR 1,569 thousand resulting from the purchase of BDK by ALD LF in 2002. BDK was identified as a cash-generating unit and allocated to the Financial Services to Corporates and Retail operating segment. There was no need for impairment in the first half of the financial year due to the positive business development.

The goodwill of cash-generating units is generally tested for impairment annually or when a trigger event occurs. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets within the entity. In an impairment test, the recoverable amount of each CGU or group of CGUs to which goodwill is allocated is determined and compared against their carrying amount. An impairment loss is recognized if the carrying amount of a CGU or group of CGUs to which goodwill is allocated is higher than its recoverable amount, whereby the recoverable amount is defined as the higher of the value in use and the disposal value less costs to sell. The impairment determined in this manner results firstly in a write-down of goodwill, with any impairment in excess of the carrying amount for goodwill resulting in the write-down of the other assets of the CGU. The recoverable amount of a CGU is calculated using the most appropriate method, in particular the after-tax discounted cash flow method. The respective calculation method is generally applied at the CGU level.

The cash flows used for this calculation are determined based on a business plan drawn up on the basis of the provisional budgets for the next four years, extrapolated to a period of sustainable growth (generally a further four years), then ad infinitum based on a long-term growth rate:

- The discount rate comprises a risk-free interest rate, to which a risk premium is added depending on the underlying activity of the respective CGU. This specific risk premium for each business line is determined on the basis of the equity risk premiums published by SG Research and the estimated volatility (beta). If applicable, a country risk premium is also added to the risk-free interest rate, which represents the difference between the risk-free interest rate of the relevant currency area (euro zone) and the interest rate of the liquid long-term bonds issued by the respective state in the relevant currency, or their average value weighted in accordance with the legally prescribed equity capital within the framework of a CGU comprising several states.
- The growth rate used for the terminal value is based on a long-term forecast of economic growth and inflation.

The leading value concept is the value in use based on discounted cash flows.

NOTE 7 – OTHER ACTIVITIES

NOTE 7.1 – COMMISSION INCOME AND EXPENSES

	06/30/2025			12/31/2024		
<i>(in euro thousands)</i>	Income	Expenses	Net	Income	Expenses	Net
Transactions with banks	-	(194)	(194)	-	(383)	(383)
Transactions with customers	579	-	579	948	-	948
Operations with financial instruments from securities transactions	-	(5.365)	(5.365)	-	(7,004)	(7,004)
Loan and guarantee commitments	-	-	-	-	(13)	(13)
Services	9,160	-	9,160	15,252	-	15,252
Other	4,105	(2,563)	1,542	5,713	(2,669)	3,044
Total	13,844	(8,122)	5,722	21,913	(10,069)	11,844

NOTE 7.2 – INCOME AND EXPENSES FOR OTHER ACTIVITIES

	06/30/2025			12/31/2024		
<i>(in euro thousands)</i>	Income	Expenses	Net	Income	Expenses	Net
Equipment leasing	136,716	(118,947)	17,769	362,893	(317,787)	45,106
Other activities	117	(2,712)	(2,595)	844	(38,140)	(37,296)
Total	136,833	(121,659)	15,174	363,737	(355,927)	7,810

The income from equipment leasing and other activities is composed of the following items:

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Income from operating leases and from the disposal of leased assets*	130,635	346,628	182,359
Refund of grants on assets under operating leases	-	1,214	-
Other income from operating leases (special rental payments)	1,800	4,249	2,134
Other income from leases	4,206	10,639	5,746
Income from late payment fees	75	163	83
Other income	117	844	100
Total	136,833	363,737	190,422

* Due to the requirements of the parent company, the income from operating leases and from the disposal of leased assets (remarketing income) includes lease income from operating leases in the amount of EUR 21,949 thousand. Interest income from finance leases is recognized in the item "Interest and similar income calculated using the effective interest method."

The expenses for other activities comprise the following items:

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Discounts on operating leases	-	-	-
Expenses from the disposal of leased assets	(93,620)	(250,707)	(130,435)
Write-downs of assets under operating leases	(17,548)	(44,682)	(23,891)
Other expenses for finance leases	(7,779)	(22,398)	(13,156)
Expenses for inventory-taking	-	-	-
Expenses for other non-banking activities	(2,667)	(38,105)	(22,163)
Other discounts	(45)	(35)	(13)
Total	(121,659)	(355,927)	(189,658)

Income from operating leases and from the disposal of leased assets mainly includes lease income from operating leases in the amount of EUR 21,949 thousand (December 31, 2024: EUR 53,949 thousand) and income from the disposal of leased assets in the amount of EUR 100,877 thousand (December 31, 2024: EUR 273,156 thousand). Income from operating leases amounted to EUR 23,750 thousand (December 31, 2024: EUR 58,198 thousand) and consisted of lease income of EUR 21,949 thousand (December 31, 2024: EUR

53,949 thousand) and special rental payments of EUR 1,800 thousand (December 31, 2024: EUR 4,249 thousand).

Income from operating leases and from the disposal of leased assets as well as expenses from the disposal of leased assets are attributable to the “Financial Services to Corporates and Retail” segment.

NOTE 7.3 – OTHER ASSETS AND LIABILITIES

OTHER ASSETS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Clearing accounts for securities transactions	-	-
Prepaid expenses	88,575	80,860
Miscellaneous other assets	74,800	117,824
Total gross	163,375	198,684
Impairments	(2,149)	(2,007)
Total net	161,226	196,677

At June 30, 2025, the item of “Miscellaneous other assets” mainly consisted of outstanding receivables under operating leases and commission receivables. These are current receivables (due within the next 12 months).

This item also includes the recognized reimbursement right in the amount of EUR 60 million from the shareholder guarantee in a pending legal case (due after more than 1 year) (see Note 13, section “Risks in connection with legal disputes”).

OTHER LIABILITIES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Deposit guarantees received	-	-
Clearing accounts for transactions with securities	7,950	5,302
Employee benefits	432	572
Lease liabilities	34,223	35,570
Deferred income	7,334	9,587
Miscellaneous other payables	86,199	93,057
Total	136,138	144,088

The item “Miscellaneous other payables” mainly comprises expenses paid and liabilities under the profit transfer agreement in effect with the tax group parent company Société Générale S.A. Frankfurt Branch. These are current liabilities (due within the next 12 months).

NOTE 8 – PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

PERSONNEL EXPENSES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Employee compensation	(19,099)	(40,743)	(20,999)
Social security contributions and payroll taxes	(3,720)	(6,930)	(3,562)
Net pension expenses – Special fund	(55)	(129)	(66)
Net pension expenses – Defined benefit pension plan	(97)	(179)	(101)
Employee profit participation and bonuses	-	(63)	(1)
Total	(22,971)	(48,044)	(24,729)
<i>Thereof net expenses of share-based payments</i>	-	(58)	(1)

EMPLOYEES

The average number of employees in the 2025 financial year was as follows:

	Male	Female	Total
Global Banking and Investor Solutions	2	2	4
Financial Services to Corporates and Retail	320	257	576
Asset Management	2	-	2
Total	324	259	582

DEVELOPMENT OF PROVISIONS FOR EMPLOYEE BENEFITS

<i>(in euro thousands)</i>	As of 12/31/2024	Additions	Reversals	Net additions	Utilization	Other changes	As of 06/30/2025
Provisions for employee benefits	13,809	336	(147)	189	0	0	13,998

OTHER LONG-TERM EMPLOYEE BENEFITS

Other long-term benefits granted to Group employees include working time accounts and long-service awards. These are other employee benefits (excluding post-employment benefits and termination benefits) that are not due in full within 12 months of the end of the reporting period in which the related service was rendered.

Other long-term employee benefits are essentially not incurred by the company or are negligible due to their insignificance.

RECONCILIATION OF ASSETS AND LIABILITIES RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
A – Present value of the financed obligations	15,625	15,438
B – Fair value of plan assets and special fund	(1,629)	1,629
C = A - B = Balance of financed plans	13,997	13,809
D – Present value of the unfinanced obligations	-	-
E – Effects of the limit on plan assets	-	-
C + D + E = Net balance recognized in the statement of financial position	13,997	13,809

COST COMPONENTS OF DEFINED BENEFIT PLANS

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Current service cost incl. social security contributions	106	296	
Employee contributions	-	-	
Past service cost/curtailments	-	-	
Plan settlements	-	-	
Net interest	122	482	
Transfers of unrecognized assets	103	(121)	
A – Components recognized in the operating result	331	305	
Expected return on plan assets	(142)	(43)	
Actuarial gains and losses due to changes in demographic assumptions	-	177	
Actuarial gains and losses due to changes in economic and financial assumptions	-	-	
Experience-based actuarial gains and losses	-	-	
Effects of the limit on plan assets	-	-	
B – Gains and losses recognized directly in equity	(142)	(218)	
C = A + B = Sum of the components of expenses for defined benefit plans	189	439	

CHANGES IN THE PRESENT VALUE OF THE OBLIGATIONS

(in euro thousands)

Balance as of 1/1/2025	13,809
Current service cost for the year, incl. social security contributions	106
Employee contributions	-
Past service cost/curtailments	-
Plan settlements	-
Net interest	225
Actuarial gains and losses due to changes in demographic assumptions	-
Actuarial gains and losses due to changes in economic and financial assumptions	-
Experience-based actuarial gains and losses	-
Currency translation	-
Pension benefits paid	(142)
Changes in the consolidation group	-
Transfers and miscellaneous	-
Balance as of 6/30/2025	13,998

CHANGES IN FAIR VALUE OF PLAN ASSETS AND SPECIAL FUND

(in euro thousands)

Balance as of 1/1/2025	(1,629)
Expected return on plan assets	-
Expected return on special fund	-
Actuarial gains and losses in connection with the plan assets	-
Currency translation	-
Employee contributions	-
Employer contributions	-
Pension benefits paid	-
Changes in the consolidation group	-
Transfers and miscellaneous	(1)
Balance as of 6/30/2025	(1,630)

NOTE 9 – INCOME TAXES

The profit transfer agreement of September 7, 2016 between Société Générale Effekten GmbH (subsidiary company) and Société Générale S.A. Frankfurt Branch (parent company) established a consolidated tax group for income tax purposes with Société Générale S.A. Frankfurt Branch with retroactive effect to January 1, 2016. As a result of the formation of the consolidated tax group for income tax purposes, Société Générale Effekten

GmbH does not recognize any deferred taxes in its financial statements that are related to this consolidated tax group; rather, deferred taxes that do not arise from the profit transfer agreement in accordance with the provisions of German commercial law and therefore supplement the deferred taxes recognized by the parent company in accordance with commercial law as an IFRS component.

The income tax amount of EUR 4,964 thousand (December 31, 2024: EUR 0 thousand) relates primarily to deferred and current taxes of ALD. As of June 30, 2025, ALD's deferred tax expenses totaled EUR 5,777 thousand. These result mainly from deferred taxes of BDK, BDK LS and ALD LS in the amount of EUR 4,264 thousand and deferred taxes from ABS transactions in the amount of EUR 1,513 thousand. The amount of current income taxes is EUR -811 thousand, which results from the taxation of dividend payments to minority shareholders of ALD and the non-deductible VAT due to the VAT group with BDK.

NOTE 10 – EQUITY

The Group's equity amounted to EUR -9.0 million as of June 30, 2025 (December 31, 2024: EUR 18.3 million). It consists primarily of subscribed capital in the amount of EUR 26 thousand (December 31, 2024: EUR 26 thousand), Group reserves in the amount of EUR -10.7 million (December 31, 2024: EUR -21.4 million), the result for the first half of the year in the amount of EUR 7.0 million (December 31, 2024: EUR 44.1 million) and revaluation reserves in the amount of EUR -7.5 million (December 31, 2024: EUR -5.6 million). Non-controlling interests amounted to EUR 1.0 million (December 31, 2024: EUR 66 million).

Given that the individual companies have positive equity overall, the negative equity status is due to the Group reserves. The Group reserves mainly consist of consolidation factors such as the elimination of consolidated equity investments and the corresponding equity components, and the transfer of the subsidiaries' net profits or losses.

Because the carrying amounts of the equity investments, including silent reserves, exceed the recognized equity of the transferred companies, the difference is deducted from the Group reserves in the IFRS consolidated interim financial statements.

The negative equity does not affect the Group's liquidity position.

Changes in equity during the first half of the financial year are indicated in the consolidated statement of changes in equity.

The individual Group companies manage their capital requirements in dependence on the Group parent company.

The subsidiary BDK manages its capital requirements in dependence on the regulatory capital regulations.

The revaluation reserves contain unrealized gains and losses from the change in actuarial assumptions from post-employment benefits as well as gains and losses in connection with hedging relationships.

NOTE 11 – DIVIDENDS PAID

The minority shareholders Beteiligungsgesellschaft des Kfz-Gewerbes mbH and Techno Versicherungsdienst GmbH hold shares in Bank Deutsches Kraftfahrzeuggewerbe GmbH, which belongs to the Group. A profit distribution of EUR 110 thousand was made to these shareholders in the first half of the financial year.

NOTE 12 – ADDITIONAL DISCLOSURES

NOTE 12.1 – SEGMENT REPORTING

As described in the following, the Group has three reportable segments, which represent the Group's strategic business activities. The segments offer different products and services and are managed separately from each other. The business activities in each reportable segment of the Group are described in the table below.

Reportable segment	Business activity
Global Banking and Investor Solutions	The object of this operating segment is the issuance of options and certificates via the Group's parent company Société Générale Effekten GmbH. They are sold to counterparties that are all wholly owned subsidiaries of the parent company Société Générale S.A., Paris, or the parent company itself.
Financial Services to Corporates and Retail	This segment comprises all activities conducted by a manufacturer-independent leasing company, including the provision of financing solutions and services for automobiles to car dealers and their customers. The product range covers all financing processes in the car dealership, such as sales financing and leasing, purchase financing and insurance brokerage. In addition, smart IT solutions such as web services and an internally developed POS system are offered to car dealers.
Asset Management	Prior to December 31, 2023, this segment, which will be discontinued, comprises the management of investment funds under the so-called "master fund manager" model and the insourcing of fund administration from other asset management firms. Direct investments are administered as well. These services are mainly provided to European customers.

	Global Banking and Investor Solutions		Financial Services to Corporates and Retail		Asset Management*		Group	
<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2025	12/31/2024	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Net banking income	(3,894)	(5,988)	55,484	137,145	362	2,749	51,952	131,157
Administrative expenses	56	295	(38,591)	(81,405)	(987)	132	(39,522)	(81,110)
Gross operating result	(3,838)	(5,693)	16,893	55,740	(625)	2,881	12,430	50,047
Risk expenses	-	-	(10,515)	(8,533)	-	-	(10,515)	(8,533)
Operating result	(3,838)	(5,693)	6,378	47,207	(625)	2,881	1,915	41,514
Net gains or losses from other assets	-	-	(21)	1	-	-	(21)	1
Impairments of goodwill	-	-	-	-	-	-	-	-
Profit/loss before taxes	(3,838)	(5,693)	6,357	47,208	(625)	2,881	1,894	41,515
Income taxes	(2)	-	4,966	-	206	-	5,170	-
Net profit/loss of all companies in the consolidation group	(3,840)	(5,693)	11,323	47,208	(419)	2,881	7,064	41,515
Non-controlling interests	-	-	110	277	-	-	110	277
Net profit/loss (Group share)	(3,840)	(5,693)	11,213	46,931	(419)	2,881	6,954	41,238
Assets	5,534,675	4,028,724	4,911,876	4,988,142	85,216	131,414	10,531,767	9,148,280
Liabilities	5,975,436	4,471,701	4,523,835	4,572,501	41,503	85,748	10,540,774	9,129,951

* This is a discontinued operation in accordance with IFRS 5.

Differences in the assets and liabilities compared to the items presented in the individual companies' balance sheets representing the segments result from consolidation adjustments. No geographical information is provided for the Financial Services to Corporates and Retail or Asset Management segments, as their business activities only extend to the Federal Republic of Germany and the disclosures in accordance with IFRS 8.33 are included in the above overview.

Global Banking and Investor Solutions – details by market

	06/30/2025													
(in euro thousands)	Belgium	Switzerlan d	Germany	Denmark	Spain	Finland	France	Netherland s	Norway	Portugal	Sweden	Italy	Other	Total
Net banking income	(5,048)	74,399	5,509,036	137,619	176,311	(392)	(9,504,818)	(36,207)	94,347	1,766,438	1,360,439	424,083	(100)	(3,894)
Overheads	-	(96)	1,078	-	-	-	(927)	-	-	-	-	-	-	56
Gross operating result	(5,048)	74,304	5,510,114	137,619	176,311	(392)	(9,505,745)	(36,207)	94,347	1,766,438	1,360,439	424,083	(100)	(3,838)
Net risk expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income	(5,048)	74,304	5,510,114	137,619	176,311	(392)	(9,505,745)	(36,207)	94,347	1,766,438	1,360,439	424,083	(100)	(3,838)
Net gains on other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss before taxes	(5,048)	74,304	5,510,114	137,619	176,311	(392)	(9,505,745)	(36,207)	94,347	1,766,438	1,360,439	424,083	(100)	(3,838)
Current income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result of all subgroup companies	(5,048)	74,304	5,510,114	137,619	176,311	(392)	(9,505,745)	(36,207)	94,347	1,766,438	1,360,439	424,083	(100)	(3,838)
Current minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result (Group share)	(5,048)	74,304	5,510,114	137,619	176,311	(392)	(9,505,745)	(36,207)	94,347	1,766,438	1,360,439	424,083	(100)	(3,838)
Assets	9,503	46,108	3,683,110	34,262	100,448	5,696	354,140	117,977	93,632	26,024	645,776	404,847	13,151	5,534,676
Liabilities	9,545	46,178	4,116,931	34,413	100,892	5,721	354,687	118,492	94,047	26,140	648,631	406,607	13,151	5,975,436

	12/31/2024													
(in euro thousands)	Belgium	Switzerland	Germany	Denmark	Spain	Finland	France	Netherlands	Norway	Portugal	Sweden	Italy	Other	Total
Net banking income	89,354	29,161	2,099,029	784,973	2,252,824	117,384	(26,272,026)	211,383	767,519	2,978,372	11,877,994	5,059,666	(1,620)	(5,988)
Overheads	-	-	295	-	-	-	-	-	-	-	-	-	-	295
Gross operating result	89,354	29,161	2,099,324	784,973	2,252,824	117,384	(26,272,026)	211,383	767,519	2,978,372	11,877,994	5,059,666	(1,620)	(5,693)
Net risk expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating income	89,354	29,161	2,099,324	784,973	2,252,824	117,384	(26,272,026)	211,383	767,519	2,978,372	11,877,994	5,059,666	(1,620)	(5,693)
Net gains on other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss before taxes	89,354	29,161	2,099,324	784,973	2,252,824	117,384	(26,272,026)	211,383	767,519	2,978,372	11,877,994	5,059,666	(1,620)	(5,693)
Current income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result of all subgroup companies	89,354	29,161	2,099,324	784,973	2,252,824	117,384	(26,272,026)	211,383	767,519	2,978,372	11,877,994	5,059,666	(1,620)	(5,693)
Current minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result (Group share)	89,354	29,161	2,099,324	784,973	2,252,824	117,384	(26,272,026)	211,383	767,519	2,978,372	11,877,994	5,059,666	(1,620)	(5,693)
Assets	7,957	35,921	806,879	124,208	172,581	1,132	493,147	73,646	342,654	433,594	1,243,585	282,177	11,243	4,028,724
Liabilities	8,750	35,698	1,016,076	36,842	218,463	2,560	526,667	100,319	180,758	357,545	814,241	1,159,020	14,761	4,471,701

All non-current assets of the GBIS segment are located in Germany.

NOTE 12.2 – OTHER ADMINISTRATIVE EXPENSES

<i>(in euro thousands)</i>	06/30/2025	12/31/2024	06/30/2024
Rents	(1,008)	(1,669)	(774)
Taxes	-	-	-
IT & telecom	(5,845)	(13,803)	(6,147)
Consulting	(874)	(2,484)	(2,252)
Other	(5,751)	(9,409)	(2,978)
Total	(13,478)	(27,365)	(12,151)

NOTE 12.3 – PROVISIONS

The provisions recognized in the statement of financial position at June 30, 2025 mainly consisted of provisions for employee benefits and provisions for risks. Accordingly, the potential outflows for these issues are short-term in nature (within 12 months), other than for provisions in connection with legal disputes. Liabilities for employee benefits are characterized by uncertainty due to the settlement date.

Breakdown of the main provisions at the reporting date:

<i>(in euro thousands)</i>	Provision s at 12/31/2024	Additions	Available reversals	Net additions	Recogniz ed reversals of impairme nts	Other changes	Provision s at 06/30/2025
Provisions for the credit risk of off-balance sheet commitments (see Note 4.8)	1,478	97	(111)	(14)	-	-	1,464
Provisions for employee benefits (see Note 8)	13,809	336	(147)	189	-	-	13,998
Provisions in connection with legal disputes	60,543		(4)	(4)	-	-	52
Other provisions	1,439		(40,390)	(40,390)	-	-	21,536
Total	77,269	433	(40,652)	(40,219)	-	-	37,050

Within the risk management process, the risk inventory is updated at least once a year and includes all relevant risk categories that are material (the Group's material provisions result from the business activities of BDK/ALD LF).

Provisions are recognized for all risks for which an outflow of funds is likely (credit risk for off-balance sheet commitments, legal risk, operational risk, etc.), and all of these risk categories are generally covered by equity in the internal capital adequacy calculation.

For further information on provisions in connection with legal disputes, please refer to Note 13 “Disclosures on material risks.”

NOTE 12.4 – LEASES

The Group acts as lessor through its subsidiary ALD Lease Finanz GmbH, Hamburg. This company was founded as a manufacturer-independent leasing company specializing in leases for motor vehicles. Financial solutions and services related to automobiles are offered together with cooperation partners, particularly including the subsidiary Bank Deutsches Kraftfahrzeuggewerbe GmbH (BDK). The product range covers financial processes in the dealership: sales financing and leasing, purchase financing and insurance brokerage, which increase the loyalty of dealership customers and thus increase income opportunities.

LEASES AS LESSOR

OPERATING LEASES

Future minimum lease payments under operating leases

The table below presents a maturity analysis and shows the future minimum payments to be received after the reporting date:

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Breakdown of the total amount of minimum payments to be received	-	-
Due in less than 1 year	221,425	245,067
Due in 1 to 5 years	269,490	254,722
Due in more than 5 years	-	-
Total future minimum lease payments to be received	490,915	499,789

Amounts recognized in profit or loss

The Group recognized lease income from operating leases in the amount of EUR 23,750 thousand in the first half of the financial year (December 31, 2024: EUR 58,198 thousand). Income from operating leases consisted of lease income of EUR 21,949 thousand (December 31, 2024: EUR 53,944 thousand) and special rental payments of EUR 1,800 thousand (December 31, 2024: EUR 4,249 thousand). Operating leases exclusively cover the leasing of equipment. Proceeds from operating leases are recognized under “Income from other activities.”

Expenses and income and realized gains and losses from leased assets are recognized in income and expenses from other activities.

FINANCE LEASES

The Group generated a disposal gain from finance leases in the amount of EUR 780 thousand in the first half of the financial year (December 31, 2024: EUR 1,076 thousand). Proceeds from the disposal of leased assets are recognized under “Income from other activities.” The expenses in connection with the disposal of leased assets, which essentially comprise the residual carrying amount for the leased assets, are reported under “Expenses for other activities.”

The Group recognized interest income from lease receivables in the amount of EUR 13,287 thousand in the first half of the financial year (December 31, 2024: EUR 25,960 thousand). Interest income is recognized under “Interest income from equipment.”

The table below presents a maturity analysis of lease receivables:

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Gross investments	207,218	242,660
Due in less than 1 year	66,658	80,327
Due in 1 to 5 years	140,560	162,333
Due in more than 5 years	-	-
Present value of minimum lease payments	452,021	459,005
Due in less than 1 year	145,406	151,945
Due in 1 to 5 years	306,615	307,060
Due in more than 5 years	-	-
Finance income not yet realized	(244,802)	(216,345)
Non-guaranteed residual values in favor of the lessor	-	-
Cumulative valuation allowances for uncollectible outstanding rental payments	n/a	n/a

LEASES AS LESSEE

The Group leases buildings, offices, archive space, vehicles and software. The leases normally have a term of four years with an option to renew the lease at the end of this period. The lease payments are renegotiated every three years to reflect market rents. Leases in connection with buildings usually have a long term and include renewal options. All old rental agreements at BDK LS/BDK/ALD LF expired in 2024. As a result, there is now only one rental agreement for all of the aforementioned companies, which was concluded in 2022 and has a term of 15 years. There are some leases (relating to IT) that provide for additional lease payments based on the development of regional price indexes.

Future minimum lease payments from leases as lessee

As of June 30, 2025, the future minimum lease payments for non-callable leases are payable as follows:

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Breakdown of the total amount of minimum payments to be made	-	-
Due in less than 1 year	1,331	1,331
Due in 1 to 5 years	5,325	5,325
Due in more than 5 years	5,658	6,324
Total future minimum lease payments to be made	12,314	12,980

DETAILS OF LEASING EXPENSES AND INCOME FROM SUB-LEASING

<i>(in euro thousands)</i>	06/30/2025			
	Real estate	Computer equipment	Other	Total
Leases	(1,205)	(964)	(337)	(2,506)
Interest expenses for lease liabilities	(224)			(224)
Depreciation of right-of-use assets	(981)		(316)	(1,297)
Expenses for short-term leases	-		(21)	(21)
Expenses for low-value leases		(964)		(964)
Expenses for variable lease payments				-
Sub-leasing	-	-	-	-
Income from sub-leasing of right-of-use assets	-			-

<i>(in euro thousands)</i>	12/31/2024			
	Real estate	Computer equipment	Other	Total
Leases	(2,752)	(1,762)	(848)	(5,362)
Interest expenses for lease liabilities	(464)	-	-	(464)
Depreciation of right-of-use assets	(2,288)	-	(805)	(3,093)
Expenses for short-term leases	-	-	(43)	(43)
Expenses for low-value leases	-	(1,762)	-	(1,762)
Expenses for variable lease payments	-	-	-	-
Sub-leasing	(24)	-	-	(24)
Income from sub-leasing of right-of-use assets	(24)	-	-	(24)

NOTE 12.5 – TRANSACTIONS IN FOREIGN CURRENCY

The table below shows the assets and liabilities from transactions in foreign currencies:

	06/30/2025	
<i>(in euro thousands)</i>	Assets	Liabilities
SEK	544,113	544,113
GBP	8,693	8,693
USD	105,396	105,396
CHF	42,754	42,754
NOK	95,993	95,993
AUD	2,437	2,437
Other currencies	38,003	38,003
Total	837,390	837,390

	12/31/2024	
<i>(in euro thousands)</i>	Assets	Liabilities
SEK	425,311	425,311
GBP	200	200
USD	56,313	56,334
CHF	39,388	39,388
NOK	127,086	127,086
AUD	-	-
Other currencies	27,751	27,751
Total	676,048	676,070

As at the reporting date, all assets and liabilities from transactions in foreign currencies were reported under financial assets and liabilities at fair value through profit or loss.

NOTE 12.6 – OFF-BALANCE SHEET TRANSACTIONS AND OTHER COMMITMENTS

In addition to the receivables and liabilities recognized in the statement of financial position, the Group has off-balance sheet transactions and other financial commitments. The overviews below present their term.

Contingent assets

	06/30/2025	<i>Thereof guarantee commitments received</i>	<i>Thereof commitments from certificate transactions whose value date has not yet been reached at the time of conclusion</i>
<i>(in euro thousands)</i>			
Due in less than 1 year	51,810		51,810
Due in 1 to 5 years	42,313	35,000	7,313
Due in more than 5 years	188,073	188,000	73
Total	282,196	223,000	59,196

	12/31/2024	<i>Thereof guarantee commitments received</i>	<i>Thereof commitments from certificate transactions whose value date has not yet been reached at the time of conclusion</i>
<i>(in euro thousands)</i>			
Due in less than 1 year	18,196	-	18,196
Due in 1 to 5 years	32,694	31,000	1,694
Due in more than 5 years	149,010	149,000	10
Total	199,900	180,000	19,900

Contingent liabilities and other commitments

Contingent liabilities are dominated by irrevocable loan commitments to customers with a nominal volume of EUR 174,940 thousand (December 31, 2024: EUR 217,052 thousand). An irrevocable loan commitment is the amount of the granted commitment that has not yet been drawn down and can no longer be revoked. In the event of drawdowns, SG Effekten is exposed to the risk that its receivable from the borrower less the collateral is no longer recoverable (see Note 4.8 for information on the recognition of risk provisions).

NOTE 13 – DISCLOSURES CONCERNING SIGNIFICANT RISKS

COUNTERPARTY DEFAULT RISK

Overview of counterparty default risk by item of the statement of financial position, based on carrying amounts.

<i>(in euro thousands)</i>	06/30/2025	12/31/2024
Financial assets measured at fair value through profit or loss	5,613,006	4,129,063
Hedging derivatives	-	-
Loans to and receivables from banks	147,606	175,750
Loans to and receivables from customers	3,944,524	3,952,208
Tax assets	15,834	3,465
Receivables from finance leases	442,339	452,116
Other assets	161,226	196,677
Total	10,324,535	8,909,279

In addition, there are irrevocable loan commitments to customers with a nominal volume of EUR 174,940 thousand (December 31, 2024: EUR 217,052 thousand).

Significant counterparty default risk exists only in the Financial Services to Corporates and Retail segment.

For estimating the regulatory capital requirements for calculating Risk-Weighted Assets (RWAs) and Expected Loss (EL), i.e. the loss that could arise in consideration of the quality of the transaction, the soundness of the counterparty and all measures taken to mitigate the risk, the RWA weightings are assigned on the basis of customer categories.

The credit value at risk with a confidence level of 99.90% at June 30, 2025 is presented in the table below:

<i>(In euro millions)</i>	Expected loss	Unexpected loss	Credit value at risk
Auto loans	18.6	20.2	38.8
Dealer financing	3.9	35.4	39.3
Auto leases	6.4	16.2	22.6
Overall portfolio as of 6/30/2025	28.9	71.8	100.7

<i>(In euro millions)</i>	Expected loss	Unexpected loss	Credit value at risk
Auto loans	19.7	21.6	41.3
Dealer financing	4.3	35.9	40.2
Auto leases	5.4	17.2	22.6
Overall portfolio as of 12/31/2024	29.4	74.7	104.1

The Group's portfolio in the area of sales financing is divided among individual and commercial customers. Commercial customers include small business owners and self-employed persons. Due to the broad diversification, we are exposed to relatively few individual risks in this area. Around 80% (December 31, 2024:

81%) of loan agreements with individual customers and 55% (December 31, 2024: 58%) with commercial customers (based on the number of agreements) have a loan volume of up to EUR 25 thousand.

The dealer financing portfolio comprises 714 dealers with granted credit lines totaling EUR 935 million (December 31, 2024: 754 dealers with EUR 978 million), of which around 36% (December 31, 2024: 41%) up to EUR 1 million. At the end of June 2025, the amount drawn down from these credit lines was EUR 554 million (December 31, 2024: EUR 583 million).

MARKET RISK

All market risk from issued warrants and certificates is fully hedged by means of hedging transactions entered into with Société Générale S.A., Paris. Therefore, there is no price, currency or interest rate risk.

The market risk of the Group's leasing business mainly includes the residual value risk assumed by the Group and, to a limited extent, currency risk and interest rate risk.

Residual value risk was assumed for 29% in the first half of the year (December 31, 2024: 32%).

Residual value risk is basically assumed for operating leases only and no financial instrument is recognized in such cases. If the residual value risk is secured (usually by means of guaranties or repurchase agreements with dealers), the corresponding lease is classified as a finance lease and therefore a financial instrument is recognized. However, the financial instrument itself is not subject to any market risk, but only potential counterparty default risk under guaranties.

The payment commitments resulting from the IT contracts represent the liabilities in GBP. To limit currency risk, a balance is maintained in GDP that matches the expected costs over a one-year time horizon. There is no other currency risk.

The interest rate risk is managed by means of an interest rate gap analysis. This is based on the change in the present value of assets and liabilities due to different variations in the yield curve (sensitivity analysis). The maximum change in value based on the assumed scenarios, which include in particular the scenarios required by the supervisory authority, amounted to EUR 6 million as of June 30, 2025 (December 31, 2024: EUR 9.5 million).

LIQUIDITY RISK

The Group funds its operations mainly through companies of the higher-ranking group. The principles and rules for managing liquidity risk are established at the level of the departments of Société Générale S.A., Paris.

As of June 30, 2025, SG Effekten had a credit line with Société Générale S.A. Frankfurt Branch in the amount of EUR 10 million, as well as credit lines in the Financial Services to Corporates and Retail segment in the amount of EUR 4,900 million, of which EUR 2,027 million had not been drawn down.

As of June 30, 2025, BDK had a credit line agreed with the SG Group in the total amount of EUR 3,680 million, of which EUR 1,570 million or 43% had been drawn down. A further EUR 1,971 million was financed via the securitization of auto loan receivables through asset-backed securities.

ALD LF has a credit line totaling EUR 1,220 million with the SG Group, of which EUR 800 million or 66% had been drawn down at the end of June 2025.

The risk of an unexpected increase in refinancing costs within the Group, which are charged via liquidity fees in addition to market rates, is calculated using a scenario for a shift in the overnight rate of +/-308 basis points and backed by equity in the internal capital adequacy calculation.

A risk potential of EUR 10.6 million (December 31, 2024: EUR 5.3 million) was calculated as a liquidity risk at the end of June 2025.

The primary goal of liquidity risk management is to secure the funding of the Group's activities at optimal costs, with well diversified liquidity risk and in compliance with legal requirements. The liquidity management system makes it possible to create a target structure consisting of assets and liabilities for the statement of financial position that conforms to the risk appetite defined by the Board of Directors.

- The structure of assets must enable the operating segments to develop their activity in a liquidity-conserving way and in conformance with the structure of the target value of liabilities. This development must be pursued in conformance with the liquidity bottlenecks specified within the Group (in a static or stress scenario) and the regulatory requirements.
- The structure of liabilities depends on the ability of the operating segments to borrow funds from banks and customers and the Group's ability to permanently borrow funds in the markets in accordance with its risk appetite. The control system relies on measuring and limiting the liquidity bottlenecks of the operating segments in reference scenarios or in stress situations, their financing needs within the Group, the financing borrowed by the Group in the market, the available suitable assets, and the contribution of the operating segments to the regulatory indicators.
- In conducting their activities, the operating segments must heed static bottlenecks in the event of lacking or low liquidity by turning to the parent company's central Treasury Department. Where appropriate, the Treasury Department can maintain a conversion or counter-conversion position, which it must monitor, manage, and control within the scope of the risk limits imposed on it.
- The internal liquidity stress tests conducted on the basis of systemic, specific, or combined scenarios are supported at the level of the parent company. They are used to ensure that the time horizon established by the Board of Directors for the company's continuation as a going concern is met, and to calibrate the amount of the liquidity reserve. They are supported by a Contingency Funding Plan, which defines the measures to be taken in the event of a liquidity crisis.

- The financing requirements of the operating segments (short-term and long-term) are limited in accordance with the business development objectives and in accordance with the capacities and objectives for the Group's borrowing of funds.
- A long-term funding plan is prepared to cover future redemptions and fund the growth of the operating segments.
- The Group's short-term funds are scaled in such a way as to fund the short-term needs of the operating segments over the time horizons corresponding to asset management and in line with the requirements applicable to the business. As mentioned above, they are scaled on the assets side according to the liquidity reserve and in accordance with the specified survival horizons under stress conditions and the target set for the regulatory liquidity ratios (LCR/NSFR).
- Finally, the liquidity costs are limited by the internal funding scale. The funds allocated to the operating segments are charged to them on the basis of scales that reflect the Group's liquidity costs. The goal of this system is to optimize the use of external funding sources by the operating segments. It serves to control the equilibrium of financing in the statement of financial position.

According to the assessment of the individual Group companies and the Société Générale Effekten GmbH Group, the Group is currently not exposed to any discernible liquidity risks.

The maturities of the Group's receivables and liabilities at June 30, 2025 are presented in the table below:

Receivables:

	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	06/30/2025
<i>(in euro thousands)</i>					
Financial assets measured at fair value through profit or loss	630,985	1,157,111	675,704	3,149,206	5,613,006
Thereof derivatives	630,985	1,515,596	617,687	3,129,835	5,531,103
Thereof other assets	-	4,515	58,017	19,369	81,901
Hedging derivatives	-	-	-	-	-
Receivables from banks at amortized cost	130,564	6,337	9,005	1,700	147,606
Loans to and receivables from customers at amortized cost	705,090	1,048,097	2,140,237	51,100	3,944,524
Receivables from finance leases	36,967	107,429	299,414	(1,471)	442,339
Other assets	198,525	62,445	111,966	11,356	384,292
Total receivables	1,702,131	2,381,420	3,236,326	3,211,891	10,531,767

	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	12/31/2024
<i>(in euro thousands)</i>					
Financial assets measured at fair value through profit or loss	639,663	762,450	327,327	2,399,623	4,129,063
<i>Thereof derivatives</i>	639,663	762,350	267,464	2,378,649	4,048,126
<i>Thereof other assets</i>	-	100	59,863	20,974	80,937
Hedging derivatives	-	-	-	-	-
Receivables from banks at amortized cost	171,168	2,165	2,417	-	175,750
Loans to and receivables from customers at amortized cost	685,777	1,097,149	2,115,090	54,192	3,952,208
Receivables from finance leases	36,344	114,747	302,238	(1,213)	452,116
Other assets	160,604	145,558	121,233	11,748	439,143
Total receivables	1,693,556	2,122,069	2,868,305	2,464,350	9,148,280

Liabilities:

	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	06/30/2025
<i>(in euro thousands)</i>					
Financial liabilities measured at fair value through profit or loss	632,001	1,152,596	617,687	3,128,949	5,531,233
<i>Thereof derivatives</i>	632,011	1,152,596	617,687	3,128,949	5,531,233
Hedging derivatives	11,750	-	-	-	11,750
Securitized liabilities	205,066	584,976	1,183,098	-	1,973,140
Liabilities to banks	519,615	752,067	1,321,825	213,449	2,806,956
Liabilities to customers	19	-	-	-	19
Other liabilities	103,578	41,400	47,982	24,715	217,676
Total liabilities	1,472,029	2,531,040	3,170,592	3,367,113	10,540,774

	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	12/31/2024
<i>(in euro thousands)</i>					
Financial liabilities measured at fair value through profit or loss	637,633	761,242	267,464	2,379,828	4,046,167
<i>Thereof derivatives</i>	637,633	761,242	267,464	2,379,828	4,046,167
Hedging derivatives	10,542	-	-	-	10,542
Securitized liabilities	168,785	539,038	848,726	-	1,556,549
Liabilities to banks	532,006	841,890	1,696,752	222,965	3,293,613
Liabilities to customers	25	-	-	-	25
Other liabilities	65,693	95,469	50,480	11,413	223,055
Total liabilities	1,414,684	2,237,639	2,863,422	2,614,206	9,129,951

RISKS IN CONNECTION WITH LEGAL DISPUTES

In financial year 2020, SGSS and its parent company became aware of a potential liability case totaling EUR 60.0 million. This related to a fund managed by SGSS as asset management company. A provision was recognized in the corresponding amount. The shareholder had issued a guarantee for this legal dispute, meaning that the Group had recognized sufficient provisions for this eventuality and ruled out an economic burden. The reimbursement right from the guarantee was therefore recognized in the corresponding amount of the provision (EUR 60 million). The guarantee totaled EUR 120 million and was limited until June 30, 2026. The liability creditor subsequently reduced the liability amount to EUR 59.2 million, and SGSS made a payment of EUR 19.7 million in July 2025. In a letter dated July 31, 2025, the liability creditor confirmed that the liability amount of EUR 59.2 million had been paid in full with legally binding effect and that the joint and several liability was thus extinguished. Consequently, the liability creditor has no further claims against SGSS in relation to the fund.

With regard to further disclosures on the legal dispute, the company makes use of the safeguard clause in accordance with IAS 37.92.

NOTE 14 – RELATED-PARTY TRANSACTIONS

Both natural persons and entities which the Group controls or has significant influence over and natural persons and entities which control the Group itself or have significant influence over it are deemed to be related parties within the meaning of IAS 24.

The related parties of the Group include:

- Persons in key positions and their close family members;
- The higher-ranking parent company Société Générale and companies of the same corporate group;
- Companies of the same corporate group as Société Générale Effekten GmbH (subsidiaries).

BUSINESS DEALINGS WITH RELATED PERSONS IN KEY POSITIONS

The Managing Directors are regarded as members of the company in key positions of SG Effekten GmbH. As of June 30, 2025, the Managing Directors received compensation totaling EUR 7.2 thousand as short-term benefits for the first half of the financial year (see Note 16). As of June 30, 2025, liabilities for salaries totaling EUR 7.2 thousand were owed to the Managing Directors.

The current Managing Directors Mr. Helmut Höfer and Mr. Timo Felix Zapf are employees of Société Générale S.A., Frankfurt am Main branch (parent company of Société Générale Effekten GmbH).

BUSINESS DEALINGS WITH SUBSIDIARIES

All direct subsidiaries are included in the consolidated interim financial statements of SG Effekten and are consolidated so that any transactions with subsidiaries are eliminated as intra-group balances and therefore do not have to be disclosed here.

BUSINESS DEALINGS WITH COMPANIES OF THE SAME CORPORATE GROUP

The parent company Société Générale Effekten GmbH is a wholly owned subsidiary of Société Générale Frankfurt, a branch of Société Générale S.A. Paris. For this reason, it is fully consolidated in the higher-ranking consolidated interim financial statements. The business object of the Company comprises the issuance of warrants and certificates, all of which are sold via the parent company Société Générale S.A., Paris, and via Group companies. All counterparties are wholly owned subsidiaries of Société Générale S.A., Paris, or the parent company itself. The Company conducts hedging transactions with Société Générale S.A., Paris, in relation to the issued warrants and certificates.

An overview of the subsidiaries and associates of Société Générale Effekten GmbH is presented in the description of the consolidation group (see Note 2).

Transactions conducted with companies of the same corporate group

	Parent company (incl. branches)	Associated companies (ALD DL)	Companies in the same group of companies	Other related companies	Existing balances at 06/30/2025
<i>(in euro thousands)</i>					
Assets	6,359,593	-	1,632	(879)	6,360,346
<i>Thereof financial assets measured at fair value through profit or loss</i>	<i>6,001,635</i>	-	-	<i>2,000</i>	<i>6,003,635</i>
<i>Thereof receivables from banks at amortized cost</i>	<i>96,207</i>	-	-	-	<i>96,207</i>
<i>Thereof other assets</i>	<i>261,751</i>	-	<i>1,632</i>	<i>(2,879)</i>	<i>260,504</i>
Liabilities*	6,142,154	-	801	1,259	6,144,214
<i>Thereof financial liabilities measured at fair value through profit or loss</i>	<i>3,309,484</i>	-	-	-	<i>3,309,484</i>
<i>Thereof liabilities to banks</i>	<i>2,790,523</i>	-	-	-	<i>2,790,523</i>
<i>Thereof other liabilities</i>	<i>42,147</i>	-	<i>801</i>	<i>1,259</i>	<i>44,207</i>
Expenses	(20,905,582)	-	(2,296)	(2,504)	(20,910,382)
<i>Thereof interest and similar expenses calculated using the effective interest method</i>	<i>(50,833)</i>	-	-	-	<i>(50,833)</i>
<i>Thereof commission expenses</i>	<i>(8)</i>	-	-	<i>(1,790)</i>	<i>(1,798)</i>
<i>Thereof net losses from financial instruments measured at fair value through profit or loss</i>	<i>(20,812,510)</i>	-	-	-	<i>(20,812,510)</i>
<i>Thereof expenses from other activities</i>	<i>(42,231)</i>	-	<i>(2,296)</i>	<i>(714)</i>	<i>(45,241)</i>
Income	20,692,857	-	322	3,588	20,696,767
<i>Thereof interest and similar income calculated using the effective interest method</i>	<i>135,801</i>	-	-	-	<i>135,801</i>
<i>Thereof commission income</i>	<i>4,129</i>	-	-	<i>3,177</i>	<i>7,306</i>
<i>Thereof net gains from financial instruments measured at fair value through profit or loss</i>	<i>20,551,013</i>	-	-	-	<i>20,551,013</i>
<i>Thereof income from other activities</i>	<i>1,914</i>	-	<i>322</i>	<i>411</i>	<i>2,647</i>

* Placements with third parties are subtracted from the amounts of liabilities.

	Parent company (incl. branches)	Associated companies (ALD DL)	Companies in the same group of companies	Other related companies	Existing balances at 12/31/2024
<i>(in euro thousands)</i>					
Assets	4,905,544	1,004	70	82,007	4,988,625
<i>Thereof financial assets measured at fair value through profit or loss</i>	4,560,833	1,004	-	81,933	4,643,770
<i>Thereof receivables from banks at amortized cost</i>	129,794	-	-	-	129,794
<i>Thereof other assets</i>	214,917	-	70	74	215,061
Liabilities*	5,716,943	-	931	3,534	5,721,408
<i>Thereof financial liabilities measured at fair value through profit or loss</i>	2,368,344	-	-	-	2,368,344
<i>Thereof liabilities to banks</i>	3,287,428	-	-	-	3,287,428
<i>Thereof other liabilities</i>	61,171	-	931	3,534	65,636
Expenses	(41,182,185)	-	(4,298)	(2,271)	(41,188,748)
<i>Thereof interest and similar expenses calculated using the effective interest method</i>	(85,324)	-	-	-	(85,324)
<i>Thereof commission expenses</i>	(1,613)	-	-	(13)	(1,626)
<i>Thereof net losses from financial instruments measured at fair value through profit or loss</i>	(41,094,415)	-	-	(143)	(41,094,558)
<i>Thereof expenses from other activities</i>	(833)	-	(4,298)	(2,115)	(7,246)
Income	39,397,045	-	2,528	14,262	39,413,936
<i>Thereof interest and similar income calculated using the effective interest method</i>	1,637,018	-	-	-	1,637,018
<i>Thereof commission income</i>	7,099	-	-	13,799	20,898
<i>Thereof net gains from financial instruments measured at fair value through profit or loss</i>	37,749,988	-	-	-	37,749,988
<i>Thereof income from other activities</i>	2,940	-	2,528	463	5,931

* Placements with third parties are subtracted from the amounts of liabilities.

Other transactions with related companies include:

- Fiduciary transactions with Société Générale S.A., Paris (see Note 15);
- Guarantee of Société Générale S. A., Frankfurt branch (see Note 13);
- Liability from the profit transfer agreement to Société Générale S. A., Frankfurt branch (see Note 7.3);
- Intra-Group lines of credit (see Note 13).

NOTE 15 – FIDUCIARY BUSINESS

In addition to the transactions presented in the statement of financial position, the Group operates under a fiduciary agreement with the sole shareholder Société Générale S.A., Paris. As part of this fiduciary activity, Société Générale Effekten GmbH handles the issuance of debt instruments in its own name and for account of Société Générale S.A., Paris. The certificates issued under fiduciary transactions are offset by hedging transactions of the same amount. These transactions are not recognized in the statement of financial position because the Company has no control over them. The volume of fiduciary transactions measured at fair value amounted to EUR 429,048 thousand as at the reporting date (December 31, 2024: EUR 207,814 thousand) and is included in the transactions conducted with companies of the same corporate group in Note 14.

NOTE 16 – MANAGEMENT REMUNERATION

Société Générale S.A. Frankfurt branch received EUR 600 per month per managing director for the managing director activity. Total remuneration therefore amounted to EUR 7.2 thousand in the first half of the 2025 financial year (December 31, 2024: EUR 16.8 thousand).

NOTE 17 – SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date of June 30, 2025.

Frankfurt am Main, September 26, 2025

The Management

Société Générale Effekten GmbH

Helmut Höfer

Timo Felix Zapf

Responsibility Statement of the Legal Representatives

We warrant to the best of our knowledge that the consolidated interim financial statements give a true and fair view of the Group's financial position, cash flows and financial performance in accordance with applicable accounting principles, and that the Group management report provides an appropriate view of the Group's business performance, including its results and position, and appropriately presents the principal opportunities and risks of the Group's anticipated future development.

Frankfurt am Main, September 26, 2025

The Management

Société Générale Effekten GmbH

Timo Felix Zapf

Helmut Höfer