Société Générale Effekten GmbH
Frankfurt am Main

Amended Group Management Report
for the financial year from January 1 to December 31, 2024

A. Basic information about the Group

I. Preliminary remarks

Société Générale Effekten GmbH (SGE), Frankfurt am Main, acquired the equity of Société Générale Securities Services GmbH (SGSS), Aschheim, and ALD Lease Finanz GmbH (ALD LF), Hamburg, including its subsidiaries, with the execution of the purchase agreement on January 1, 2017. Based on the rules set forth under Section 290 of the German Commercial Code (*Handelsgesetzbuch*, HGB) and Section 117 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG), SGE is obligated to prepare consolidated financial statements and a Group management report at December 31, 2024.

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 100% subsidiary of Société Générale S.A. Frankfurt, which is a branch of Société Générale S.A., Paris (SG). The business purpose of the Company is the issuance and sale of securities and the acquisition, sale, holding, and management of equity interests.

The securities issued by SGE are offered publicly in one or more countries of the European Economic Area or Switzerland. Moreover, SGE may apply to have its securities admitted to trading in an organized market or multilateral trading system in the European Economic Area or a Swiss stock exchange. At the present time, SGE's securities are admitted for trading on the stock exchanges in Frankfurt, Stuttgart, Madrid, Barcelona, Milan, Paris, Stockholm, and Zurich.

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

The parent company guarantee can be viewed at:

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

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

ALD LF is an independent automobile leasing company not affiliated with any manufacturers and has its registered head office in Hamburg. Its aspiration is to promote the independence of car dealerships with its service portfolio and to increase their profitability.

Together with cooperation partners, particularly 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 products in the dealership (sales financing and leasing, purchase financing, and insurance) that enhance the loyalty of customers to the dealership and thus increase earning opportunities. As a subsidiary of ALD LF, BDK also works together with several manufacturers and importers, assuming a portion of the captive business up to and including the complete services of a manufacturer bank.

Digital services, which support dealers in the digital transformation by enabling them to effectively reach customers online, are an important part of our product portfolio. Such products include the DIGEO New Car Configurator and the DIGEO Customer Calculator as tools to be integrated into dealers' websites, the omni-channel solution ju-connect, the digital financing application, and our used car platform JuhuAuto.

All essential sales and processing functions are performed as part of the services provided by employees of BDK. Therefore, the cooperation partners and customers receive the services for all products from one 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). The business model of SGSS involved the management of investment funds under the so-called Master AMC Model, as well as the in-sourcing of fund management from other asset management companies. Direct investments continued to be managed. This service was provided primarily to European customers. The AMC business and the administration of direct investments were completely discontinued as of 12/31/2022.

The discontinuation of all the business operations of SGSS as of 12/31/2013 was decided by resolution of the Supervisory Board dated 11/14/2022 and by resolution of the shareholder on the same date. After that, the company will be continued only on an administrative basis. The operating divisions have been terminated.

The shareholder has promised to support an orderly process until the final liquidation of the company and to maintain the existing profit transfer agreement until that time. Sufficient liquidity will be assured by absorbing the losses incurred under the profit transfer agreement.

III. Internal management system

Due to the different business models of the individual Group companies, Group management is carried out locally in the individual segments and a differentiation is made between the segments of 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). Please refer to our comments in B. IV. for the performance indicators and key figures applied with respect to these management activities.

B. Economic report

I. General economic conditions and sector-specific environment

The recession that began in Germany in 2023 continued in 2024. After contracting by 0.3% in 2023, German gross domestic product contracted further by 0.2% in 2024.[1] Geopolitical difficulties, particularly the Ukraine war and the Middle East conflict, are major factors contributing to the ongoing decline in economic growth, although other factors such as the political debates in Germany concerning migration, economic policy, and government spending are also significant. The political strife climaxed in December 2024 when the so-called "traffic-light coalition" of German political parties fell apart, leading to the dissolution of the German parliament and the announcement of new elections to be held in February 2025.[2] The difficult political situation within Germany caused great uncertainty among businesses and the population at large. Declining construction investment, business investment, and exports, particularly to China, are other key factors contributing to the weakness of the German economy.[3]

The inflation rate in Germany was considerably lower in 2024 than in 2023. Whereas inflation reached 5.9% in 2023, the inflation rate in 2024 was only 2.2%. The prices of energy products fell by 3.2% in 2024 after having risen sharply again in 2023. On the other hand, prices for services increased substantially by 3.8%.[4] In reaction to the declining rate of inflation, the European Central Bank began to lower interest rates for the first time in June 2024.[5] After five further rate cuts, the base interest rate after the last interest rate cut in March 2025 came to 2.65%.[6]

The state of the German economy is still heavily influenced by the country's two biggest trade partners, China and the United States. China's economy is estimated to have grown by 5% in 2024, which is somewhat slower than the 5.2% growth registered in 2023 and only barely hitting the stated growth target of 5%. Chinese gross domestic product recovered in the fourth quarter of 2024 after contracting in the second and third quarters.[7] Since April 2024, moreover, Chinese exports have risen sharply by 10.7% as of December 2024, after the substantial 5% decrease in 2023.[8] However, the volume of trade between Germany and China fell by 3.1% in 2024, so that the United States was again Germany's biggest trading partner in 2024 for the first time since 2015.[9] Accordingly, the forecasts for China's growth potential in 2025 are rather pessimistic, averaging only 4.4%.[10]

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1 German Federal Office of Statistics (01/15/2025). Gross Domestic Product Declined by 0.2% in 2024. https://www.destatis.de/DE/Presse/Pressekonferenzen/2025/bip2024/pm-bip.pdf?__blob=publicationFile&v=6 (02/20/2025).

2 German Federal Parliament (12/27/2024). Steinmeier Announces Dissolution of the German Federal Parliament and New Elections. https://www.bundestag.de/presse/hib/kurzmeldungen-1035368 (02/21/2025).

3 Hamburg Institute of International Economics (December 2024). Economic Forecast Germany Winter 2024". https://www.hwwi.org/wp-content/uploads/2024/12/HWWI_Konjunkturprognose_4_2024.pdf (03/31/2025).

4 German Federal Office of Statistics (01/16/2025). +2.2% Inflation Rate in 2024. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_020_611.html (02/20/2025).

5 European Central Bank (06/06/2024) Monetary Policy Decisions. https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp240606~2148ecdb3c.de.html (02/20/2025).

6 European Central Bank (03/06/2025). Monetary Policy Decisions. https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.mp250306~d4340800b3.de.html (03/12/2025).

7 Statista (01/17/2025). China: Growth of Real Gross Domestic Product (GDP) from Q4 2021 to Q4 2024. https://de.statista.com/statistik/daten/studie/179388/umfrage/wachstum-des-bruttoinlandsprodukts-bip-in-china-nach-quartalen/ (02/21/2025).

8 Statista (02/14/2025). China: Relative Change in Export Volume from December 2023 to December 2024. https://de.statista.com/statistik/daten/studie/173902/umfrage/veraenderung-der-monatlichen-exporte-aus-china-gegenueber-dem-vorjahresmonat/ (02/21/2025).

9 German Federal Office of Statistics (02/19/2025). After Nine Years, United States is Again Germany's Most important Trading Partner in 2024. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/02/PD25_063_51.html (02/21/2025).

10 German Economic Institute (02/21/2025) 5-Percent Target Just Barely Achieved: China's Growth Is Running Out of Steam. https://www.iwkoeln.de/studien/gero-kunath-chinas-wachstum-geht-die-puste-aus.html (02/21/2025).

The U.S. economy expanded by 2.8% in 2024.[11] As in Germany, inflation also subsided in the United States compared to the previous year.[12] For this reason, the U.S. central bank has likewise lowered its base interest rate in several steps since September 2024.[13]

Gross domestic product in the Eurozone expanded by 0.7% and in the EU by 0.9% in 2024.[14] In both these cases, the rate of economic growth exceeded that in 2023. The EU-wide unemployment rate was 5.9%, corresponding to about 13 million unemployed persons, in November 2024. As in the previous year, the Eurozone unemployment rate of 6.3% was again higher than the EU-wide unemployment rate.[15]

Issuance business

With a market share of currently 21%, SG Effekten GmbH is the European market leader in public distribution, being represented in more than 20 countries, and it has received multiple awards as Europe's best issuer of certificates. Thanks to significant structural growth potential in the coming years, SG Effekten GmbH is ideally positioned to continue playing a leading role in the European issuance market.

SGE's objective is to continually extend the Company's market position in Germany and in the European market for listed products and to become a leading issuer.

The complexity of regulation and supervision remains very high (capital requirements, detailed requirements for risk management systems; information and frequency of disclosure obligations, amended prospectus laws). Under a European Union Directive (2020/1989), the Company is obligated to publish its consolidated financial statements and Group management report in the Register of Companies (Register of Companies) in the new European Single Electronic Format (ESEF).

Automobile industry

In total, 2,817,331 new cars were registered in 2024, that being 1.0% less than in the previous year.

After the discontinuation of government subsidies in 2023, the share of battery electric vehicles (BEVs) fell sharply to 13.5% (PY: 29.5%). Hybrid electric vehicles (HEVs) accounted for 33.6% (PY: 29.5%) of new car registrations.

At 35.2%, gasoline-powered automobiles represented a higher share of new car registrations than in the previous year (34.4%); diesel-powered automobiles accounted for 17.2% (PY: 17.1%) of total new car registrations.

In the category of import brands, Peugeot (+44%), Volvo (+39,3 %), and Citroen (+32,9%) increased their new vehicle registrations. Polestar (-49.4%) and Tesla (-41.0%) saw

[11] Bureau of Economic Analysis (01/30/2025). Gross Domestic Product, 4th Quarter and Year 2024 (Advance Estimate). https://www.bea.gov/news/2025/gross-domestic-product-4th-quarter-and-year-2024-advance-estimate (02/21/2025).
[12] Statista (01/14/2025). Monthly 12-month Inflation Rate in the United States from November 2020 to November 2024. https://www.statista.com/statistics/273418/unadjusted-monthly-inflation-rate-in-the-us/ (02/24/2025).
[13] Statista (02/04/2025). Monthly Federal Funds Effective rate in the United States from July 1954 to January 2025. https://www.statista.com/statistics/187616/effective-rate-of-us-federal-funds-monthly/ (02/24/2025).
[14] Eurostat (02/14/2025). 0.1% Rise in Eurozone GDP and Employment. https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-14022025-ap (02/24/2025).
[15] Eurostat (01/07/2025). 6.3% Unemployment Rate in the Eurozone. https://ec.europa.eu/eurostat/de/web/products-euro-indicators/w/3-07012025-bp (02/24/2025).

considerably fewer new vehicle registrations. Fiat (-24.8%), Renault (-20.4%), and Hyundai (-9.4%) also had fewer new registrations.

The used-car market expanded by 7.4% to 6,479,953 title transfers.

As a brand-independent automobile financier, the Group company ALD LF issued fewer new car loans than in the previous year and thus underperformed the market.

Asset Management

Due to the discontinuation of customer-related business activities as of December 31, 2023, the developments of the investment fund industry are no longer relevant to the economic situation of Société Générale Securities Services GmbH.

II. Business developments

Global Banking and Investor Solutions

Issuance activity in financial year 2024 increased by 29.4% over the level of the previous year (2024: 704,342 issued products; 2023: 544,197 issued products). The increased issuance activity is attributable to the high level of customer activity, which led to an expansion of the program.

In total, 31,345 investment products (PY: 28,925) were issued in 2024. In the category of products without capital protection, 15,012 products were issued as discount certificates, 13,068 products as bonus certificates, 2,492 products as reverse convertibles, 383 products as index/participation certificates, and 7 products as express certificates. In the category of products with capital protection, 383 products were issued as capital protection certificates.

Furthermore, 672,997 leverage products were issued (PY: 515,272). In addition to 463,119 products with knock-out options, 157,601 products were issued as warrants, and 52,277 products as factor certificates in the category of products without knock-out options.

The German market accounted for 79% of total issuance activity and foreign markets for 21% (of which: 49% France, 30% Scandinavian market, 9% Switzerland, 3% Benelux, 4% Iberian market, 5%Italy).

The subsidiary ALD Finanz Lease GmbH, Hamburg, acquired in 2017 continued to hold its own in a difficult market environment, although its profits declined. The profit decrease resulted mainly from the smaller lease portfolio, lower loan volumes of the subsidiary BDK, and lower results from the resale of leased vehicles at the end of their lease terms. The impairment loss of EUR 515 thousand recognized previously in the Group’s equity stake in Société Générale Securities Services GmbH, which reduced the purchase price to EUR 1.00, was reaffirmed on the basis of the expected trend of future profits.

In view of the expanded level of issuance activity, the Group’s overall performance in the 2024 financial year can be regarded as positive.

Financial Services to Corporates and Retails

The volume of new sales financing loans reached EUR 1,223 million in 2024, that being 1% less than in the previous year.

The volume of loan receivables in the sales financing segment declined by 5.6% to EUR 3,425 million (2023: EUR 3,630 million), while the number of loan accounts declined by 10.7% to 269,688 (2023: 301,836).

As a result of repeatedly raising our interest rates in 2023 in reaction to the sharp rise in funding costs, we lost more dealers as active intermediaries than we had expected. In the past financial year, we offered basically competitive terms and were able to increase the volume of new loans with special, limited-duration campaigns.

However, we were not able to achieve the substantial increase in new loans that we had anticipated at the date of the previous year's annual report.

After having risen in financial year 2023, dealers' inventories normalized in the past financial year.

Accordingly, the utilization of purchase financing loans declined by 24% to EUR 583 million at the end of 2024. This was in line with our expectations at the date of the previous year's annual report.

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

Financial year	2020	2021	2022	2023	2024
Portfolio additions	19,456	17,024	12,975	11,153	8,806
Vehicle portfolio	75,141	67,782	60,075	50,663	39,269

Asset Management

The purpose of Société Générale Securities Services GmbH is to fulfill the commitments to former investors of domestic investment funds and EU investment funds that had been managed by the Company in the past, and to fulfill the commitments arising after the termination of the business relationship with other customers for which the Company had performed other activities related directly to the administration of investment funds.

Income was generated primarily from the reversal of provisions. Therefore, the profit as at December 31, 2024 amounted to EUR 2.9 million. Net banking income declined by -74.1% from the previous year to EUR 2.7 million. Operating expenses declined from EUR -19.5 million to EUR +0.1 million.

Overall assessment

In consideration of the developments in the individual segments described above, the Group's business performance is to be considered satisfactory in the 2024 financial year from the perspective of the Management, despite the difficult economic conditions.

III. Financial position, cash flows and liquidity position, financial performance

a) Financial performance

The SGE Group's financial performance encompasses the period from January 1 to December 31, 2024.

	In EUR millions 2024	In EUR millions 2023
Net interest income	111	141
Net commission income	12	13
Net result from financial transactions	0	2
Result from other activities	9	5
Net banking income	**131**	**161**
Personnel expenses	(48)	(54)
Other administrative expenses	(27)	(27)
Depreciation, amortization and impairments	(6)	(6)
Gross operating result	**50**	**74**
Risk expenses	(9)	(9)
Operating result	**42**	**65**
Net result from discontinued operations	3	11
Earnings before taxes	**44**	**54**
Net profit/loss (Group share)	**44**[16]	**54**[17]

Net interest income in the 2024 financial year amounted to EUR 111 million and was mainly generated in the lending and leasing business of the Financial Services to Corporates and Retail segment. Net commission income amounted to EUR 12 million in financial year 2024. It was mostly generated in the Financial Services to Corporates and Retails segment.

The result from other activities in the amount of EUR 9 million is mainly attributable to the Financial Services to Corporates and Retail segment and particularly includes expenses and income from operating leases under lessor relationships.

Consolidated net banking income amounted to EUR 131 million.

Key expense items in the Group include personnel expenses and other administrative expenses. Personnel expenses amounted to EUR 48 million and other administrative expenses amounted to EUR 27 million, both incurred primarily in the Financial Services to Corporates and Retail and Asset Management segments.

[16] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[17] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

After taking non-controlling interests into account, the Group's net profit amounted to EUR 44[18] million in financial year 2024.

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

Global Banking and Investor Solutions

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

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

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

This segment incurred a loss of EUR 5.7 million in financial year 2024. This loss is mainly attributable to the difference in income collected under the cost-plus arrangement, losses on financial instruments measured at fair value through profit or loss, and interest expenses of EUR 6.1 million for the loan extended by Société Générale S.A. Frankfurt for the acquisition of equity interests in ALD LF and SGSS.

Financial Services to Corporates and Retails

Net interest income declined from EUR 141 million in the previous year to EUR 117 million in 2024.

Net commission income fell to EUR 12 million from the previous year. The decrease was due to the lower volume of new business and the lower level of commissions resulting from the amended Insurance Mediation Directive as of July 1, 2022, which had the effect of reducing the amount of commissions.

Risk provisions amounted to EUR 8.5 million in 2024 (PY: EUR 9.3 million).

The segment's net banking income amounted to EUR 46.9[19] million (PY: EUR 69.1[20] million).

Asset Management

The Asset Management segment generated net banking income of EUR 2.7 million in financial year 2024, mainly from commission income in the amount of EUR +1.7 million, net interest income and similar income in the amount of EUR -0.3 million, and income from other activities in the amount of EUR +2.3 million, which was partially reduced by expenses for other activities in the amount of EUR -1.0 million.

[18] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[19] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[20] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

Total expenses amounted to EUR +0.1 million (net profit) in financial year 2024. They were mainly composed of administrative expenses in the amount of EUR -1.6 million, depreciation, amortization and impairments of non-current assets in the amount of EUR -0.4 million, and employee benefits in the amount of EUR -0.2 million. These expenses were more than offset by expenses charged to other companies of the Group (EUR +2.4 million). This profit consisted of reversals of unutilized provisions from 2023.

Overall, a profit of EUR 2.9 million was generated in discontinued operations.

b) Cash flows and liquidity position

The nature and execution of the Group's business activities are oriented towards 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 segment of Global Banking and Investor Solutions, cash transactions involving warrants and certificates arise from the issues and the corresponding hedging transactions, the payment of personnel expenses and other operating expenses, and the charging of these 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 borrows funds particularly from Société Générale S.A., Paris, at a fixed interest rate with bullet maturity or an amortizing structure to fund its leasing activities. We adhere to the principle of funding based primarily on matching maturities.

Credit lines have also been agreed with Société Générale S.A. and other financial institutions in order to ensure basic liquidity on the basis of the business plan. At the reporting date, Société Générale S.A. Frankfurt Branch disposed of a credit line with SG Effekten in the amount of EUR 10 million, of which EUR 4,352 thousand had been drawn down at the reporting date, and credit lines in the Financial Services to Corporates and Retails segment totaling EUR 4,900 million, of which EUR 2,027 million had not been drawn down.

In the Financial Services to Corporates and Retails segment, we also use the instrument of securitized loan receivables. To date, receivables have been bundled and publicly placed in 11 special-purpose entities under the name "Red & Black", which are used for the securitizations of the Société Générale Group. There were four active special-purpose entities (PY: four active special-purpose entities) at the reporting date. They amounted to EUR 1,556 million at the reporting date (PY: EUR 1,758 million).

The Group held liquid funds of EUR 138.6 million at December 31, 2024 (December 31, 2023: EUR 82.6 million) (see Note 4.4).

Liabilities to banks fell to EUR 3,294 million at December 31, 2024 (December 31, 2023 : EUR 3,546 million), mainly due to lower term deposits.

Compared to December 31, 2024, other liabilities decreased by EUR 125.3 million to EUR 144.1 million (see Note 7.3).

Provisions amounted to EUR 77.3 million (December 31, 2023: EUR 83.8 million).

Off-balance sheet transactions and other commitments in the form of guarantee commitments and certificate transactions amounted to EUR 200 million at December 31, 2024.

c) Financial position

The statement of financial position mainly includes the item of issued securities and the associated hedging transactions; the amount of the latter varies in dependence on the Group's issuance activity.

Compared to December 31, 2024, total assets rose by EUR 98.3 million to EUR 9,148 million. This increase resulted mainly from the increase in financial assets measured at fair value through profit or loss.

Compared to December 31, 2024, receivables from customers decreased by EUR 388.3 million to EUR 3,952 million. These receivables mainly consisted of installment loans in connection with sales financing in the Financial Services to Corporates and Retail segment. The loans granted in sales financing were installment loans with pre-agreed terms and fixed interest rates.

Receivables from banks in the amount of EUR 138.6 million mainly consisted of short-term deposits at Société Générale S.A. and Deutsche Bank AG.

The noncurrent assets of EUR 237.4 million (December 31, 2023: EUR 319.7 million) consisted mainly of lease assets in the amount of EUR 207.8 million (December 31, 2023: EUR 286.9 million), and intangible assets in the amount of EUR 1.9 million (December 31, 2023: EUR 2.5 million).

Receivables under leases amounted to EUR 452.1 million at December 31, 2024 (December 31, 2023: EUR 495.9 million).

Other assets (EUR 197 million) consisted mainly of prepaid expenses in the amount of EUR 81 million (December 31, 2023: EUR 80 million) and Other receivables in the amount of EUR 118 million (December 31, 2023: EUR 217 million), less impairments of EUR 2 million (December 31, 2023: EUR 3 million).

The liabilities of EUR 9,130million consisted mainly of financial liabilities measured at fair value through profit or loss in the amount of EUR 4,046 million and liabilities to banks in the amount of EUR 3,294million resulting from the funding of the lending and leasing business and the borrowing of loans to acquire subsidiaries.

The Group's equity amounted to EUR 18 million at December 31, 2024 (December 31, 2023: EUR 15 million). For more information on this subject, please refer to Note 10 of the notes to the consolidated financial statements and the statement of changes in equity.

Overall assessment

In consideration of the developments in the individual segments described above, both the Group's business performance and its financial position, financial performance, and cash flows in the 2024 financial year are to be assessed as satisfactory on the whole from the perspective of the Management.

IV. 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 of 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 management of the issuance vehicle is based on the engineering of new products and the related, targeted placement of securities with investors. The issuance volume as measured by the number of products issued is applied as the key performance indicator for SGE.

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 is continuously adjusting its systems and control procedures and adding to its internal procedures as needed. Financial accounting processes and controls are continually reviewed and adjusted when necessary. No other non-financial performance indicators are used.

Financial Services to Corporates and Retails

The net result, the cost/income ratio, return on equity (RoE), and the volume of new business are applied as financial performance indicators in the Financial Services to Corporates and Retails segment.

The net result of EUR 46.9[21] million in 2024 was modestly lower than in the previous year (EUR 69.1[22] million). The net result for 2024 had been forecast to be EUR 36.7 million.

The RoE is the ratio of the result after taxes, including subsidiaries, to standardized equity. The RoE before profit transfer had been forecast to be 10% in financial year 2024. The realized RoE of 9.7% was slightly below the forecast.

The C/I ratio of 62% was slightly better than in 2023 (63.7%). The C/I ratio for financial year 2024 had been forecast to be 61.5%.

The number of new leases is applied as another key performance indicator. 8,806 new leases and 64,370 new financing agreements were concluded in financial year 2024. 13,392 new leases and 88,214 new financing agreements had been forecast for 2024.

Asset Management

The service offering of Société Générale Securities Services GmbH was completely discontinued as of December 31, 2023. The purpose of Société Générale Securities Services GmbH is to fulfill the commitments to former investors of domestic investment funds and EU investment funds that had been managed by the Company in the past, and to fulfill the commitments arising after the termination of the business relationship with other customers for which the Company had performed other activities related directly to the administration of investment funds. For this reason, neither financial nor non-financial performance indicators are applied for SGSS.

[21] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[22] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

C. Report on the future development, opportunities and risks of the Group

I. Expected development of the Group (Forecast Report)

General economic conditions

The adverse factors that led to a contraction of gross domestic product in 2024 will continue to influence the German economy in 2025. Nonetheless, Germany could experience a modest economic upturn in the first quarter. Although business investment will remain low due to persistent uncertainty, difficult financing conditions, and low capacity utilization, demand in the construction and manufacturing sectors has risen of late. Thanks to substantial wage increases, there is a strong potential for higher consumer spending, although it will be dampened by the rather negative outlook for the labor market. The recent, highly unfavorable trend of exports of up to -8.5% could be less pronounced in the first quarter.[23] However, the United States has recently announced high additional tariffs on EU products, which could have a massively negative impact on German exports.[24] According to forecasts, Germany can expect low economic growth of 0.3% in the full year 2025.[25] Nonetheless, there remains a tendency to stagnation.

In January 2025, the year-over-year inflation rate in Germany was 2.3%, that being 0.2% lower than at the end of 2024. This decline is probably attributable primarily to the more moderate rate of increase in food prices and the decrease in energy prices. However, prices for services continued to drive inflation higher, as they did throughout 2024. From the level in January 2024, prices for services rose by 4% in 2024, that being considerably higher than the overall rate of inflation.[26] Food prices can be expected to rise at a faster rate again in the further course of the current year as the influence of falling energy prices on the overall rate of inflation subsides and prices for services will only slowly come down. Thus, the inflation rate will probably remain high in 2025, although it should draw closer to the 2% target.[27]

Since March 2025, the base interest rate has been 2.65% after repeated cuts. The ECB‘s Governing Council is confident in the progress of disinflation and likewise expects inflation to reach the 2% target and remain stable at that level. Nonetheless, the European Central Bank prefers to no longer commit itself to a clear path of interest rates. Instead, decisions regarding interest rates will be made on the basis of current information and data at each meeting of the

[23] Statista (02/07/2025). Change in German export volume compared to the same month last year from December 2023 to December 2024. https://www.statista.com/statistics/1304303/export-volume-monthly-change-germany/ (02/27/2025), German Bundesbank (02/24/2025). The Economy in Germany. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=konjunktur-in-deutschland-950650 (02/25/2025).

[24] European Parliament (02/13/2025). Trade between the EU and the United States: Potential Impacts of New Tariffs on Europe. https://www.europarl.europa.eu/topics/de/article/20250210STO26801/handel-zwischen-der-eu-und-den-usa-mogliche-auswirkungen-neuer-zolle-auf-europa#warenhandel-3 (02/27/2025).

[25] Statista (01/27/2025). IMF Forecast: Growth of Real Gross Domestic Product (GDP) in the Most Important Industrialized and Emerging-Market Countries in the Years from 2023 to 2026. https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/ (02/24/2025).

[26] German Federal Office of Statistics (02/13/2025). Inflation Rate at +2.3% in January 2025. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/02/PD25_055_611.html (02/24/2025).

[27] German Bundesbank (12/13/2024). Germany Forecast: Significantly Dimmed Growth Outlook; Inflation to fall Back to 2%. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-dezember-2024-947558?article=deutschland-prognose-wachstumsausblick-deutlich-eingetruebt-inflation-geht-zurueck-auf-2--947440 (02/24/2025).

Governing Council. Given the positive trend of disinflation, the European Central Bank expects that the rate of inflation will only average 2.1% in 2025.[28]

Compared to December 2024, the unemployment rate rose by 0.4% to 6.4%, corresponding to 186,000 additional unemployed persons, in January 2025. Thus, the total number of unemployed persons came to 2,993,000 in January 2025, exceeding the total number of unemployed persons in January 2024 by 187,000.[29] The average unemployment rate in 2024 was 6.0%, that being 0.3% higher than in 2023.[30] According to forecasts, unemployment is expected to rise in all of Germany's federal states in 2025, causing the unemployment rate to rise to 6.1%.[31]

Global Banking and Investor Solutions

The Management anticipates a moderate increase in the issuance volume, which should rise by 5% to 10% over the level in 2024. As in the previous years, a broad range of warrants and certificates will be offered in 2025. In particular, the Company's European presence will be expanded further. Furthermore, an increased volume of follow-up issues of turbo warrants must be expected when barrier levels are breached in a volatile market environment.

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

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

Financial Services for Corporates and Retails

The net result is expected to improve to EUR 39.3 million in 2025.

In line with the improved net result, RoE is expected to rise to 10.7% in 2025.

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

Overall, we anticipate a substantial increase in the volume of new business, particularly including 14,900 leases and 100,000 new financing agreements. We anticipate a similar development for our subsidiary BDK.

A change in the political framework could give rise to opportunities and risks for our business. In addition, renewed price or interest rate increases could result in a lower volume of new business. Therefore, uncertainty concerning the development of the Company's business remains high.

[28] German Bundesbank (02/24/2025).Monetary Policy and Banking Industry. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=geldpolitik-und-bankgeschaeft-950646 (02/25/2025).

[29] German Federal Employment Agency (01/31/2025). Labor Market in January 2025. https://www.arbeitsagentur.de/presse/2025-06-arbeitsmarkt-im-januar-2025 (02/25/2025).

[30] German Federal Employment Agency (01/03/2025). Annual Review 2024. https://www.arbeitsagentur.de/presse/2025-02-jahresrueckblick-2024 (02/25/2025).

[31] Institute for Labor Market and Occupational Research (10/07/2024). Weak Development of Regional Labor Markets. https://doku.iab.de/kurzber/2024/kb2024-20.pdf (02/25/2025).

Asset Management

Due to the discontinuation of the customer business, Société Générale Securities Services GmbH expects to generate only a small amount of income from retentions under class-action lawsuits, withholding tax refunds, and the subletting of office space.

Société Générale Securities Services GmbH anticipates relatively low operating expenses, mainly consisting of personnel expenses, legal expenses, and services provided by Société Générale Frankfurt to SGSS.

An operating loss of approximately EUR 0.2 million is forecast for 2025.

Overall assessment

Based on the profit transfer agreements in effect, the Company expects a profit contribution of EUR 39.3 million from ALD Lease Finanz GmbH and a loss contribution of approximately EUR 0.2 million from Société Générale Securities Services GmbH in 2025.

Including the interest incurred on the loans in the amount of approximately EUR 7.0 million and the reimbursements made on the basis of the cost-plus agreements, we therefore expect a result of approximately EUR 32.1 million before the profit transfer to Société Générale Frankfurt.

Based on the existing credit line with Société Générale Frankfurt Branch for 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. With respect to the risk management of SGE's business with warrants and certificates at the level of the SGE Group, it should be noted that all accruing risks are transferred to the Société Générale Group under a "Global Guarantee."

Risks incurred by the sub-group 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 risks
- Market price and residual value risks
- Liquidity risks
- Operational risks
- Business and reputation risks
- Compliance risks

Risk strategy

Each Group company has its own risk strategy that is based on the respective company's business strategy and which defines the goals and actions for each 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 to the type of risk, as well as the training and continuing 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."

Protests and complaints are recorded in another central database, analyzed monthly, and reported to the Management and all department heads. Specific measures to reduce risk are devised with the use of these instruments.

a) Counterparty default risks

Global Banking and Investor Solutions

The Company is not exposed to settlement risks since payments from the sale of issued securities always offset payments for hedges and payments related to the exercise of warrants. Receivables from the concluded counter-transactions are owed exclusively by Société Générale S.A., Paris. The creditworthiness of Société Générale S.A., Paris, and its subsidiaries is the determining factor for assessing the Company's risk.

Financial Services to Corporates and Retails

The Risk & Finance Department manages and monitors the Bank's credit risks. Credit assessments that have a bearing on the granting or rejection of credit are conducted in this department. From a defined credit volume, credit decisions are made in cooperation with Société Générale's Loan Department and BDK's Supervisory Board.

In the area of purchase financing, we manage 754 exposures, with the 10 largest borrowers accounting for 32% of the granted credit lines. The Risk & Finance Department prepares a quarterly risk report for the Management and the Supervisory Board of BDK. This is a component of the Bank's risk report and is presented to the full Supervisory Board on a quarterly basis. Moreover, the Bank's Risk Committee, which is composed of representatives of the front office and back office functions, meets every quarter to analyze the current risk situation and adopt appropriate measures.

In the sales financing business, we have a comparatively low level of individual risks due to broad diversification. The 10 largest borrowers account for 0.3% of the total sales financing portfolio.

The credit decision in sales financing is made on the basis of a standardized and system-supported credit decision-making process primarily in the Decision & Support Department. Larger individual loans are additionally voted on and decided in the CRM-CF Department of the Risk & Finance Division.

The ABS Transactions Nos. 8 to 11 were divided into 5 tranches. As in the preceding transactions, the Class A issues (issue volume: EUR 935 million, EUR 705 million, and.

EUR 567 million, respectively) bear an AAA rating. Classes B–D of ABS Transaction No. 8, which bear ratings AAA, A+, A-, respectively AA+, A, and BBB+, were placed in October 2021. Classes B-D of ABS Transaction No. 9, which bear ratings AA, A+, BBB, respectively AAA, A+, and BB+, were placed in October 2022. Classes B-D of ABS Transaction No. 10, which bear ratings AA+, A+, A, respectively AA+, AA-, and BBB, were placed in October 2023. Classes B-D of ABS Transaction No. 11, which bear ratings of AAA, AA, A+ respectively AA+, A, and BBB+, were placed in October 2024. The ABS transactions are represented by the Red & Black Auto Germany companies listed in the consolidation group.

Acute and latent credit risks are accounted for by forming risk provisions in accordance with the rules of IFRS 9.

Please refer to Note 4.8 of the notes to the consolidated financial statements for details on the method of calculating risk provisions in accordance with IFRS 9.

The valuation allowance rates range between 0.25% and 100%, depending on the payment default and status of the loan. In total, the specific valuation allowances recognized for credit risks amount to 1.4% of the sales financing portfolio (PY: 1.3%).

The specific valuation allowance rates in dealer financing for non-defaulted loans range as high as 10.32%, depending on the classification. The specific valuation allowances for defaulted loans are determined by analyzing each case individually. In total, specific valuation allowances have been established in the amount of 1.3% (PY: 1.5%) of the purchase financing portfolio.

Carrying amounts are reduced by the respectively applicable valuation allowances.

The total amount of expected and unexpected credit risks (credit value at risk) at the reporting date was EUR 82 million (PY: EUR 89 million / confidence level 99.9%).

There are no counterparty and country risks. Sustainability risks must also be mentioned in this context. Sustainability risks are possible events or conditions in the areas of environment, social or governance that would actually or potentially have adverse effects on the financial position, financial performance and cash flows, and the reputation of ALD Lease Finanz GmbH. Such risks include climate-related risks in the form of physical risks and transition risks. Sustainability risks are taken into consideration in the corresponding risk types.

The effects of sustainability risks on the risk types are assessed and estimated as part of the risk inventory process and then applied in the assessment of the individual risk types. The same procedure is applied in the treatment of sustainability risks in the conduct of stress tests. To this extent, sustainability risks are indirectly incorporated into the risk profile.

The ongoing shift of drive systems to electro-mobility and possible changes in the legal framework are potential transitional factors that could influence the Company’s future financial position and financial performance.

Please refer to our comments in Note 4.8 of the notes to the consolidated financial statements for additional information on credit risks.

Asset Management

There are no counterparty default risks in the Asset Management segment.

b) Market price and residual market risks

Global Banking and Investor Solutions

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

Financial Services to Corporates and Retails

Residual value risk results from the leasing business of the Financial Services to Corporates and Retail segment.

The percentage of automobiles for which ALD LF bears the residual value risk is 32% (PY: 37%) of the total volume.

ALD LF calculates residual values on the basis of its own experience in marketing lease returns. In addition, the calculated residual values for individual models or model variants are checked against the residual value estimates of the DAT Group as a neutral external data source.

ALD LF relies on the expertise of its affiliate ALD AutoLeasing D GmbH in classifying new automobile 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 with due regard to the final invoices at the end of the contract. This goal was largely surpassed in the past year. In the coming years, however, it must be expected that losses will be incurred on the resale of lease returns in some cases. A provision amounting to EUR 6.1 million (PY: EUR 7.4 million) has been recognized to account for these anticipated losses on the resale of lease returns.

We expect a generally positive marketing result in 2025.

In connection with IT agreements, the Company is subject to payment commitments in foreign currencies. To limit currency risks, the Company maintains a bank account in British pounds, the amount of which corresponds to the expected costs over a one-year horizon. No further currency risks exist.

Interest rate risk is managed by means of an interest rate sensitivity report, which is prepared and analyzed on a monthly basis by the Controlling Department. In order to measure risk, the key figure “sensitivity” is used, which makes a statement regarding 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 expected on the basis of the assumed scenarios, which

particularly include the scenarios required by the Supervisory Board, was EUR 9.5 million as of December 31, 2024 (PY: EUR 14.9 million).

A risk potential of EUR 5.3 million was determined for liquidity risk at the end of 2024 (PY: EUR 8.4 million).

The ABS Transaction Nos. 8 to 11issued in the years 2021 to 2024 were divided into five tranches. BDK will hold the lowest-ranking Class E over the full term of the transaction. This tranche bears the anticipated risks of the sold portfolio.

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

For funding purposes, the Group employs short and medium-term funding resources and interest rate swaps.

Due to largely maturity-matched funding and the use of derivatives, there was no elevated interest rate risk on the reporting date. The intention is to hold all instruments until the end of their contracts.

Asset Management

There are no market price or residual value risks in the Asset Management segment.

c) Liquidity risks

Due to the integration with the Société Générale Group, there are no identifiable liquidity risks 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 the 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 risks are discernible at the present time due to the integration with the Société Générale Group.

As part of liquidity controlling, the management teams of the individual Group companies are also regularly informed of any liquidity risk. With respect to the management of liquidity risk, statistical analyses of the past are used, particularly for the purpose of forecasting early loan repayments. The funds' liquidity risks are monitored independently of this, using methods approved by the supervisory authorities.

At December 31, 2024, there was a total of EUR 2,027million in freely disposable credit lines for ALD and EUR 4 million for SG Effekten.

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

d) Operational risks

The Group strives to reduce its operational risks to a minimum. Société Générale S.A., Paris, has developed processes and systems to monitor and manage operational risks that are used

by the Group. These are based mainly on the principle of continuous monitoring. Processes are documented in specially designed applications and assessed on the basis of specified criteria in order to rule out losses from operational risks. In assessing operational risks, consideration must also be given to climate-related risks. Climate-related risks are divided into four sub-categories: physical risks (effects 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 resulting from adjustment processes), and adaptation risks (measures to prepare society and environment for the effects of climate change). The greatest risks for the Company are physical risks. To minimize these risks, precautionary measures have been implemented under the Business Continuity Plan (BCP) in order to maintain uninterrupted operations if the infrastructure is disrupted.

The same rules and principles that apply for Société Générale Effekten GmbH also apply for 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.

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

Operational risk is also reduced by the use of standardized loan agreements, the review of individual contracts by lawyers, published organizational guidelines and work instructions, and a well-functioning internal control system. Service providers are integrated into the control system by means of regular reporting and monitoring of outsourced activities.

In the Asset Management segment, an additional non-compliance risk (including legal and tax risks) has been identified. Non-compliance risk refers to the risk of contractual or regulatory penalties or fines or other material financial losses resulting from non-compliance with regulatory and contractual provisions. There is a general risk that the Group will be liable to recourse as a result of violations of statutory or contractual provisions or due to breaches of a duty to exercise due care and diligence vis-à-vis investors. The Group counters these risks particularly by means of the careful selection and continuing education of its personnel and the use of adequate controlling instruments. If necessary, external consultants are also brought in. Furthermore, the Group has extensive insurance policies (personal injury, property damage, financial losses, etc.) to protect against these risks. In connection with the management of special assets, compliance with statutory and contractual provisions is taken into account by means of organizational, personnel and technical measures. The business processes are performed with the aid of effective computer systems. Operational mistakes are systematically recorded and reported. The status of implementation of countermeasures is systematically monitored.

We were able to ensure through the described measures and processes that there were no significant losses resulting from operational risks within the Group in the following areas in 2024:

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

With regard to cyber-security, a lower risk of cyber-criminality was observed in 2024. The continuing implementation of the Group’s cyber-security strategy plan will further enhance cyber-security at SGE as well.

e) Business and reputation risks

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

Realized business risks 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 senior managers of the individual Group companies are responsible for risk management. SGE's management team focuses primarily on the "Global Guarantee" of the Société Générale Group. SGE's management determines the risk strategies and also decides on the design of the risk-bearing concepts, the economic capital to be included, and the amount of the assigned limits. There are no overarching risk management and controlling processes at the sub-group level of Société Générale Effekten GmbH due to the integration with the Société Générale Group.

With respect to both the procedural 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 risky transactions 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, authorities, or business partners in which we are either currently involved or which could arise in the future. In addition, the Group and its products are subject to constant 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 covered in full or in part by insurance benefits and which could have an impact on the Company and its results. Significant legal risks are covered by counter-guarantees given by the 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 laws, including monetary penalties and other financial disadvantages, that would have a negative impact on the Group's reputation, and ultimately have a negative impact on the success of its business.

Société Générale Securities Services GmbH has adequately provided for an ongoing case in the form of a guarantee by Société Générale S. A., Frankfurt Branch. Thanks to this guarantee, Société Générale Securities Services GmbH and Société Générale Effekten GmbH are not economically burdened by this case. The total amount of the guarantee is EUR 120 million. Therefore, the risks of these legal disputes are adequately covered.

III. Report on opportunities

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

Global Banking and Investor Solutions

The recent, highly unfavorable trend of exports of up to -8.5% could be less pronounced in the first quarter.[32] However, the United States has recently announced high additional tariffs on EU products, which could have a massively negative impact on German exports.[33] The IMF expects low economic growth of 0.3% in the full year 2025.[34] The investment strategy of investors is directly impacted by this uncertain economic outlook.

In order to offer the best possible selection of products, the Company's product range is adapted to reflect current market conditions on a daily basis. The economic uncertainty could prompt investors to shift their focus from traditional sectors to alternative sectors that are potentially less impacted by the current challenges. Such a shift would create opportunities for SGE to offer a broader range of products tailored to suit the changed preferences of investors.

The corporate strategy is geared to identifying opportunities at an early stage, assessing them by application of our risk management system and resource estimation, and utilizing them by taking appropriate measures to promote the Company's successful development. It is particularly important in a volatile market environment to react flexibly to the needs of investors and develop innovative products that are aligned with different sectors and investment trends.

Due to the Company's role as an issuance vehicle within the Group of Société Générale S.A., Paris, which covers all its risks with hedging transactions, a New Product Committee (NPC) established at the level of Société Générale S.A., Paris, oversees the conception of each new product. In this context, all departments involved in the issuance process inform the NPC of their respective requirements and resource allocations.

It is particularly important in a volatile market environment to react flexibly to the needs of investors and develop innovative products that are aligned with different sectors and investment trends.

The examination focuses on all relevant factors for the Company, such as markets, the competitive situation, strategic orientation, current organization, personnel, back office technical processing potential, and volumes. The risks present in financial year 2025 were examined in this way and the risk control measures were adjusted accordingly.

[32] Statista (02/07/2025). Change in German export volume compared to the same month last year from December 2023 to December 2024. https://www.statista.com/statistics/1304303/export-volume-monthly-change-germany/ (02/27/2025), German Bundesbank (02/24/2025)."The Economy in Germany". https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=konjunktur-in-deutschland-950650 (02/25/2025).

[33] European Parliament (02/13/2025)."Trade Between the EU and the United States: Potential Impacts of New Tariffs on Europe". https://www.europarl.europa.eu/topics/de/article/20250210STO26801/handel-zwischen-der-eu-und-den-usa-mogliche-auswirkungen-neuer-zolle-auf-europa#warenhandel-3 (02/27/2025).

[34] Statista (01/27/2025).IMF Forecast: Growth of Real Gross Domestic Product (GDP) in the Most Important Industrialized and Emerging-Market Countries in the Years from 2023 to 2026. https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/ (02/24/2025).

It is difficult to assess the outlook for financial year 2025 under the current conditions, particularly in view of the Ukraine-Russia conflict, the Middle East conflict, potential trade restrictions resulting from tariffs, and the high rate of inflation. Nonetheless, the Management expects that the Company's performance will continue to be positive.

In a volatile market environment characterized by uncertainties and geopolitical tensions, opportunities can also arise for SGE. Heightened volatility could lead to an increase in trading activity, which could have a positive effect on issuance volumes. In times like these, investors often seek out diversified investment products and innovative solutions to hedge their portfolios or benefit from market movements.

In addition, the proactive adjustment of the product portfolio to suit changing market conditions enables SGE to react flexibly to the needs of investors and tap new business opportunities. This strategic approach combined with robust risk management could put SGE in a position to benefit from the challenges of the market while also safeguarding the interests of investors.

All things considered, therefore, the Management believes that a positive business performance in 2025 is possible despite the prevailing uncertainties.

Financial Services to Corporates and Retails

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 regularly checked against the Group's strategy in meetings of the Board of Directors and in regular reports to Société Générale S.A., Paris.

As a manufacturer-independent leasing company originally established by automobile dealers, ALD sees itself, together with its subsidiary BDK, as a professional and reliable partner to automobile dealers. The Company seeks to promote the independence of motor vehicle businesses and enhance the profitability of automobile dealerships with its services.

The product portfolio covers the full range of financing processes related to the marketing of passenger vehicles: sales financing and leasing, purchase financing and insurance. Our financial service providers help increase profit opportunities for our trading partners while also bolstering the loyalty of customers to the given automobile dealership.

For this reason, our digital products, which are also geared to leasing and financing, have become increasingly important for car sales in the last few years. Digital products include the DIGEO New Car Configurator and the DIGEO Customer Calculator as tools to be integrated into the dealerships' websites, the omni-channel solution ju-connect, the Digital Financing Application, and our used car platform JuhuAuto. Moreover, our digitalization specialists in the field will advise dealerships in matters of the digital transformation.

In late 2019, we introduced a used car platform for our dealership partners under the brand name "JuhuAuto." The vehicles of our dealer partners are offered on this platform, which features an intuitive search function. The number of vehicles offered for sale on the platform rose to more than 100,000 over the course of 2024.

In addition, the Company pursues a strategy for marketing its lease returns on the basis of using selected dealership partners to sell the vehicles. Under this concept, lease returns are offered to end customers at the sales outlets of the Company's partners.

Thus, our sales success is closely associated with the success of our sales partners, and the cooperating dealerships. The collaboration with importers, dealership associations and their

members has been strengthened and enhanced in the last few years. More than 2,700 car dealerships utilized these services and sold the products to their customers in 2024.

Current risks are seen in the still uncertain development of the economic environment affecting the new and used car market.

Overall assessment

The recent, highly unfavorable trend of exports of up to -8.5% could be less pronounced in the first quarter.[35] However, the United States has recently announced high additional tariffs on EU products, which could have a massively negative impact on German exports.[36] The IMF anticipates low economic growth of 0.3% in the full year 2024.[37]

It is difficult to assess the outlook for financial year 2025 under the current conditions, particularly in view of the Ukraine-Russia conflict, the Middle East conflict, potential trade restrictions resulting from tariffs, and the high rate of inflation. Nonetheless, the Management expects that the Company's performance will continue to be positive.

The German Federation of Motor Trades and Repairs (*Zentralverband des Kraftfahrzeuggewerbes,* ZDK) anticipates a higher level of sales in the used-car market, with 6.8 million title transfers, due to high prices for new cars. BDK will benefit from this development because it primarily finances used cars. The Company anticipates a higher market share, a higher level of new business, and a higher volume of loans. However, attention must also be given to political uncertainties, potential interest rate increases, and potentially higher prices, which could pose risks for the development of new business.

D. Internal control and risk management system with respect to the financial accounting process

At the Group level, the Société Générale Group is subject to supervision by the French supervisory authority ACPR and since November 4, 2014, supervision by the European Central Bank; it is also subject to French bank regulations, 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 applied in every case.

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

[35] Statista (02/07/2025). Change in German export volume compared to the same month last year from December 2023 to December 2024. https://www.statista.com/statistics/1304303/export-volume-monthly-change-germany/ (02/27/2025). German Bundesbank (02/24/2025). The Economy in Germany. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=konjunktur-in-deutschland-950650 (02/25/2025).

[36] European Parliament (02/13/2025).Trade between the EU and the United States: Potential Impacts of New Tariffs on Europe. https://www.europarl.europa.eu/topics/de/article/20250210STO26801/handel-zwischen-der-eu-und-den-usa-mogliche-auswirkungen-neuer-zolle-auf-europa#warenhandel-3 (02/27/2025).

[37] Statista (01/27/2025). "IMF Forecast: Growth of Real Gross Domestic Product (GDP) in the Most Important Industrialized and Emerging-Market Countries in the Years from 2023 to 2026". https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/ (02/24/2025).

FIRST LINE OF DEFENSE

The first line of defense (LOD1) is the level of Business Units (BUs) and Support Units (SUs), which assume risks and bear direct responsibility for continuous 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 their 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:

- Groupwide control function;
- Continual second-level control activities.

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

- The Accounting Department is responsible for processes related to the preparation of accounting information;
- The Regulation Department is responsible for processes related to the preparation of supervisory or 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 within the scope of transaction processing. This includes a framework plan for risk management, i.e. security regulations and controls (including automated ones) within the scope of transaction processing or controls within the scope 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 belonging to the second line of defense. In this way, operational managers bear responsibility for risk assessment and management, as well as operational security, using inter alia 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 that report 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 or 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 risks, as well as structural risks such as liquidity risk and operational risks. Operational risks particularly include 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.

E. 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, May 30, 2025

The Management

Société Générale Effekten GmbH

Helmut Höfer	Timo Felix Zapf

Consolidated Financial Statements of Société Générale Effekten GmbH,

Frankfurt am Main

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at 12/31/2024

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

Explanation of changes of the name or other identifiers of the reporting entity that have occurred since the end of the previous reporting period	N/A
Name of the Group	SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH
Address where the consolidated financial statements are available	Neue Mainzer Straße 46 – 50 60311 Frankfurt am Main
Address of the Group	Neue Mainzer Straße 46 – 50 60311 Frankfurt am Main
Legal form of the Group's parent company	GmbH – Gesellschaft mit beschränkter Haftung (limited liability company under German law)
Country of the Group	Germany
Address of the registered head office of the Group	Neue Mainzer Straße 46 – 50 60311 Frankfurt am Main
Principal place of business of the subsidiary	N/A
Description of the nature of business activity of the company and its principal activities	Issuance activity and holding of equity investments
Name of the parent company	SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH
Name of the highest-ranking parent company of the corporate group	Société Générale S.A., Paris
Name or other identifier of the reporting entity	Frankfurt am Main - record no. HRB 32283

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CONSOLIDATED FINANCIAL STATEMENTS

AMENDED CONSOLIDATED INCOME STATEMENT

(In euro thousands)	**Note**	**2024**	**2023**
Interest and similar income calculated in accordance with the effective interest method	Note 4.7	265,554	288,108
Interest and similar expenses calculated in accordance with the effective interest method	Note 4.7	(154,335)	(146,761)
Commission income	Note 7.1	21,913	23,163
Commission expenses	Note 7.1	(10,069)	(10,056)
Net result from financial transactions	Note 4.1	284	2,160
thereof net gains or losses from financial instruments measured at fair value through profit or loss		284	2,160
Income from other activities	Note 7.2	363,737	394,971
Expenses for other activities	Note 7.2	(355,927)	(390,073)
Net banking income		**131,157**	**161,512**
Personnel expenses	Note 8	(48,044)	(53,963)
Other administrative expenses	Note 12.2	(27,365)	(27,090)
Expenses for depreciation, amortization and impairments of intangible assets and property, plant and equipment	Note 5	(5,701)	(6,321)
Gross operating result		**50,047**	**74,138**
Risk expenses (impairments of financial assets and commitments)	Note 4.8	(8,533)	(9,265)
Operating result		**41,514**	**64,873**
Net gains or losses from other assets		1	13
Impairments of goodwill	Note 6	-	-
Net result from continued operations		41,515	64,886
Net result from discontinued operations		2,881	(10,795)
Profit/loss before taxes		**44,396**	**54,091**
Income taxes	Note 9	-	-
Net profit/loss after taxes		**44,396**	**54,091**
Net profit/loss of all companies in the consolidation group*		**44,396**	**54,091**
Non-controlling interests*		277	215
Net profit/loss (Group's share)*		**44,119**	**53,876**

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

AMENDED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In euro thousands)	**2024**	**2023**
Net profit/loss	**44,396**	**54,091**
Gains and losses recognized directly in equity, that will be reclassified to profit or loss at a later time:		
Gains and losses in relation to hedging instruments	(11,117)	(31,363)
Gains and losses recognized directly in equity, that will not be reclassified to profit or loss at a later time:		
Actuarial gains and losses on post-employment benefits	(117)	(7,193)
Tax-related	(2,275)	2,702
Total other comprehensive income	**(13,509)**	**(35,854)**
Comprehensive income (net profit/loss and other comprehensive income)	**30,887**	**18,237**
thereof attributable to the owners of the parent company*	30,776	18,761
thereof attributable to non-controlling interests*	111	(524)

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled “Adjustments”.

AMENDED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

(In euro thousands)	Note	12/31/2024	12/31/2023
Financial assets measured at fair value through profit or loss	Note 4.1	4,129,063	3,431,397
Thereof derivatives held for trading	Note 4.1	*2,966,977*	*2,611,073*
Hedging derivatives	Note 4.2	-	19,265
Receivables from banks at amortized cost	Note 4.4 4.9	175,750	147,340
Thereof call deposits		*138,555*	*82,616*
Loans to and receivables from banks at amortized cost	Note 4.4 4.9	3,952,208	4,340,515
Receivables from finance leases	Note 4.4 4.9	452,116	495,866
Tax assets	Note 9	3,465	158
Other assets	Note 7.3	196,677	294,155
Intangible assets	Note 5	1,856	2,485
Property, plant and equipment	Note 5	235,576	317,215
Goodwill	Note 6	1,569	1,569
Total		**9,148,280**	**9,049,966**

AMENDED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES AND EQUITY

(In euro thousands)	Note	**12/31/2024**	**12/31/2023**
Financial liabilities measured at fair value through profit or loss	Note 4.1	4,046,168	3,346,815
Thereof derivatives held for trading	Note 4.1	*2,965,780*	*2,606,928*
Hedging derivatives	Note 4.2	10,542	9,879
Securitized liabilities	Note 4.5 4.9	1,556,549	1,758,942
Liabilities to banks	Note 4.5 4.9	3,293,612	3,546,191
Liabilities to customers	Note 4.5 4.9	25	36
Tax liabilities	Note 9	1,698	19,550
Other liabilities	Note 7.3	144,088	269,394
Provisions	Note 12.3	77,269	83,849
Total liabilities		**9,129,951**	**9,034,656**
EQUITY	Note 10		
Equity, Group's share			
Subscribed capital, equity instruments and additional paid-in capital reserves		26	26
Profit carried forward		1,138	1,138
Group reserves*		(21,413)	(47,192)
Financial year net profit/loss*		44,119	53,876
Sub-total*		**23,870**	**7,847**
Unrealized or deferred capital gains and losses		(5,607)	7,902
Sub-total equity (Group's share)*		**18,263**	**15,749**
Non-controlling interests*		66	(439)
Total equity		**18,330**	**15,310**
Total		**9,148,280**	**9,049,966**

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

AMENDED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

	Equity and reserves					Gains and losses recognized directly in equity				Non-controlling interests			
In euro thousands	**Subscribed capital**	**Group reserves**	**Total**	**Profit carried forward**	**Net profit/loss (Group's share)**	**To be reclassified to profit or loss at a later time**	**Not to be reclassified to profit or loss at a later time**	**Total**	**Equity, Group's share**	**Equity and reserves**	**Gains and losses recognized directly in equity**	**Total**	**Total Group Equity~**
Equity at 01/01/2023, reported	**26**	**35,264**	**34,079**	**1,138**	-	**37,795**	**5,961**	**43,756**	**80,184**	**41,244**	-	**41,244**	**121,428**
Change due to error corrections	-	41,879	43,090	-		-	-	-	41,879	(41,880)	-	(41,880)	-
Equity at 01/01/2023, corrected	**26**	**77,143**	**77,169**	**1,138**	**-**	**37,795**	**5,961**	**43,756**	**122,064**	**(636)**	-	**(636)**	**121,428**
Gains and losses recognized directly in equity	-	-	-	-	-	(31,363)	(4,491)	(35,854)	(35,854)	-	-	-	(35,854)
Net profit/loss for 2023	-	-	-	-	53,876	-	-	-	53,876	215	-	215	54,091
Other changes	-	(70,460)	(70,460)	-	(53,876)	-	-	-	(124,178)	(19)	-	(19)	(124,197)
Profit transfer to the owner	-	*(84,599)*	-	-	-	-	-	-	-	-	-	-	*(84,599)*
Retention of profit	-	*53,876*	-	-	-	-	-	-	-	-	-	-	*53,876*
Miscellaneous other changes	-	*(39,737)*	-	-	-	-	-	-	-	-	-	-	*(39,737)*
Sub-total	-	(70,460)	(70,460)	-	-	(31,363)	(4,491)	(35,854)	(106,156)	197	-	197	(105,960)
Equity at 12/31/2023	**26**	**6,683**	**6,709**	**1,138**	**-**	**6,432**	**1,470**	**7,902**	**15,749**	**(440)**	-	**(440)**	**15,310**
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	-	-	-	-	-	(11,117)	(2,392)	(13,509)	(13,509)	-	-	-	(13,509)
Net profit/loss for 2024	-	-	-	-	44,119	-	-	-	44,119	277	-	277	44,396
Other changes	-	16,023	16,023	-	(44,119)	-	-	-	(28,096)	229	-	229	(27,867)
Profit transfer to the owner	-	*(41,550)*	-	-	-	-	-	-	-	-	-	-	*(41,550)*

Retention of profit	-	*44,119*	-	-	-	-	-	-	-	-	-	-	*44,119*
Miscellaneous other changes	-	*13,454*	-	-	-	-	-	-	-	-	-	-	*13,454*
Sub-total	-	16,023	16,023	-	-	(11,117)	(2,392)	(13,509)	2,514	505	-	505	3,020
Equity at 12/31/2024	**26**	**22,706**	**22,733**	**1,138**	**-**	**(4,685)**	**(922)**	**(5,607)**	**18,264**	**66**	-	**66**	**18,330**

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled “Adjustments”.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In euro thousands)	2024	2023
Net profit/loss	**41,515**	**64,886**
Expenses for depreciation and amortization of property, plant and equipment and intangible assets (including operating leases)	42,054	67,519
Expenses for impairments of property, plant and equipment and intangible assets (including operating leases) and net additions to provisions	(6,345)	(2,744)
Net gain or loss from sales of consolidated subsidiaries and other noncurrent securities – Equity instruments measured at fair value through profit or loss	-	(2)
Other changes	(53,546)	(190,794)
Non-monetary components included in the net profit/loss after taxes, and other adjustments, excluding gains or losses on financial instruments measured at fair value through profit or loss	**(17,837)**	**(126,021)**
Net gain or loss from financial instruments measured at fair value through profit or loss	80,610	65,512
Interbank transactions	(312,990)	382,987
Transactions with customers	390,200	100,314
Transactions with other financial assets / liabilities	129,577	(518,178)
Transactions with other non-financial assets / liabilities	(53,603)	(11,420)
Net increases / decreases in operating assets / liabilities	**233,794**	**19,215**
Cash flow from operating activities – Continued operations	257,472	(41,920)
Cash flow from operating activities – Discontinued operations	(8,470)	92,353
NET CASH FLOW FROM OPERATING ACTIVITIES	**249,002**	**50,433**
Cash flows from purchases and sales of financial assets and equity investments	-	(8)
Cash flows from purchases and sales of property, plant and equipment and intangible assets	114,944	174,781
Cash flow from investing activities – Continued operations	114,944	174,773
Cash flow from investing activities – Discontinued operations	8,470	(139,191)
NET CASH FLOW FROM INVESTING ACTIVITIES	**123,414**	**35,582**
Repayment of funding loans	(232,070)	(125,295)
Profit transfer SG Frankfurt	(64,235)	(27,144)
Other cash flows from financing activities	(50)	(25)
Cash flow from financing activities – Continued operations	(296,355)	(152,464)
Cash flow from financing activities – Discontinued operations	-	-

NET CASH FLOW FROM FINANCING ACTIVITIES	**(296,355)**	**(152,464)**
NET CASH FLOW FROM CASH AND CASH EQUIVALENTS	**76,061**	**(66,449)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**832**	**67,281**
Net amount of bank accounts, sight deposits and deposits / loans with banks	**76,061**	**(66,449)**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**76,893**	**832**
CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**-**	**(46,838)**

*Previous-year figures adjusted. Additional information on this subject is provided in Note 1 in the sub-section entitled “Adjustments”.

In accordance with the policy of Société Générale Group, the SGE Group considers cash on hand, sight deposits, and short-term loans and advances to central banks and banks to be cash and cash equivalents in preparing the statement of cash flows. At December 31, 2024, cash and cash equivalents (due in not more than three months) consisted only of call deposits with banks in the amount of EUR 139 million (PY: EUR 83 million, Note 4.4), less loans to banks payable at call (deposits and current accounts) in the amount of EUR 11 million (PY: EUR 31 million, Note 4.5).

Cash flows from interest amounted to EUR 340 million and cash flows from taxes amounted to EUR 14 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIC INFORMATION ABOUT THE CONSOLIDATED 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 entered in the Frankfurt am Main Local Court under record no. HRB 32283. The company's consolidated financial statements include the company and its controlled subsidiaries (referred to collectively as the "Group"). The Group is primarily active in the issuance of options and certificates, the provision of financing and leasing services, and asset management. The Asset Management segment of Société Générale Securities Services GmbH was discontinued as of December 31, 2023 and the Company is being continued only on an administrative basis. Therefore, this segment is presented as discontinued operations in the consolidated financial statements at December 31, 2023 by application of IFRS 5.

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

The consolidated financial statements of Société Générale Effekten GmbH cover the period from January 1, 2024 to December 31, 2024. The consolidated 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 para. 1 German Commercial Code (HGB).

The present consolidated 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 one thousand 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 the subsidiary company and Société Générale Securities Services GmbH as the 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. Profit transfer agreements are also in effect with all consolidated subsidiaries within the SGE Group.

USE OF DISCRETIONARY JUDGMENTS AND ESTIMATES

In preparing the consolidated financial statements, the management is required to make certain discretionary decisions, estimates, and assumptions that affect the application of financial reporting methods, the recognition and measurement of assets and liabilities, the amounts of income and expenses presented in the income statement, and the information disclosed in the notes to the consolidated financial statements. In making these estimates and formulating these assumptions, the management applies the information available at the time of preparing the consolidated financial statements and decides on the basis of its own judgment. Naturally, the measurements based on these estimates are subject to certain risks and uncertainties concerning their occurrence in the future. Consequently, the actual values and results occurring in the following financial year may differ from the estimates and necessitate a substantial adjustment of carrying amounts.

The uncertainties underlying these assumptions and estimates could lead to results that will necessitate a significant adjustment of the carrying amounts of the affected assets or liabilities in future periods. In applying the Group's financial reporting methods, the Management made judgments and assumptions about the future and other significant sources of estimation uncertainties at the reporting date, that harbor a significant risk of necessitating a significant adjustment of the carrying amounts of assets and liabilities during the next financial year.

The prevailing circumstances and assumptions concerning future developments could change for reasons beyond the Group's control. They are reflected in the assumptions concerning whether and when they will occur. The items with the most significant effects on the amounts recognized in the financial statements, concerning which the Management has made significant discretionary judgments and/or estimates, are indicated below in relation to the related discretionary judgments. In connection with the application of the parent company's uniform accounting policies, the Management of SG Effekten has made the following discretionary judgments and estimates that have the most significant effect on the amounts recognized in the Group's 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, particularly the analysis of contractual cash flow characteristics (SPPI) of financial assets (see Notes 3 and 4.4);

- Assessment of the development of the increase of credit risk (level classification) observed since the initial recognition of financial assets and assessment of the amount of impairments recognized for default risks in relation to financial assets measured at amortized cost or at fair value through profit or loss (currently not held), issued loan commitments, and issued guarantee commitments, which are measured on the basis of historical, current, and prospective data. The main items of the statement of financial position affected by this are the items "Loans to and receivables from customers, at amortized cost" and "Receivables under finance leases", as well as off-balance sheet contingent liabilities (see Notes 4.8; 12.3 and 12.7) 5 and 6);

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

ADJUSTMENTS

Presentation according to IFRS 5: It was determined in the current period first of all that a correction must be made in the presentation of assets and liabilities of the discontinued operations of Société Générale Securities Services GmbH. The assets and liabilities attributed to SGSS are no longer presented in a separate line item of the statement of financial position of SGE's consolidated financial statements, but are now presented within the respectively applicable line items (Financial assets measured at fair value through profit or loss, Receivables from banks at amortized cost, Tax assets, Other assets, Property, plant and equipment, and Intangible assets, as well as Tax liabilities, Other liabilities, and Provisions) in accordance with IFRS 5.13. The reason for this change is that the corresponding carrying amounts of SGSS are mainly not realized by way of sale transactions, but by way of continued use until the complete discontinuation (discontinued operations). For details on this subject, please refer to the remarks in Note 3, section "NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS". The correction was applied retroactively to the presentation of the preceding periods (IFRS 5 case only since 2023). Aside from the changed presentation in the statement of financial position, no other items were affected. The effects on the consolidated financial statements are summarized in the tables below:

The effects on the consolidated financial statements are summarized in the tables below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

(In euro thousands)	**12/31/2024**	**12/31/2023 (adjusted)**	**Adjust-ment**	**12/31/2023**
Financial assets measured at fair value through profit or loss	4,129,063	3,431,397	1,147	3,430,250
Hedging derivatives	-	19,265	-	19,265
Receivables from banks, at amortized cost	175,750	147,340	58,896	88,444
Thereof call deposits	138,555	82,616	-	n/a
Loans to and receivables form customers, at amortized cost	3,952,208	4,340,515	-	4,340,515
Receivables under finance leases	452,116	495,866	-	495,866
Tax assets	3,465	158	158	-
Other assets	196,677	294,155	80,961	213,194
Assets held for sale	-	-	(139,884)	139,884
Intangible assets	1,856	2,485	-	2,485
Property, plant and equipment	235,576	317,215	7	317,208
Goodwill	1,569	1,569	-	1,569
Total	**9,148,280**	**9,049,966**	1,285	**9,048,681**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: EQUITY AND LIABILITIES

(In euro thousands)	**12/31/2024**	**12/31/2023 (adjusted)**	**Adjustment**	**12/31/2023**
Financial liabilities measured at fair value through profit or loss	4,046,168	3,346,815	-	3,346,815
Hedging derivatives	10,542	9,879	-	9,879
Securitized liabilities	1,556,549	1,758,942	-	1,758,942
Liabilities to banks	3,293,612	3,546,191	-	3,546,191
Liabilities to customers	25	36	-	36
Tax liabilities	1,698	19,550	1,285	18,265
Other liabilities	144,088	269,394	20,863	248,531
Liabilities held for sale	-	-	(94,817)	94,817
Provisions	77,269	83,849	76,466	7,383
Total liabilities	**9,129,951**	**9,034,656**	**3,797**	**9,030,859**
EQUITY				
Equity, Group share				
Subscribed capital, equity instruments, and additional paid-in capital reserves	26	26	-	26
Profit carried forward	1,138	1,138	-	1,138
Group reserves	(21,413)	(47,192)	(867)	(46,325)
Financial year net profit/loss	44,119	53,876	(39,510)	93,386
Sub-total	**23,870**	**7,847**	**(40,378)**	**48,225**
Unrealized or deferred capital gains and losses	(5,607)	7,902	-	7,902
Sub-total equity (Group's share)	**18,263**	**15,749**	**(40,378)**	**56,127**
Non-controlling interests	66	(439)	37,866	(38,305)
Total equity	**18,330**	**15,310**	**(2,512)**	**17,822**
Total	**9,148,280**	**9,049,966**	**1,285**	**9,048,681**

Statement of changes in equity: It was also found that profit contributions of securitization companies had been erroneously attributed to non-controlling interests. Furthermore, profit retentions had only been recognized as such in the Group reserves in the subsequent year. The attribution and retention were corrected retrospectively in financial year 2024, also for the previous-year figures, in accordance with IAS 8.41 et seq. As a result of the changed attribution, profit components amounting to EUR -22.4 million (PY: EUR -39.5 million) were no longer attributed to non-controlling interests, but to consolidated net profit/loss. The modified profit retention had the effect of changing the line item of Other changes in non-controlling interests in the amount of EUR 50.4 million (PY: EUR -40.2 million) and increasing the line item of Other changes in Group reserves by the same amounts. The modified profit retention also increased the Group reserve by an amount of EUR 44.1 million (PY: EUR 53.9 million).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Previous presentation:

	Equity and reserves					Gains and losses recognized directly in equity				Non-controlling interests			
In euro thousands	**Subscribed capital**	**Group reserves**	**Total**	**Profit carried forward**	**Net profit/loss (Group's share)**	**To be reclassified to profit or loss at a later time**	**Not to be reclassified to profit or loss at a later time**	**Total**	**Equity, Group's share**	**Equity and reserves**	**Gains and losses recognized directly in equity**	**Total**	**Total Group Equity~**
Equity at 01/01/2023	**26**	**35,263**	**35,290**	**1,138**	**-**	**37,795**	**5,961**	**43,756**	**80,184**	**41,244**	**-**	**41,244**	**121,428**
Gains and losses recognized directly in equity	-	-	-	-	-	(31,363)	(4,491)	(35,854)	(35,854)	-	-	-	(35,854)
Net profit/loss for 2023	-	-	-	-	93,386	-	-	-	93,386	(39,295)	-	(39,295)	54,091
Other changes*	-	(84,100)	(84,100)	-	-	-	-	-	(84,100)	(40,254)	-	(40,254)	(124,355)
Sub-total	**-**	(84,100)	(84,100)	-	93,386	(31,363)	(4,491)	(35,854)	(26,569)	(79,549)	-	(79,549)	(106,118)
Equity at 12/31/2023	**26**	**(48,837)**	**(48,810)**	**1,138**	**93,386**	**6,432**	**1,470**	**7,902**	**53,615**	**(38,305)**	**-**	**(38,305)**	**15,310**
Utilization of profit	-	93,386	93,386	-	-	-	-	-	-	-	-	-	-
Equity at 01/01/2024	**26**	**44,549**	**44,575**	**1,138**	**-**	**6,432**	**1,470**	**7,902**	**53,615**	**(38,305)**	**-**	**(38,305)**	**15,310**
Gains and losses recognized directly in equity	-	-	-	-	-	(11,117)	(2,392)	(13,509)	(13,509)	-	-	-	(13,509)
Net profit/loss for 2024	-	-	-	-	66,509	-	-	-	66,509	(22,113)	-	(22,113)	44,396
Other changes*	-	(78,541)	(78,541)	-	-	-	-	-	(78,541)	50,674	-	50,674	(27,867)
Sub-total	-	(78,541)	(78,541)	-	66,509	(11,117)	(2,392)	(13,509)	(25,541)	28,560	-	28,560	3,020
Equity at 12/31/2024	**26**	**(33,992)**	**(33,966)**	**1,138**	**66,509**	**(4,685)**	**(922)**	**(5,607)**	**28,075**	**(9,744)**	**-**	**(9,745)**	**18,330**

* The Other changes resulted mostly from liabilities to Société Générale S.A. Frankfurt Branch from the transfer of the profit for 2024 calculated in accordance with the German Commercial Code (HGB) in the amount of EUR 32,725 thousand (PY: EUR 64,235 thousand) on the basis of a profit transfer agreement concluded by signature of September 7, 2016.

Adjustment:

In euro thousands	Equity and 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's share)	To be reclassified to profit or loss at a later time	Not to be reclassified to profit or loss at a later time	Total	Equity, Group's share	Equity and reserves	Gains and losses recognized directly in equity	Total	
Equity at 01/01/2023	**-**	**41,879**	**41,879**	**-**	**-**	**-**	**-**	**-**	**41,879**	**(41,880)**	**-**	**(41,880)**	**-**
Gains and losses recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for 2023	-	-	-	-	(39,510)	-	-	-	(39,510)	39,510	-	39,510	-
Other changes*	-	13,640	13,640	-	(53,876)	-	-	-	(40,078)	40,236	-	40,236	
Sub-total	-	13,640	13,640	-	(93,386)	-	-	-	(79,588)	79,745	-	79,745	
Equity at 12/31/2023	**-**	**55,520**	**55,520**	**-**	**(93,386)**	**-**	**-**	**-**	**(37,866)**	**37,865**	**-**	**37,866**	**-**
Equity at 01/01/2024	**-**	**(37,866)**	**(37,866)**	**-**	**-**	**-**	**-**	**-**	**(37,866)**	**37,865**	**-**	**37,866**	**-**
Gains and losses recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for 2024	-	-	-	-	(22,390)	-	-	-	(22,390)	22,390	-	22,390	-
Other changes	-	94,564	94,564	-	(44,119)	-	-	-	50,445	(50,445)	-	(50,445)	-
Sub-total	-	94,564	94,564	-	(66,509)	-	-	-	28,055	(28,055)	-	(28,055)	-
Equity at 12/31/2024	**-**	**56,699**	**56,699**	**-**	**(66,509)**	**-**	**-**	**-**	**(9,811)**	**9,810**	**-**	**9,811**	**-**

Adjusted presentation:

In euro thousands	Equity and reserves					Gains and losses recognized directly in equity				Non-controlling interests			
	Subscribed capital	Group reserves	Total	Profit carried forward	Net profit/loss (Group's share)	To be reclassified to profit or loss at a later time	Not to be reclassified to profit or loss at a later time	Total	Equity, Group's share	Equity and reserves	Gains and losses recognized directly in equity	Total	Total Group Equity~
Equity at 01/01/2023, reported	**26**	**35,264**	**34,079**	**1,138**	-	**37,795**	**5,961**	**43,756**	**80,184**	**41,244**	-	**41,244**	**121,428**
Change due to error corrections	-	41,879	43,090	-	-	-	-	-	41,879	(41,880)	-	(41,880)	-
Equity at 01/01/2023, corrected	**26**	**77,143**	**77,169**	**1,138**	**-**	**37,795**	**5,961**	**43,756**	**122,064**	**(636)**	-	**(636)**	**121,428**
Gains and losses recognized directly in equity	-	-	-	-	-	(31,363)	(4,491)	(35,854)	(35,854)	-	-	-	(35,854)
Net profit/loss for 2023	-	-	-	-	53,876	-	-	-	53,876	215	-	215	54,091
Other changes	-	(70,460)	(70,460)	-	(53,876)	-	-	-	(124,178)	(19)	-	(19)	(124,197)
Profit transfer to the owner	-	*(84,599)*	-	-	-	-	-	-	-	-	-	-	*(84,599)*
Retention of profit	-	*53,876*	-	-	-	-	-	-	-	-	-	-	*53,876*
Miscellaneous other changes	-	*(39,737)*	-	-	-	-	-	-	-	-	-	-	*(39,737)*
Sub-total	-	(70,460)	(70,460)	-	**-**	(31,363)	(4,491)	(35,854)	(106,156)	197	-	197	(105,960)
Equity at 12/31/2023	**26**	**6,683**	**6,709**	**1,138**	**-**	**6,432**	**1,470**	**7,902**	**15,749**	**(440)**	-	**(440)**	**15,310**
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	-	-	-	-	-	(11,117)	(2,392)	(13,509)	(13,509)	-	-	-	(13,509)
Net profit/loss for 2024	-	-	-	-	44,119	-	-	-	44,119	277	-	277	44,396
Other changes	-	16,023	16,023	-	(44,119)	-	-	-	(28,096)	229	-	229	(27,867)
Profit transfer to the owner	-	*(41,550)*	-	-	-	-	-	-	-	-	-	-	*(41,550)*

Retention of profit	-	*44,119*	-	-	-	-	-	-	-	-	-	-	*44,119*
Miscellaneous other changes	-	*13,454*	-	-	-	-	-	-	-	-	-	-	*13,454*
Sub-total	-	16,023	16,023	-	-	(11,117)	(2,392)	(13,509)	2,514	505	-	505	3,020
Equity at 12/31/2024	**26**	**22,706**	**22,733**	**1,138**	**-**	**(4,685)**	**(922)**	**(5,607)**	**18,264**	**66**	-	**66**	**18,330**

Statement of cash flows: An adjustment was made in the statement of cash flows in financial year 2024. The cash flow reduction resulting from the implementation of the profit transfer agreement with Société Générale S.A. Frankfurt Branch had previously been presented, erroneously, as an “Other change” in the Cash flow from operating activities. This item is now presented as a separate line item of the Cash flow from financing activities. The corresponding previous-year figure was corrected accordingly by EUR 27,144 to allow for comparability.

For materiality reasons and for the sake of improved transparency, a “thereof” item was introduced in the current reporting period for the line item “Receivables from banks, at amortized cost” of the statement of financial position. The corresponding amounts show due-at-call loans and receivables with banks that can be used as cash and cash equivalents. Such “thereof” items were likewise added to the previous year’s statement of financial position. The adjustment created an additional breakdown line in the statement of financial position, but had no effect on the total amounts of line items, the statement of financial position, or the result of the income statement.

In addition, the disclosures in the notes to the consolidated financial statements were formulated in more detail or reformulated on the basis of substantive revisions and technical improvements in the reporting period. This applies particularly to the Notes 3, 4.2, 4.3, 4.8, and 14. For the sake of improved clarity, the relevant previous-year values were also disclosed or added. These adjustments particularly affect the disclosures in the notes and the verbal explanations; they do not affect the amounts presented in the statement of financial position or the result of the income statement.

NEWLY APPLICABLE, REVISED, AND NEW IFRS ACCOUNTING STANDARDS

The IFRS Accounting Standards applicable for the first time in the reporting period or in the future are explained below.

A. Newly applicable Standards

The following new or amended IFRS Accounting Standards were applied by the Group for the first time in financial year 2024:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 Disclosures on Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current.

Liabilities are to be classified exclusively on the basis of substantive rights in effect at the reporting date. A liability is to be classified as non-current if there is a substantive right at the reporting date to delay settlement of the liability by at least 12 months. The probability of whether the entity will in fact exercise that right is not relevant for the classification.

The amendments did not have any material effects on the consolidated financial statements.

Amendments to IAS 1 Non-Current Liabilities with Covenants

These amendments specify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current.

In addition, the entity must disclose detailed information in the notes on the subject of non-current liabilities with covenants that must be fulfilled within 12 months of the reporting date. These disclosures are meant to enable users of financial statements to understand the risk that these liabilities could potentially become repayable within one year.

The amendments did not have any material effects on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 Disclosures on Supplier Finance Arrangements

The amendment of IAS 7 specifies that entities are required to disclose information about their supplier finance arrangements. This disclosure is meant to enable users of financial statements to better understand the effect of these arrangements on the entity's liabilities and cash flows. The amendments to IFRS 7 cite supplier finance arrangements as an example of the required disclosures about the entity's liquidity risks.

The amendments did not have any material effects on the consolidated financial statements.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The amendments contain specific rules for the subsequent measurement of leases resulting from a sale and leaseback. The lease liability must be measured in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. In every period, the lease liability is reduced by the amount of expected payments and the difference from the actually made payments is recognized in profit or loss.

The amendments did not have any material effects on the consolidated financial statements.

B. Standards to be applied in the future

The following new or amended IFRS Accounting Standards and Interpretations, some of which have not yet taken effect in the EU, will have to be considered in future financial years:

Affected Standard	Mandatory application or effective in financial years on or after	Endorsement (yes/no)	Contents of the IFRS Accounting Standard
IAS 21	01/01/2025	Yes	The amendments require entities to apply a uniform approach to assessing whether there is a lack of exchangeability for a given currency. If that is the case, it must be disclosed in the notes how the entity determines the exchange rate of such a currency.
IFRS 9 / IFRS 7	01/01/2026	No	For both these standards, amendments affecting the classification and measurement of financial instruments were published in 2024. They relate specifically to interest components under a basic lending arrangement, contractual terms that could change the timing or amount of contractual cash flows, financial assets with non-recourse features, and contractually linked instruments. The amendments also affect the following topics: the derecognition of financial liabilities settled through electronic transfer and disclosures on equity instruments measured at fair value through other comprehensive income.
Annual Improvements of IFRS (Vol. 11)	01/01/2026	No	**IFRS 1 –** Hedge accounting by a first-time adopter: Wording changed to the wording used in IFRS 9, and inclusion of a cross-reference to improve understanding. **IFRS 7** – Gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, credit risk disclosures. **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 settlement of a lease liability must be recognized in 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 Disclosure” will supersede IAS 1 “Presentation of Financial Statements”. Many requirements will be taken over from IAS 1 without changes. New requirements will be introduced concerning defined sub-totals in the income statement, disclosures of management-defined performance measures (MPMs) in the notes, and guidelines for the grouping of information in IFRS financial statements (aggregation and disaggregation).
IFRS 19	01/01/2027	No	The new Standard IFRS 19 “Subsidiaries Without Public Accountability: Disclosures” enables subsidiaries to issue IFRS financial statements, but with reduced disclosure requirements. To be eligible, the subsidiary must be not publicly accountable and the parent

			company must issue consolidated financial statements in full compliance with all IFRS Accounting Standards.

The Group will not or does not intend to apply these amended Standards and Interpretations ahead of the required date if that is permitted. The Group will apply the new and amended Standards at the latest when application is mandatory following endorsement by the EU.

The future amendments described herein are expected to have no effects or only immaterial effects on the Group's financial position, cash flows, and financial performance, with the exception of IFRS 18 and IFRS 7/IFRS 9, the effects of which are still being assessed. The future effects of the amendments to IFRS 7/IFRS 9 and IFRS 18 on presentation and disclosure in the financial statements will be assessed in detail before the date of mandatory application by the Group.

NOTE 2 – CONSOLIDATION GROUP

PRINCPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent company Société Générale Effekten GmbH and all companies that it controls. The separate financial statements of the aforementioned companies, which have been adjusted to reflect the accounting policies of the Group, form the basis for the consolidated financial statements. Intercompany balances AND transactions, and all unrealized income and expenses from intercompany transactions are eliminated in the preparation of the consolidated 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 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 the structured entities. The entities are included in the consolidated financial statements by reason of their design. They are mainly securitization vehicles used as funding instruments by ALD. Under these transactions, loan receivables are sold to a special-purpose vehicle (SPV) established for that specific purpose and converted into tradable securities backed by loan receivables (asset-backed securities). Under the structures currently in use, only the risks of the loan receivables are transferred in accordance with the law of obligations. The receivables themselves remain on the balance sheet of ALD (originator) and are not legally segregated to the SPV. Therefore, there is also no change in ownership of the securitized loan.

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 consolidated structured entities only consist of assumed subordinated promissory note loans to finance the purchase of receivables by the SPV (no more subordinated loans were held as of 12/31/2024). 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.

The dominant factor in determining control of a structured entity is often not voting rights (which usually only refer to administrative tasks), but comparable rights. In the case of the above-mentioned securitization structures initiated by ALD, the Group retains control by virtue of contractual rights (under a servicing agreement) and possesses the practical ability to unilaterally direct the important activities of the special-purpose entity. Furthermore, the Group bears a risk and has rights to variable returns from the entities.

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.

CHANGE OF CONSOLIDATION GROUP

Compared to December 31, 2023, there have been no changes in the consolidation group except for the formation of the structured entity “Red & Black Auto Germany 11 UG (HAFTUNGSBESCHRAENKT)”, which is fully consolidated in the consolidated financial statements of the Group. Furthermore, the structured entity “Red & Black Auto Germany 7 UG (HAFTUNGSBESCHRAENKT)” was dissolved in December 2024.

CONSOLIDATION GROUP

The information in the table below is presented in accordance with Section 315e HGB.

			12/31/2024	
Name of company	**Company’s registered head office**	**Business activity**	**Share of equity held [%]**	**Share of voting rights held [%]**
Consolidated companies				
ALD LEASE FINANZ GMBH	Hamburg, Germany	Leasing company	100	100
SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES GMBH	Aschheim, Germany	Successor company to the capital management company	100	100
BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH	Hamburg, Germany	Specialized financing institution	99,9	90

BDK LEASING UND SERVICE GMBH	Hamburg, Germany	Service company	100	100
RED & BLACK AUTO GERMANY 8 UG (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 10 UG (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 11 UG* (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
Non-consolidated companies				
ALD AUTOLEASING UND DIENSTLEISTUNGS GMBH	Hamburg, Germany	Service company	43,8	43,8

*In October 2024, ”ABS - Red & Black Auto Germany 11 UG” was formed with a total volume of EUR 746,000,000.00; of which Class A Notes EUR 565,800,000.00 and other Class B Notes EUR 18,000,000.00, Class C Notes EUR 12,000,000.00, Class D Notes EUR 1,200,000.00 and Class E Notes EUR 3,000,000.00.

The non-consolidated company ALD Auto Leasing und Dienstleistungs GmbH is an associated company because the Group exerts significant influence by reason of its voting rights share of 43.8%.

Structured entities:

(In euro thousands)	**RED & BLACK AUTO GERMANY 7 UG**	**RED & BLACK AUTO GERMANY 8 UG**	**RED & BLACK AUTO GERMANY 9 UG**	**RED & BLACK AUTO GERMANY 10 UG**	**RED & BLACK AUTO GERMANY 11 UG**
Equity	0	(2,483)	(1,480)	6,210	1,148
Total assets	0	241,434	282,956	513,080	568,435
Net profit/loss at 12/31/2024	3,682	(7,918)	(3,653)	311	(1,156)

NOTE 3 – ACCOUNTING POLICIES AND MEASUREMENT METHODS

The separate financial statements of the subsidiaries included in the consolidated financial statements were prepared in accordance with the group wide recognition and measurement principles based on IFRS, which are 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 at the official spot exchange rates at the reporting date. The resulting remeasurement 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

According to IFRS 9, all financial assets and liabilities within the scope of this Standard, including derivative financial instruments, must be recognized in the statement of financial position. A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Upon initial recognition, a financial instrument is measured at fair value. If a financial instrument is measured at fair value or at amortized cost in subsequent periods, any directly attributable transaction costs must be added to the fair value.

Analysis of the business model

The Group applies different business models in its different operating segments. Business models are assessed on the basis of how groups of financial instruments are managed together to achieve a particular business objective. The business model test is not performed for each individual instrument, but at the portfolio level in consideration of all relevant factors, including:

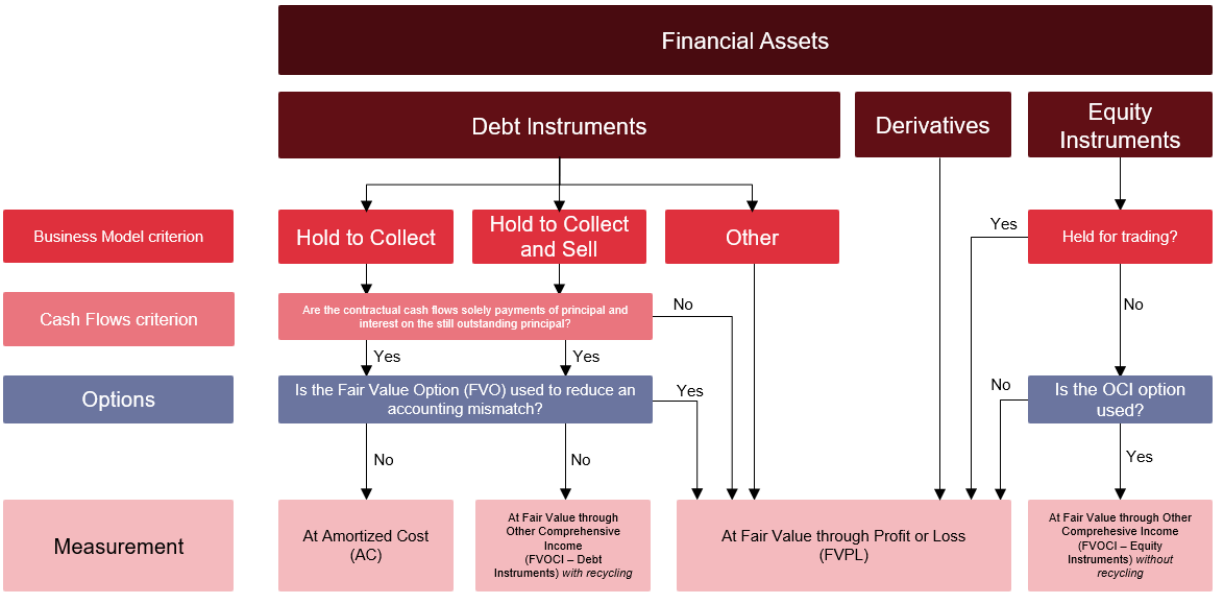
- Assessment of the portfolio's performance and reporting to the Group's Management;
- Management of risks associated with the financial assets held within the scope of the business model;
- Compensation structure of the managers of the business model;
- The already realized or expected sale of assets (value, frequency, purpose).

According to the rules 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 affect the measurement method (at amortized cost, at fair value through profit or loss, and at fair value through other comprehensive income). Three different business models are identified:

1. "Hold to collect" – Financial assets are held with the objective of collecting cash flows. A financial asset is measured at amortized cost if it is held under the "hold to collect" model and fulfills the SPPI criterion, meaning that its contractual cash flows consist exclusively of payments of principal and interest.

2. "Hold to collect and sell" – Financial assets are held with the objective of both collecting contractual cash flows and selling the financial assets. A financial asset is measured at fair value through other comprehensive income (FVOCI - Debt Instruments) if it is held under the "hold to collect and sell" model and if the SPPI criterion is met. Changes in fair value are initially recognized in other comprehensive income (OCI) and only reclassified to profit and loss (P&L) when the financial asset is sold. (There is currently no instance of this business model within the SGE Group.)

Collection by other means – Financial assets held with the objective of collecting cash flows by other means than "hold to collect" or a combination of "hold to collect and sell". These financial assets are measured at fair value through profit or loss (FVPL). The measurement method depends on whether the SPPI criterion is met.



Analysis of contractual cash flows from financial assets

Apart from the business model, the classification of a financial asset also depends on the characteristics of the financial asset's contractual cash flows. In order for a financial asset to be measured at amortized cost or at fair value through other comprehensive income, it must resemble a "basic lending arrangement" and the cash flows it generates must be "Solely Payments of Principal and Interest" (SPPI). This means that the cash flows may not include any additional, adverse components such as share price dependencies or leverage effects.

With regard to payments of principal, principal is defined as the fair value of the financial asset upon initial recognition. In the case of loans with fair market terms, the fair value is equal to the loan disbursement amount. The same applies to securities as well. If financial assets are purchased in the secondary market, the fair value upon initial recognition is usually equal to the purchase price. Transaction costs are not included in the principal.

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

The assessment of the cash flow criterion is limited to the analysis of whether the financial asset gives rise to contractual cash flows that are neither payments of principal nor payments of interest. This assessment is to be conducted in the currency in which the financial asset is denominated. This analysis does not cover the question of whether the amount of the contractually agreed interest is appropriate. In cases of unusually high interest, however, it must always be determined whether the interest represents compensation for risks that are not consistent with a "basic lending arrangement" (e.g., interest payments are linked to the performance of stock indices or commodity prices).

In conducting the SPPI test, the Group applies the rules applied by the ultimate parent company. To this end, the Group has defined basic criteria according to which it can be determined whether financial assets pass the SPPI test upon initial recognition or in the case of substantial contract modifications, upon disposal and renewed recognition. All contractual conditions must be considered.

Also in the case of contractual agreements that generate uncertainty concerning the timing or amount of contractual cash flows (e.g., termination and renewal rights), it must be precisely determined whether these payments are inconsistent with the definition of payments of principal and interest according to IFRS 9.

When termination rights are given, the cash flows represent payments of principal and interest only if the amount due upon early repayment consists mainly of outstanding payments of principal, outstanding payments of interest on the outstanding principal, and any appropriate additional compensation payments for early repayment. Such additional compensation payments primarily include prepayment penalties and any appropriate 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 which 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.

Simple financial assets (SPPI-conformant) are debt instruments that typically include the following product groups:

- Fixed-interest loans,
- Variable-interest loans, possibly with upper and lower limits,
- 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 indices or changes in the borrowing of debt capital) can generally not be regarded as SPPI-conformant.

"**Not SPPI-conformant financial assets**" typically include the following product groups:

- Derivative financial instruments,
- Stocks and other equity instruments held by the entity,
- Investment fund shares,
- 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 must also consider factors that could influence future non-discounted contractual cash flows: Applying the benchmark interest rate at the initial measurement date is not sufficient. In addition, the Group checks whether the benchmark interest rate could shift during the term of the instrument on the basis of possible scenarios.

The IFRS 9 rules also specify that violations of the cash flow criterion are always negligible if they have no appreciable effect on the contractual cash flows (“de minimis”) or only in extremely rare, extremely unusual, and highly improbable cases (“not genuine”).

The analysis of cash flow characteristics is decisive for the classification and measurement of the financial instrument. The effective interest method is generally applied to financial instruments that represent basic lending arrangements. Thus, this method is applicable to financial instruments measured at amortized cost (AC) and financial instruments measured at fair value through other comprehensive income (FVOCI - Debt Instruments). The effective interest method is not applicable to financial instruments that give rise to cash flows that are not solely payments of principal and interest because such financial instruments must be measured at fair value through profit or loss.

Upon initial recognition of investments in equity instruments that are not held for trading, the reporting entity may also exercise an irrevocable option to measure them at fair value through other comprehensive income (FVOCI - Equity Instruments, currently not applied within 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 line item of Other assets (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 a later date.

Derivative financial instruments are sub-divided into two categories:

- Held-for-trading financial instruments

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 within the item of “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.

- Derivatives designated as hedging instruments

In order to classify a derivative financial instrument as a hedging instrument for hedge accounting purposes, the Group documents this hedging relationship already upon 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 valuation method to be applied to assess the effectiveness of the hedging relationship. The derivative financial instrument designated 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 in the statement of financial position within the separate item of “Hedging derivatives.”

A detailed description of derivatives and the Group’s hedge accounting concept is provided in Note 4.1 and in Note 4.2.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also contains a non-derivative host. If the derivative host 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 derivative host is a financial liability that is not measured at fair value through profit or loss, the embedded derivative is separated from the host if:

▪ The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host at the date of acquisition; and.

▪ it would meet the definition of a derivative.

After the separation, the derivative is measured at fair value and presented within the balance sheet item of Financial assets or liabilities measured at fair value through profit or loss. The host contract is assigned to 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:

- 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;
- 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 in the line item of Other liabilities (see Note 4.3).

RECLASSIFICATION OF FINANCIAL ASSETS

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

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 valuation 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 measurement upon initial recognition is based exclusively on observable market data, any difference between this fair value and the transaction price, i.e., an imputed profit or loss (“day-one profit or loss”) is recognized immediately in the income statement. If, however, one of the valuation inputs is not observable or the valuation model applied is not recognized by the market, the day-one profit or loss is not recognized in the income statement. In the case of some complex instruments, this day-one profit or loss is only recognized upon maturity or upon a sale ahead of maturity. As soon as valuation inputs become observable, any not yet recognized part of the day-one profit 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 of 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 as long as the Group has a continuing involvement in the asset. 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 as long as the Group continues to be exposed to changes in the value of the asset (continuing involvement).

When a financial asset is derecognized in full, the gain or loss on disposal, which is calculated as 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 penalties charged to borrowers after the early repayment of loans are calculated on the basis of the date of early repayment and recognized in the line item of Interest and similar income of the income statement in accordance with the effective interest method.

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 cancelled 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 relationship, 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 item of “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 of motor vehicles held under operating leases is calculated on the basis of an aggregation established formed with reference to the age and mileage of the vehicles.

Residual value risks are calculated in accordance with the method known as fleet revaluation. This method is used to predict the sale proceeds upon lease termination for all vehicles for which ALD LF bears the residual value risk. The sale proceeds from comparable vehicles in the last 18 months are considered for this purpose. The sold vehicles are clustered on the basis of their characteristics (make, model, body, age, mileage, fuel type, engine power). In this manner, each vehicle to be valued is assigned to a group composed of at least 10 vehicles. The vehicles in this group were sold for a minimum sale price of EUR 5,000 in the last 18 months. The anticipated

sale price is calculated as the average value of this group and in consideration of a pre-defined inflation parameter, depreciation based on lifecycle, and expected selling costs.

The predicted sale proceeds are checked against the calculated residual values. The negative difference between the predicted sale proceeds and the calculated residual values 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 technical service, which is billed on a monthly basis under full-service operating leases, is presented proportionally to the expenses incurred 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. 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 of “Receivables under leases.”

The interest included in the lease payments is presented in the income statement under “Interest and similar income calculated in accordance with 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 impairments recognized in receivables under finance leases are subject to the same rules as those described for financial assets measured at amortized cost.

Sales of leased assets

Under sales of leased assets, leased assets under leases that have reached the end of the basic lease period, under onerous contracts, or under early lease terminations by mutual agreement are sold. Proceeds on sales of leased assets are recognized when the Group has fulfilled its performance obligation by transferring the promised assets to a customer. The transfer takes effect when the customer attains control of the asset. Thus, the Group recognizes the revenue at a point in time. The payment terms are short-term.

Income from sales of leased assets are presented within the line item of Income from other activities. The expenses incurred on sales of leased assets, which mainly consist of the residual carrying amounts of the leased assets, are presented within the line item of Expenses for other activities.

ACCOUNTING FOR LEASES BY THE LESSEE

RIGHTS TO USE THE ASSETS LEASED BY THE COMPANY

Leases

Separation of lease components from non-lease components

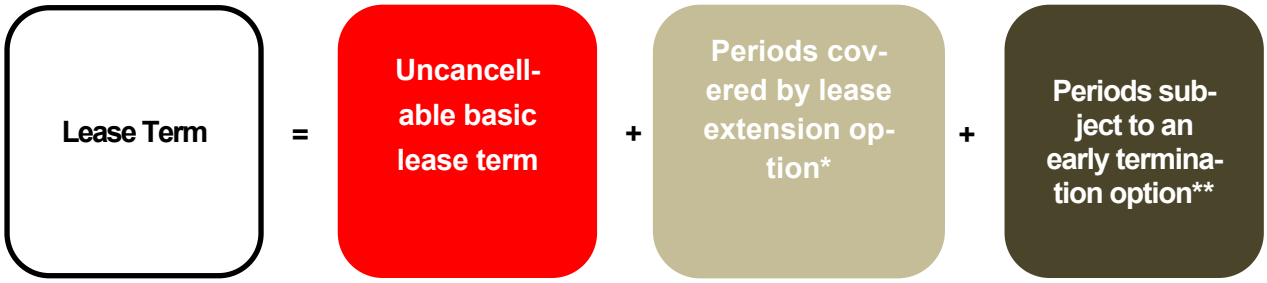
A contract may contain both a lease component and the provision of additional services by the lessor. In this case, the lessee can separate the lease components from the non-lease components and treat them separately. The contractually specified consideration for lease components and non-lease components should be handled separately on the basis of relative stand-alone 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 (certain floor plans, e.g. of a bank vault);

- The costs entailed by a termination of the lease relationship (including negotiation costs and moving 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 of the 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 time of commencement 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 interest expenses and the depreciation of the capitalized right-of-use asset in the income statement item of Depreciation, amortization and impairments of property, plant and equipment and intangible assets.

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 short-term leases. The Group recognizes the lease payments on such leases as expenses on a straight-line basis over the lease terms.

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. revenue 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 sales 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 competent 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 according to the effective interest method: The lease payments are apportioned between interest expenses and successive reductions of the lease liability presented in the income statement.

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 relationship.

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 for 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

The lessor applies the interest rate implicit in the lease to measure the net investment in the lease.

Upon initial recognition, lease liabilities under leases in which the Group is the lessee are measured as the present value of the lease payments not yet paid at the date of availability of the underlying asset, discounted by the interest rate implicit in the lease, or if that cannot be readily determined, at the incremental borrowing rate. The

incremental borrowing rate is normally applied as the discount rate. For Group companies 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 this company. For companies that receive funding from the Group, the incremental borrowing rate for loans extended by the Group is applied.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets comprise operational assets. Assets held under operating leases are presented within operational plant and equipment.

Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortization and impairments. Assets are depreciated by application of the component approach from the time when they are available for use. The individual components are depreciated 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. 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 definite useful lives are subjected to impairment tests as soon as indications of an impairment arise. Intangible assets without definite useful lives are subjected to an annual impairment test. The impairment test is conducted on the basis of the cash-generating unit to which the item of plant or 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 utilizes the acquisition method according to IFRS 3 in accounting for acquisitions of companies. 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 (badwill) 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 according to 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 recognized 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 fair value at the acquisition date. In addition,

non-controlling interests are measured at their share 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 capitalized 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:

- An obligation to a third party is expected to result in an outflow of resources without equivalent consideration in exchange,
- 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 virtually certain 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 LIABILITIES AND EQUITY

The correct distinction between equity instruments and debt instruments is also important for the issuer of a financial instrument. This distinction is made on the basis of uniform Group-wide specifications formulated by the parent company.

In accordance with IAS 32, the financial instruments issued by the Group are classified as equity instruments if they do not entail a contractual obligation for the issuer to deliver cash or another financial asset to the holders of such instruments (such as certain subordinated debentures of indefinite duration). However, this definition does not exclude the possibility that the holder of an equity instrument may not be entitled to receive (pro-rated) dividends or other profit distributions from equity. In classifying financial instruments with termination rights (puttable

instruments) or financial instruments that distribute the net asset value upon liquidation, the Group in its role of issuer follows the rules of IAS 32.18(b) in conjunction with IAS 32.16A-D. Thus, such instruments are debt instruments, in principle, from the viewpoint of an issuer. However, they are presented as equity instruments if the criteria of IAS 32.16A-D are met.

If they meet the criteria for debt instruments, the issued securities are classified as “Securitized liabilities” by reason of their characteristics.

If they meet the criteria for equity instruments, the issued securities are presented under “Subscribed capital, equity instruments and capital reserves.” If the equity instruments of subsidiaries are issued to third parties, these instruments are presented under “Non-controlling interests” and the dividends distributed to the holders of these instruments are presented in the income statement under “Non-controlling interests.”

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 in accordance with the effective interest method” utilizing the effective interest rate 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 to any future loan 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 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 RESULT FROM COMMISSIONS FOR SERVICES

The Group recognizes income from fees and commissions for services rendered and expenses for services received 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 completely recognized 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 item of “Personnel expenses” comprises all expenditures related to personnel. In particular, it includes expenses for wages and salaries and expenditures for the Group’s various pension plans.

EMPLOYEE BENEFITS

The Group’s company 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 work time accounts;

- Termination benefits.

Post-employment benefits

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

Under defined contribution plans, the amount of the current and future pension benefit is determined on the basis of the contributions paid to the pension fund. The amounts paid by SGE are recognized as personnel expenses in the respective 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 ceiling on plan assets are the factors considered in making a renewed estimate (or measurement) of 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.

The items of the statement of financial position that may not be reclassified to profit or loss at a later time 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 of “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 claims earned by every employee (current service cost);
- The change in the liability resulting from an amendment 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 item of “Risk expenses” comprises the net amounts of value adjustments 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) has been included in the consolidated tax group for income tax purposes since January 1, 2017 by virtue of the profit transfer agreement concluded with Société Générale Effekten GmbH (parent company) on September 26, 2017 and Société Générale Securities Services GmbH (subsidiary company) has been included in the consolidated tax group for income tax purposes since January 1, 2017 by virtue of the profit transfer agreement concluded with Société Générale Effekten GmbH (parent company) on December 1, 2017.

NONCURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 covers the measurement and disclosure of noncurrent assets held for sale (or for distribution to owners) and of discontinued operations. A noncurrent asset (or disposal group) is deemed to be “held for sale” if the carrying amount is to be recovered primarily by a sale transaction and not by continued use. This is the case when the asset is available for immediate sale and such a sale is highly probable.

Under IFRS 5, a noncurrent asset (or disposal group) that is held for sale is not depreciated, but is measured at the lower of carrying amount and fair value less costs to sell. If assets are measured in accordance with the rules of IFRS 9, the measurement rules of IFRS 5 are not to be applied.

A discontinued operation must be a component of an entity that is to be sold in full or in part as part of a single coordinated plan or that is to be closed, likewise as part of a single coordinated plan.

The Group classifies the Asset Management Division of Société Générale Securities Services GmbH, which is to be closed and represents at least a separate major line of business or geographical area of operations, as a discontinued operation. Significant reasons for the decision taken to discontinue this operation as of 12/31/2022

were the high risks associated with fund management and the considerable margin pressure accompanied by rising costs due to increasingly complex regulations. The objective was to harmonize the company's services with the Group's offering of services and reduce operational risks and costs by focusing on the in-sourcing business, by outsourcing activities to other companies of the Group, and by reducing the size of the company's workforce.

Due to the difficult market environment for the remaining in-sourcing business and the loss of regular customers, the SG Group resolved in 2022 to discontinue all business operations as of 12/31/2023. The Company is being continued only on an administrative basis. The articles of association were adapted to reflect the modified business object, namely the fulfillment of continuing obligations from the old business model, upon entry in the Commercial Register in the spring of 2024. The tentative date of closure of the company is not known.

The discontinuation of all operating activities as of December 31, 2023 meets the criteria for a discontinued operation according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The results of the activities of Société Générale Securities Services GmbH as a discontinued operation are presented in the table below:

(in euro thousands)	**2024**	**2023**
Interest and similar income calculated in accordance with the effective interest method	128	117
Interest and similar expenses in accordance with the effective interest method	(428)	(444)
Commission income	1,653	8,414
Commission expenses	(2)	(3)
Net result of financial transactions	77	35
Thereof net gains or losses on financial instruments measured at fair value through profit or loss	115	35
Income from other activities	2,323	3,472
Expenses for other activities	(1,002)	(975)
Net banking income	**2,749**	**10,616**
Personnel expenses	(246)	(7,105)
Other expenses/income	819	(13,384)
Expenses for depreciation, amortization, and impairments of intangible assets and property, plant and equipment	(441)	(688)
Gross operating result	**2,881**	**(10,561)**
Risk expenses (impairments of financial assets and liabilities)	-	-
Operating result	**2,881**	**(10,561)**
Net gains or losses on other assets	-	(234)
Impairments of goodwill	-	-
Profit/loss before taxes	**2,881**	**(10,795)**
Income taxes	-	-
Non-controlling interests	-	-
Net profit/loss from discontinued operations	**2,881**	**(10,795)**

As of 12/31/2024, the assets and liabilities of the discontinued operations of Société Générale Securities Services GmbH break down as follows:

ASSETS	**12/31/2024**	**12/31/2023**
Financial assets measured at fair value through profit or loss	1,108	1,147
Receivables from banks at amortized cost	59,491	58,896
Tax assets	86	(1,127)
Other assets	70,729	80,961
Property, plant and equipment and intangible assets	-	7
Total assets	**131,414**	**139,884**

LIABILITIES	**12/31/2024**	**12/31/2023**
Tax liabilities	7,510	(2,512)
Other liabilities	22,357	12,038
Provisions	69,015	76,466
Total liabilities	**98,882**	**85,992**

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

NOTE 4 – FINANCIAL INSTRUMENTS

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

	12/31/2024		12/31/2023	
(In euro thousands)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Held for trading	2,966,977	2,965,871	2,611,073	2,607,019
Financial instruments that must be measured at fair value through profit or loss	1,162,082		820,320	-
Financial instruments measured at fair value through profit or loss by exercise of the fair value option	4	1,080,296	4	739,796
Total	**4,129,063**	**4,046,168**	**3,431,397**	**3,346,815**

FINANCIAL INSTRUMENTS HELD FOR TRADING

FINANCIAL ASSETS

(In euro thousands)	12/31/2024	12/31/2023
Bonds and other debt instruments	-	-
Equities and other equity instruments	-	-
Loans to customers and securities purchased under a repurchase agreement	-	-
Derivatives	2,966,977	2,611,073
Other financial assets	-	-
Total	**2,966,977**	**2,611,073**

FINANCIAL LIABILITIES

(In euro thousands)	12/31/2024	12/31/2023
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 a repurchase agreements	-	-
Derivatives	2,965,780	2,606,928
Other financial liabilities	-	-
Total	**2,965,871**	**2,607,019**

The counterparty of the held derivatives is the parent company of the Group, Société Générale S.A., Paris. For risk management purposes, therefore, they are managed together in a portfolio on the basis of their net exposure to the risks. However, the option of portfolio-based fair value measurement of jointly managed financial assets and liabilities allowed in IFRS 13.48 is not exercised because the net exposure of the derivatives, at EUR 1.2 million, is not considered to be material. The fair values of the derivatives are presented on a gross basis.

FINANCIAL ASSETS THAT MUST BE MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("NON-SPPI")

(In euro thousands)	12/31/2024	12/31/2023
Receivables from banks – measured at fair value through profit or loss	1,080,037	739,535
Loans to customers - measured at fair value through profit or loss	-	-
Securitized liabilities	-	-
Equities and other equity instruments	81,041	79,781
Securities / equities held on a long-term basis	1,004	1,004
Total	**1,162,082**	**820,320**

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

(In euro thousands)	12/31/2024	12/31/2023
Bonds and other debt instruments	4	4
Loans to customers and securities purchased under a repurchase agreement	-	-
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)	12/31/2024	12/31/2023
Interbank loans	-	-
Deposit guaranties received	-	-
Liabilities from loaned securities	-	-
Bonds and other short-sale debt instruments	1,080,296	739,796
Repo transactions – banks	-	-
Total	**1,080,296**	**739,796**

OFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

According to the offsetting rules of IAS 32.42, a financial asset and a financial liability should be offset and the net amount presented in the statement of financial position if the Group has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The legal right to set off the reported amounts must be enforceable under all circumstances, both in the normal course of business and in case of default by one of the counterparties.

Société Générale Effekten GmbH signed an offsetting agreement with Société Générale S.A. Paris for the portfolio of certificates on December 18, 2019. Other offsetting agreements were concluded for the portfolio of warrants on October 22 and 27, 2020. Based on these agreements, eligible financial assets and financial liabilities are presented on a net basis, the offsetting being performed separately within the portfolio of certificates and within the portfolio of warrants. The offsetting rules of IAS 32.42 are fulfilled on the basis of these agreements.

OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Certificates

	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
				Corresponding amounts not set off in the statement of financial position		
(In euro thousands)	Gross amounts of recognized financial assets / liabilities	Gross amounts of recognized financial liabilities / assets, set off in the statement of financial position	Net amounts of financial assets/ liabilities presented in the statement of financial position	Financial instruments	Collateral received / furnished	Net amount
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

	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
				Corresponding amounts not set off in the statement of financial position		
(In euro thousands)	Gross amounts of recognized financial assets / liabilities	Gross amounts of recognized financial liabilities / assets, set off in the statement of financial position	Net amounts of financial assets/ liabilities presented in the statement of financial position	Financial instruments	Collateral received / furnished	Net amount
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

(In euro thousands)	2024	2023
Net gain or loss from trading portfolio	-	-
Net gain or loss from financial instruments measured at fair value through profit or loss (not SPPI-conform-ant(	152,893	161,826
Net gain or loss from financial instruments for which the fair value option is exercised	(150,596)	(159,646)
Net gain or loss from derivative financial instruments and hedge accounting, **thereof:**	(2,309)	(20)
Net gain or loss from derivative financial instru-ments	*(13,242)*	*(39)*
Recycling from dissolved hedges	*10,933*	*19*
*Net gain or loss from hedge accounting, **thereof:***	-	-
Ineffective portion of cash flow hedges	-	-
Net gain or loss from foreign currency transactions	296	-
Total gains or loss from financial instruments measured at fair value through profit or loss	**284**	**2,160**
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 standpoint, derivative financial instruments are classified to one of the two categories “held for trading” (freestanding derivatives, see also Note 4.1) or “derivative hedging instruments” (presented in accordance with hedge accounting rules).

In accordance with the transition rules of IFRS 9, the Group has opted to retain the application of hedge accounting rules according to IAS 39 (in the version endorsed by the EU and to be applied in the EU). Only cash flow hedge accounting is applied within the Group at the present time.

Securitization vehicles are regularly used as funding instruments within the Group (ALD LF Group). Under these transactions, a pool of fixed-interest rate loan receivables (sales financing customers pay a fixed rate of interest) is sold to a special-purpose vehicle (SPV) established for that specific purpose. The special-purpose vehicle is funded by issuing variable-interest rate securities in the market, which are backed by loan receivables (asset-backed securities). Due to the securitization design and the imbalance between fixed-interest rate pool receivables (ABS design) and variable-interest rate securities, the Group is exposed to an interest rate risk, which manifests in the variability of cash flows from the securities to be serviced.

To hedge against this interest rate risk, a payer swap (back-to-back swap) is concluded, on the basis of which the fixed cash flows generated from the securitized loan receivables are converted into variable cash flows on the basis of the expected repayment timeline of the ABS transaction. Therefore, this instrument is an economic cash flow hedge that hedges against variability of the interest cash flows resulting from the variable interest rate of the securities.

Thus, the hedging derivatives are back-to-back interest rate swaps, which are used to manage the interest rate risk of the loan receivables securitized by ALD LF and form a fixed-interest rate liability together with the security as a unit.

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

The Group applies cash flow hedge accounting to account for hedges, in full conformance with the economic strategy. The use of cash flow hedge accounting serves to avoid the one-sided earnings effects for derivatives used to hedge against the risk of a change in the future cash flows from the hedged item.

In order to account for a hedge, it is documented in detail from the outset. This documentation specifies the underlying item to be hedged, the risk to be hedged against and the related risk management strategy, the type of hedge transaction used, and the method applied to measure its effectiveness.

- The back-to-back swap is designated as the **hedging instrument**.
- The Tranche A Notes are designated as the **hedged item**: Because the Tranche A Notes are equivalent securities with respect to all terms and conditions, the homogeneity criterion is met by definition.
- The **risk to be hedged** is the same as the risk of changes in the benchmark interest rate on which the Notes are based (usually 1M EURIBOR). The benchmark interest rate of the securities (usually 1-M EURIBOR) is hedged.

The derivative designated as the hedging instrument must exhibit a high degree of effectiveness in offsetting the changes in the cash flows resulting from the hedged risk. This effectiveness is given when changes in the cash flows of the hedged instrument are almost completely offset by changes in the cash flows of the hedging instrument, where the expected ratio of the two types of changes is between 80% and 125%. The effectiveness is assessed both when the hedge is set up for the first time and during its entire life. The effectiveness is assessed on a quarterly basis both prospectively (expected effectiveness over future time periods) and retrospectively (effectiveness measured against past time periods). If the effectiveness does not fall within the range indicated above, hedge accounting is discontinued.

Prospective effectiveness is determined by means of a sensitivity analysis based on probable market trends or by means of a regression analysis of the statistical 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, interest rate adjustment date, day counting 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 prospective effectiveness of the hedging instrument is performed.

During the life of the hedge, the prospective effectiveness is demonstrated by the historical effectiveness of the hedge since the designation date and then implicitly by means of the retrospective test.

In the retrospective effectiveness test, the cumulative changes in value of the hedging derivative are compared with those of the hypothetical derivative. A hedge is effective if the quotient is between -1.25 and -0.8 (dollar offset method). In this step, the clean price method is applied, meaning that the effectiveness test is calculated on the basis of clean prices.

The main reason for ineffectiveness lies in the differences between predicted repayments and actual repayments. These differences cause the notional values of the swaps to deviate from the actual performance of the portfolio. This influences the market values of the swaps, leading to an ineffectiveness according to the dollar offset method.

The hedges are formed with the intention of maintaining them over the full term of the hedged items without adjustments. Therefore, continual rebalancing is not conformant with the risk strategy and is also not performed in the accounting treatment due to the continued application of the hedge accounting rules of IAS 39.

Under cash flow hedge accounting, the derivatives employed are measured at fair value. The effective portion of the cumulative fair value changes of the hedging derivative is presented within Revaluation differences from hedging instruments in Other Comprehensive Income (OCI). The ineffective portion is presented in the income statement line item of Net gains and losses from financial instruments measured at fair value through profit or loss. Accrued interest income and expenses from interest rate derivatives are presented in the income statement line item of Interest and similar income / expenses calculated in accordance with the effective interest method at the same time as the accrued interest income and expenses associated with the hedged item.

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

The posting logic for the hedged item remains unchanged from the presentation without the use of hedge accounting. This means that the Group’s securitized liabilities that are included in an active hedge as hedged items are still measured at amortized cost.

If the effectiveness criteria for hedge accounting are no longer met or when a hedged item or hedging instrument expires, is terminated, or is sold, hedge accounting is discontinued as of the date 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 in accordance with the effective interest method” in the

periods in which the cash flows from the hedged underlying take effect. If the sale or repayment 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

	12/31/2024		12/31/2023	
(In euro thousands)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	15,902	24,490	32,333	38,358
Foreign currency instruments	122,428	90,804	170,742	161,556
Equity and index instruments	1,548,124	1,428,234	1,149,106	830,034
Commodity instruments	1,280,524	1,422,252	1,258,891	1,576,980
Credit derivatives	-	-	-	-
Other futures instruments	-	-	-	-
Total	**2,966,978**	**2,965,780**	**2,611,073**	**2,606,928**

HEDGING DERIVATIVES HELD FOR HEDGING PURPOSES

	12/31/2024		12/31/2023	
(In euro thousands)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Cash flow hedge				
Interest rate instruments	-	10,542	19,265	9,879
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Commodity instruments	-	-	-	-
Other financial instruments	-	-	-	-
Total	**-**	**10,542**	**19,265**	**9,879**

	12/31/2024					
		Fair value		Fair value change in the reporting period		
(In euro thousands)	**Notional amount**	**Positive market values assets**	**Negative market values liabilities**	**Gains and losses recognized in OCI**	**Ineffectiveness recognized in the income statement**	**Accumulated other comprehensive income (OCI)**
Hedging of interest rate risk	1,048,642	-	10,542	(5,255)	-	(6,802)
Interest rate instruments, interest rate swaps	1,048,642	-	10,542	(5,255)	-	(6,802)
For hedged liabilities	1,048,642	-	10,542	(5,255)	-	(6,802)
Total	**1,048,642**	**-**	**10,542**	**(5,255)**	-	**(6,802)**

In addition, two hedges were dissolved due to identified ineffectiveness in the reporting period. Because both the affected hedged items and the hedging derivatives are still held, the accumulated other comprehensive income (OCI) attributable to these hedges will be recycled to the income statement over the term of the instruments. As of 12/31/2024, the recycling amount totaled EUR 10,933 thousand.

	12/31/2023					
		Fair value		Fair value change in the reporting period		
(In euro thousands)	**Notional amount**	**Positive market values assets**	**Negative market values liabilities**	**Gains and losses recognized in OCI**	**Ineffectiveness recognized in the income statement**	**Accumulated other comprehensive income (OCI)**
Hedging of interest rate risk	1,696,302	19,265	9,879	(45,653)	-	9,386
Interest rate instruments, interest rate swaps	1,696,302	19,265	9,879	(45,653)	-	9,386
For hedged liabilities	1,696,302	19,265	9,879	(45,653)	-	9,386
Total	**1,696,302**	**19,265**	**9,879**	**(45,653)**	**-**	**9,386**

DISCLOSURES ON HEDGED ITEMS

(In euro thousands)	12/31/2024 Value changes in the reporting period	12/31/2023 Value changes in the reporting period
Cash flow hedge against interest rate risks	5,255	45,653
Interbank market securities and issued debentures	5,255	45,653
Total	**5,255**	45,653

MATURITIES OF HEDGED CASH FLOWS

(In euro thousands)	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)

(In euro thousands)	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2023
Floating cash flows hedged	9,386	-	-	-	9,386

MATURITIES OF HEDGING DERIVATIVES (NOTIONAL VALUES)

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

(In euro thousands)	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2023
Interest rate swap (assets)	-	-	-	-	-
Interest rate swap (liabilities)	192,261	565,900	938,141	-	1,696,302

MATURITIES OF HEDGED FINANCIAL INSTRUMENTS

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

(In euro thousands)	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2023
Interbank market securities and tradable debentures	188,259	599,342	971,340	-	1,758,492

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 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 particularly include 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), for which the liquidation value at the reporting date is available.

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 for 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 simple or may 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 most important market actors.

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)

The financial instruments assigned to category L3 therefore 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

	12/31/2024			
(In euro thousands)	**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 book	**-**	**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 financial futures instruments	-	-	-	-
Financial assets that must be measured 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 under 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 measured 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**

	12/31/2023			
(In euro thousands)	**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 book	**-**	**2,611,073**	**-**	**2,611,073**
Interest rate instruments	-	32,333	-	**32,333**
Foreign currency instruments	-	170,742	-	**170,742**
Equity and index instruments	-	1,149,106	-	**1,149,106**
Commodity instruments	-	1,258,891	-	**1,258,891**
Credit derivatives	-	-	-	-
Other financial futures instruments	-	-	-	-
Financial assets that must be measured at fair value through profit or loss	**1,147**	**636,421**	**182,752**	**820,320**

Bonds and other debt instruments	-	-	-	-
Equities and other equity instruments	1,147	-	79,638	**80,785**
Loans and securities purchased under repurchase agreements	-	636,421	103,114	**739,535**
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	**-**	**19,265**	**-**	**19,265**
Interest rate instruments	-	19,265	-	**19,265**
Foreign currency instruments	-	-	-	**-**
Equity and index instruments	-	-	-	**-**
Financial assets measured at fair value through other comprehensive income	**-**	**-**	**-**	**-**
Bonds and other debt instruments	-	-	-	**-**
Equity instruments	-	-	-	**-**
Loans and receivables	-	-	-	**-**
Total financial assets at fair value	**1,147**	**3,266,764**	**182,752**	**3,450,662**

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	12/31/2024			
(In euro thousands)	**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 financial futures 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**

	12/31/2023			
(In euro thousands)	**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	**-**	**2,606,928**	**-**	**2,606,928**
Interest rate instruments	-	38,358	-	38,358
Foreign currency instruments	-	161,556	-	161,556
Equity and index instruments	-	830,034	-	830,034
Commodity instruments	-	1,576,980	-	1,576,980
Credit derivatives	-	-	-	-
Other financial futures instruments	-	-	-	-
Financial liabilities for which the fair value option was exercised	**-**	**636,682**	**103,114**	**739,796**
Hedging derivatives	**-**	**9,879**	**-**	**9,879**
Interest rate instruments	-	9,879	-	**9,879**
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Total financial liabilities at fair value	**-**	**3,253,580**	**103,114**	**3,356,694**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

Financial assets measured at fair value

(In euro thousands)	Balance at 12/31/2023	Addi-tions	Sales / re-payments	Reclassi-fied to Level 2	Reclassi-fied from Level 2	Period gains and losses	Ex-change rate dif-ferences	Other	Balance at 12/31/2024
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 book	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Commodity instruments	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Other financial futures instruments	-	-	-	-	-	-	-	-	-
Financial assets which must be measured at fair value through profit or loss	**182,752**	**(955)**	**(40,798)**	**(35,102)**	**2,148**	**(2,451)**	**-**	**-**	**105,593**
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equities and other equity instruments	**79,638**	(955)	-	-	-	2,254	-	-	**80,937**
Loans and securities purchased under repurchase agree-ments	**103,114**	-	(40,798)	(35,102)	2,148	(4,705)	-	**-**	**24,656**
Financial assets for which the fair value option was ex-ercised	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-

(In euro thousands)	Balance at 12/31/2023	Addi-tions	Sales / re-payments	Reclassi-fied to Level 2	Reclassi-fied from Level 2	Period gains and losses	Ex-change rate dif-ferences	Other	Balance at 12/31/2024
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 measured at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-	-
Total financial assets at fair value	**182,752**	**(955)**	**(40,798)**	**(35,102)**	**2,148**	**(2,451)**	**-**	**-**	**105,593**

Financial liabilities measured at fair value

(In euro thousands)	Balance at 12/31/2023	Addi-tions	Sales / repay-ments	Reclassi-fied to Level 2	Reclassified from Level 2	Period gains and losses	Exchange rate differ-ences	Other	Balance at 12/31/2024
Held for trading	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities from loaned securities	-	-	-	-	-	-	-	-	-
Bonds and other short-sale debt instruments	-	-	-	-	-	-	-	-	-
Equities and other short-sale equity instru-ments	-	-	-	-	-	-	-	-	-
Loans and securities sold under repo trans-actions	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Trading derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Commodity instruments	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Other financial futures instruments	-	-	-	-	-	-	-	-	-
Financial liabilities for which the fair value option was exercised	**103,114**	**(40,798)**	**-**	**(35,102)**	**2,148**	**(4,705)**	**-**	**-**	**24,656**
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Total financial liabilities at fair value	**103,114**	**(40,798)**	**-**	**(35,102)**	**2,148**	**(4,705)**	**-**	**-**	**24,656**

VALUATION 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 are applied at values estimated on the basis of market conditions at the reporting date. 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 they are based on observable data in the market or not, 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. Instruments traded on financial markets in the amount of EUR 1,859 thousand are presented within 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-linked securities

The fair value of listed securities is equal to their stock exchange price at the reporting date. The fair value of listed securities is determined with the aid of one of the following measurement 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) a recent acquisition of company stock by a third party, or 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 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 benchmark interest rate (including counterparty, default, and liquidity risk) (discounted cash flow method).

Loans and receivables

The fair value of loans and receivables for which no actively traded market exists is determined by discounting the expected future cash flows to present value. The discount rate applied for this purpose is based on the interest rates applicable to loans with comparable terms and maturities at the reporting date. These discount rates are adjusted to account for the borrower's credit risk.

SIGNIFICANT NON-OBSERVABLE PARAMETERS – LEVEL 3

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products that are measured with input factors that are not based on observable market data (non-observable parameters).

The measurement of financial instruments assigned to Level 3 in the statement of financial position at December 31, 2024 and the value range of significant non-observable parameters are presented in the table below by main product types. The value ranges indicated in the table represent the highest and the lowest value within each non-observable parameter, which were used for the measurements in the Level 3 category from the viewpoint of the parent company. However, there are significantly different values in the affected financial instruments. Therefore, the ranges of certain parameters may be large.

Type of financial instrument	Financial assets	Financial liabilities	Main products	Measurement method applied	Significant non-observable parameters	Range of values min.	Range of values max.
	(EUR'000)	(EUR'000)					
Equities and other equity instruments	80,937	-	Equities and equity shares	Discounted cash flow or dividend distribution model	Equity volatility	3.00%	166.00%
					Equity dividend	0%	11%
					Correlation	-200.00%	200%
Loans and securities	24,656	-	Loans with embedded derivatives, convertible bonds, securities with repurchase agreements	Projection models for the achievable amount and basic correlation	Time to default-correlation	0%	100%
					Variance of recovery rates for individual underlying assets	0%	100%
					Credit spreads	0 bps	90.8 bps
Total	**105,593**	-				-	-

Non-observable parameters are carefully assessed, particularly in the present, persistently uncertain economic environment and market. By their nature, however, non-observable parameters contribute a certain level of uncertainty to the measurement of Level-3 financial instruments. To quantify this uncertainty, the sensitivity of the fair value of instruments for which certain non-observable parameters must be applied for measurement purposes was determined as of December 31, 2024. This determination is based on a "standardized" variation of non-observable input factors that was calculated for the respective parameters on a net position, or based on assumptions that correspond to the additional valuation

adjustment guidelines for the affected financial instruments. The “standardized” variation is equivalent to the standard deviation of consensus prices (TOTEM, etc.), which are applied to assess a non-observable parameter. If these data are not available, the standard deviation of historical data is applied to assess the parameters.

However, the Group is only exposed to limited market risk due to the current orientation of business activities (primarily Global Banking and Investor Solutions (warrant and certificate business of SGE) and Financial Services to Corporates and Retails (lending and leasing business of ALD LF)). A direct change in a non-observable parameter would have only very limited effects on the Group’s net profit or loss.

NOTE 4.4 - LOANS AND RECEIVABLES AT AMORTIZED COST

LOANS TO AND RECEIVABLES FROM BANKS AT AMORTIZED COST

(In euro thousands)	12/31/2024	12/31/2023
Current accounts	138,555	82,616
Term deposits and loans	37,186	64,698
Related receivables	9	26
Loans and receivables before impairments (gross total)	**175,750**	**147,340**
Less impairments (risk provisions for credit risks)	-	-
Remeasurement of hedged balance sheet items	-	-
Total net	**175,750**	**147,340**

LOANS TO AND RECEIVABLES FROM CUSTOMERS (INCLUDING FINANCE LEASES)

(In euro thousands)	12/31/2024	12/31/2023
Loans to customers	4,008,960	4,399,171
Finance leases	459,005	506,112
Loans to customers before value adjustments (gross total)	**4,467,965**	**4,905,283**
Less value adjustments (risk provisions for credit risks)	(63,641)	(68,902)
Customers	*(56,752)*	*(58,656)*
Finance leases	*(6,889)*	*(10,246)*
Remeasurement of hedged balance sheet items	-	-
Total net	**4,404,324**	**4,836,381**
Loans to customers	*3,952,208*	*4,340,515*
Finance leases	*452,116*	*495,866*

See Note 4.8 “Impairments and provisions” for detailed information.

NOTE 4.5 - LIABILITIES AT AMORTIZED COST

LIABILITIES TO BANKS

(In euro thousands)	12/31/2024	12/31/2023
Deposits and current accounts	10,673	31,389
Forward liabilities	3,280,248	3,512,318
Other liabilities	2,691	2,484
Remeasurement of hedged balance sheet items	-	-
Securities sold under repurchase agreements	-	-
Total	**3,293,612**	**3,546,191**

LIABILITIES TO CUSTOMERS

(In euro thousands)	12/31/2024	12/31/2023
Other sight deposits	25	36
Total liabilities to customers	**25**	**36**
Liabilities secured by bonds and securities	-	-
Securities sold to customers under repurchase agreements	-	-
Total	**25**	**36**

SECURITIZED LIABILITIES

(In euro thousands)	12/31/2024	12/31/2023
Interbank market securities and tradable debentures	1,554,095	1,755,205
Other liabilities	2,454	3,737
Total	**1,556,549**	**1,758,942**

NOTE 4.6 - TRANSFERRED ASSETS

TRANSFERRED, BUT NOT DERECOGNIZED FINANCIAL ASSETS

Transferred financial assets that are not derecognized mainly include the Group's own assets (certain loan receivables), which are transferred to consolidated securitization vehicles.

The instrument of securitizing loan receivables is used in the segment Financial Services to Corporates and Retails. Under the name "Red & Black", which is used for securitizations of the Société Générale Group, loan receivables have been bundled and publicly placed in 11 structures to date (PY: 9 structures). There were 4 active structures at the reporting date, the same as in the previous year.

At the reporting date, the carrying amount of transferred receivables was EUR 1,576.7 million (PY: EUR 1,502.5 million) and the carrying amount of the corresponding liabilities was EUR 1,554.1 million (PY: EUR 1,347.6 million). The corresponding market values of receivables amounted to EUR 1,576.7 million (PY: EUR 1,502.5 million) and those of liabilities amounted to EUR 1,516.3 million (PY: EUR 1,433.3 million), yielding a net receivable in the amount of EUR 60.3 million (PY: EUR 69.2 million).

In this category, the Group remains exposed to most of the opportunities and risks associated with the transferred receivables. For this reason, the transferred receivables are not derecognized. They belong to the class of assets subject to restrictions on free disposal. Thus, they may not be used as collateral or directly sold as part of another transaction. The receivables are presented within the line item of Loans to and receivables from customers, the liabilities within Securitized liabilities.

TRANSFERRED FINANCIAL ASSETS THAT ARE PARTIALLY OR COMPLETELY DERECOGNIZED

At December 31, 2024 and at December 31, 2023, the Group did not conclude any significant transactions that would have led to a partial or complete derecognition of financial assets (retention of continuing involvement).

NOTE 4.7 – INTEREST AND SIMILAR INCOME / EXPENSES CALCULATED IN ACCORDANCE WITH THE EFFECTIVE INTEREST METHOD

	2024			2023		
(In euro thousands)	**Income**	**Expenses**	**Net**	**Income**	**Expenses**	**Net**
Financial instruments at amortized cost	**241,027**	**(154,335)**	**86,692**	**231,586**	**(126,641)**	**104,945**
Central banks	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-
Issued debentures	-	(67,837)	(67,837)	-	(65,438)	(65,438)
Transactions with banks	1,182	(85,993)	(84,811)	1,463	(60,708)	(59,245)
Loans to customers and sight deposits	211,827	-	211,827	202,653	-	202,653
Subordinated liabilities	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
Securities purchased / sold under repurchase agreements and loans secured by securities	2,056	-	2,056	4,577	-	4,577
Leases	25,962	(505)	25,457	22,893	(495)	22,398
Real estate	-	*(505)*	*(505)*	-	*(495)*	*(495)*
Equipment	*25,962*	-	*25,962*	*22,893*	-	*22,893*
From financial instruments in cash flow hedges – issued securities	**24,527**	**-**	**24,527**	**56,522**	**(20,120)**	**36,402**
Total interest income and interest expenses	**265,554**	**(154,335)**	**111,219**	**288,108**	**(146,761)**	**141,347**

NOTE 4.8 – IMPAIRMENTS 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 receivables,[1] collectible income presented in Other assets, and loan commitments and issued guarantees are subject to credit default risk, which is accounted for as an impairment or value adjustment in the amount of the expected credit loss. These impairments and value adjustments 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 value adjustments.

In order to consider sustainability risks, the regulations of Société Générale S.A. (ESG Blacklist for Sectors and Borrowers) are observed in making lending decisions and for purposes of ongoing portfolio monitoring.

Impairments are calculated on the basis of a three-level model (Level 1, Level 2, Level 3). A schematic representation of the model used for calculating impairments on the basis of assignment to these levels is presented in the table below:

Observed Risk of Credit Quality Deterioration from Initial Recognition of the Financial Asset			
Category of default risk	Level 1 Assets upon initial recognition	Level 2 Assets with significant increase in default risk since initial recognition	Level 3 Assets with impaired credit quality
Transfer criteria	Initial recognition of the instrument in Level 1 Unchanged if the default risk has not increased significantly	The default risk of the instrument has increased significantly since initial recognition >30 days past due	Indication that the credit quality of the instrument has become impaired >90 days past due
Assessment of default risks	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Assessment basis Interest income	Gross carrying amount of asset before impairment	Gross carrying amount of asset before impairment	Net carrying amount of asset after impairment

Upon initial recognition, the risk positions are systematically classified to Level 1 if their credit quality is already 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 (expected credit losses from loss events within 12 months or “12-month expected credit losses”).

[1] Nor risk provisions are formed for Loans to and receivables from banks at amortized cost because the amount in question is not material from the standpoint of the Group’s consolidated financial statements.

In subsequent periods, the amount of impairments or value adjustments to be recognized at every reporting date is determined on the basis of the change in credit risk since initial recognition of a financial instrument. If a significant deterioration of credit risk has occurred (Level 2) or if in addition to that, objective indications of an impairment are identified (Level 3), the affected risk positions are reduced by the amount of credit losses that the Group expects over the entire lifetime 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. If, on the other hand, there is no significant deterioration of credit risk, the financial instrument in question remains in Level 1 and only those losses expected over the lifetime of the instrument resulting from possible loss events over the next 12 months are taken into account.

Given the retail character of the sales financing portfolio, the level classification is derived exclusively from the number of past-due days of the oldest receivable (L1a no past-due receivables, L1b past-due up to 30 days, L2 past-due up to 90 days).

In the dealer financing business, financial instruments are assigned to the appropriate levels by the CRM CF Department. Customers without a heightened default risk bear a commensurately good Group rating (so-called NOVA Rating) and are assigned to Level 1, while customers moved to Watchlist status are assigned to Level 2. The NOVA Rating is reviewed and re-assigned once a year and on an ad-hoc basis when needed.

In the sales financing business, only generalized individual value adjustments are charged on defaulted receivables. Level 3 is defined as a default and is set when a receivable is past-due by more than 90 days. Level 3 can also be assigned for another known default case, independently of the age structure of the outstanding customer receivable, such as insolvency, fraud, or other known negative information about the customer’s ability to pay. A mathematical-statistical calculation method is applied under which the expected loss is estimated on the basis of observed defaults in the past, current information, and expectations for the future.

A mathematical-statistical calculation method under which the expected loss is estimated on the basis of observed defaults in the past, current information, and expectations for the future is applied for all general value adjustments and generalized individual value adjustments. A value adjustment rate calculated as the product of the probability of default multiplied by the loss given default is applied for this purpose.

The value adjustment rates for all portfolios are validated once a year and on an ad-hoc basis when needed. A five-year data history is applied for validating the probability of default (PD) and the loss given default (LGD). For forward-looking developments, macroeconomic indicators are applied as the forward-looking component in the ECL estimate. These indicators are economic growth, unemployment rate, production index, oil price index, and interest rate trend.

In dealer financing, an individual value adjustment is applied to Level-3 customers assessed as being in default. These customers are subjected to problem-loan monitoring. Their status is reported in the monthly meetings of a committee. The individual value adjustment is reviewed and re-assigned once a month. The amount of the individual value adjustment is equal to the difference between the carrying amount of the loan and the present value of expected recoveries from payments of interest and principal, as well as cash flows from the liquidation

of collateral. Individual value adjustments are reversed and recognized in profit or loss when the value adjustment requirement is reduced.

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

In the case of financial assets that are already impaired upon initial recognition (so-called “purchased or originated credit-impaired financial assets” or POCI), the value adjustment is included in the net carrying amount of the credit-impaired financial asset. Allocations and reversals of impairments are recognized as expenses in the item of Risk expenses.

By reason of the Group’s business model, POCI cases are either non-existent or extremely rare, and when they do occur the amounts in question are immaterial, so that separate presentation is not required, in the Group’s judgment. If individual cases meeting the POCI definition should occur, they are assigned to Level 3 by reason of their default rating upon initial recognition.

Loans extended by the Group may possibly be restructured to ensure the collection of payments of principal and interest. For this purpose, the original contractual terms and conditions of the loan are adjusted (e.g., extended term of principal payments, suspension and deferral of principal payments, change of principal payment type, change of interest payment dates, deferral of interest payments (suspension of the next-due interest payment), or obtainment of additional collateral). Assets may only be restructured if the borrower experiences financial difficulties, becomes insolvent, and/or files for insolvency proceedings (regardless of whether the borrower is already insolvent or will become insolvent in all probability if the loan is not restructured).

The Group follows the uniform accounting requirements of the Group’s parent company in accounting for restructured loans. For this purpose, a distinction is made between substantial and non-substantial modifications. According to the parent company’s rules, contractual adjustments of loans that do not pass the SPPI test (see Note 3 for information on the analysis of characteristics of contractual cash flows) represent substantial modifications and lead to derecognition and re-recognition of modified financial assets (there are currently no such cases in the Group at SGE). If, however, the contractual cash flows from a restructured loan continue to represent solely payments of principal and interest on the still outstanding amount after the restructuring (i.e., SPPI-conformant loans), the modifications are classified as non-substantial and do not lead to derecognition and continue to be recognized in the statement of financial position. Instead, the gross carrying amount is adjusted down to the present value of modified cash flows by application of the original effective interest rate. This valuation difference results in a modification gain or loss, which is recognized in the income statement within the line item of Risk expenses and amortized to Net interest income/expenses on subsequent reporting dates. The related interest income is then still recognized at the original effective interest rate of the loans.

In addition to the qualitative distinction made on the basis of whether the modified contractual conditions adversely affect SPPI conformance, a quantitative present value test is applied as well. The present value test is a comparative calculation in which the present value of the contractually modified series of payments is compared with the present value of the original contractually agreed series of payments.

If the forbearance measure leads to a present value loss of more than 1%, the receivable is set to Level 3 and therefore to default status (material financial loss). If the present value loss is no more than 1% or if the present value difference is actually positive after the restructuring, the receivable is set to Level 2.

In those cases in which it can no longer reasonably be expected that the asset can still be completely recovered, the asset is (partially) written off directly. If no surrogate takes the place of the defaulted receivable, it is deemed to be uncollectible and is derecognized. This is done in the following cases, for example:

- Insolvency cases, if no further payments are expected from the liquidation of collateral or an insolvency dividend;
- Cancelled receivables if the remaining outstanding balance can no longer be settled;
- Complete or partial waiver of debt

Exposures that are still collected after write-off are centrally processed with the goal of collecting extraordinary income from these receivables and accounting for them.

OVERVIEW OF IMPAIRMENTS AND PROVISIONS

(In euro thousands)	12/31/2024	12/31/2023
Impairments of financial assets measured at fair value through other comprehensive income	**-**	**-**
Impairments of financial assets at amortized cost	**64,872**	**70,258**
Loans and receivables at amortized cost*	*63,641*	*68,902*
Other assets at amortized cost	*1,231*	*1,356*
Provisions for financial commitments	1,478	875
Provisions for guaranty commitments	-	-
Total impairments for credit default	**1,478**	**875**

*Including impairments from finance leases (see also Note 4.4, Table “Loans to and receivables from customers (including finance leases)”).

IMPAIRMENTS OF FINANCIAL ASSETS

(In euro thousands)	Impairments at 01/01/2024	Addi-tions	Reversal	Net impair-ment ex-penses	Utilization	Other changes	Impairments at 12/31/2024
Financial assets at amortized cost							
Impairments of performing receivables (Level 1)	20,848	2,814	(8,244)	(5,430)	-	-	15,418
Impairments of distressed receivables (Level 2)	9,345	3,146	(6,312)	(3,166)	-	-	6,179
Impairments of doubtful receivables (Level 3)	40,065	28,614	(9,790)	18,824	(15,614)	-	43,275
Total	**70,258**	**34,574**	**(24,346)**	**10,228**	**(15,614)**	**-**	**64,872**
thereof finance leases and similar agreements							
Impairments of performing receivables (Level 1)	4,601	(54)	(2,010)	(2,064)	-	-	2,537
Impairments of distressed receivables (Level 2)	318	386	(312)	74	-	-	392
Impairments of doubtful receivables (Level 3)	5,327	3,653	(2,940)	713	(2,080)	-	3,960
Total	**10,246**	**3,985**	**(5,262)**	**(1,277)**	**(2,080)**	**-**	**6,889**

PROVISIONS

(In euro thousands)	Impairments at 01/01/2024	Additions	Reversal	Net impair-ment ex-penses	Utilization	Other changes	Impair-ments at 12/31/2024
Financial commitments							
Impairments of performing receivables (Level 1)	867	-	589	589	-	-	1,456
Impairments of distressed receivables (Level 2)	-	-	-	-	-	-	-
Impairments of doubtful receivables (Level 3)	8	14	-	14	-	-	22
Total	**875**	**14**	**589**	603	**-**	**-**	**1,478**
Guaranty commitments							
Impairments of performing receivables (Level 1)	-	-	-	-	-	-	-
Impairments of distressed receivables (Level 2)	-	-	-	-	-	-	-
Impairments of doubtful receivables (Level 3)	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

DEVELOPMENT OF RISK PROVISIONS

The risk provisions deducted from assets are presented in the table below in dependence on changes in the carrying amounts of financial assets:

	Impairments of Financial Assets at Amortized Cost						
(In euro millions)	Level 1	*Thereof lease receivables and similar*	Level 2	*Thereof lease receivables and similar*	Level 3	*Thereof lease receivables and similar*	**Total**
Balance at 12/31/2023	21	5	9	-	40	5	70
Additions[1]	-	-	-	-	-	-	**-**
Disposals[2]	(1)	-	(2)	-	(1)	-	**(4)**
Transfer from Level 1 to Level 2[3]	-	-	-	-	-	-	**-**
Transfer from Level 2 to Level 1[3]	-	-	(1)	-	-	-	**(1)**
Transfer to Level 3[3]	-	-	-	-	-	-	**-**
Transfer from Level 3[3]	-	-	-	-	1	-	**1**
Allocations, reversals and consumption without Level transfer[3]	(1)	*2*	1	*2*	-	*(4)*	**-**
Other changes	(4)	(1)	(1)	-	3	*(1)*	**(2)**
Balance at 12/31/2024	15	*6*	6	*2*	43	-	**64**

[1] The Level 2/Level 3 impairment amounts presented in the line “Additions” could include leases that originated in Level 1 and were reclassified to Level 2/Level 3 during the reporting period.

[2] Including repayments, sales, and debt waivers.

[3] The amounts presented in Transfers contain differences due to amortization. Transfers to Level 3 are outstanding amounts that were originally classified as Level 1 and were downgraded directly to Level 3 or first to Level 2 and then later to Level 3 in the course of the reporting period.

Impairments of Financial Assets at Amortized Cost

(In euro millions)	Level 1	*Thereof lease receivables and similar*	Level 2	*Thereof lease receivables and similar*	Level 3	*Thereof lease receivables and similar*	**Total**
Balance at 12/31/2022	23	6	8	-	38	3	69
Additions[1]	1	-	1	-	-	-	**2**
Disposals[2]	-	-	-	-	(2)	-	**(2)**
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]	-	-	-	-	-	-	**-**
Transfer from Level 3[3]	-	-	-	-	(1)	-	**(1)**
Allocations, reversals and consumption without Level transfer[3]	(13)	*6*	-	*4*	-	*(5)*	**(13)**
Other changes	10	*(2)*	-	-	5	*2*	**15**
Balance at 12/31/2023	21	*10*	9	*4*	40	-	**70**

[1] The Level 2/Level 3 impairment amounts presented in the line “Additions” could include leases that originated in Level 1 and were reclassified to Level 2/Level 3 during the reporting period.
[2] Including repayments, sales, and debt waivers.
[3] The amounts presented in Transfers contain differences due to amortization. Transfers to Level 3 are outstanding amounts that were originally classified as Level 1 and were downgraded directly to Level 3 or first to Level 2 and then later to Level 3 in the course of the reporting period.

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

	Provisions for Loan Commitments				**Provisions for Financial Guarantees**			
(In euro millions)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Balance at 12/31/2023	1	-	-	**1**	-	-	-	**-**
Additions	-	-	-	**-**	-	-	-	**-**
Disposals	-	-	-	**-**	-	-	-	**-**
Transfer from Level 1 to Level 2	-	-	-	**-**	-	-	-	**-**
Transfer from Level 2 to Level 1	-	-	-	**-**	-	-	-	**-**
Transfer to Level 3	-	-	-	**-**	-	-	-	**-**
Transfer from Level 3	-	-	-	**-**	-	-	-	**-**
Allocations, reversals and consumption without Level transfer	-	-	-	**-**	-	-	-	**-**
Currency effects	-	-	-	**-**	-	-	-	**-**
IFRS 5 effects	-	-	-	**-**	-	-	-	**-**
Other changes	-	-	-	**-**	-	-	-	**-**
Balance at 12/31/2024	1	-	-	**1**	-	-	-	**-**

	Provisions for Loan Commitments				Provisions for Financial Guarantees			
(In euro millions)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Balance at 12/31/2022	1	1	-	**2**	-	-	-	**-**
Additions	-	-	-	**-**	-	-	-	**-**
Disposals	-	-	-	**-**	-	-	-	**-**
Transfer from Level 1 to Level 2	-	-	-	**-**	-	-	-	**-**
Transfer from Level 2 to Level 1	-	-	-	**-**	-	-	-	**-**
Transfer to Level 3	-	-	-	**-**	-	-	-	**-**
Transfer from Level 3	-	-	-	**-**	-	-	-	**-**
Allocations, reversals and consumption without Level transfer	(1)	(1)	-	**(2)**	-	-	-	**-**
Currency effects	-	-	-	**-**	-	-	-	**-**
IFRS 5 effects	-	-	-	**-**	-	-	-	**-**
Other changes	-	-	-	**-**	-	-	-	**-**
Balance at 12/31/2023	-	-	-	**-**	-	-	-	**-**

DEFAULT RISK AND CONCENTRATIONS

The information presented in the following is based on the figures and nomenclature of the parent company's consolidated financial statements. The breakdowns refer to assets measured at amortized cost (excluding collateral), which fall within the scope of the impairment rules of IFRS 9.

Breakdown by sectors

	Balance at 12/31/2024							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Sovereigns	16	1	-	**17**	-	-	-	**-**
Institutions	38	-	-	**38**	-	-	-	**-**
Commercial enterprises	1,946	33	23	**2,002**	6	4	11	**21**
Thereof small and medium-sized enterprises	*100*	*8*	*4*	***112***	-	-	-	**-**
Retail	2,396	16	55	**2,467**	9	2	32	**43**
Thereof micro-enterprises	*1,147*	*12*	*25*	***1,184***	-	-	-	**-**
Other	-	-	-	**-**	-	-	-	**-**
Total	**4,396**	**50**	**78**	**4,524**	**15**	**6**	**43**	**64**

	Balance at 12/31/2023							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Sovereigns	22	-	-	**22**	-	-	-	**-**
Institutions	66	-	-	**66**	-	-	-	**-**
Commercial enterprises	2,170	50	21	**2,241**	10	5	10	**25**
Thereof small and medium-sized enterprises	*150*	*29*	*5*	***184***	*2*	*3*	*3*	***8***
Retail	2,585	29	50	**2,664**	11	4	30	**45**
Thereof micro-enterprises	*1,338*	*24*	*19*	***1,381***	*7*	*3*	*11*	***21***
Other	-	-	-	**-**	-	-	-	**-**
Total	**4,843**	**79**	**71**	**4,993**	**21**	**9**	**40**	**70**

Breakdown by geographical regions

	Balance at 12/31/2024							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
France	2	-	-	**2**	-	-	-	**-**
Western European countries (excluding France)	4,394	50	78	**4,522**	15	6	43	**64**
Eastern European EU countries	-	-	-	**-**	-	-	-	**-**
Eastern European non-EU countries	-	-	-	**-**	-	-	-	**-**
North America	-	-	-	**-**	-	-	-	**-**
Latin America and Caribbean	-	-	-	**-**	-	-	-	**-**
Asia-Pacific	-	-	-	**-**	-	-	-	**-**
Africa and Middle East	-	-	-	**-**	-	-	-	**-**
Total	**4,396**	**50**	**78**	**4,524**	**15**	**6**	**43**	**64**

	Balance at 12/31/2023							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
France	3	-	-	**3**	-	-	-	**-**
Western European countries (excluding France)	4,840	79	71	**4,990**	21	9	40	**70**
Eastern European EU countries	-	-	-	**-**	-	-	-	**-**
Eastern European non-EU countries	-	-	-	**-**	-	-	-	**-**
North America	-	-	-	**-**	-	-	-	**-**
Latin America and Caribbean	-	-	-	**-**	-	-	-	**-**
Asia-Pacific	-	-	-	**-**	-	-	-	**-**
Africa and Middle East	-	-	-	**-**	-	-	-	**-**
Total	**4,843**	**79**	**71**	**4,993**	**21**	**9**	**40**	**70**

Breakdown by rating classes

	Balance at 12/31/2024							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**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 breakdown by rating classes is based on the Group's rating scale ("NOVA" rating). Receivables that do not have a NOVA rating and are rated in accordance with local internal rating classes are automatically assigned to the rating class "Other (not rated)" according to the parent company's nomenclature. At SGE, these receivables particularly include loans to small customers (Retail) and securitizations.

	Balance at 12/31/2023							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
1	1	-	-	**1**	-	-	-	**-**
2	21	-	-	**21**	-	-	-	**-**
3	-	-	-	**-**	-	-	-	**-**
4	68	-	-	**68**	-	-	-	**-**
5	218	-	-	**218**	1	-	-	**1**
6	293	42	-	**335**	2	4	-	**6**
7	20	9	-	**29**	-	1	-	**1**
Default (8, 9, 10)	-	-	3	**3**	-	-	1	**1**
Other (not rated)*	4,222	28	68	**4,318**	18	4	39	**61**
Total	**4,843**	**79**	**71**	**4,993**	**21**	**9**	**40**	**70**

*The breakdown by rating classes is based on the Group's rating scale ("NOVA" rating). Receivables that do not have a NOVA rating and are rated in accordance with local internal rating classes are automatically assigned to the rating class "Other (not rated)" according to the parent company's nomenclature. At SGE, these receivables particularly include loans to small customers (Retail) and securitizations.

RISK EXPENSES

(In euro thousands)	2024	2023
Credit risk	**(8,533)**	**(9,265)**
Net allocations for impairments	(11,077)	(11,220)
Financial assets at fair value through other comprehensive income	-	-
Financial assets at amortized cost	(11,077)	(11,220)
Net allocations to provisions	*247*	*349*
Financial commitments	*247*	*349*
Guarantee commitments	-	-
Losses from written-off receivables (or loans) not covered by impairments	-	-
Payment recoveries on written-off receivables (or loans)	*2,297*	*1,606*
Other risks	**-**	-
Total	**(8,533)**	**(9,265)**

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 disclosed in this Note.

FINANCIAL ASSETS MEASURED AT COST

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

FINANCIAL LIABILITIES MEASURED AT COST

(In euro thousands)	12/31/2024 Carrying amount	Fair value
Liabilities to banks	3,293,612	3,293,612
Liabilities to customers	25	25
Issued debentures	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 to 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

(In euro thousands)	**Intangible assets**	**Operational plant and equipment**	**Assets under leases**	**Right-of-use assets***	**Total**
Acquisition and production cost					
Balance at January 1, 2024	**27,844**	**11,236**	**420,143**	**49,741**	**508,964**
Acquisitions	822	226	72,361	2,470	**75,879**
Disposals	(16,229)	(4,806)	(189,823)	(2,266)	**(213,124)**
Reclassifications	(2,000)	-	-	9	**(1,991)**
Balance at December 31, 2024	**10,437**	**6,656**	**302,681**	**49,954**	**369,728**
Accumulated depreciation, amortization and impairment expenses					
Balance at January 1, 2024	**(25,359)**	**(7,489)**	**(133,248)**	**(23,168)**	**(189,264)**
Depreciation and amortization	(1,451)	(1,164)	(44,682)	(6,148)	**(53,445)**
Impairment expenses	-	-	-	-	**-**
Reversals of impairments / disposals	16,229	4,466	83,016	4,710	**108,421****
Reclassifications	2,000	-	-	(8)	**1,992**
Balance at December 31, 2024	**(8,581)**	**(4,187)**	**(94,914)**	**(24,614)**	**(132,296)**
					-
Carrying amounts					
at January 1, 2024	**2,485**	**3,747**	**286,895**	**26,574**	**319,700**
Balance at December 31, 2024	**1,856**	**2,469**	**207,767**	**25,340**	**237,432**

*Right-of-use assets are presented in the line Item of Property, plant and equipment in the statement of financial position.

**Including EUR 37.1 million from disposals of assets under leases.

(In euro thousands)	**Intangible assets**	**Operational plant and equipment**	**Assets under leases**	**Right-of-use assets***	**Total**
Acquisition and production cost					
Balance at January 1, 2023	**24,319**	**12,466**	**596,757**	**49,932**	**683,474**
Acquisitions	1,525	621	60,453	1,091	**63,690**
Disposals	-	(1,851)	(237,067)	(1,284)	**(240,202)**
Reclassifications	2,000	-	-	2	**2,002**
Balance at December 31, 2023	**27,844**	**11,236**	**420,143**	**49,741**	**508,964**
Accumulated depreciation, amortization and impairment expenses					
Balance at January 1, 2023	**(21,857)**	**(7,636)**	**(169,787)**	**(20,555)**	**(219,835)**
Depreciation and amortization	(1,502)	(1,642)	(61,199)	(3,865)	**(68,208)**
Impairment expenses	-	-	-	-	**-**
Reversals of impairments / disposals	-	1,788	97,738	1,253	**100,779****
Reclassifications	(2,000)	-	-	-	**(2,000)**
Balance at December 31, 2023	**(25,359)**	**(7,490)**	**(133,248)**	**(23,167)**	**(189,264)**
Carrying amounts					
at January 1, 2023	**2,462**	**4,830**	**426,970**	**29,377**	**463,639**
Balance at December 31, 2023	**2,485**	**3,746**	**286,895**	**26,574**	**319,700**

* Right-of-use assets are presented in the line Item of Property, plant and equipment in the statement of financial position.

**Including EUR 34.0 million from disposals of assets under leases.

NOTE 6 – GOODWILL

The following goodwill items were recognized at the level of cash-generating units in financial year 2024:

- Financial Services to Corporates and Retails: Goodwill in the amount of EUR 1,569 thousand resulted from the purchase of BDK by ALD LF in 2002. BDK was identified as the cash-generating unit and assigned to the Financial Services to Corporates and Retails operating segment. Due to the positive business performance, there is no need to recognize an impairment.

As a general rule, the goodwill of the cash-generating units is subjected to an impairment test annually or in reaction to a trigger event. A cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets within the Company. The impairment tests involve an assessment of the recoverable amount of each goodwill-containing CGU or group of CGUs and the comparison of the recoverable amount with its carrying amount. An impairment is recognized when the carrying amount of a goodwill-containing CGU or group of CGUs is higher than its recoverable amount. The recoverable amount is defined as the higher of the value in use and the fair value less costs of disposal. The impairment so calculated is first applied to reduce the value of goodwill and the amount by which the impairment exceeds goodwill is applied to reduce the value of the other assets of the CGU. The recoverable amount of a CGU is calculated in accordance with the best-suited method, particularly the method of discounted cash flows after taxes. The corresponding calculation method is generally applied at the level of the CGU.

The cash flows applied for this calculation are determined with reference to a business plan prepared on the basis of preliminary budgets for the next four years in every case, extrapolated to a period of sustainable growth (generally by another four years) and then extrapolated ad infinitum on the basis of a long-term growth rate:

- The discount rate is calculated on the basis of a risk-free interest rate to which a risk premium is added, depending on the underlying activity of each CGU. This specific risk premium for each business segment is determined on the basis of the equity risk premiums published by SG Research, and the estimated volatility (beta). Where applicable, a further premium is added to the risk-free rate for country risk, calculated as the difference between the risk-free interest rate of the attribution zone (Eurozone) and the interest rate of the liquid, long-term bonds issued by the corresponding country in the currency of the attribution zone, or the weighted average value according to the legally prescribed capital in the case of a CGU that comprises more than one country.

- The growth rate applied for the end value is based on a long-term forecast of economic growth and inflation rates.

The leading valuation concept is the value in use on the basis of discounted cash flows.

NOTE 7 – OTHER ACTIVITIES

NOTE 7.1 – COMMISSION INCOME AND EXPENSES

(In euro thousands)	2024 Income	2024 Expenses	2024 Net	2023 Income	2023 Expenses	2023 Net
Transactions with banks	-	(383)	(383)	-	(405)	(405)
Transactions with customers	948	-	948	1,506	-	1,506
Operations with financial instruments from securities transactions	**-**	**(7,004)**	**(7,004)**	**-**	**(6,745)**	**(6,745)**
Loans and guaranty commitments	-	(13)	(13)	-	(18)	(18)
Services	15,252	-	15,252	16,695	-	16,695
Other	5,713	(2,669)	3,044	4,962	(2,888)	2,074
Total	**21,913**	**(10,069)**	**11,844**	**23,163**	**(10,056)**	**13,107**

NOTE 7.2 – INCOME AND EXPENSES FOR OTHER ACTIVITIES

	2024			2023		
(In euro thousands)	**Income**	**Expenses**	**Net**	**Income**	**Expenses**	**Net**
Equipment leasing	**362,893**	**(317,787)**	**45,106**	**394,377**	**(337,919)**	**56,458**
Other activities	**844**	**(38,140)**	**(37,296)**	**594**	**(52,154)**	**(51,560)**
Total	**363,737**	**(355,927)**	**7,810**	**394,971**	**(390,073)**	**4,898**

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

(In euro thousands)	2024	2023
Income from operating leases and from the sale of lease objects*	346,628	373,225
Refunds of grants for objects under operating leases	1,214	2,542
Other income from operating leases (special lease payments)	4,249	4,854
Other income from leases	10,639	13,613
Income from fees for late payments	163	143
Other income	844	594
Total	**363,737**	**394,971**

*In accordance with the parent company's accounting rules, lease income from operating leases and from sales of leased assets (remarketing income) in the amount of EUR 53.9 million is included in the line item of Income from operating leases. Interest income from finance leases is presented within the line item of Interest and similar income, calculated in accordance with the effective interest method.

The expenses for other activities are composed of the following items:

(In euro thousands)	2024	2023
Discounts on operating leases	-	-
Expenses from sales of lease objects	(250,707)	(248,540)
Depreciation of objects under operating leases	(44,682)	(61,199)
Other expenses for finance leases	(22,398)	(28,180)
Expenses for inventory-taking	-	-
Expenses for other non-banking activities	(38,105)	(51,930)
Other discounts	(35)	(224)
Total	**(355,927)**	**(390,073)**

Income from operating leases and from sales of leased assets mainly includes income from operating leases in the amount of EUR 53,949 thousand (2023: EUR 74,318 thousand) and income from sales of leased assets in the amount of EUR 273,156 thousand (2023: EUR 281,830 thousand). Income from operating leases in the total amount of EUR 58,198 thousand (2023: EUR 19,172 thousand) consists of lease income of EUR 53,949 thousand (2023: EUR 74,318 thousand) and special lease payments of EUR 4,249 (2023: EUR 4,854 thousand).

Income from operating leases and from sales of leased assets and expenses for sales of leased assets are attributable to the segment Financial Services to Corporates and Retails.

NOTE 7.3 – OTHER ASSETS AND LIABILITIES

OTHER ASSETS

(In euro thousands)	12/31/2024	12/31/2023
Clearing account for securities transactions	-	-
Prepaid expenses	80,860	80,033
Miscellaneous other assets*	117,824	216,870
Total gross	**198,684**	**296,903**
Impairments	(2,007)	(2,748)
Total net	**196,677**	**294,155**

*The title has been adjusted.

At December 31, 2024, the line item of Miscellaneous other assets mainly consists of outstanding receivables from operating leases and commission receivables. These are short-term receivables (due within the next 12 months).

This line item also includes a capitalized reimbursement right in the amount of EUR 60 million from a guarantee issued by the shareholder in an ongoing legal dispute (due in more than one year) (see Note 13, section entitled RISKS OF LEGAL DISPUTES).

OTHER LIABILITIES

(In euro thousands)	12/31/2024	12/31/2023
Deposit guarantees received	-	-
Settlement accounts for transactions with securities	5,302	3,191
Employees benefits	572	1,501
Lease liabilities	35,570	36,965
Deferred income	9,587	13,464
Miscellaneous other payables	93,057	214,273
Total	**144,088**	**269,394**

The line item of 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 short-term liabilities (due within the next 12 months).

NOTE 8 – PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

PERSONNEL EXPENSES

(In euro thousands)	2024	2023
Employee compensation	(40,743)	(45,842)
Social security contributions and payroll taxes	(6,930)	(7,731)
Net pension expenses – Special fund	(129)	(158)
Net pension expenses – Defined benefit pension plan	(179)	(171)
Employee profit participation and bonuses	(63)	(61)
Total	**(48,044)**	**(53,963)**
Including net expenses of share-based compensation	(58)	(55)

Employees

The average number of employees in financial year 2024 was:

	Male	Female	Total
Global Banking and Investor Solutions	2	2	4
Financial Services to Corporates and Retails	330	296	626
Asset Management	2	0	2
Total	**334**	**298**	**632**

DEVELOPMENT OF PROVISIONS FOR EMPLOYEE BENEFITS

(In euro thousands)	Balance at 12/31/2023	Additions	Reversal	Net additions	Utilization	Other changes	Balance at 12/31/2024
Provisions for employee benefits	19,769	880	(1,128)	(248)	(7,052)	1,340	**13,809**

POST-EMPLOYMENT BENEFITS

In calculating the provision for employee benefits, an actuarial interest rate of 3.31% (PY: 4.12%), a salary dynamic of 3.00% (PY: 3.00%), and a pension dynamic of -0.15% (PY: -0.15%) were assumed for the ALD subgroup (Financial Services to Corporates and Retails segment). For the company SGSS (Asset Management segment), an actuarial interest rate of 3.37% (PY: 4.13%), a salary dynamic of 0.00% (PY: 0.00%%), and a pension dynamic of 0.00% (PY: 0.00%) were assumed. For the company SG Effekten (Global Banking and Investor Solutions segment), an actuarial interest rate of 3.33% (PY: 1.74%), a salary dynamic of 3.60% (PY: 3.60%), and a pension dynamic of 2.20% (PY: 2.60%) were assumed.

The Group's retirement benefits consist of the following retirement plans:

DEFINED CONTRIBUTION PLANS

Individual defined contribution pension plans exist for individual employees in the segment of Financial Services to Corporates and Retails.

DEFINED BENEFIT PLANS

The following defined benefit plans are in effect within the Global Banking and Investor Solutions segment:

Pension commitment according to the Pension Plan (VO) in the version of May 1, 1986

Employee pensions (retirement pensions, early retirement pensions, disability pensions) and survivor's pensions (surviving spouse's pensions, orphan's pensions) are granted.

A retirement pension is granted from the completion of the 65th year of life and an early retirement pension is granted when an early retirement pension is claimed under the statutory pension insurance system. The amount of benefits is determined on the basis of the eligible years of service and the pension benefit-eligible income. Eligible years of service are all years and full months in which the employment relationship was in effect, but not longer than up to the normal retirement date, but not more than 40 years.

Pension benefit-eligible income equals the monthly base salary multiplied by 13. The retirement pension and disability pension are equal to 0.40% of pension benefit-eligible income up to the contribution assessment limit, plus 1.50% of eligible income beyond the contribution assessment limit under the statutory pension insurance system, multiplied by the eligible years of service. For an early retirement pension, the pension benefit is reduced by 0.50% for each month when it is claimed before the normal retirement date, but not more than 12%.

The surviving spouse's pension is equal to 60% of the paid pension or claim to a retirement and disability pension at the time of death.

The orphan's pension is equal to 15% of the paid pension or claim to a retirement and disability pension at the time of death.

The orphan's pension is paid until the completion of the 18th year of life; all other pensions are paid for life.

In addition, there is an individual commitment that differs from the preceding plan in the following respects:

The amount of benefits is determined on the basis of the pension benefit-eligible years of service and the pension benefit-eligible income. The pension benefit-eligible years of service are all full years in which the employment relationship was in effect up to the normal retirement age. Pension-eligible income is defined as twelve times the last monthly collective agreement wage, or the fixed annual salary for non-union employees.

The pension benefit is determined with reference to a salary-dependent and years of service-dependent table, to which additional pension benefit levels may be added from time to time. An additional pension benefit equal

to 60% of the amount that exceeds the maximum salary provided for in the corresponding scale is granted after 40 years of service; the percentage rate is reduced by one for each year short of 40 years of service.

In the event of occupational disability and death, the years of service missed until completion of the 55th year of life are credited in full and the years of service missed between the 55th and 60th years of life are credited at the rate of one third.

The surviving spouse's pension is equal to 60% of the paid pension or the claim to a retirement pension at the time of death.

The orphan's pension is equal to 10% of the paid pension or the claim to a retirement pension at the time of death.

The orphan's pension is paid until completion of the 18th year of life, but not longer than until completion of the 25th year of life; all other pensions are paid for life.

Individual defined benefit pension plans exist for individual employees in the segment of Financial Services to Corporates and Retails.

In addition, the following defined benefit plans exist in the Group:

Former Interleasing employees (pertains to the segment of Financial Services to Corporates and Retails)

The commitment involves the payment of retirement benefits upon reaching the retirement age (65th year of life) and in cases of early disability and death. The time during which the pension beneficiary worked for the company without interruption after completing the 20th year of life and before completing the 65th year of life qualifies as the length of service. The retirement benefit consists of a base amount of DM 200 per month after 10 years of service and increases by DM 20 per month with each additional year of service. The total creditable length of service is limited to 30 years. Years in which the employee worked more than 6 months are counted for purposes of calculating the retirement benefit. The pension commitment involves a limitation of the retirement benefit as soon as it together with the social insurance pension benefit exceeds 75% of the last gross salary (the limitation also applies in the presence of a life insurance policy that exempts the employee from the obligation to pay social insurance contributions).

In the event of death of the pension beneficiary, the surviving spouse receives 60% of the retirement benefit to which the pension beneficiary would have been entitled at the time of his death.

Pension Plan 2000 (pertains to the segment of Asset Management)

Employee pensions (retirement pension, early retirement pension, disability pension) and survivors' pensions (spouse's pension, orphan's pension) are granted.

The retirement pension is granted upon completing the 65th year of life; an early retirement pension is granted upon completing the 60th year of life if and as long as a retirement pension is claimed under the statutory pension insurance system.

The company makes a pension contribution equal to 4% of eligible income for each full calendar year of eligible service.

The annual pension benefits are determined by means of converting the pension contribution actuarially into annual pension units, which are aggregated over the eligible period of service until the pension benefit becomes payable. Current pension benefits are increased by 1% every year.

Employees who opted not to join the Pension Plan 2000 are insured by one of the following pension plans:

- **Pension plan of HYPO-INVEST of August 17, 1993 (VOHI) / Pension plan of Allfonds Gesellschaft für Investmentanlagen mbH (VOAI):**

  Employees of the former HYPO Capital Management Investmentgesellschaft mbH are granted pension benefits under the following terms and conditions:

  The company grants all employees who join or joined the company after January 1, 1990 a retirement pension (after completing the 65th year of life), an early retirement pension, an occupational disability pension and a survivor's pension after a five-year vesting period, with legally binding effect on the company.

  The amount of benefits depends on the eligible length of service after completing the 18th year of life (at the earliest from January 1, 1993), the income eligible for retirement benefits, the personal percentage and the annual increase amount.

  Eligible years of service are considered for the purpose of calculating the amount of an early retirement pension only up to the date when early retirement is taken. The retirement benefit calculated in this way is reduced by 0.50% for each month when pension benefits are received before completion of the 65th year of life, and this applies for the duration of the retirement benefit.

  In calculating the amount of pension benefits for occupational disability, the years of service missed until completion of the employee's 55th year of life are added to the eligible years of service worked until the employee became eligible for the disability pension.

  The surviving spouse's pension is equal to 60% of the pension which the deceased pension beneficiary received or would have received if he had become disabled at the time of his passing.

- **Pension plan for individual contractual pension commitments (VOAM):**

  A retirement pension or early retirement pension, disability pension, surviving spouse's pension or orphan's pension is granted when the corresponding benefit conditions are met and after the expiration of a five-year vesting period. Under this plan, the company makes a pension contribution equal to 3% of pension-eligible income for each full calendar year of eligible service. This annual pension contribution is multiplied by the retirement rate corresponding to the age of life completed in the same calendar year, yielding the annual pension unit in every case. The sum of these pension units equals the pension benefit in the case of retirement at 65 or older and in the case of disability. In the case of early retirement,

this sum is reduced by 0.5% for each month of early retirement before reaching the fixed retirement age of 65. The surviving spouse's pension is equal to 60%, the half-orphan's pension 12%, the full orphan's pension 20% of the reached sum of pension units.

Under the transitional arrangement, the employees coming from Hypo-Bank and Allfonds Management receive a basic unit for their earlier years of service in addition to the unit pension. This basic unit is increased in proportion to the personal development of pension-eligible income.

- **Pension plan for employees of Schweizerische Kreditanstalt (DEUTSCHLAND) AG (VOSK):**

  Pension benefits are granted to employees of the former Schweizerische Kreditanstalt (Deutschland) AG under the following terms and conditions:

  The company grants to all regular employees whose employment relationship was not terminated at the time when the pension plan entered into effect and who had not yet completed their 50th year of life at the time of joining the bank a retirement pension (after completion of the 65th year of life), an early retirement pension, an occupational disability pension, and a survivor's pension after the expiration of a ten-year vesting period.

  The amount of benefits is determined on the basis of eligible years of services and pension benefit-eligible income. A pension equal to 0.20% of pension benefit-eligible income is granted as a pension entitlement for each eligible year of service completed after January 1, 1990. A pension equal to 1.20% of the amount of pension benefit-eligible income is additionally granted for each pension benefit-eligible year of service that exceeds the contribution assessment ceiling. A maximum total of 35 years of service is eligible for the pension amount. The increase amounts according to the earlier pension plans apply for years of service before January 1, 1990. The vested benefits earned at December 31, 1989 remain in effect in the percentage amount of pension benefit-eligible income.

  For calculating the amount of an early retirement pension, only the eligible years of service up to the date of claiming the early retirement benefit are considered. The retirement pension so calculated is reduced by 0.50% of its value for each month when pension benefits are received before completion of the 65th year of life, and this applies for the duration of the retirement benefit. The total reduction may not exceed 20%.

  In calculating the amount of pension benefits for occupational disability, the years of service missed until completion of the employee's 55th year of life are added to the eligible years of service worked until the employee became eligible for the disability pension.

  The surviving spouse's pension is equal to 60% of the pension which the deceased pension beneficiary received or would have received if he had become disabled at the time of his passing.

- **Pension plan of Société Générale – Elsässische Bank & Co.**

  Retirement benefits are granted for occupational disability according to the definition of the statutory pension insurance system or when the fixed retirement age (65th year of life) is reached. The employees receive a pension benefit equal to 0.40% of pension benefit-eligible income for each year of service worked and each full month worked up to the 65th year of life, plus 1.5% of the amount of pension benefit-eligible income that exceeds the contribution assessment limit under the statutory pension insurance system. However, no more than 40 years can be credited. The occupational disability pension is identical to the retirement pension entitlement achievable in the time remaining before the normal retirement date (supplementary period).

  When the early retirement pension is claimed, a discount of 0.50% is deducted for each month when the early retirement pension is claimed, up to a maximum of 12%.

  The surviving spouse's pension is equal to 60% of the deceased spouse's pension.

- **Special total compensation (TC) agreements**

  For employees with special TC agreements, the vested claims to a company pension earned until the transition to a TC agreement are maintained.

  Any basic unit under the pension plan for individual contractual pension commitments (VOAM) increases in proportion to the personal development of pension-eligible income.

  Any initial unit under the Pension Plan '95/'98 (RP95/RP98) or RP 2000 increases until the employee's departure from the company in accordance with the wage increases in the highest collective wage group for private-sector bank employees.

  The pension units earned in addition to any basic or initial unit until the time of switching from the VOAM, RP95/RP98 or RP 2000 to a TC agreement are also maintained.

  When an early retirement pension is claimed, the vested pension benefit under the VOAM and RP 2000 is reduced by 0.5% for each started month when pension benefits are drawn before completion of the 65th year of life.

- **Deferred compensation**

  Some persons have individual contractual agreements under which cash compensation is converted into company pension benefits:

  For commitments under the RP 2000 model (insurance principle), the amount of the pension is determined by converting the annual pension contribution actuarially into annual increases of the vested pension benefit ("pension units"), which are aggregated over the time until the pension benefit becomes payable. The pension units are calculated by multiplying the annual pension contribution by the retirement rate applicable for the completed age in every case. When an early retirement pension is claimed

before the 65th year of life, the vested pension benefit achieved at the time of retirement is reduced by 0.5% for each started month when the early retirement pension is drawn before completion of the 65th year of life.

For commitments under the pension fund model (savings principle), the amount of pension benefits is determined by the interest-bearing accumulation of pension capital plus, plus surplus participation. The pension capital available when the pension is claimed is converted into a lifelong pension benefit by multiplying it by the retirement rate applicable for the age at the time of retirement.

OTHER LONG-TERM EMPLOYEE BENEFITS

The other long-term benefits granted to employees of the Group comprise work time accounts and bonuses for many years of service. These are other employee benefits (other than post-employment benefits and termination benefits), which are payable in full within 12 months of the end of the reporting period in which the related service was provided.

The Company basically does not owe any other long-term employee benefits or the amounts in question are negligible.

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

(In euro thousands)	12/31/2024	12/31/2023
A - Present value of funded obligations	15,438	13,682
B - Fair value of plan assets and special fund	1,629	1,462
C= A - B Balance of funded plans	**13,809**	**12,220**
D - Present value of unfunded obligations	-	-
E - Effects of asset ceiling	-	-
C + D + E = Net balance recognized in the statement of financial position	**13,809**	**12,220**

COMPONENTS OF EXPENSES OF DEFINED BENEFIT PLANS

(In euro thousands)	12/31/2024	12/31/2023
Current service cost, including social security contributions	296	268
Employee contributions	-	-
Past service cost / curtailments	-	-
Plan settlements	-	-
Net interest	482	507
Transfer of not yet recognized assets	(121)	-
A - Components recognized in the operating result	**305**	**775**
Expected income from plan assets	(43)	(425)
Actuarial gains and losses resulting from changes in demographic assumptions	177	(74)

Actuarial gains and losses resulting from changes in economic and financial assumptions	-	-
Experience-based actuarial gains and losses	-	-
Effect of asset ceiling on plan assets	-	-
B - Gains and losses recognized directly in equity	**(218)**	**(499)**
C= A + B Total components of expenses of defined benefit plans	**439**	**276**

CHANGES IN PRESENT VALUE OF OBLIGATIONS

(In euro thousands)	12/31/2024	12/31/2023
Balance at 01/01/2024	**19,769**	**24,444**
Current service cost for the year, including social security contributions	296	268
Employee contributions	-	-
Past service cost / curtailments	-	(13)
Plan settlements	-	-
Net interest	**542**	558
Actuarial gains and losses resulting from changes in demographic assumptions	1,540	(274)
Actuarial gains and losses resulting from changes in economic and financial assumptions	-	-
Experience-based actuarial gains and losses	-	(465)
Currency translation	-	-
Pension benefits paid	(505)	(521)
Change of consolidation group	-	-
Transfers and other	(7,833)	(4,228)
Balance at 12/31/2024	**13,809**	**19,769**

CHANGES IN FAIR VALUE OF PLAN ASSETS AND THE SPECIAL FUND

(In euro thousands)	12/31/2024	12/31/2023
Balance at 01/01/2024	**1,462**	**1,446**
Expected income from plan assets	60	51
Expected income from special fund	-	-
Actuarial gains and losses related to plan assets	(2)	(35)
Currency translation	-	-
Employee contributions	111	-
Employer contributions	-	-
Pension benefits paid	-	-
Change of consolidation group	-	-
Transfers and other	(2)	-
Balance at 12/31/2024	**1,629**	**1,462**

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. Due to the formation of the consolidated tax group for income tax purposes, Société Générale Effekten GmbH does not recognize deferred taxes in its financial statements.

NOTE 10 – EQUITY

The Group's equity amounted to EUR 18.3 million at December 31, 2024 (PY: EUR 15.3 million). It is mainly composed of subscribed capital in the amount of EUR 26 thousand (PY: EUR 26 thousand), Group reserves in the amount of EUR -21.4 million (PY: EUR -47.2 million), financial year net profit in the amount of EUR 44.1 million (PY: 53.9 million), and revaluation reserves in the amount of EUR -5.6 million (PY: EUR 7.9 million). Non-controlling interests amounted to EUR 66 thousand (PY: EUR -439 thousand).

The Group reserves are mainly composed of the profit transfers of SGE GmbH. The revaluation reserves include unrealized gains and losses from changes in actuarial assumptions for post-termination benefits and gains and losses related to hedges.

Changes in equity during 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's parent company.

NOTE 11 –DIVIDENDS PAID

The non-controlling interests Beteiligungsgesellschaft des Kfz-Gewerbes mbH and Techno Versicherungsdienst GmbH hold interests in the Group's bank Deutsches Kraftfahrzeuggewerbe GmbH. In financial year 2024, profits of EUR 221 thousand were distributed to these shareholders for financial year 2023.

NOTE 12 – ADDITIONAL DISCLOSURES

NOTE 12.1 – SEGMENT REPORT

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 Retails	The 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 mediation. In addition, smart IT solutions such as web services and an internally developed POS system are offered to car dealers.
Asset Management	This segment, which has been discontinued, comprised until December 31, 2023 the management of investment funds under so-called "master fund manager" models and the in-sourcing of fund administration from other asset management firms. Direct investments were administered as well. These services were mainly provided to European customers.

(In euro thousands)	Global Banking and Investor Solutions		Financial Services to Corporates and Retails		Asset Management*		Group	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Net banking income	(5,988)	(4,819)	137,145	166,331	-	10,616	131,157	172,128
Administrative expenses	295	309	(81,405)	(87,683)	-	(21,177)	(81,110)	(108,551)
Gross operating result	**(5,693)**	**(4,509)**	**55,740**	**78,648**	**-**	**(10,561)**	**50,047**	**63,577**
Risk expenses	-	-	(8,533)	(9,265)	-	-	(8,533)	(9,265)
Operating result	**(5,693)**	**(4,509)**	**47,207**	**69,383**	**-**	**(10,561)**	**41,514**	**54,312**
Net gains or losses from other assets	-	-	1	13	-	(234)	1	(221)
Impairment of goodwill	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/loss before taxes	**(5,693)**	**(4,509)**	**47,208**	**69,396**	**-**	**(10,795)**	**41,515**	**54,091**
Income taxes	-	-	-	-	-	-	-	-
Net profit/loss of all companies of the consolidation group**	**(5,693)**	**(4,509)**	**47,208**	**69,396**	**-**	**(10,795)**	**41,515**	**54,091**
Non-controlling interests**	-	-	277	215	-	-	277	215
Net profit/loss (Group's share)**	**(5,693)**	**(4,509)**	**46,931**	**69,181**	**-**	**(10,795)**	**41,238**	**53,876**
Assets	4,028,724	3,393,971	4,988,142	5,514,833	131,414	141,162	9,148,280	9,049,966
Liabilities	4,471,701	3,885,166	4,572,501	5,068,533	85,748	80,957	9,129,951	9,034,656

*Classified as discontinued operations according to IFRS 5.

**The modified previous-year figures are explained separately under Note 1 in the section entitled "Adjustments".

Differences in the assets and liabilities compared to the items presented in the individual companies' balance sheets representing the segments result from consolidation adjustments. The Group has opted not to present geographical information for the segments Financial Services to Corporates and Retails and Asset Management because the business activity in these segments is limited to the Federal Republic of Germany and the information pursuant to IFRS 8.33 is included in the summary above.

Global Banking and Investor Solutions - Details by market

(In euro thousands)	12/31/2024													
	Bel-gium	Switzer-land	Germany	Denmark	Spain	Finland	France	Nether-lands	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)**
Overhead expenses	-	-	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 as-sets	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
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 profit/loss of all sub-group 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 non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Net profit/loss (Group's 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

(In euro thousands)	2024	2023
Rents	(1,669)	(1,594)
Taxes	-	-
IT & telecom	(13,803)	(11,152)
Consulting	(2,484)	(2,987)
Other	(9,409)	(11,357)
Total	**(27,365)**	**(27,090)**

NOTE 12.3 - PROVISIONS

The provisions recognized in the statement of financial position at December 31, 2024 mainly include provisions for employee benefits and provisions for risks. Accordingly, the potential outflows for these issues are short-term in nature (within 12 months), with the exception of provisions for legal disputes. Liabilities for employee benefits are characterized by uncertainty due to the settlement date.

Breakdown of the main provisions at the reporting date:

(In euro thousands)	Provisions at 12/31/2023	Additions	Available reversals of impairments	Net additions	Recognized reversals of impairments	Other changes	Provisions at 12/31/2024
Provisions for credit risk of off-balance sheet commitments (see Note 4.8)	875	14	589	603	-	-	**1,478**
Provisions for employee benefits (see Note 8)	19,769	880	(1,128)	(248)	(7,052)	1,340	**13,809**
Provisions for legal disputes	61,655	732	(712)	20	(1,132)	-	**60,543**
Other provisions	1,550				(111)	-	**1,439**
Total	**83,849**	**1,626**	**(1,251)**	**375**	**(8,295)**	**1,340**	**77,269**

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

Provisions are formed for all risks for which an outflow of funds is probable (credit risks in off-balance sheet commitments, legal risks, operational risks, etc.) and all these risk categories are backed by capital in the risk-bearing capacity calculation, as a general rule.

Please refer to Note 13 Disclosures concerning significant risks for additional information on provisions for legal disputes.

NOTE 12.4 – LEASES

The Group exercises the role of 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. Together with cooperation partners, particularly including the subsidiary Bank Deutsches Kraftfahrzeuggewerbe GmbH (BDK), financial solutions and services related to automobiles are offered. The product range encompasses the car dealership financing processes: sales financing and leasing, purchase financing and insurance mediation, which increase the dealership's retention of customers and thus enhance their income prospects.

LEASE RELATIONSHIPS AS LESSOR

OPERATING LEASES

FUTURE MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES

The maturity analysis presented in the table below shows the future minimum payments to be received after the reporting date:

(In euro thousands)	12/31/2024	12/31/2023
Breakdown of total minimum lease payments to be received		
Due in less than one year	245,067	315,239
Due in one to five years	254,722	230,996
Due in more than 5 years	-	-
Total future minimum lease payments to be received	**499,789**	**546,235**

AMOUNTS RECOGNIZED IN PROFIT OR LOSS

The Group recognized lease income from operating leases in the amount of EUR 58,198 thousand in financial year 2024 (2023: EUR 79,172 thousand). The income from operating leases consisted of lease income in the amount of EUR 53,944 thousand (2023: EUR 74,318 thousand) and special lease payments in the amount of EUR 4,249 thousand (2023: EUR 4,854 thousand). All operating leases are equipment leases. The income from operating leases is presented within the line item of Income from other activities.

Expenses and income and realized gains and losses from leased assets are presented within the line item of Income and expenses from other activities.

FINANCE LEASES

The Group achieved a gain on disposal under finance leases of EUR 1,076 thousand (2023: EUR 1,085 thousand). The income from sales of leased assets is presented within the line item of Income from other activities. Expenses for sales of leased assets, which mainly consist of the residual book values of the leased assets, are presented within the line item of Expenses for other activities.

The Group recognized interest income on lease receivables in the amount of EUR 25,960 thousand (2023: EUR 22,890 thousand). Interest income is presented within the line item of Interest income from equipment.

A maturity analysis of lease receivables is presented in the table below:

(In euro thousands)	12/31/2024	12/31/2023
Gross investments	**242,660**	**341,588**
Due in less than one year	*80,327*	116,688
Due in one to five years	*162,333*	224,900
Due in more than 5 years	-	-
Present value of minimum lease payments	**459,005**	**506,112**
Due in less than one year	*151,945*	172,890
Due in one to five years	*307,060*	333,222
Due in more than 5 years	-	-
Not yet realized financial income	**(216,345)**	**(164,524)**
Not guaranteed residual values in favor of the lessor	**-**	**-**
Accumulated value adjustments for uncollectible outstanding lease payments	n/a	n/a

LEASE RELATIONSHIPS AS LESSEE

The Group leases buildings, office and archive space, motor vehicles and software under leases. The leases normally have terms of 4 years, with a renewal option at the end of the initial term. Lease payments are renegotiated every 3 years to reflect market rates. Leases related to buildings normally have long terms and feature renewal options. At BDK LS/BDK/ALD LF, all the old leases expired in 2024. At all these companies, therefore, there remains only one lease, which was concluded in 2022 for a term of 15 years. Some leases (IT-related) provide for additional lease payments based on the development of regional price indices.

FUTURE MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES

As of December 31, 2024, the future minimum lease payments under uncancellable leases were as follows:

(In euro thousands)	12/31/2024	12/31/2023
Breakdown of total minimum lease payments to be received	-	-
Due in less than one year	1,331	1,194
Due in one to five years	5,325	4,998
Due in more than 5 years	6,324	7,505
Total future minimum lease payments to be received	**12,980**	**13,697**

The total cash outflows for leases in financial year 2024 amounted to EUR 3,220 thousand (2023: EUR 3,447 thousand).

DETAILS OF LEASE EXPENSES AND INCOME FROM SUB-LEASING

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

(In euro thousands)	12/31/2023			
	Real estate	**Computer equipment**	**Other**	**Total**
Leasing	**(3,006)**	**(1,558)**	**(803)**	**(5,367)**
Interest expenses on lease liabilities	(473)	-	-	(473)
Depreciation of right-of-use assets	(2,533)	-	(757)	(3,290)
Expenses for short-term leases	-	-	(46)	(46)
Expenses for leases for low-value assets	-	(1,558)	-	(1,558)
Expenses for variable lease payments	-	-	-	-
Sub-leasing	**10**	**-**	**-**	**10**
Income from sub-leasing of right-of-use assets	10	-	-	10

NOTE 12.5 – TRANSACTIONS IN FOREIGN CURRENCIES

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

	12/31/2024	
(In euro thousands)	**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**

At the reporting date, all assets and liabilities from transactions in foreign currencies are presented within the item of Financial assets and liabilities measured at fair value through profit or loss.

NOTE 12.6 – AUDIT FEE

The professional fees payable to the independent auditor for the audit of the 2024 consolidated financial statements, including the companies included in the consolidated financial statements, were recognized as expenses in financial year 2024 in the following amounts:

- for financial statement audit services: EUR 825 thousand
- for other certification services: EUR 0 thousand

The other certification services pertain to expenses for ISAE 3402 reports.

NOTE 12.7 – OFF-BALANCE SHEET TRANSACTIONS AND OTHER COMMITMENTS

In addition to the receivables and liabilities recognized in the statement of financial position, the Group was subject to off-balance sheet transactions and other financial commitments, the maturities of which are presented in the tables below.

Contingent liabilities

(In euro thousands)	**12/31/2024**	*Guarantee commitments received*	*Commitments under certificate transactions, the due dates for which were not yet reached upon conclusion*
Due within one year	18,196	-	18,196
Due in more than one year and up to five years	32,694	31,000	1,694
Due in more than five years	149,010	149,000	10
Total	**199,900**	**180,000**	**19,900**

(In euro thousands)	**12/31/2023**	*Guarantee commitments received*	*Commitments under certificate transactions, the due dates for which were not yet reached upon conclusion*
Due within one year	21,944	-	21,944
Due in more than one year and up to five years	16,555	12,000	4,555
Due in more than five years	173,086	173,000	86
Total	**211,585**	**185,000**	**26,585**

Contingent liabilities and other commitments

Contingent liabilities are dominated by irrevocable loan commitments to customers in the nominal amount of EUR 217,052 thousand. An irrevocable loan commitment is a not yet utilized amount of a commitment that can no longer be revoked. If the loan commitment is utilized, SG Effekten will be exposed to the risk that its receivable from the borrower, minus collateral, will no longer be recoverable (see Note 4.8 for details on the formation of risk provisions).

NOTE 13 – DISCLOSURES CONCERNING SIGNIFICANT RISKS

COUNTERPARTY DEFAULT RISKS

Overview of counterparty default risks by item of the statement of financial position, based on carrying amounts:

(In euro thousands)	12/31/2024
Financial assets measured at fair value through profit or loss	4,129,063
Hedging derivatives	-
Loans to and receivables from banks	175,750
Loans to and receivables from customers	3,952,208
Tax assets	3,465
Receivables under finance leases	452,116
Other assets	196,677
Total	**8,909,279**

In addition, there are irrevocable loan commitments to customers with a nominal volume of EUR 217,052 thousand.

Significant counterparty default risks exist only in the segment of Financial Services to Corporates and Retails.

In 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 solidity 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 December 31, 2024 is presented in the table below:

(in euro millions)	Expected loss	Unexpected loss	Credit Value at Risk
Car loans	19.7	21.6	41.3
Dealer financing	4.3	35.9	40.2
Car leasing	5.4	17.2	22.6
Total portfolio	**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 have relatively few individual risks in this area. Around 81% of our loan agreements with retail customers and 58% with business customers (based on the number of contracts) are for up to EUR 25,000.

The dealer financing portfolio comprises 754 dealerships with granted credit lines totaling EUR 978 million, of which about 41% are up to EUR 1 million. The drawn-down part of these credit lines amounted to EUR 583 million at December 31, 2024.

MARKET PRICE RISKS

All the market price risks of issued warrants and certificates are hedged by hedging transactions with Société Générale S.A., Paris. Therefore, there are no price risks, currency risks or interest rate risks.

The market price risks of the Group's leasing business mainly include the residual value risks assumed by the Group, as well as current risks and interest rate risks to a limited extent.

Residual value risks were assumed for 32% of new leases in the 2024 financial year (PY: 37%).

If residual value risks are assumed, the lease is basically an operating lease 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 price risk, but only potential counterparty default risks under guaranties.

The payment commitments resulting from IT agreements are liabilities in GBP. To limit currency risks, a bank account is kept in GBP, the amount of which is equivalent to the expected costs over a 1-year horizon. There are no further currency risks.

Interest rate risk is managed by means of an interest rate gap analysis, which is based on the change in present value of assets and liabilities resulting from different variations of the yield curve (sensitivity analysis). The maximum change in value resulting from the assumed scenarios, which particularly include the scenarios required by the regulatory authority, is EUR 9.5 million at December 31, 2024 (PY: EUR 14.9 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 relevant departments of Société Générale S.A., Paris.

At December 31, 2024, 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 Retails segment in the amount of EUR 6,454 million, of which EUR 2,027 million had not been drawn down.

At December 31, 2024, BDK had a credit line agreed with the SG Group in the total amount of EUR 3,680 million, of which EUR 2,010 million or 55% had been drawn down. Another EUR 1,554 million was financed by the securitization of car loan receivables in the form of asset-backed securities.

ALD LF had a credit line totaling EUR 1,220 million with the SG Group, of which EUR 863 million or 71% had been drawn down at December 31, 2024.

The risk of an unexpected increase in funding costs within the Group that would entail liquidity fees in addition to the market rates of interest is simulated on the basis of a scenario involving a shift in the overnight funds rate of +/-308 basis points and backed by capital in the risk-bearing capacity calculation.

A risk potential of EUR 5.3 million was calculated for liquidity risk at the end of the year (PY: EUR 8.4 million).

The primary goal of liquidity risk management is to procure funding for the Company'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 repayments 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 commensurate with 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, 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 December 31, 2024 are presented in the table below:

Receivables:

(In euro thousands)	Up to 3 months	3 months to one year	1 to 5 years	More than 5 years	12/31/2024
Financial assets measured at fair value through profit or loss	639,663	762,450	327,327	2,399,623	4,129,063
Thereof derivatives	*639,663*	*762,350*	*267,464*	*2,378,649*	*4,048,126*
Thereof Other assets	*-*	*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 under 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:

(In euro thousands)	Up to 3 months	3 months to one year	1 to 5 years	More than 5 years	12/31/2024
Financial liabilities measured at fair value at profit or loss	637,633	761,242	267,464	2,379,828	4,046,167
Thereof derivatives	*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 OF LEGAL DISPUTES

The Group is involved in an ongoing legal dispute for which a provision in the amount of EUR 60 million has been recognized. The shareholder has issued a guarantee for this legal dispute, so that the Group has established an adequate provision for this case and is not economically burdened. For this reason, the reimbursement right under the guarantee has been capitalized in the same amount as the provision (EUR 60 million). The total guarantee amount of EUR 120 million is limited in time until June 30, 2026. The Management cannot rule out the possibility that the legal dispute will not be concluded before the end of the present guarantee term. The Company is certain that the guarantee will be renewed beyond the present term if necessary.

With regard to further disclosures on the subject of this legal dispute, the Company claims the protection clause of IAS 37.92.

NOTE 14 – DEALINGS WITH RELATED ENTITIES AND PERSONS

Both natural persons and entities which the Group controls or has significant influence over and persons and companies 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 (non-consolidated 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 December 31, 2024, the managing directors received compensation totaling EUR 16.8 thousand as short-term benefits for the previous year (see Note 16).

The current managing directors Mr. Helmut Höfer and Timo Felix Zapf are employees of Société Générale S.A., Frankfurt am Main branch (parent company of Société Générale Effekten GmbH). Mr. Andreas Thomas was relieved of his position as Managing Director of Société Générale Effekten GmbH with effect as of March 31, 2024. In addition, Mr. Christian Sagerer was appointed as Managing Director of SG Effekten GmbH with effect as of 04/01/2024 and was relieved of that position as of 04/25/2024.

BUSINESS DEALINGS WITH SUBSIDIARIES

All direct subsidiaries are included in the consolidated financial statements of SG Effekten and are consolidated, so that any transactions with subsidiaries have been eliminated as intragroup balances. Therefore, there is no obligation to make disclosures on this subject.

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 financial statements. The business object of the company is the issuance of options and certificates, all of which are sold in full by the parent company Société Générale S.A., Paris, and by 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.

A list of the subsidiaries of Société Générale Effekten GmbH is presented in the description of the consolidation group (see in Note 2).

Transactions with companies of the same corporate group:

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

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

(In euro thousands)	Highest-ranking parent company (incl. branches)	Associated companies (ALD DL)	Companies of the same corporate group	Other related companies	**Balance at 12/31/2023**
Assets	**4,557,769**	**1,004**	**1,362**	**80,648**	**4,640,783**
Financial assets measured at fair value through profit or loss	4,192,212	1,004	-	*80,634*	***4,273,850***
Receivables from banks at amortized cost	*69,068*	-	-	-	***69,068***
Other assets	*296,489*	-	1,362	*14*	***297,865***
Liabilities*	**5,989,759**	**-**	**11,097**	**3,639**	**6,004,495**
Financial liabilities measured at fair value through profit or loss	2,324,362	-	-	*2,036*	***2,326,398***
Liabilities to banks	*3,520,771*	-	-	-	***3,520,771***
Other liabilities	*144,626*	-	11,097	*1,603*	***157,326***
Expenses	**(29,004,607)**	**-**	**(9,006)**	**(3,653)**	**(29,017,266)**
Interest and similar expenses, calculated in accordance with the effective interest method	(59,803)	-	-	-	***(59,803)***
Commission expenses	(1,899)	-	-	(18)	***(1,917)***
Net losses on financial instruments measured at fair value through profit or loss	(28,937,274)	-	-	(1,060)	***(28,938,334)***
Expenses for other activities	(5,631)	-	(9,006)	(2,575)	***(17,212)***
Income	**28,752,841**	**-**	**9,719**	**15,191**	**28,777,751**
Interest and similar income, calculated in accordance with the effective interest method	*435,645*	-	-	-	***435,645***
Commission income	*4,834*	-	-	14,696	***19,530***
Net gains on financial instruments measured at fair value through profit or loss	*28,309,384*	-	-	*523*	***28,308,861***
Income from other activities	2,978	-	9,719	*1,018*	***13,715***

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

Other transactions with related companies include:

- Trust transactions with Société Générale S.A., Paris (see Note 15)
- Guarantee of Société Générale S. A., Frankfurt Branch (see Note 13)
- Liabilities to Société Générale S. A., Frankfurt Branch, under the profit transfer agreement (see Note 7.3)
- Intragroup credit lines (see Note 13)

NOTE 15 – TRUST BUSINESS

In addition to the transactions presented in the statement of financial position, the Group operates under a trust agreement with the sole shareholder Société Générale S.A., Paris. As part of this trust 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 trust 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. At the reporting date, trust transactions measured at fair value amounted to EUR 207,814 thousand. This amount is included in the transactions related to companies of the same corporate group in Note 14.

NOTE 16 – COMPENSATION OF THE MANAGEMENT

Société Générale S.A. Frankfurt Branch received EUR 600 per month for the work of each managing director. Thus, the total compensation amounted to EUR 16,800 in the 2024 financial year (PY: EUR 16,200).

NOTE 17 – SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No events of significance have occurred since the reporting date of December 31, 2024.

Frankfurt am Main, May 30, 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 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, May 30, 2025

The Management

Société Générale Effekten GmbH

Helmut Höfer

Timo Felix Zapf

KPMG

Consolidated Financial Statements at December 31, 2024 and Group Management Report

AUDITOR'S REPORT

Société Générale Effekten GmbH
Frankfurt am Main

SGE KAP 2024 Supplementary Audit pursuant to Section 316 (3) HGB

KPMG AG
Wirtschaftsprüfungsgesellschaft

Consolidated Financial Statements of Société Générale Effekten GmbH,

Frankfurt am Main

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at 12/31/2024

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

Explanation of changes of the name or other identifiers of the reporting entity that have occurred since the end of the previous reporting period	N/A
Name of the Group	SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH
Address where the consolidated financial statements are available	Neue Mainzer Straße 46 – 50 60311 Frankfurt am Main
Address of the Group	Neue Mainzer Straße 46 – 50 60311 Frankfurt am Main
Legal form of the Group's parent company	GmbH – Gesellschaft mit beschränkter Haftung (limited liability company under German law)
Country of the Group	Germany
Address of the registered head office of the Group	Neue Mainzer Straße 46 – 50 60311 Frankfurt am Main
Principal place of business of the subsidiary	N/A
Description of the nature of business activity of the company and its principal activities	Issuance activity and holding of equity investments
Name of the parent company	SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH
Name of the highest-ranking parent company of the corporate group	Société Générale S.A., Paris
Name or other identifier of the reporting entity	Frankfurt am Main - record no. HRB 32283

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CONSOLIDATED FINANCIAL STATEMENTS

AMENDED CONSOLIDATED INCOME STATEMENT

(In euro thousands)	**Note**	**2024**	**2023**
Interest and similar income calculated in accordance with the effective interest method	Note 4.7	265,554	288,108
Interest and similar expenses calculated in accordance with the effective interest method	Note 4.7	(154,335)	(146,761)
Commission income	Note 7.1	21,913	23,163
Commission expenses	Note 7.1	(10,069)	(10,056)
Net result from financial transactions	Note 4.1	284	2,160
thereof net gains or losses from financial instruments measured at fair value through profit or loss		284	2,160
Income from other activities	Note 7.2	363,737	394,971
Expenses for other activities	Note 7.2	(355,927)	(390,073)
Net banking income		**131,157**	**161,512**
Personnel expenses	Note 8	(48,044)	(53,963)
Other administrative expenses	Note 12.2	(27,365)	(27,090)
Expenses for depreciation, amortization and impairments of intangible assets and property, plant and equipment	Note 5	(5,701)	(6,321)
Gross operating result		**50,047**	**74,138**
Risk expenses (impairments of financial assets and commitments)	Note 4.8	(8,533)	(9,265)
Operating result		**41,514**	**64,873**
Net gains or losses from other assets		1	13
Impairments of goodwill	Note 6	-	-
Net result from continued operations		41,515	64,886
Net result from discontinued operations		2,881	(10,795)
Profit/loss before taxes		**44,396**	**54,091**
Income taxes	Note 9	-	-
Net profit/loss after taxes		**44,396**	**54,091**
Net profit/loss of all companies in the consolidation group*		**44,396**	**54,091**
Non-controlling interests*		277	215
Net profit/loss (Group's share)*		**44,119**	**53,876**

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

AMENDED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In euro thousands)	**2024**	**2023**
Net profit/loss	**44,396**	**54,091**
Gains and losses recognized directly in equity, that will be reclassified to profit or loss at a later time:		
Gains and losses in relation to hedging instruments	(11,117)	(31,363)
Gains and losses recognized directly in equity, that will not be reclassified to profit or loss at a later time:		
Actuarial gains and losses on post-employment benefits	(117)	(7,193)
Tax-related	(2,275)	2,702
Total other comprehensive income	**(13,509)**	**(35,854)**
Comprehensive income (net profit/loss and other comprehensive income)	**30,887**	**18,237**
thereof attributable to the owners of the parent company*	30,776	18,761
thereof attributable to non-controlling interests*	111	(524)

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled “Adjustments”.

AMENDED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

(In euro thousands)	Note	12/31/2024	12/31/2023
Financial assets measured at fair value through profit or loss	Note 4.1	4,129,063	3,431,397
Thereof derivatives held for trading	Note 4.1	*2,966,977*	*2,611,073*
Hedging derivatives	Note 4.2	-	19,265
Receivables from banks at amortized cost	Note 4.4 4.9	175,750	147,340
Thereof call deposits		*138,555*	*82,616*
Loans to and receivables from banks at amortized cost	Note 4.4 4.9	3,952,208	4,340,515
Receivables from finance leases	Note 4.4 4.9	452,116	495,866
Tax assets	Note 9	3,465	158
Other assets	Note 7.3	196,677	294,155
Intangible assets	Note 5	1,856	2,485
Property, plant and equipment	Note 5	235,576	317,215
Goodwill	Note 6	1,569	1,569
Total		**9,148,280**	**9,049,966**

AMENDED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES AND EQUITY

(In euro thousands)	Note	**12/31/2024**	**12/31/2023**
Financial liabilities measured at fair value through profit or loss	Note 4.1	4,046,168	3,346,815
Thereof derivatives held for trading	Note 4.1	*2,965,780*	*2,606,928*
Hedging derivatives	Note 4.2	10,542	9,879
Securitized liabilities	Note 4.5 4.9	1,556,549	1,758,942
Liabilities to banks	Note 4.5 4.9	3,293,612	3,546,191
Liabilities to customers	Note 4.5 4.9	25	36
Tax liabilities	Note 9	1,698	19,550
Other liabilities	Note 7.3	144,088	269,394
Provisions	Note 12.3	77,269	83,849
Total liabilities		**9,129,951**	**9,034,656**
EQUITY	Note 10		
Equity, Group's share			
Subscribed capital, equity instruments and additional paid-in capital reserves		26	26
Profit carried forward		1,138	1,138
Group reserves*		(21,413)	(47,192)
Financial year net profit/loss*		44,119	53,876
Sub-total*		**23,870**	**7,847**
Unrealized or deferred capital gains and losses		(5,607)	7,902
Sub-total equity (Group's share)*		**18,263**	**15,749**
Non-controlling interests*		66	(439)
Total equity		**18,330**	**15,310**
Total		**9,148,280**	**9,049,966**

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

AMENDED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

	Equity and reserves					Gains and losses recognized directly in equity				Non-controlling interests			
In euro thousands	**Subscribed capital**	**Group reserves**	**Total**	**Profit carried forward**	**Net profit/loss (Group's share)**	**To be reclassified to profit or loss at a later time**	**Not to be reclassified to profit or loss at a later time**	**Total**	**Equity, Group's share**	**Equity and reserves**	**Gains and losses recognized directly in equity**	**Total**	**Total Group Equity~**
Equity at 01/01/2023, reported	**26**	**35,264**	**34,079**	**1,138**	-	**37,795**	**5,961**	**43,756**	**80,184**	**41,244**	-	**41,244**	**121,428**
Change due to error corrections	-	41,879	43,090	-		-	-	-	41,879	(41,880)	-	(41,880)	-
Equity at 01/01/2023, corrected	**26**	**77,143**	**77,169**	**1,138**	**-**	**37,795**	**5,961**	**43,756**	**122,064**	**(636)**	-	**(636)**	**121,428**
Gains and losses recognized directly in equity	-	-	-	-	-	(31,363)	(4,491)	(35,854)	(35,854)	-	-	-	(35,854)
Net profit/loss for 2023	-	-	-	-	53,876	-	-	-	53,876	215	-	215	54,091
Other changes	-	(70,460)	(70,460)	-	(53,876)	-	-	-	(124,178)	(19)	-	(19)	(124,197)
Profit transfer to the owner	-	*(84,599)*	-	-	-	-	-	-	-	-	-	-	*(84,599)*
Retention of profit	-	*53,876*	-	-	-	-	-	-	-	-	-	-	*53,876*
Miscellaneous other changes	-	*(39,737)*	-	-	-	-	-	-	-	-	-	-	*(39,737)*
Sub-total	-	(70,460)	(70,460)	-	-	(31,363)	(4,491)	(35,854)	(106,156)	197	-	197	(105,960)
Equity at 12/31/2023	**26**	**6,683**	**6,709**	**1,138**	**-**	**6,432**	**1,470**	**7,902**	**15,749**	**(440)**	-	**(440)**	**15,310**
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	-	-	-	-	-	(11,117)	(2,392)	(13,509)	(13,509)	-	-	-	(13,509)
Net profit/loss for 2024	-	-	-	-	44,119	-	-	-	44,119	277	-	277	44,396
Other changes	-	16,023	16,023	-	(44,119)	-	-	-	(28,096)	229	-	229	(27,867)
Profit transfer to the owner	-	*(41,550)*	-	-	-	-	-	-	-	-	-	-	*(41,550)*

Retention of profit	-	*44,119*	-	-	-	-	-	-	-	-	-	-	*44,119*
Miscellaneous other changes	-	*13,454*	-	-	-	-	-	-	-	-	-	-	*13,454*
Sub-total	-	16,023	16,023	-	-	(11,117)	(2,392)	(13,509)	2,514	505	-	505	3,020
Equity at 12/31/2024	**26**	**22,706**	**22,733**	**1,138**	**-**	**(4,685)**	**(922)**	**(5,607)**	**18,264**	**66**	-	**66**	**18,330**

*The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled “Adjustments”.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In euro thousands)	2024	2023
Net profit/loss	**41,515**	**64,886**
Expenses for depreciation and amortization of property, plant and equipment and intangible assets (including operating leases)	42,054	67,519
Expenses for impairments of property, plant and equipment and intangible assets (including operating leases) and net additions to provisions	(6,345)	(2,744)
Net gain or loss from sales of consolidated subsidiaries and other noncurrent securities – Equity instruments measured at fair value through profit or loss	-	(2)
Other changes	(53,546)	(190,794)
Non-monetary components included in the net profit/loss after taxes, and other adjustments, excluding gains or losses on financial instruments measured at fair value through profit or loss	**(17,837)**	**(126,021)**
Net gain or loss from financial instruments measured at fair value through profit or loss	80,610	65,512
Interbank transactions	(312,990)	382,987
Transactions with customers	390,200	100,314
Transactions with other financial assets / liabilities	129,577	(518,178)
Transactions with other non-financial assets / liabilities	(53,603)	(11,420)
Net increases / decreases in operating assets / liabilities	**233,794**	**19,215**
Cash flow from operating activities – Continued operations	257,472	(41,920)
Cash flow from operating activities – Discontinued operations	(8,470)	92,353
NET CASH FLOW FROM OPERATING ACTIVITIES	**249,002**	**50,433**
Cash flows from purchases and sales of financial assets and equity investments	-	(8)
Cash flows from purchases and sales of property, plant and equipment and intangible assets	114,944	174,781
Cash flow from investing activities – Continued operations	114,944	174,773
Cash flow from investing activities – Discontinued operations	8,470	(139,191)
NET CASH FLOW FROM INVESTING ACTIVITIES	**123,414**	**35,582**
Repayment of funding loans	(232,070)	(125,295)
Profit transfer SG Frankfurt	(64,235)	(27,144)
Other cash flows from financing activities	(50)	(25)
Cash flow from financing activities – Continued operations	(296,355)	(152,464)
Cash flow from financing activities – Discontinued operations	-	-

NET CASH FLOW FROM FINANCING ACTIVITIES	**(296,355)**	**(152,464)**
NET CASH FLOW FROM CASH AND CASH EQUIVALENTS	**76,061**	**(66,449)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**832**	**67,281**
Net amount of bank accounts, sight deposits and deposits / loans with banks	**76,061**	**(66,449)**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**76,893**	**832**
CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**-**	**(46,838)**

*Previous-year figures adjusted. Additional information on this subject is provided in Note 1 in the sub-section entitled “Adjustments”.

In accordance with the policy of Société Générale Group, the SGE Group considers cash on hand, sight deposits, and short-term loans and advances to central banks and banks to be cash and cash equivalents in preparing the statement of cash flows. At December 31, 2024, cash and cash equivalents (due in not more than three months) consisted only of call deposits with banks in the amount of EUR 139 million (PY: EUR 83 million, Note 4.4), less loans to banks payable at call (deposits and current accounts) in the amount of EUR 11 million (PY: EUR 31 million, Note 4.5).

Cash flows from interest amounted to EUR 340 million and cash flows from taxes amounted to EUR 14 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIC INFORMATION ABOUT THE CONSOLIDATED 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 entered in the Frankfurt am Main Local Court under record no. HRB 32283. The company's consolidated financial statements include the company and its controlled subsidiaries (referred to collectively as the "Group"). The Group is primarily active in the issuance of options and certificates, the provision of financing and leasing services, and asset management. The Asset Management segment of Société Générale Securities Services GmbH was discontinued as of December 31, 2023 and the Company is being continued only on an administrative basis. Therefore, this segment is presented as discontinued operations in the consolidated financial statements at December 31, 2023 by application of IFRS 5.

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

The consolidated financial statements of Société Générale Effekten GmbH cover the period from January 1, 2024 to December 31, 2024. The consolidated 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 para. 1 German Commercial Code (HGB).

The present consolidated 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 one thousand 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 the subsidiary company and Société Générale Securities Services GmbH as the 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. Profit transfer agreements are also in effect with all consolidated subsidiaries within the SGE Group.

USE OF DISCRETIONARY JUDGMENTS AND ESTIMATES

In preparing the consolidated financial statements, the management is required to make certain discretionary decisions, estimates, and assumptions that affect the application of financial reporting methods, the recognition and measurement of assets and liabilities, the amounts of income and expenses presented in the income statement, and the information disclosed in the notes to the consolidated financial statements. In making these estimates and formulating these assumptions, the management applies the information available at the time of preparing the consolidated financial statements and decides on the basis of its own judgment. Naturally, the measurements based on these estimates are subject to certain risks and uncertainties concerning their occurrence in the future. Consequently, the actual values and results occurring in the following financial year may differ from the estimates and necessitate a substantial adjustment of carrying amounts.

The uncertainties underlying these assumptions and estimates could lead to results that will necessitate a significant adjustment of the carrying amounts of the affected assets or liabilities in future periods. In applying the Group's financial reporting methods, the Management made judgments and assumptions about the future and other significant sources of estimation uncertainties at the reporting date, that harbor a significant risk of necessitating a significant adjustment of the carrying amounts of assets and liabilities during the next financial year.

The prevailing circumstances and assumptions concerning future developments could change for reasons beyond the Group's control. They are reflected in the assumptions concerning whether and when they will occur. The items with the most significant effects on the amounts recognized in the financial statements, concerning which the Management has made significant discretionary judgments and/or estimates, are indicated below in relation to the related discretionary judgments. In connection with the application of the parent company's uniform accounting policies, the Management of SG Effekten has made the following discretionary judgments and estimates that have the most significant effect on the amounts recognized in the Group's 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, particularly the analysis of contractual cash flow characteristics (SPPI) of financial assets (see Notes 3 and 4.4);

- Assessment of the development of the increase of credit risk (level classification) observed since the initial recognition of financial assets and assessment of the amount of impairments recognized for default risks in relation to financial assets measured at amortized cost or at fair value through profit or loss (currently not held), issued loan commitments, and issued guarantee commitments, which are measured on the basis of historical, current, and prospective data. The main items of the statement of financial position affected by this are the items "Loans to and receivables from customers, at amortized cost" and "Receivables under finance leases", as well as off-balance sheet contingent liabilities (see Notes 4.8; 12.3 and 12.7) 5 and 6);

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

ADJUSTMENTS

Presentation according to IFRS 5: It was determined in the current period first of all that a correction must be made in the presentation of assets and liabilities of the discontinued operations of Société Générale Securities Services GmbH. The assets and liabilities attributed to SGSS are no longer presented in a separate line item of the statement of financial position of SGE's consolidated financial statements, but are now presented within the respectively applicable line items (Financial assets measured at fair value through profit or loss, Receivables from banks at amortized cost, Tax assets, Other assets, Property, plant and equipment, and Intangible assets, as well as Tax liabilities, Other liabilities, and Provisions) in accordance with IFRS 5.13. The reason for this change is that the corresponding carrying amounts of SGSS are mainly not realized by way of sale transactions, but by way of continued use until the complete discontinuation (discontinued operations). For details on this subject, please refer to the remarks in Note 3, section "NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS". The correction was applied retroactively to the presentation of the preceding periods (IFRS 5 case only since 2023). Aside from the changed presentation in the statement of financial position, no other items were affected. The effects on the consolidated financial statements are summarized in the tables below:

The effects on the consolidated financial statements are summarized in the tables below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

(In euro thousands)	**12/31/2024**	**12/31/2023 (adjusted)**	**Adjust-ment**	**12/31/2023**
Financial assets measured at fair value through profit or loss	4,129,063	3,431,397	1,147	3,430,250
Hedging derivatives	-	19,265	-	19,265
Receivables from banks, at amortized cost	175,750	147,340	58,896	88,444
Thereof call deposits	138,555	82,616	-	n/a
Loans to and receivables form customers, at amortized cost	3,952,208	4,340,515	-	4,340,515
Receivables under finance leases	452,116	495,866	-	495,866
Tax assets	3,465	158	158	-
Other assets	196,677	294,155	80,961	213,194
Assets held for sale	-	-	(139,884)	139,884
Intangible assets	1,856	2,485	-	2,485
Property, plant and equipment	235,576	317,215	7	317,208
Goodwill	1,569	1,569	-	1,569
Total	**9,148,280**	**9,049,966**	1,285	**9,048,681**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: EQUITY AND LIABILITIES

(In euro thousands)	**12/31/2024**	**12/31/2023 (adjusted)**	**Adjustment**	**12/31/2023**
Financial liabilities measured at fair value through profit or loss	4,046,168	3,346,815	-	3,346,815
Hedging derivatives	10,542	9,879	-	9,879
Securitized liabilities	1,556,549	1,758,942	-	1,758,942
Liabilities to banks	3,293,612	3,546,191	-	3,546,191
Liabilities to customers	25	36	-	36
Tax liabilities	1,698	19,550	1,285	18,265
Other liabilities	144,088	269,394	20,863	248,531
Liabilities held for sale	-	-	(94,817)	94,817
Provisions	77,269	83,849	76,466	7,383
Total liabilities	**9,129,951**	**9,034,656**	**3,797**	**9,030,859**
EQUITY				
Equity, Group share				
Subscribed capital, equity instruments, and additional paid-in capital reserves	26	26	-	26
Profit carried forward	1,138	1,138	-	1,138
Group reserves	(21,413)	(47,192)	(867)	(46,325)
Financial year net profit/loss	44,119	53,876	(39,510)	93,386
Sub-total	**23,870**	**7,847**	**(40,378)**	**48,225**
Unrealized or deferred capital gains and losses	(5,607)	7,902	-	7,902
Sub-total equity (Group's share)	**18,263**	**15,749**	**(40,378)**	**56,127**
Non-controlling interests	66	(439)	37,866	(38,305)
Total equity	**18,330**	**15,310**	**(2,512)**	**17,822**
Total	**9,148,280**	**9,049,966**	**1,285**	**9,048,681**

Statement of changes in equity: It was also found that profit contributions of securitization companies had been erroneously attributed to non-controlling interests. Furthermore, profit retentions had only been recognized as such in the Group reserves in the subsequent year. The attribution and retention were corrected retrospectively in financial year 2024, also for the previous-year figures, in accordance with IAS 8.41 et seq. As a result of the changed attribution, profit components amounting to EUR -22.4 million (PY: EUR -39.5 million) were no longer attributed to non-controlling interests, but to consolidated net profit/loss. The modified profit retention had the effect of changing the line item of Other changes in non-controlling interests in the amount of EUR 50.4 million (PY: EUR -40.2 million) and increasing the line item of Other changes in Group reserves by the same amounts. The modified profit retention also increased the Group reserve by an amount of EUR 44.1 million (PY: EUR 53.9 million).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Previous presentation:

	Equity and reserves					Gains and losses recognized directly in equity				Non-controlling interests			
In euro thousands	**Subscribed capital**	**Group reserves**	**Total**	**Profit carried forward**	**Net profit/loss (Group's share)**	**To be reclassified to profit or loss at a later time**	**Not to be reclassified to profit or loss at a later time**	**Total**	**Equity, Group's share**	**Equity and reserves**	**Gains and losses recognized directly in equity**	**Total**	**Total Group Equity~**
Equity at 01/01/2023	**26**	**35,263**	**35,290**	**1,138**	**-**	**37,795**	**5,961**	**43,756**	**80,184**	**41,244**	**-**	**41,244**	**121,428**
Gains and losses recognized directly in equity	-	-	-	-	-	(31,363)	(4,491)	(35,854)	(35,854)	-	-	-	(35,854)
Net profit/loss for 2023	-	-	-	-	93,386	-	-	-	93,386	(39,295)	-	(39,295)	54,091
Other changes*	-	(84,100)	(84,100)	-	-	-	-	-	(84,100)	(40,254)	-	(40,254)	(124,355)
Sub-total	**-**	(84,100)	(84,100)	-	93,386	(31,363)	(4,491)	(35,854)	(26,569)	(79,549)	-	(79,549)	(106,118)
Equity at 12/31/2023	**26**	**(48,837)**	**(48,810)**	**1,138**	**93,386**	**6,432**	**1,470**	**7,902**	**53,615**	**(38,305)**	**-**	**(38,305)**	**15,310**
Utilization of profit	-	93,386	93,386	-	-	-	-	-	-	-	-	-	-
Equity at 01/01/2024	**26**	**44,549**	**44,575**	**1,138**	**-**	**6,432**	**1,470**	**7,902**	**53,615**	**(38,305)**	**-**	**(38,305)**	**15,310**
Gains and losses recognized directly in equity	-	-	-	-	-	(11,117)	(2,392)	(13,509)	(13,509)	-	-	-	(13,509)
Net profit/loss for 2024	-	-	-	-	66,509	-	-	-	66,509	(22,113)	-	(22,113)	44,396
Other changes*	-	(78,541)	(78,541)	-	-	-	-	-	(78,541)	50,674	-	50,674	(27,867)
Sub-total	-	(78,541)	(78,541)	-	66,509	(11,117)	(2,392)	(13,509)	(25,541)	28,560	-	28,560	3,020
Equity at 12/31/2024	**26**	**(33,992)**	**(33,966)**	**1,138**	**66,509**	**(4,685)**	**(922)**	**(5,607)**	**28,075**	**(9,744)**	**-**	**(9,745)**	**18,330**

* The Other changes resulted mostly from liabilities to Société Générale S.A. Frankfurt Branch from the transfer of the profit for 2024 calculated in accordance with the German Commercial Code (HGB) in the amount of EUR 32,725 thousand (PY: EUR 64,235 thousand) on the basis of a profit transfer agreement concluded by signature of September 7, 2016.

Adjustment:

In euro thousands	Equity and 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's share)	To be reclassified to profit or loss at a later time	Not to be reclassified to profit or loss at a later time	Total	Equity, Group's share	Equity and reserves	Gains and losses recognized directly in equity	Total	
Equity at 01/01/2023	**-**	**41,879**	**41,879**	**-**	**-**	**-**	**-**	**-**	**41,879**	**(41,880)**	**-**	**(41,880)**	**-**
Gains and losses recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for 2023	-	-	-	-	(39,510)	-	-	-	(39,510)	39,510	-	39,510	-
Other changes*	-	13,640	13,640	-	(53,876)	-	-	-	(40,078)	40,236	-	40,236	
Sub-total	-	13,640	13,640	-	(93,386)	-	-	-	(79,588)	79,745	-	79,745	
Equity at 12/31/2023	**-**	**55,520**	**55,520**	**-**	**(93,386)**	**-**	**-**	**-**	**(37,866)**	**37,865**	**-**	**37,866**	**-**
Equity at 01/01/2024	**-**	**(37,866)**	**(37,866)**	**-**	**-**	**-**	**-**	**-**	**(37,866)**	**37,865**	**-**	**37,866**	**-**
Gains and losses recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/loss for 2024	-	-	-	-	(22,390)	-	-	-	(22,390)	22,390	-	22,390	-
Other changes	-	94,564	94,564	-	(44,119)	-	-	-	50,445	(50,445)	-	(50,445)	-
Sub-total	-	94,564	94,564	-	(66,509)	-	-	-	28,055	(28,055)	-	(28,055)	-
Equity at 12/31/2024	**-**	**56,699**	**56,699**	**-**	**(66,509)**	**-**	**-**	**-**	**(9,811)**	**9,810**	**-**	**9,811**	**-**

Adjusted presentation:

In euro thousands	Equity and reserves					Gains and losses recognized directly in equity				Non-controlling interests			
	Subscribed capital	Group reserves	Total	Profit carried forward	Net profit/loss (Group's share)	To be reclassified to profit or loss at a later time	Not to be reclassified to profit or loss at a later time	Total	Equity, Group's share	Equity and reserves	Gains and losses recognized directly in equity	Total	Total Group Equity~
Equity at 01/01/2023, reported	**26**	**35,264**	**34,079**	**1,138**	-	**37,795**	**5,961**	**43,756**	**80,184**	**41,244**	-	**41,244**	**121,428**
Change due to error corrections	-	41,879	43,090	-	-	-	-	-	41,879	(41,880)	-	(41,880)	-
Equity at 01/01/2023, corrected	**26**	**77,143**	**77,169**	**1,138**	**-**	**37,795**	**5,961**	**43,756**	**122,064**	**(636)**	-	**(636)**	**121,428**
Gains and losses recognized directly in equity	-	-	-	-	-	(31,363)	(4,491)	(35,854)	(35,854)	-	-	-	(35,854)
Net profit/loss for 2023	-	-	-	-	53,876	-	-	-	53,876	215	-	215	54,091
Other changes	-	(70,460)	(70,460)	-	(53,876)	-	-	-	(124,178)	(19)	-	(19)	(124,197)
Profit transfer to the owner	-	*(84,599)*	-	-	-	-	-	-	-	-	-	-	*(84,599)*
Retention of profit	-	*53,876*	-	-	-	-	-	-	-	-	-	-	*53,876*
Miscellaneous other changes	-	*(39,737)*	-	-	-	-	-	-	-	-	-	-	*(39,737)*
Sub-total	-	(70,460)	(70,460)	-	**-**	(31,363)	(4,491)	(35,854)	(106,156)	197	-	197	(105,960)
Equity at 12/31/2023	**26**	**6,683**	**6,709**	**1,138**	**-**	**6,432**	**1,470**	**7,902**	**15,749**	**(440)**	-	**(440)**	**15,310**
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	-	-	-	-	-	(11,117)	(2,392)	(13,509)	(13,509)	-	-	-	(13,509)
Net profit/loss for 2024	-	-	-	-	44,119	-	-	-	44,119	277	-	277	44,396
Other changes	-	16,023	16,023	-	(44,119)	-	-	-	(28,096)	229	-	229	(27,867)
Profit transfer to the owner	-	*(41,550)*	-	-	-	-	-	-	-	-	-	-	*(41,550)*

Retention of profit	-	*44,119*	-	-	-	-	-	-	-	-	-	-	*44,119*
Miscellaneous other changes	-	*13,454*	-	-	-	-	-	-	-	-	-	-	*13,454*
Sub-total	-	16,023	16,023	-	-	(11,117)	(2,392)	(13,509)	2,514	505	-	505	3,020
Equity at 12/31/2024	**26**	**22,706**	**22,733**	**1,138**	**-**	**(4,685)**	**(922)**	**(5,607)**	**18,264**	**66**	-	**66**	**18,330**

Statement of cash flows: An adjustment was made in the statement of cash flows in financial year 2024. The cash flow reduction resulting from the implementation of the profit transfer agreement with Société Générale S.A. Frankfurt Branch had previously been presented, erroneously, as an “Other change” in the Cash flow from operating activities. This item is now presented as a separate line item of the Cash flow from financing activities. The corresponding previous-year figure was corrected accordingly by EUR 27,144 to allow for comparability.

For materiality reasons and for the sake of improved transparency, a “thereof” item was introduced in the current reporting period for the line item “Receivables from banks, at amortized cost” of the statement of financial position. The corresponding amounts show due-at-call loans and receivables with banks that can be used as cash and cash equivalents. Such “thereof” items were likewise added to the previous year’s statement of financial position. The adjustment created an additional breakdown line in the statement of financial position, but had no effect on the total amounts of line items, the statement of financial position, or the result of the income statement.

In addition, the disclosures in the notes to the consolidated financial statements were formulated in more detail or reformulated on the basis of substantive revisions and technical improvements in the reporting period. This applies particularly to the Notes 3, 4.2, 4.3, 4.8, and 14. For the sake of improved clarity, the relevant previous-year values were also disclosed or added. These adjustments particularly affect the disclosures in the notes and the verbal explanations; they do not affect the amounts presented in the statement of financial position or the result of the income statement.

NEWLY APPLICABLE, REVISED, AND NEW IFRS ACCOUNTING STANDARDS

The IFRS Accounting Standards applicable for the first time in the reporting period or in the future are explained below.

A. Newly applicable Standards

The following new or amended IFRS Accounting Standards were applied by the Group for the first time in financial year 2024:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 Disclosures on Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current.

Liabilities are to be classified exclusively on the basis of substantive rights in effect at the reporting date. A liability is to be classified as non-current if there is a substantive right at the reporting date to delay settlement of the liability by at least 12 months. The probability of whether the entity will in fact exercise that right is not relevant for the classification.

The amendments did not have any material effects on the consolidated financial statements.

Amendments to IAS 1 Non-Current Liabilities with Covenants

These amendments specify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current.

In addition, the entity must disclose detailed information in the notes on the subject of non-current liabilities with covenants that must be fulfilled within 12 months of the reporting date. These disclosures are meant to enable users of financial statements to understand the risk that these liabilities could potentially become repayable within one year.

The amendments did not have any material effects on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 Disclosures on Supplier Finance Arrangements

The amendment of IAS 7 specifies that entities are required to disclose information about their supplier finance arrangements. This disclosure is meant to enable users of financial statements to better understand the effect of these arrangements on the entity's liabilities and cash flows. The amendments to IFRS 7 cite supplier finance arrangements as an example of the required disclosures about the entity's liquidity risks.

The amendments did not have any material effects on the consolidated financial statements.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The amendments contain specific rules for the subsequent measurement of leases resulting from a sale and leaseback. The lease liability must be measured in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. In every period, the lease liability is reduced by the amount of expected payments and the difference from the actually made payments is recognized in profit or loss.

The amendments did not have any material effects on the consolidated financial statements.

B. Standards to be applied in the future

The following new or amended IFRS Accounting Standards and Interpretations, some of which have not yet taken effect in the EU, will have to be considered in future financial years:

Affected Standard	Mandatory application or effective in financial years on or after	Endorsement (yes/no)	Contents of the IFRS Accounting Standard
IAS 21	01/01/2025	Yes	The amendments require entities to apply a uniform approach to assessing whether there is a lack of exchangeability for a given currency. If that is the case, it must be disclosed in the notes how the entity determines the exchange rate of such a currency.
IFRS 9 / IFRS 7	01/01/2026	No	For both these standards, amendments affecting the classification and measurement of financial instruments were published in 2024. They relate specifically to interest components under a basic lending arrangement, contractual terms that could change the timing or amount of contractual cash flows, financial assets with non-recourse features, and contractually linked instruments. The amendments also affect the following topics: the derecognition of financial liabilities settled through electronic transfer and disclosures on equity instruments measured at fair value through other comprehensive income.
Annual Improvements of IFRS (Vol. 11)	01/01/2026	No	**IFRS 1 –** Hedge accounting by a first-time adopter: Wording changed to the wording used in IFRS 9, and inclusion of a cross-reference to improve understanding. **IFRS 7** – Gain or loss on derecognition, disclosure of deferred difference between fair value and transaction price, credit risk disclosures. **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 settlement of a lease liability must be recognized in 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 Disclosure” will supersede IAS 1 “Presentation of Financial Statements”. Many requirements will be taken over from IAS 1 without changes. New requirements will be introduced concerning defined sub-totals in the income statement, disclosures of management-defined performance measures (MPMs) in the notes, and guidelines for the grouping of information in IFRS financial statements (aggregation and disaggregation).
IFRS 19	01/01/2027	No	The new Standard IFRS 19 “Subsidiaries Without Public Accountability: Disclosures” enables subsidiaries to issue IFRS financial statements, but with reduced disclosure requirements. To be eligible, the subsidiary must be not publicly accountable and the parent

			company must issue consolidated financial statements in full compliance with all IFRS Accounting Standards.

The Group will not or does not intend to apply these amended Standards and Interpretations ahead of the required date if that is permitted. The Group will apply the new and amended Standards at the latest when application is mandatory following endorsement by the EU.

The future amendments described herein are expected to have no effects or only immaterial effects on the Group's financial position, cash flows, and financial performance, with the exception of IFRS 18 and IFRS 7/IFRS 9, the effects of which are still being assessed. The future effects of the amendments to IFRS 7/IFRS 9 and IFRS 18 on presentation and disclosure in the financial statements will be assessed in detail before the date of mandatory application by the Group.

NOTE 2 – CONSOLIDATION GROUP

PRINCPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent company Société Générale Effekten GmbH and all companies that it controls. The separate financial statements of the aforementioned companies, which have been adjusted to reflect the accounting policies of the Group, form the basis for the consolidated financial statements. Intercompany balances AND transactions, and all unrealized income and expenses from intercompany transactions are eliminated in the preparation of the consolidated 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 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 the structured entities. The entities are included in the consolidated financial statements by reason of their design. They are mainly securitization vehicles used as funding instruments by ALD. Under these transactions, loan receivables are sold to a special-purpose vehicle (SPV) established for that specific purpose and converted into tradable securities backed by loan receivables (asset-backed securities). Under the structures currently in use, only the risks of the loan receivables are transferred in accordance with the law of obligations. The receivables themselves remain on the balance sheet of ALD (originator) and are not legally segregated to the SPV. Therefore, there is also no change in ownership of the securitized loan.

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 consolidated structured entities only consist of assumed subordinated promissory note loans to finance the purchase of receivables by the SPV (no more subordinated loans were held as of 12/31/2024). 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.

The dominant factor in determining control of a structured entity is often not voting rights (which usually only refer to administrative tasks), but comparable rights. In the case of the above-mentioned securitization structures initiated by ALD, the Group retains control by virtue of contractual rights (under a servicing agreement) and possesses the practical ability to unilaterally direct the important activities of the special-purpose entity. Furthermore, the Group bears a risk and has rights to variable returns from the entities.

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.

CHANGE OF CONSOLIDATION GROUP

Compared to December 31, 2023, there have been no changes in the consolidation group except for the formation of the structured entity “Red & Black Auto Germany 11 UG (HAFTUNGSBESCHRAENKT)”, which is fully consolidated in the consolidated financial statements of the Group. Furthermore, the structured entity “Red & Black Auto Germany 7 UG (HAFTUNGSBESCHRAENKT)” was dissolved in December 2024.

CONSOLIDATION GROUP

The information in the table below is presented in accordance with Section 315e HGB.

			12/31/2024	
Name of company	**Company’s registered head office**	**Business activity**	**Share of equity held [%]**	**Share of voting rights held [%]**
Consolidated companies				
ALD LEASE FINANZ GMBH	Hamburg, Germany	Leasing company	100	100
SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES GMBH	Aschheim, Germany	Successor company to the capital management company	100	100
BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH	Hamburg, Germany	Specialized financing institution	99,9	90

BDK LEASING UND SERVICE GMBH	Hamburg, Germany	Service company	100	100
RED & BLACK AUTO GERMANY 8 UG (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 9 UG (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 10 UG (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
RED & BLACK AUTO GERMANY 11 UG* (HAFTUNGSBESCHRAENKT)	Frankfurt, Germany	Structured entity	-	-
Non-consolidated companies				
ALD AUTOLEASING UND DIENSTLEISTUNGS GMBH	Hamburg, Germany	Service company	43,8	43,8

*In October 2024, ”ABS - Red & Black Auto Germany 11 UG” was formed with a total volume of EUR 746,000,000.00; of which Class A Notes EUR 565,800,000.00 and other Class B Notes EUR 18,000,000.00, Class C Notes EUR 12,000,000.00, Class D Notes EUR 1,200,000.00 and Class E Notes EUR 3,000,000.00.

The non-consolidated company ALD Auto Leasing und Dienstleistungs GmbH is an associated company because the Group exerts significant influence by reason of its voting rights share of 43.8%.

Structured entities:

(In euro thousands)	**RED & BLACK AUTO GERMANY 7 UG**	**RED & BLACK AUTO GERMANY 8 UG**	**RED & BLACK AUTO GERMANY 9 UG**	**RED & BLACK AUTO GERMANY 10 UG**	**RED & BLACK AUTO GERMANY 11 UG**
Equity	0	(2,483)	(1,480)	6,210	1,148
Total assets	0	241,434	282,956	513,080	568,435
Net profit/loss at 12/31/2024	3,682	(7,918)	(3,653)	311	(1,156)

NOTE 3 – ACCOUNTING POLICIES AND MEASUREMENT METHODS

The separate financial statements of the subsidiaries included in the consolidated financial statements were prepared in accordance with the group wide recognition and measurement principles based on IFRS, which are 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 at the official spot exchange rates at the reporting date. The resulting remeasurement 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

According to IFRS 9, all financial assets and liabilities within the scope of this Standard, including derivative financial instruments, must be recognized in the statement of financial position. A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Upon initial recognition, a financial instrument is measured at fair value. If a financial instrument is measured at fair value or at amortized cost in subsequent periods, any directly attributable transaction costs must be added to the fair value.

Analysis of the business model

The Group applies different business models in its different operating segments. Business models are assessed on the basis of how groups of financial instruments are managed together to achieve a particular business objective. The business model test is not performed for each individual instrument, but at the portfolio level in consideration of all relevant factors, including:

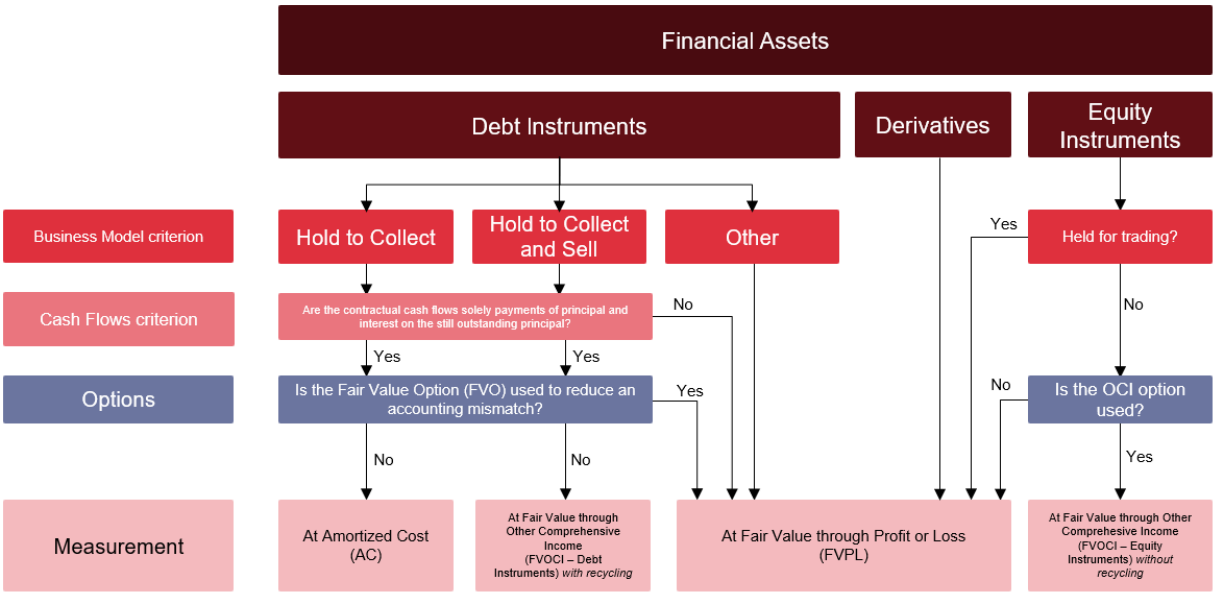
- Assessment of the portfolio's performance and reporting to the Group's Management;
- Management of risks associated with the financial assets held within the scope of the business model;
- Compensation structure of the managers of the business model;
- The already realized or expected sale of assets (value, frequency, purpose).

According to the rules 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 affect the measurement method (at amortized cost, at fair value through profit or loss, and at fair value through other comprehensive income). Three different business models are identified:

1. "Hold to collect" – Financial assets are held with the objective of collecting cash flows. A financial asset is measured at amortized cost if it is held under the "hold to collect" model and fulfills the SPPI criterion, meaning that its contractual cash flows consist exclusively of payments of principal and interest.

2. "Hold to collect and sell" – Financial assets are held with the objective of both collecting contractual cash flows and selling the financial assets. A financial asset is measured at fair value through other comprehensive income (FVOCI - Debt Instruments) if it is held under the "hold to collect and sell" model and if the SPPI criterion is met. Changes in fair value are initially recognized in other comprehensive income (OCI) and only reclassified to profit and loss (P&L) when the financial asset is sold. (There is currently no instance of this business model within the SGE Group.)

Collection by other means – Financial assets held with the objective of collecting cash flows by other means than "hold to collect" or a combination of "hold to collect and sell". These financial assets are measured at fair value through profit or loss (FVPL). The measurement method depends on whether the SPPI criterion is met.



Analysis of contractual cash flows from financial assets

Apart from the business model, the classification of a financial asset also depends on the characteristics of the financial asset's contractual cash flows. In order for a financial asset to be measured at amortized cost or at fair value through other comprehensive income, it must resemble a "basic lending arrangement" and the cash flows it generates must be "Solely Payments of Principal and Interest" (SPPI). This means that the cash flows may not include any additional, adverse components such as share price dependencies or leverage effects.

With regard to payments of principal, principal is defined as the fair value of the financial asset upon initial recognition. In the case of loans with fair market terms, the fair value is equal to the loan disbursement amount. The same applies to securities as well. If financial assets are purchased in the secondary market, the fair value upon initial recognition is usually equal to the purchase price. Transaction costs are not included in the principal.

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

The assessment of the cash flow criterion is limited to the analysis of whether the financial asset gives rise to contractual cash flows that are neither payments of principal nor payments of interest. This assessment is to be conducted in the currency in which the financial asset is denominated. This analysis does not cover the question of whether the amount of the contractually agreed interest is appropriate. In cases of unusually high interest, however, it must always be determined whether the interest represents compensation for risks that are not consistent with a "basic lending arrangement" (e.g., interest payments are linked to the performance of stock indices or commodity prices).

In conducting the SPPI test, the Group applies the rules applied by the ultimate parent company. To this end, the Group has defined basic criteria according to which it can be determined whether financial assets pass the SPPI test upon initial recognition or in the case of substantial contract modifications, upon disposal and renewed recognition. All contractual conditions must be considered.

Also in the case of contractual agreements that generate uncertainty concerning the timing or amount of contractual cash flows (e.g., termination and renewal rights), it must be precisely determined whether these payments are inconsistent with the definition of payments of principal and interest according to IFRS 9.

When termination rights are given, the cash flows represent payments of principal and interest only if the amount due upon early repayment consists mainly of outstanding payments of principal, outstanding payments of interest on the outstanding principal, and any appropriate additional compensation payments for early repayment. Such additional compensation payments primarily include prepayment penalties and any appropriate 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 which 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.

Simple financial assets (SPPI-conformant) are debt instruments that typically include the following product groups:

- Fixed-interest loans,
- Variable-interest loans, possibly with upper and lower limits,
- 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 indices or changes in the borrowing of debt capital) can generally not be regarded as SPPI-conformant.

"**Not SPPI-conformant financial assets**" typically include the following product groups:

- Derivative financial instruments,
- Stocks and other equity instruments held by the entity,
- Investment fund shares,
- 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 must also consider factors that could influence future non-discounted contractual cash flows: Applying the benchmark interest rate at the initial measurement date is not sufficient. In addition, the Group checks whether the benchmark interest rate could shift during the term of the instrument on the basis of possible scenarios.

The IFRS 9 rules also specify that violations of the cash flow criterion are always negligible if they have no appreciable effect on the contractual cash flows (“de minimis”) or only in extremely rare, extremely unusual, and highly improbable cases (“not genuine”).

The analysis of cash flow characteristics is decisive for the classification and measurement of the financial instrument. The effective interest method is generally applied to financial instruments that represent basic lending arrangements. Thus, this method is applicable to financial instruments measured at amortized cost (AC) and financial instruments measured at fair value through other comprehensive income (FVOCI - Debt Instruments). The effective interest method is not applicable to financial instruments that give rise to cash flows that are not solely payments of principal and interest because such financial instruments must be measured at fair value through profit or loss.

Upon initial recognition of investments in equity instruments that are not held for trading, the reporting entity may also exercise an irrevocable option to measure them at fair value through other comprehensive income (FVOCI - Equity Instruments, currently not applied within 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 line item of Other assets (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 a later date.

Derivative financial instruments are sub-divided into two categories:

- Held-for-trading financial instruments

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 within the item of “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.

- Derivatives designated as hedging instruments

In order to classify a derivative financial instrument as a hedging instrument for hedge accounting purposes, the Group documents this hedging relationship already upon 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 valuation method to be applied to assess the effectiveness of the hedging relationship. The derivative financial instrument designated 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 in the statement of financial position within the separate item of “Hedging derivatives.”

A detailed description of derivatives and the Group’s hedge accounting concept is provided in Note 4.1 and in Note 4.2.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also contains a non-derivative host. If the derivative host 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 derivative host is a financial liability that is not measured at fair value through profit or loss, the embedded derivative is separated from the host if:

▪ The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host at the date of acquisition; and.

▪ it would meet the definition of a derivative.

After the separation, the derivative is measured at fair value and presented within the balance sheet item of Financial assets or liabilities measured at fair value through profit or loss. The host contract is assigned to 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:

- 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;
- 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 in the line item of Other liabilities (see Note 4.3).

RECLASSIFICATION OF FINANCIAL ASSETS

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

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 valuation 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 measurement upon initial recognition is based exclusively on observable market data, any difference between this fair value and the transaction price, i.e., an imputed profit or loss (“day-one profit or loss”) is recognized immediately in the income statement. If, however, one of the valuation inputs is not observable or the valuation model applied is not recognized by the market, the day-one profit or loss is not recognized in the income statement. In the case of some complex instruments, this day-one profit or loss is only recognized upon maturity or upon a sale ahead of maturity. As soon as valuation inputs become observable, any not yet recognized part of the day-one profit 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 of 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 as long as the Group has a continuing involvement in the asset. 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 as long as the Group continues to be exposed to changes in the value of the asset (continuing involvement).

When a financial asset is derecognized in full, the gain or loss on disposal, which is calculated as 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 penalties charged to borrowers after the early repayment of loans are calculated on the basis of the date of early repayment and recognized in the line item of Interest and similar income of the income statement in accordance with the effective interest method.

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 cancelled 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 relationship, 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 item of “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 of motor vehicles held under operating leases is calculated on the basis of an aggregation established formed with reference to the age and mileage of the vehicles.

Residual value risks are calculated in accordance with the method known as fleet revaluation. This method is used to predict the sale proceeds upon lease termination for all vehicles for which ALD LF bears the residual value risk. The sale proceeds from comparable vehicles in the last 18 months are considered for this purpose. The sold vehicles are clustered on the basis of their characteristics (make, model, body, age, mileage, fuel type, engine power). In this manner, each vehicle to be valued is assigned to a group composed of at least 10 vehicles. The vehicles in this group were sold for a minimum sale price of EUR 5,000 in the last 18 months. The anticipated

sale price is calculated as the average value of this group and in consideration of a pre-defined inflation parameter, depreciation based on lifecycle, and expected selling costs.

The predicted sale proceeds are checked against the calculated residual values. The negative difference between the predicted sale proceeds and the calculated residual values 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 technical service, which is billed on a monthly basis under full-service operating leases, is presented proportionally to the expenses incurred 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. 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 of “Receivables under leases.”

The interest included in the lease payments is presented in the income statement under “Interest and similar income calculated in accordance with 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 impairments recognized in receivables under finance leases are subject to the same rules as those described for financial assets measured at amortized cost.

Sales of leased assets

Under sales of leased assets, leased assets under leases that have reached the end of the basic lease period, under onerous contracts, or under early lease terminations by mutual agreement are sold. Proceeds on sales of leased assets are recognized when the Group has fulfilled its performance obligation by transferring the promised assets to a customer. The transfer takes effect when the customer attains control of the asset. Thus, the Group recognizes the revenue at a point in time. The payment terms are short-term.

Income from sales of leased assets are presented within the line item of Income from other activities. The expenses incurred on sales of leased assets, which mainly consist of the residual carrying amounts of the leased assets, are presented within the line item of Expenses for other activities.

ACCOUNTING FOR LEASES BY THE LESSEE

RIGHTS TO USE THE ASSETS LEASED BY THE COMPANY

Leases

Separation of lease components from non-lease components

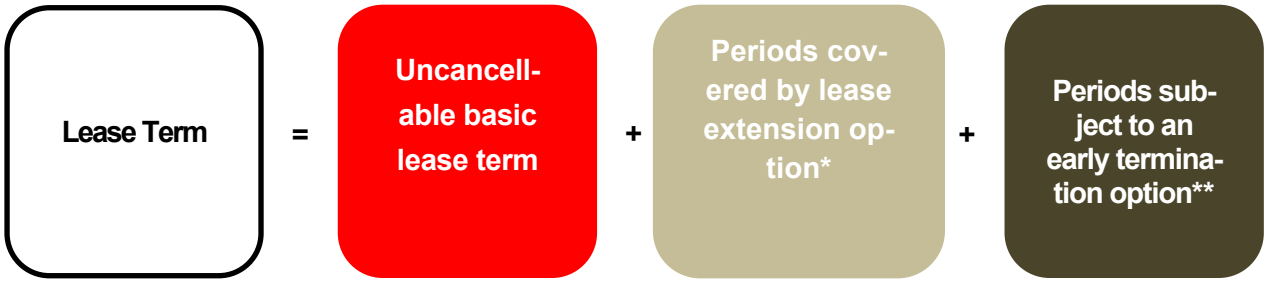
A contract may contain both a lease component and the provision of additional services by the lessor. In this case, the lessee can separate the lease components from the non-lease components and treat them separately. The contractually specified consideration for lease components and non-lease components should be handled separately on the basis of relative stand-alone 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 (certain floor plans, e.g. of a bank vault);

- The costs entailed by a termination of the lease relationship (including negotiation costs and moving 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 of the 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 time of commencement 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 interest expenses and the depreciation of the capitalized right-of-use asset in the income statement item of Depreciation, amortization and impairments of property, plant and equipment and intangible assets.

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 short-term leases. The Group recognizes the lease payments on such leases as expenses on a straight-line basis over the lease terms.

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. revenue 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 sales 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 competent 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 according to the effective interest method: The lease payments are apportioned between interest expenses and successive reductions of the lease liability presented in the income statement.

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 relationship.

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 for 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

The lessor applies the interest rate implicit in the lease to measure the net investment in the lease.

Upon initial recognition, lease liabilities under leases in which the Group is the lessee are measured as the present value of the lease payments not yet paid at the date of availability of the underlying asset, discounted by the interest rate implicit in the lease, or if that cannot be readily determined, at the incremental borrowing rate. The

incremental borrowing rate is normally applied as the discount rate. For Group companies 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 this company. For companies that receive funding from the Group, the incremental borrowing rate for loans extended by the Group is applied.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets comprise operational assets. Assets held under operating leases are presented within operational plant and equipment.

Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortization and impairments. Assets are depreciated by application of the component approach from the time when they are available for use. The individual components are depreciated 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. 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 definite useful lives are subjected to impairment tests as soon as indications of an impairment arise. Intangible assets without definite useful lives are subjected to an annual impairment test. The impairment test is conducted on the basis of the cash-generating unit to which the item of plant or 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 utilizes the acquisition method according to IFRS 3 in accounting for acquisitions of companies. 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 (badwill) 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 according to 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 recognized 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 fair value at the acquisition date. In addition,

non-controlling interests are measured at their share 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 capitalized 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:

- An obligation to a third party is expected to result in an outflow of resources without equivalent consideration in exchange,
- 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 virtually certain 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 LIABILITIES AND EQUITY

The correct distinction between equity instruments and debt instruments is also important for the issuer of a financial instrument. This distinction is made on the basis of uniform Group-wide specifications formulated by the parent company.

In accordance with IAS 32, the financial instruments issued by the Group are classified as equity instruments if they do not entail a contractual obligation for the issuer to deliver cash or another financial asset to the holders of such instruments (such as certain subordinated debentures of indefinite duration). However, this definition does not exclude the possibility that the holder of an equity instrument may not be entitled to receive (pro-rated) dividends or other profit distributions from equity. In classifying financial instruments with termination rights (puttable

instruments) or financial instruments that distribute the net asset value upon liquidation, the Group in its role of issuer follows the rules of IAS 32.18(b) in conjunction with IAS 32.16A-D. Thus, such instruments are debt instruments, in principle, from the viewpoint of an issuer. However, they are presented as equity instruments if the criteria of IAS 32.16A-D are met.

If they meet the criteria for debt instruments, the issued securities are classified as “Securitized liabilities” by reason of their characteristics.

If they meet the criteria for equity instruments, the issued securities are presented under “Subscribed capital, equity instruments and capital reserves.” If the equity instruments of subsidiaries are issued to third parties, these instruments are presented under “Non-controlling interests” and the dividends distributed to the holders of these instruments are presented in the income statement under “Non-controlling interests.”

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 in accordance with the effective interest method” utilizing the effective interest rate 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 to any future loan 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 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 RESULT FROM COMMISSIONS FOR SERVICES

The Group recognizes income from fees and commissions for services rendered and expenses for services received 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 completely recognized 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 item of “Personnel expenses” comprises all expenditures related to personnel. In particular, it includes expenses for wages and salaries and expenditures for the Group’s various pension plans.

EMPLOYEE BENEFITS

The Group’s company 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 work time accounts;

- Termination benefits.

Post-employment benefits

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

Under defined contribution plans, the amount of the current and future pension benefit is determined on the basis of the contributions paid to the pension fund. The amounts paid by SGE are recognized as personnel expenses in the respective 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 ceiling on plan assets are the factors considered in making a renewed estimate (or measurement) of 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.

The items of the statement of financial position that may not be reclassified to profit or loss at a later time 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 of “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 claims earned by every employee (current service cost);
- The change in the liability resulting from an amendment 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 item of “Risk expenses” comprises the net amounts of value adjustments 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) has been included in the consolidated tax group for income tax purposes since January 1, 2017 by virtue of the profit transfer agreement concluded with Société Générale Effekten GmbH (parent company) on September 26, 2017 and Société Générale Securities Services GmbH (subsidiary company) has been included in the consolidated tax group for income tax purposes since January 1, 2017 by virtue of the profit transfer agreement concluded with Société Générale Effekten GmbH (parent company) on December 1, 2017.

NONCURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 covers the measurement and disclosure of noncurrent assets held for sale (or for distribution to owners) and of discontinued operations. A noncurrent asset (or disposal group) is deemed to be “held for sale” if the carrying amount is to be recovered primarily by a sale transaction and not by continued use. This is the case when the asset is available for immediate sale and such a sale is highly probable.

Under IFRS 5, a noncurrent asset (or disposal group) that is held for sale is not depreciated, but is measured at the lower of carrying amount and fair value less costs to sell. If assets are measured in accordance with the rules of IFRS 9, the measurement rules of IFRS 5 are not to be applied.

A discontinued operation must be a component of an entity that is to be sold in full or in part as part of a single coordinated plan or that is to be closed, likewise as part of a single coordinated plan.

The Group classifies the Asset Management Division of Société Générale Securities Services GmbH, which is to be closed and represents at least a separate major line of business or geographical area of operations, as a discontinued operation. Significant reasons for the decision taken to discontinue this operation as of 12/31/2022

were the high risks associated with fund management and the considerable margin pressure accompanied by rising costs due to increasingly complex regulations. The objective was to harmonize the company's services with the Group's offering of services and reduce operational risks and costs by focusing on the in-sourcing business, by outsourcing activities to other companies of the Group, and by reducing the size of the company's workforce.

Due to the difficult market environment for the remaining in-sourcing business and the loss of regular customers, the SG Group resolved in 2022 to discontinue all business operations as of 12/31/2023. The Company is being continued only on an administrative basis. The articles of association were adapted to reflect the modified business object, namely the fulfillment of continuing obligations from the old business model, upon entry in the Commercial Register in the spring of 2024. The tentative date of closure of the company is not known.

The discontinuation of all operating activities as of December 31, 2023 meets the criteria for a discontinued operation according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The results of the activities of Société Générale Securities Services GmbH as a discontinued operation are presented in the table below:

(in euro thousands)	**2024**	**2023**
Interest and similar income calculated in accordance with the effective interest method	128	117
Interest and similar expenses in accordance with the effective interest method	(428)	(444)
Commission income	1,653	8,414
Commission expenses	(2)	(3)
Net result of financial transactions	77	35
Thereof net gains or losses on financial instruments measured at fair value through profit or loss	115	35
Income from other activities	2,323	3,472
Expenses for other activities	(1,002)	(975)
Net banking income	**2,749**	**10,616**
Personnel expenses	(246)	(7,105)
Other expenses/income	819	(13,384)
Expenses for depreciation, amortization, and impairments of intangible assets and property, plant and equipment	(441)	(688)
Gross operating result	**2,881**	**(10,561)**
Risk expenses (impairments of financial assets and liabilities)	-	-
Operating result	**2,881**	**(10,561)**
Net gains or losses on other assets	-	(234)
Impairments of goodwill	-	-
Profit/loss before taxes	**2,881**	**(10,795)**
Income taxes	-	-
Non-controlling interests	-	-
Net profit/loss from discontinued operations	**2,881**	**(10,795)**

As of 12/31/2024, the assets and liabilities of the discontinued operations of Société Générale Securities Services GmbH break down as follows:

ASSETS	**12/31/2024**	**12/31/2023**
Financial assets measured at fair value through profit or loss	1,108	1,147
Receivables from banks at amortized cost	59,491	58,896
Tax assets	86	(1,127)
Other assets	70,729	80,961
Property, plant and equipment and intangible assets	-	7
Total assets	**131,414**	**139,884**

LIABILITIES	**12/31/2024**	**12/31/2023**
Tax liabilities	7,510	(2,512)
Other liabilities	22,357	12,038
Provisions	69,015	76,466
Total liabilities	**98,882**	**85,992**

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

NOTE 4 – FINANCIAL INSTRUMENTS

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

	12/31/2024		12/31/2023	
(In euro thousands)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Held for trading	2,966,977	2,965,871	2,611,073	2,607,019
Financial instruments that must be measured at fair value through profit or loss	1,162,082		820,320	-
Financial instruments measured at fair value through profit or loss by exercise of the fair value option	4	1,080,296	4	739,796
Total	**4,129,063**	**4,046,168**	**3,431,397**	**3,346,815**

FINANCIAL INSTRUMENTS HELD FOR TRADING

FINANCIAL ASSETS

(In euro thousands)	12/31/2024	12/31/2023
Bonds and other debt instruments	-	-
Equities and other equity instruments	-	-
Loans to customers and securities purchased under a repurchase agreement	-	-
Derivatives	2,966,977	2,611,073
Other financial assets	-	-
Total	**2,966,977**	**2,611,073**

FINANCIAL LIABILITIES

(In euro thousands)	12/31/2024	12/31/2023
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 a repurchase agreements	-	-
Derivatives	2,965,780	2,606,928
Other financial liabilities	-	-
Total	**2,965,871**	**2,607,019**

The counterparty of the held derivatives is the parent company of the Group, Société Générale S.A., Paris. For risk management purposes, therefore, they are managed together in a portfolio on the basis of their net exposure to the risks. However, the option of portfolio-based fair value measurement of jointly managed financial assets and liabilities allowed in IFRS 13.48 is not exercised because the net exposure of the derivatives, at EUR 1.2 million, is not considered to be material. The fair values of the derivatives are presented on a gross basis.

FINANCIAL ASSETS THAT MUST BE MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("NON-SPPI")

(In euro thousands)	12/31/2024	12/31/2023
Receivables from banks – measured at fair value through profit or loss	1,080,037	739,535
Loans to customers - measured at fair value through profit or loss	-	-
Securitized liabilities	-	-
Equities and other equity instruments	81,041	79,781
Securities / equities held on a long-term basis	1,004	1,004
Total	**1,162,082**	**820,320**

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

(In euro thousands)	12/31/2024	12/31/2023
Bonds and other debt instruments	4	4
Loans to customers and securities purchased under a repurchase agreement	-	-
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)	12/31/2024	12/31/2023
Interbank loans	-	-
Deposit guaranties received	-	-
Liabilities from loaned securities	-	-
Bonds and other short-sale debt instruments	1,080,296	739,796
Repo transactions – banks	-	-
Total	**1,080,296**	**739,796**

OFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

According to the offsetting rules of IAS 32.42, a financial asset and a financial liability should be offset and the net amount presented in the statement of financial position if the Group has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The legal right to set off the reported amounts must be enforceable under all circumstances, both in the normal course of business and in case of default by one of the counterparties.

Société Générale Effekten GmbH signed an offsetting agreement with Société Générale S.A. Paris for the portfolio of certificates on December 18, 2019. Other offsetting agreements were concluded for the portfolio of warrants on October 22 and 27, 2020. Based on these agreements, eligible financial assets and financial liabilities are presented on a net basis, the offsetting being performed separately within the portfolio of certificates and within the portfolio of warrants. The offsetting rules of IAS 32.42 are fulfilled on the basis of these agreements.

OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Certificates

	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
				Corresponding amounts not set off in the statement of financial position		
(In euro thousands)	Gross amounts of recognized financial assets / liabilities	Gross amounts of recognized financial liabilities / assets, set off in the statement of financial position	Net amounts of financial assets/ liabilities presented in the statement of financial position	Financial instruments	Collateral received / furnished	Net amount
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

	(a)	(b)	(c) = (a) - (b)	(d)		(e) = (c) - (d)
				Corresponding amounts not set off in the statement of financial position		
(In euro thousands)	Gross amounts of recognized financial assets / liabilities	Gross amounts of recognized financial liabilities / assets, set off in the statement of financial position	Net amounts of financial assets/ liabilities presented in the statement of financial position	Financial instruments	Collateral received / furnished	Net amount
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

(In euro thousands)	2024	2023
Net gain or loss from trading portfolio	-	-
Net gain or loss from financial instruments measured at fair value through profit or loss (not SPPI-conform-ant(	152,893	161,826
Net gain or loss from financial instruments for which the fair value option is exercised	(150,596)	(159,646)
Net gain or loss from derivative financial instruments and hedge accounting, **thereof:**	(2,309)	(20)
Net gain or loss from derivative financial instru-ments	*(13,242)*	*(39)*
Recycling from dissolved hedges	*10,933*	*19*
*Net gain or loss from hedge accounting, **thereof:***	-	-
Ineffective portion of cash flow hedges	-	-
Net gain or loss from foreign currency transactions	296	-
Total gains or loss from financial instruments measured at fair value through profit or loss	**284**	**2,160**
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 standpoint, derivative financial instruments are classified to one of the two categories “held for trading” (freestanding derivatives, see also Note 4.1) or “derivative hedging instruments” (presented in accordance with hedge accounting rules).

In accordance with the transition rules of IFRS 9, the Group has opted to retain the application of hedge accounting rules according to IAS 39 (in the version endorsed by the EU and to be applied in the EU). Only cash flow hedge accounting is applied within the Group at the present time.

Securitization vehicles are regularly used as funding instruments within the Group (ALD LF Group). Under these transactions, a pool of fixed-interest rate loan receivables (sales financing customers pay a fixed rate of interest) is sold to a special-purpose vehicle (SPV) established for that specific purpose. The special-purpose vehicle is funded by issuing variable-interest rate securities in the market, which are backed by loan receivables (asset-backed securities). Due to the securitization design and the imbalance between fixed-interest rate pool receivables (ABS design) and variable-interest rate securities, the Group is exposed to an interest rate risk, which manifests in the variability of cash flows from the securities to be serviced.

To hedge against this interest rate risk, a payer swap (back-to-back swap) is concluded, on the basis of which the fixed cash flows generated from the securitized loan receivables are converted into variable cash flows on the basis of the expected repayment timeline of the ABS transaction. Therefore, this instrument is an economic cash flow hedge that hedges against variability of the interest cash flows resulting from the variable interest rate of the securities.

Thus, the hedging derivatives are back-to-back interest rate swaps, which are used to manage the interest rate risk of the loan receivables securitized by ALD LF and form a fixed-interest rate liability together with the security as a unit.

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

The Group applies cash flow hedge accounting to account for hedges, in full conformance with the economic strategy. The use of cash flow hedge accounting serves to avoid the one-sided earnings effects for derivatives used to hedge against the risk of a change in the future cash flows from the hedged item.

In order to account for a hedge, it is documented in detail from the outset. This documentation specifies the underlying item to be hedged, the risk to be hedged against and the related risk management strategy, the type of hedge transaction used, and the method applied to measure its effectiveness.

- The back-to-back swap is designated as the **hedging instrument**.
- The Tranche A Notes are designated as the **hedged item**: Because the Tranche A Notes are equivalent securities with respect to all terms and conditions, the homogeneity criterion is met by definition.
- The **risk to be hedged** is the same as the risk of changes in the benchmark interest rate on which the Notes are based (usually 1M EURIBOR). The benchmark interest rate of the securities (usually 1-M EURIBOR) is hedged.

The derivative designated as the hedging instrument must exhibit a high degree of effectiveness in offsetting the changes in the cash flows resulting from the hedged risk. This effectiveness is given when changes in the cash flows of the hedged instrument are almost completely offset by changes in the cash flows of the hedging instrument, where the expected ratio of the two types of changes is between 80% and 125%. The effectiveness is assessed both when the hedge is set up for the first time and during its entire life. The effectiveness is assessed on a quarterly basis both prospectively (expected effectiveness over future time periods) and retrospectively (effectiveness measured against past time periods). If the effectiveness does not fall within the range indicated above, hedge accounting is discontinued.

Prospective effectiveness is determined by means of a sensitivity analysis based on probable market trends or by means of a regression analysis of the statistical 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, interest rate adjustment date, day counting 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 prospective effectiveness of the hedging instrument is performed.

During the life of the hedge, the prospective effectiveness is demonstrated by the historical effectiveness of the hedge since the designation date and then implicitly by means of the retrospective test.

In the retrospective effectiveness test, the cumulative changes in value of the hedging derivative are compared with those of the hypothetical derivative. A hedge is effective if the quotient is between -1.25 and -0.8 (dollar offset method). In this step, the clean price method is applied, meaning that the effectiveness test is calculated on the basis of clean prices.

The main reason for ineffectiveness lies in the differences between predicted repayments and actual repayments. These differences cause the notional values of the swaps to deviate from the actual performance of the portfolio. This influences the market values of the swaps, leading to an ineffectiveness according to the dollar offset method.

The hedges are formed with the intention of maintaining them over the full term of the hedged items without adjustments. Therefore, continual rebalancing is not conformant with the risk strategy and is also not performed in the accounting treatment due to the continued application of the hedge accounting rules of IAS 39.

Under cash flow hedge accounting, the derivatives employed are measured at fair value. The effective portion of the cumulative fair value changes of the hedging derivative is presented within Revaluation differences from hedging instruments in Other Comprehensive Income (OCI). The ineffective portion is presented in the income statement line item of Net gains and losses from financial instruments measured at fair value through profit or loss. Accrued interest income and expenses from interest rate derivatives are presented in the income statement line item of Interest and similar income / expenses calculated in accordance with the effective interest method at the same time as the accrued interest income and expenses associated with the hedged item.

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

The posting logic for the hedged item remains unchanged from the presentation without the use of hedge accounting. This means that the Group’s securitized liabilities that are included in an active hedge as hedged items are still measured at amortized cost.

If the effectiveness criteria for hedge accounting are no longer met or when a hedged item or hedging instrument expires, is terminated, or is sold, hedge accounting is discontinued as of the date 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 in accordance with the effective interest method” in the

periods in which the cash flows from the hedged underlying take effect. If the sale or repayment 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

	12/31/2024		12/31/2023	
(In euro thousands)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	15,902	24,490	32,333	38,358
Foreign currency instruments	122,428	90,804	170,742	161,556
Equity and index instruments	1,548,124	1,428,234	1,149,106	830,034
Commodity instruments	1,280,524	1,422,252	1,258,891	1,576,980
Credit derivatives	-	-	-	-
Other futures instruments	-	-	-	-
Total	**2,966,978**	**2,965,780**	**2,611,073**	**2,606,928**

HEDGING DERIVATIVES HELD FOR HEDGING PURPOSES

	12/31/2024		12/31/2023	
(In euro thousands)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Cash flow hedge				
Interest rate instruments	-	10,542	19,265	9,879
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Commodity instruments	-	-	-	-
Other financial instruments	-	-	-	-
Total	**-**	**10,542**	**19,265**	**9,879**

	12/31/2024					
		Fair value		Fair value change in the reporting period		
(In euro thousands)	**Notional amount**	**Positive market values assets**	**Negative market values liabilities**	**Gains and losses recognized in OCI**	**Ineffectiveness recognized in the income statement**	**Accumulated other comprehensive income (OCI)**
Hedging of interest rate risk	1,048,642	-	10,542	(5,255)	-	(6,802)
Interest rate instruments, interest rate swaps	1,048,642	-	10,542	(5,255)	-	(6,802)
For hedged liabilities	1,048,642	-	10,542	(5,255)	-	(6,802)
Total	**1,048,642**	**-**	**10,542**	**(5,255)**	-	**(6,802)**

In addition, two hedges were dissolved due to identified ineffectiveness in the reporting period. Because both the affected hedged items and the hedging derivatives are still held, the accumulated other comprehensive income (OCI) attributable to these hedges will be recycled to the income statement over the term of the instruments. As of 12/31/2024, the recycling amount totaled EUR 10,933 thousand.

	12/31/2023					
		Fair value		Fair value change in the reporting period		
(In euro thousands)	**Notional amount**	**Positive market values assets**	**Negative market values liabilities**	**Gains and losses recognized in OCI**	**Ineffectiveness recognized in the income statement**	**Accumulated other comprehensive income (OCI)**
Hedging of interest rate risk	1,696,302	19,265	9,879	(45,653)	-	9,386
Interest rate instruments, interest rate swaps	1,696,302	19,265	9,879	(45,653)	-	9,386
For hedged liabilities	1,696,302	19,265	9,879	(45,653)	-	9,386
Total	**1,696,302**	**19,265**	**9,879**	**(45,653)**	**-**	**9,386**

DISCLOSURES ON HEDGED ITEMS

(In euro thousands)	12/31/2024 Value changes in the reporting period	12/31/2023 Value changes in the reporting period
Cash flow hedge against interest rate risks	5,255	45,653
Interbank market securities and issued debentures	5,255	45,653
Total	**5,255**	45,653

MATURITIES OF HEDGED CASH FLOWS

(In euro thousands)	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)

(In euro thousands)	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2023
Floating cash flows hedged	9,386	-	-	-	9,386

MATURITIES OF HEDGING DERIVATIVES (NOTIONAL VALUES)

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

(In euro thousands)	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2023
Interest rate swap (assets)	-	-	-	-	-
Interest rate swap (liabilities)	192,261	565,900	938,141	-	1,696,302

MATURITIES OF HEDGED FINANCIAL INSTRUMENTS

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

(In euro thousands)	Up to 3 months	3 months to 1 year	1 to 5 years	> 5 years	12/31/2023
Interbank market securities and tradable debentures	188,259	599,342	971,340	-	1,758,492

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 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 particularly include 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), for which the liquidation value at the reporting date is available.

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 for 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 simple or may 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 most important market actors.

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)

The financial instruments assigned to category L3 therefore 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

	12/31/2024			
(In euro thousands)	**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 book	**-**	**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 financial futures instruments	-	-	-	-
Financial assets that must be measured 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 under 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 measured 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**

	12/31/2023			
(In euro thousands)	**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 book	**-**	**2,611,073**	**-**	**2,611,073**
Interest rate instruments	-	32,333	-	**32,333**
Foreign currency instruments	-	170,742	-	**170,742**
Equity and index instruments	-	1,149,106	-	**1,149,106**
Commodity instruments	-	1,258,891	-	**1,258,891**
Credit derivatives	-	-	-	-
Other financial futures instruments	-	-	-	-
Financial assets that must be measured at fair value through profit or loss	**1,147**	**636,421**	**182,752**	**820,320**

Bonds and other debt instruments	-	-	-	-
Equities and other equity instruments	1,147	-	79,638	**80,785**
Loans and securities purchased under repurchase agreements	-	636,421	103,114	**739,535**
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	**-**	**19,265**	**-**	**19,265**
Interest rate instruments	-	19,265	-	**19,265**
Foreign currency instruments	-	-	-	**-**
Equity and index instruments	-	-	-	**-**
Financial assets measured at fair value through other comprehensive income	**-**	**-**	**-**	**-**
Bonds and other debt instruments	-	-	-	**-**
Equity instruments	-	-	-	**-**
Loans and receivables	-	-	-	**-**
Total financial assets at fair value	**1,147**	**3,266,764**	**182,752**	**3,450,662**

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	12/31/2024			
(In euro thousands)	**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 financial futures 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**

	12/31/2023			
(In euro thousands)	**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	**-**	**2,606,928**	**-**	**2,606,928**
Interest rate instruments	-	38,358	-	38,358
Foreign currency instruments	-	161,556	-	161,556
Equity and index instruments	-	830,034	-	830,034
Commodity instruments	-	1,576,980	-	1,576,980
Credit derivatives	-	-	-	-
Other financial futures instruments	-	-	-	-
Financial liabilities for which the fair value option was exercised	**-**	**636,682**	**103,114**	**739,796**
Hedging derivatives	**-**	**9,879**	**-**	**9,879**
Interest rate instruments	-	9,879	-	**9,879**
Foreign currency instruments	-	-	-	-
Equity and index instruments	-	-	-	-
Total financial liabilities at fair value	**-**	**3,253,580**	**103,114**	**3,356,694**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

Financial assets measured at fair value

(In euro thousands)	Balance at 12/31/2023	Addi-tions	Sales / re-payments	Reclassi-fied to Level 2	Reclassi-fied from Level 2	Period gains and losses	Ex-change rate dif-ferences	Other	Balance at 12/31/2024
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 book	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Commodity instruments	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Other financial futures instruments	-	-	-	-	-	-	-	-	-
Financial assets which must be measured at fair value through profit or loss	**182,752**	**(955)**	**(40,798)**	**(35,102)**	**2,148**	**(2,451)**	**-**	**-**	**105,593**
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equities and other equity instruments	**79,638**	(955)	-	-	-	2,254	-	-	**80,937**
Loans and securities purchased under repurchase agree-ments	**103,114**	-	(40,798)	(35,102)	2,148	(4,705)	-	**-**	**24,656**
Financial assets for which the fair value option was ex-ercised	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-

(In euro thousands)	Balance at 12/31/2023	Addi-tions	Sales / re-payments	Reclassi-fied to Level 2	Reclassi-fied from Level 2	Period gains and losses	Ex-change rate dif-ferences	Other	Balance at 12/31/2024
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 measured at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bonds and other debt instruments	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-	-
Total financial assets at fair value	**182,752**	**(955)**	**(40,798)**	**(35,102)**	**2,148**	**(2,451)**	**-**	**-**	**105,593**

Financial liabilities measured at fair value

(In euro thousands)	Balance at 12/31/2023	Addi-tions	Sales / repay-ments	Reclassi-fied to Level 2	Reclassified from Level 2	Period gains and losses	Exchange rate differ-ences	Other	Balance at 12/31/2024
Held for trading	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities from loaned securities	-	-	-	-	-	-	-	-	-
Bonds and other short-sale debt instruments	-	-	-	-	-	-	-	-	-
Equities and other short-sale equity instru-ments	-	-	-	-	-	-	-	-	-
Loans and securities sold under repo trans-actions	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Trading derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Commodity instruments	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Other financial futures instruments	-	-	-	-	-	-	-	-	-
Financial liabilities for which the fair value option was exercised	**103,114**	**(40,798)**	**-**	**(35,102)**	**2,148**	**(4,705)**	**-**	**-**	**24,656**
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign currency instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Total financial liabilities at fair value	**103,114**	**(40,798)**	**-**	**(35,102)**	**2,148**	**(4,705)**	**-**	**-**	**24,656**

VALUATION 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 are applied at values estimated on the basis of market conditions at the reporting date. 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 they are based on observable data in the market or not, 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. Instruments traded on financial markets in the amount of EUR 1,859 thousand are presented within 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-linked securities

The fair value of listed securities is equal to their stock exchange price at the reporting date. The fair value of listed securities is determined with the aid of one of the following measurement 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) a recent acquisition of company stock by a third party, or 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 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 benchmark interest rate (including counterparty, default, and liquidity risk) (discounted cash flow method).

Loans and receivables

The fair value of loans and receivables for which no actively traded market exists is determined by discounting the expected future cash flows to present value. The discount rate applied for this purpose is based on the interest rates applicable to loans with comparable terms and maturities at the reporting date. These discount rates are adjusted to account for the borrower's credit risk.

SIGNIFICANT NON-OBSERVABLE PARAMETERS – LEVEL 3

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products that are measured with input factors that are not based on observable market data (non-observable parameters).

The measurement of financial instruments assigned to Level 3 in the statement of financial position at December 31, 2024 and the value range of significant non-observable parameters are presented in the table below by main product types. The value ranges indicated in the table represent the highest and the lowest value within each non-observable parameter, which were used for the measurements in the Level 3 category from the viewpoint of the parent company. However, there are significantly different values in the affected financial instruments. Therefore, the ranges of certain parameters may be large.

Type of financial instrument	Financial assets	Financial liabilities	Main products	Measurement method applied	Significant non-observable parameters	Range of values min.	Range of values max.
	(EUR'000)	(EUR'000)					
Equities and other equity instruments	80,937	-	Equities and equity shares	Discounted cash flow or dividend distribution model	Equity volatility	3.00%	166.00%
					Equity dividend	0%	11%
					Correlation	-200.00%	200%
Loans and securities	24,656	-	Loans with embedded derivatives, convertible bonds, securities with repurchase agreements	Projection models for the achievable amount and basic correlation	Time to default-correlation	0%	100%
					Variance of recovery rates for individual underlying assets	0%	100%
					Credit spreads	0 bps	90.8 bps
Total	**105,593**	-				-	-

Non-observable parameters are carefully assessed, particularly in the present, persistently uncertain economic environment and market. By their nature, however, non-observable parameters contribute a certain level of uncertainty to the measurement of Level-3 financial instruments. To quantify this uncertainty, the sensitivity of the fair value of instruments for which certain non-observable parameters must be applied for measurement purposes was determined as of December 31, 2024. This determination is based on a "standardized" variation of non-observable input factors that was calculated for the respective parameters on a net position, or based on assumptions that correspond to the additional valuation

adjustment guidelines for the affected financial instruments. The “standardized” variation is equivalent to the standard deviation of consensus prices (TOTEM, etc.), which are applied to assess a non-observable parameter. If these data are not available, the standard deviation of historical data is applied to assess the parameters.

However, the Group is only exposed to limited market risk due to the current orientation of business activities (primarily Global Banking and Investor Solutions (warrant and certificate business of SGE) and Financial Services to Corporates and Retails (lending and leasing business of ALD LF)). A direct change in a non-observable parameter would have only very limited effects on the Group’s net profit or loss.

NOTE 4.4 - LOANS AND RECEIVABLES AT AMORTIZED COST

LOANS TO AND RECEIVABLES FROM BANKS AT AMORTIZED COST

(In euro thousands)	12/31/2024	12/31/2023
Current accounts	138,555	82,616
Term deposits and loans	37,186	64,698
Related receivables	9	26
Loans and receivables before impairments (gross total)	**175,750**	**147,340**
Less impairments (risk provisions for credit risks)	-	-
Remeasurement of hedged balance sheet items	-	-
Total net	**175,750**	**147,340**

LOANS TO AND RECEIVABLES FROM CUSTOMERS (INCLUDING FINANCE LEASES)

(In euro thousands)	12/31/2024	12/31/2023
Loans to customers	4,008,960	4,399,171
Finance leases	459,005	506,112
Loans to customers before value adjustments (gross total)	**4,467,965**	**4,905,283**
Less value adjustments (risk provisions for credit risks)	(63,641)	(68,902)
Customers	*(56,752)*	*(58,656)*
Finance leases	*(6,889)*	*(10,246)*
Remeasurement of hedged balance sheet items	-	-
Total net	**4,404,324**	**4,836,381**
Loans to customers	*3,952,208*	*4,340,515*
Finance leases	*452,116*	*495,866*

See Note 4.8 “Impairments and provisions” for detailed information.

NOTE 4.5 - LIABILITIES AT AMORTIZED COST

LIABILITIES TO BANKS

(In euro thousands)	12/31/2024	12/31/2023
Deposits and current accounts	10,673	31,389
Forward liabilities	3,280,248	3,512,318
Other liabilities	2,691	2,484
Remeasurement of hedged balance sheet items	-	-
Securities sold under repurchase agreements	-	-
Total	**3,293,612**	**3,546,191**

LIABILITIES TO CUSTOMERS

(In euro thousands)	12/31/2024	12/31/2023
Other sight deposits	25	36
Total liabilities to customers	**25**	**36**
Liabilities secured by bonds and securities	-	-
Securities sold to customers under repurchase agreements	-	-
Total	**25**	**36**

SECURITIZED LIABILITIES

(In euro thousands)	12/31/2024	12/31/2023
Interbank market securities and tradable debentures	1,554,095	1,755,205
Other liabilities	2,454	3,737
Total	**1,556,549**	**1,758,942**

NOTE 4.6 - TRANSFERRED ASSETS

TRANSFERRED, BUT NOT DERECOGNIZED FINANCIAL ASSETS

Transferred financial assets that are not derecognized mainly include the Group's own assets (certain loan receivables), which are transferred to consolidated securitization vehicles.

The instrument of securitizing loan receivables is used in the segment Financial Services to Corporates and Retails. Under the name "Red & Black", which is used for securitizations of the Société Générale Group, loan receivables have been bundled and publicly placed in 11 structures to date (PY: 9 structures). There were 4 active structures at the reporting date, the same as in the previous year.

At the reporting date, the carrying amount of transferred receivables was EUR 1,576.7 million (PY: EUR 1,502.5 million) and the carrying amount of the corresponding liabilities was EUR 1,554.1 million (PY: EUR 1,347.6 million). The corresponding market values of receivables amounted to EUR 1,576.7 million (PY: EUR 1,502.5 million) and those of liabilities amounted to EUR 1,516.3 million (PY: EUR 1,433.3 million), yielding a net receivable in the amount of EUR 60.3 million (PY: EUR 69.2 million).

In this category, the Group remains exposed to most of the opportunities and risks associated with the transferred receivables. For this reason, the transferred receivables are not derecognized. They belong to the class of assets subject to restrictions on free disposal. Thus, they may not be used as collateral or directly sold as part of another transaction. The receivables are presented within the line item of Loans to and receivables from customers, the liabilities within Securitized liabilities.

TRANSFERRED FINANCIAL ASSETS THAT ARE PARTIALLY OR COMPLETELY DERECOGNIZED

At December 31, 2024 and at December 31, 2023, the Group did not conclude any significant transactions that would have led to a partial or complete derecognition of financial assets (retention of continuing involvement).

NOTE 4.7 – INTEREST AND SIMILAR INCOME / EXPENSES CALCULATED IN ACCORDANCE WITH THE EFFECTIVE INTEREST METHOD

	2024			2023		
(In euro thousands)	**Income**	**Expenses**	**Net**	**Income**	**Expenses**	**Net**
Financial instruments at amortized cost	**241,027**	**(154,335)**	**86,692**	**231,586**	**(126,641)**	**104,945**
Central banks	-	-	-	-	-	-
Bonds and other debt instruments	-	-	-	-	-	-
Issued debentures	-	(67,837)	(67,837)	-	(65,438)	(65,438)
Transactions with banks	1,182	(85,993)	(84,811)	1,463	(60,708)	(59,245)
Loans to customers and sight deposits	211,827	-	211,827	202,653	-	202,653
Subordinated liabilities	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
Securities purchased / sold under repurchase agreements and loans secured by securities	2,056	-	2,056	4,577	-	4,577
Leases	25,962	(505)	25,457	22,893	(495)	22,398
Real estate	-	*(505)*	*(505)*	-	*(495)*	*(495)*
Equipment	*25,962*	-	*25,962*	*22,893*	-	*22,893*
From financial instruments in cash flow hedges – issued securities	**24,527**	**-**	**24,527**	**56,522**	**(20,120)**	**36,402**
Total interest income and interest expenses	**265,554**	**(154,335)**	**111,219**	**288,108**	**(146,761)**	**141,347**

NOTE 4.8 – IMPAIRMENTS 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 receivables,[1] collectible income presented in Other assets, and loan commitments and issued guarantees are subject to credit default risk, which is accounted for as an impairment or value adjustment in the amount of the expected credit loss. These impairments and value adjustments 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 value adjustments.

In order to consider sustainability risks, the regulations of Société Générale S.A. (ESG Blacklist for Sectors and Borrowers) are observed in making lending decisions and for purposes of ongoing portfolio monitoring.

Impairments are calculated on the basis of a three-level model (Level 1, Level 2, Level 3). A schematic representation of the model used for calculating impairments on the basis of assignment to these levels is presented in the table below:

Observed Risk of Credit Quality Deterioration from Initial Recognition of the Financial Asset			
Category of default risk	Level 1 Assets upon initial recognition	Level 2 Assets with significant increase in default risk since initial recognition	Level 3 Assets with impaired credit quality
Transfer criteria	Initial recognition of the instrument in Level 1 Unchanged if the default risk has not increased significantly	The default risk of the instrument has increased significantly since initial recognition >30 days past due	Indication that the credit quality of the instrument has become impaired >90 days past due
Assessment of default risks	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Assessment basis Interest income	Gross carrying amount of asset before impairment	Gross carrying amount of asset before impairment	Net carrying amount of asset after impairment

Upon initial recognition, the risk positions are systematically classified to Level 1 if their credit quality is already 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 (expected credit losses from loss events within 12 months or “12-month expected credit losses”).

[1] Nor risk provisions are formed for Loans to and receivables from banks at amortized cost because the amount in question is not material from the standpoint of the Group’s consolidated financial statements.

In subsequent periods, the amount of impairments or value adjustments to be recognized at every reporting date is determined on the basis of the change in credit risk since initial recognition of a financial instrument. If a significant deterioration of credit risk has occurred (Level 2) or if in addition to that, objective indications of an impairment are identified (Level 3), the affected risk positions are reduced by the amount of credit losses that the Group expects over the entire lifetime 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. If, on the other hand, there is no significant deterioration of credit risk, the financial instrument in question remains in Level 1 and only those losses expected over the lifetime of the instrument resulting from possible loss events over the next 12 months are taken into account.

Given the retail character of the sales financing portfolio, the level classification is derived exclusively from the number of past-due days of the oldest receivable (L1a no past-due receivables, L1b past-due up to 30 days, L2 past-due up to 90 days).

In the dealer financing business, financial instruments are assigned to the appropriate levels by the CRM CF Department. Customers without a heightened default risk bear a commensurately good Group rating (so-called NOVA Rating) and are assigned to Level 1, while customers moved to Watchlist status are assigned to Level 2. The NOVA Rating is reviewed and re-assigned once a year and on an ad-hoc basis when needed.

In the sales financing business, only generalized individual value adjustments are charged on defaulted receivables. Level 3 is defined as a default and is set when a receivable is past-due by more than 90 days. Level 3 can also be assigned for another known default case, independently of the age structure of the outstanding customer receivable, such as insolvency, fraud, or other known negative information about the customer’s ability to pay. A mathematical-statistical calculation method is applied under which the expected loss is estimated on the basis of observed defaults in the past, current information, and expectations for the future.

A mathematical-statistical calculation method under which the expected loss is estimated on the basis of observed defaults in the past, current information, and expectations for the future is applied for all general value adjustments and generalized individual value adjustments. A value adjustment rate calculated as the product of the probability of default multiplied by the loss given default is applied for this purpose.

The value adjustment rates for all portfolios are validated once a year and on an ad-hoc basis when needed. A five-year data history is applied for validating the probability of default (PD) and the loss given default (LGD). For forward-looking developments, macroeconomic indicators are applied as the forward-looking component in the ECL estimate. These indicators are economic growth, unemployment rate, production index, oil price index, and interest rate trend.

In dealer financing, an individual value adjustment is applied to Level-3 customers assessed as being in default. These customers are subjected to problem-loan monitoring. Their status is reported in the monthly meetings of a committee. The individual value adjustment is reviewed and re-assigned once a month. The amount of the individual value adjustment is equal to the difference between the carrying amount of the loan and the present value of expected recoveries from payments of interest and principal, as well as cash flows from the liquidation

of collateral. Individual value adjustments are reversed and recognized in profit or loss when the value adjustment requirement is reduced.

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

In the case of financial assets that are already impaired upon initial recognition (so-called “purchased or originated credit-impaired financial assets” or POCI), the value adjustment is included in the net carrying amount of the credit-impaired financial asset. Allocations and reversals of impairments are recognized as expenses in the item of Risk expenses.

By reason of the Group’s business model, POCI cases are either non-existent or extremely rare, and when they do occur the amounts in question are immaterial, so that separate presentation is not required, in the Group’s judgment. If individual cases meeting the POCI definition should occur, they are assigned to Level 3 by reason of their default rating upon initial recognition.

Loans extended by the Group may possibly be restructured to ensure the collection of payments of principal and interest. For this purpose, the original contractual terms and conditions of the loan are adjusted (e.g., extended term of principal payments, suspension and deferral of principal payments, change of principal payment type, change of interest payment dates, deferral of interest payments (suspension of the next-due interest payment), or obtainment of additional collateral). Assets may only be restructured if the borrower experiences financial difficulties, becomes insolvent, and/or files for insolvency proceedings (regardless of whether the borrower is already insolvent or will become insolvent in all probability if the loan is not restructured).

The Group follows the uniform accounting requirements of the Group’s parent company in accounting for restructured loans. For this purpose, a distinction is made between substantial and non-substantial modifications. According to the parent company’s rules, contractual adjustments of loans that do not pass the SPPI test (see Note 3 for information on the analysis of characteristics of contractual cash flows) represent substantial modifications and lead to derecognition and re-recognition of modified financial assets (there are currently no such cases in the Group at SGE). If, however, the contractual cash flows from a restructured loan continue to represent solely payments of principal and interest on the still outstanding amount after the restructuring (i.e., SPPI-conformant loans), the modifications are classified as non-substantial and do not lead to derecognition and continue to be recognized in the statement of financial position. Instead, the gross carrying amount is adjusted down to the present value of modified cash flows by application of the original effective interest rate. This valuation difference results in a modification gain or loss, which is recognized in the income statement within the line item of Risk expenses and amortized to Net interest income/expenses on subsequent reporting dates. The related interest income is then still recognized at the original effective interest rate of the loans.

In addition to the qualitative distinction made on the basis of whether the modified contractual conditions adversely affect SPPI conformance, a quantitative present value test is applied as well. The present value test is a comparative calculation in which the present value of the contractually modified series of payments is compared with the present value of the original contractually agreed series of payments.

If the forbearance measure leads to a present value loss of more than 1%, the receivable is set to Level 3 and therefore to default status (material financial loss). If the present value loss is no more than 1% or if the present value difference is actually positive after the restructuring, the receivable is set to Level 2.

In those cases in which it can no longer reasonably be expected that the asset can still be completely recovered, the asset is (partially) written off directly. If no surrogate takes the place of the defaulted receivable, it is deemed to be uncollectible and is derecognized. This is done in the following cases, for example:

- Insolvency cases, if no further payments are expected from the liquidation of collateral or an insolvency dividend;
- Cancelled receivables if the remaining outstanding balance can no longer be settled;
- Complete or partial waiver of debt

Exposures that are still collected after write-off are centrally processed with the goal of collecting extraordinary income from these receivables and accounting for them.

OVERVIEW OF IMPAIRMENTS AND PROVISIONS

(In euro thousands)	12/31/2024	12/31/2023
Impairments of financial assets measured at fair value through other comprehensive income	**-**	**-**
Impairments of financial assets at amortized cost	**64,872**	**70,258**
Loans and receivables at amortized cost*	*63,641*	*68,902*
Other assets at amortized cost	*1,231*	*1,356*
Provisions for financial commitments	1,478	875
Provisions for guaranty commitments	-	-
Total impairments for credit default	**1,478**	**875**

*Including impairments from finance leases (see also Note 4.4, Table “Loans to and receivables from customers (including finance leases)”).

IMPAIRMENTS OF FINANCIAL ASSETS

(In euro thousands)	Impairments at 01/01/2024	Addi-tions	Reversal	Net impair-ment ex-penses	Utilization	Other changes	Impairments at 12/31/2024
Financial assets at amortized cost							
Impairments of performing receivables (Level 1)	20,848	2,814	(8,244)	(5,430)	-	-	15,418
Impairments of distressed receivables (Level 2)	9,345	3,146	(6,312)	(3,166)	-	-	6,179
Impairments of doubtful receivables (Level 3)	40,065	28,614	(9,790)	18,824	(15,614)	-	43,275
Total	**70,258**	**34,574**	**(24,346)**	**10,228**	**(15,614)**	**-**	**64,872**
thereof finance leases and similar agreements							
Impairments of performing receivables (Level 1)	4,601	(54)	(2,010)	(2,064)	-	-	2,537
Impairments of distressed receivables (Level 2)	318	386	(312)	74	-	-	392
Impairments of doubtful receivables (Level 3)	5,327	3,653	(2,940)	713	(2,080)	-	3,960
Total	**10,246**	**3,985**	**(5,262)**	**(1,277)**	**(2,080)**	**-**	**6,889**

PROVISIONS

(In euro thousands)	Impairments at 01/01/2024	Additions	Reversal	Net impair-ment ex-penses	Utilization	Other changes	Impair-ments at 12/31/2024
Financial commitments							
Impairments of performing receivables (Level 1)	867	-	589	589	-	-	1,456
Impairments of distressed receivables (Level 2)	-	-	-	-	-	-	-
Impairments of doubtful receivables (Level 3)	8	14	-	14	-	-	22
Total	**875**	**14**	**589**	603	**-**	**-**	**1,478**
Guaranty commitments							
Impairments of performing receivables (Level 1)	-	-	-	-	-	-	-
Impairments of distressed receivables (Level 2)	-	-	-	-	-	-	-
Impairments of doubtful receivables (Level 3)	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

DEVELOPMENT OF RISK PROVISIONS

The risk provisions deducted from assets are presented in the table below in dependence on changes in the carrying amounts of financial assets:

	Impairments of Financial Assets at Amortized Cost						
(In euro millions)	Level 1	*Thereof lease receivables and similar*	Level 2	*Thereof lease receivables and similar*	Level 3	*Thereof lease receivables and similar*	**Total**
Balance at 12/31/2023	21	5	9	-	40	5	70
Additions[1]	-	-	-	-	-	-	**-**
Disposals[2]	(1)	-	(2)	-	(1)	-	**(4)**
Transfer from Level 1 to Level 2[3]	-	-	-	-	-	-	**-**
Transfer from Level 2 to Level 1[3]	-	-	(1)	-	-	-	**(1)**
Transfer to Level 3[3]	-	-	-	-	-	-	**-**
Transfer from Level 3[3]	-	-	-	-	1	-	**1**
Allocations, reversals and consumption without Level transfer[3]	(1)	*2*	1	*2*	-	*(4)*	**-**
Other changes	(4)	(1)	(1)	-	3	*(1)*	**(2)**
Balance at 12/31/2024	15	*6*	6	*2*	43	-	**64**

[1] The Level 2/Level 3 impairment amounts presented in the line “Additions” could include leases that originated in Level 1 and were reclassified to Level 2/Level 3 during the reporting period.

[2] Including repayments, sales, and debt waivers.

[3] The amounts presented in Transfers contain differences due to amortization. Transfers to Level 3 are outstanding amounts that were originally classified as Level 1 and were downgraded directly to Level 3 or first to Level 2 and then later to Level 3 in the course of the reporting period.

Impairments of Financial Assets at Amortized Cost

(In euro millions)	Level 1	*Thereof lease receivables and similar*	Level 2	*Thereof lease receivables and similar*	Level 3	*Thereof lease receivables and similar*	**Total**
Balance at 12/31/2022	23	6	8	-	38	3	69
Additions[1]	1	-	1	-	-	-	**2**
Disposals[2]	-	-	-	-	(2)	-	**(2)**
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]	-	-	-	-	-	-	**-**
Transfer from Level 3[3]	-	-	-	-	(1)	-	**(1)**
Allocations, reversals and consumption without Level transfer[3]	(13)	*6*	-	*4*	-	*(5)*	**(13)**
Other changes	10	*(2)*	-	-	5	*2*	**15**
Balance at 12/31/2023	21	*10*	9	*4*	40	-	**70**

[1] The Level 2/Level 3 impairment amounts presented in the line “Additions” could include leases that originated in Level 1 and were reclassified to Level 2/Level 3 during the reporting period.
[2] Including repayments, sales, and debt waivers.
[3] The amounts presented in Transfers contain differences due to amortization. Transfers to Level 3 are outstanding amounts that were originally classified as Level 1 and were downgraded directly to Level 3 or first to Level 2 and then later to Level 3 in the course of the reporting period.

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

	Provisions for Loan Commitments				**Provisions for Financial Guarantees**			
(In euro millions)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Balance at 12/31/2023	1	-	-	**1**	-	-	-	**-**
Additions	-	-	-	**-**	-	-	-	**-**
Disposals	-	-	-	**-**	-	-	-	**-**
Transfer from Level 1 to Level 2	-	-	-	**-**	-	-	-	**-**
Transfer from Level 2 to Level 1	-	-	-	**-**	-	-	-	**-**
Transfer to Level 3	-	-	-	**-**	-	-	-	**-**
Transfer from Level 3	-	-	-	**-**	-	-	-	**-**
Allocations, reversals and consumption without Level transfer	-	-	-	**-**	-	-	-	**-**
Currency effects	-	-	-	**-**	-	-	-	**-**
IFRS 5 effects	-	-	-	**-**	-	-	-	**-**
Other changes	-	-	-	**-**	-	-	-	**-**
Balance at 12/31/2024	1	-	-	**1**	-	-	-	**-**

	Provisions for Loan Commitments				Provisions for Financial Guarantees			
(In euro millions)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Balance at 12/31/2022	1	1	-	**2**	-	-	-	**-**
Additions	-	-	-	**-**	-	-	-	**-**
Disposals	-	-	-	**-**	-	-	-	**-**
Transfer from Level 1 to Level 2	-	-	-	**-**	-	-	-	**-**
Transfer from Level 2 to Level 1	-	-	-	**-**	-	-	-	**-**
Transfer to Level 3	-	-	-	**-**	-	-	-	**-**
Transfer from Level 3	-	-	-	**-**	-	-	-	**-**
Allocations, reversals and consumption without Level transfer	(1)	(1)	-	**(2)**	-	-	-	**-**
Currency effects	-	-	-	**-**	-	-	-	**-**
IFRS 5 effects	-	-	-	**-**	-	-	-	**-**
Other changes	-	-	-	**-**	-	-	-	**-**
Balance at 12/31/2023	-	-	-	**-**	-	-	-	**-**

DEFAULT RISK AND CONCENTRATIONS

The information presented in the following is based on the figures and nomenclature of the parent company's consolidated financial statements. The breakdowns refer to assets measured at amortized cost (excluding collateral), which fall within the scope of the impairment rules of IFRS 9.

Breakdown by sectors

	Balance at 12/31/2024							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Sovereigns	16	1	-	**17**	-	-	-	**-**
Institutions	38	-	-	**38**	-	-	-	**-**
Commercial enterprises	1,946	33	23	**2,002**	6	4	11	**21**
Thereof small and medium-sized enterprises	*100*	*8*	*4*	***112***	-	-	-	**-**
Retail	2,396	16	55	**2,467**	9	2	32	**43**
Thereof micro-enterprises	*1,147*	*12*	*25*	***1,184***	-	-	-	**-**
Other	-	-	-	**-**	-	-	-	**-**
Total	**4,396**	**50**	**78**	**4,524**	**15**	**6**	**43**	**64**

	Balance at 12/31/2023							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Sovereigns	22	-	-	**22**	-	-	-	**-**
Institutions	66	-	-	**66**	-	-	-	**-**
Commercial enterprises	2,170	50	21	**2,241**	10	5	10	**25**
Thereof small and medium-sized enterprises	*150*	*29*	*5*	***184***	*2*	*3*	*3*	***8***
Retail	2,585	29	50	**2,664**	11	4	30	**45**
Thereof micro-enterprises	*1,338*	*24*	*19*	***1,381***	*7*	*3*	*11*	***21***
Other	-	-	-	**-**	-	-	-	**-**
Total	**4,843**	**79**	**71**	**4,993**	**21**	**9**	**40**	**70**

Breakdown by geographical regions

	Balance at 12/31/2024							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
France	2	-	-	**2**	-	-	-	**-**
Western European countries (excluding France)	4,394	50	78	**4,522**	15	6	43	**64**
Eastern European EU countries	-	-	-	**-**	-	-	-	**-**
Eastern European non-EU countries	-	-	-	**-**	-	-	-	**-**
North America	-	-	-	**-**	-	-	-	**-**
Latin America and Caribbean	-	-	-	**-**	-	-	-	**-**
Asia-Pacific	-	-	-	**-**	-	-	-	**-**
Africa and Middle East	-	-	-	**-**	-	-	-	**-**
Total	**4,396**	**50**	**78**	**4,524**	**15**	**6**	**43**	**64**

	Balance at 12/31/2023							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
France	3	-	-	**3**	-	-	-	**-**
Western European countries (excluding France)	4,840	79	71	**4,990**	21	9	40	**70**
Eastern European EU countries	-	-	-	**-**	-	-	-	**-**
Eastern European non-EU countries	-	-	-	**-**	-	-	-	**-**
North America	-	-	-	**-**	-	-	-	**-**
Latin America and Caribbean	-	-	-	**-**	-	-	-	**-**
Asia-Pacific	-	-	-	**-**	-	-	-	**-**
Africa and Middle East	-	-	-	**-**	-	-	-	**-**
Total	**4,843**	**79**	**71**	**4,993**	**21**	**9**	**40**	**70**

Breakdown by rating classes

	Balance at 12/31/2024							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**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 breakdown by rating classes is based on the Group's rating scale ("NOVA" rating). Receivables that do not have a NOVA rating and are rated in accordance with local internal rating classes are automatically assigned to the rating class "Other (not rated)" according to the parent company's nomenclature. At SGE, these receivables particularly include loans to small customers (Retail) and securitizations.

	Balance at 12/31/2023							
	Gross Carrying Amount				Risk Provisions			
(In euro millions)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
1	1	-	-	**1**	-	-	-	**-**
2	21	-	-	**21**	-	-	-	**-**
3	-	-	-	**-**	-	-	-	**-**
4	68	-	-	**68**	-	-	-	**-**
5	218	-	-	**218**	1	-	-	**1**
6	293	42	-	**335**	2	4	-	**6**
7	20	9	-	**29**	-	1	-	**1**
Default (8, 9, 10)	-	-	3	**3**	-	-	1	**1**
Other (not rated)*	4,222	28	68	**4,318**	18	4	39	**61**
Total	**4,843**	**79**	**71**	**4,993**	**21**	**9**	**40**	**70**

*The breakdown by rating classes is based on the Group's rating scale ("NOVA" rating). Receivables that do not have a NOVA rating and are rated in accordance with local internal rating classes are automatically assigned to the rating class "Other (not rated)" according to the parent company's nomenclature. At SGE, these receivables particularly include loans to small customers (Retail) and securitizations.

RISK EXPENSES

(In euro thousands)	2024	2023
Credit risk	**(8,533)**	**(9,265)**
Net allocations for impairments	(11,077)	(11,220)
Financial assets at fair value through other comprehensive income	-	-
Financial assets at amortized cost	(11,077)	(11,220)
Net allocations to provisions	*247*	*349*
Financial commitments	*247*	*349*
Guarantee commitments	-	-
Losses from written-off receivables (or loans) not covered by impairments	-	-
Payment recoveries on written-off receivables (or loans)	*2,297*	*1,606*
Other risks	**-**	-
Total	**(8,533)**	**(9,265)**

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 disclosed in this Note.

FINANCIAL ASSETS MEASURED AT COST

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

FINANCIAL LIABILITIES MEASURED AT COST

(In euro thousands)	12/31/2024 Carrying amount	Fair value
Liabilities to banks	3,293,612	3,293,612
Liabilities to customers	25	25
Issued debentures	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 to 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

(In euro thousands)	**Intangible assets**	**Operational plant and equipment**	**Assets under leases**	**Right-of-use assets***	**Total**
Acquisition and production cost					
Balance at January 1, 2024	**27,844**	**11,236**	**420,143**	**49,741**	**508,964**
Acquisitions	822	226	72,361	2,470	**75,879**
Disposals	(16,229)	(4,806)	(189,823)	(2,266)	**(213,124)**
Reclassifications	(2,000)	-	-	9	**(1,991)**
Balance at December 31, 2024	**10,437**	**6,656**	**302,681**	**49,954**	**369,728**
Accumulated depreciation, amortization and impairment expenses					
Balance at January 1, 2024	**(25,359)**	**(7,489)**	**(133,248)**	**(23,168)**	**(189,264)**
Depreciation and amortization	(1,451)	(1,164)	(44,682)	(6,148)	**(53,445)**
Impairment expenses	-	-	-	-	**-**
Reversals of impairments / disposals	16,229	4,466	83,016	4,710	**108,421****
Reclassifications	2,000	-	-	(8)	**1,992**
Balance at December 31, 2024	**(8,581)**	**(4,187)**	**(94,914)**	**(24,614)**	**(132,296)**
					-
Carrying amounts					
at January 1, 2024	**2,485**	**3,747**	**286,895**	**26,574**	**319,700**
Balance at December 31, 2024	**1,856**	**2,469**	**207,767**	**25,340**	**237,432**

*Right-of-use assets are presented in the line Item of Property, plant and equipment in the statement of financial position.

**Including EUR 37.1 million from disposals of assets under leases.

(In euro thousands)	**Intangible assets**	**Operational plant and equipment**	**Assets under leases**	**Right-of-use assets***	**Total**
Acquisition and production cost					
Balance at January 1, 2023	**24,319**	**12,466**	**596,757**	**49,932**	**683,474**
Acquisitions	1,525	621	60,453	1,091	**63,690**
Disposals	-	(1,851)	(237,067)	(1,284)	**(240,202)**
Reclassifications	2,000	-	-	2	**2,002**
Balance at December 31, 2023	**27,844**	**11,236**	**420,143**	**49,741**	**508,964**
Accumulated depreciation, amortization and impairment expenses					
Balance at January 1, 2023	**(21,857)**	**(7,636)**	**(169,787)**	**(20,555)**	**(219,835)**
Depreciation and amortization	(1,502)	(1,642)	(61,199)	(3,865)	**(68,208)**
Impairment expenses	-	-	-	-	**-**
Reversals of impairments / disposals	-	1,788	97,738	1,253	**100,779****
Reclassifications	(2,000)	-	-	-	**(2,000)**
Balance at December 31, 2023	**(25,359)**	**(7,490)**	**(133,248)**	**(23,167)**	**(189,264)**
Carrying amounts					
at January 1, 2023	**2,462**	**4,830**	**426,970**	**29,377**	**463,639**
Balance at December 31, 2023	**2,485**	**3,746**	**286,895**	**26,574**	**319,700**

* Right-of-use assets are presented in the line Item of Property, plant and equipment in the statement of financial position.

**Including EUR 34.0 million from disposals of assets under leases.

NOTE 6 – GOODWILL

The following goodwill items were recognized at the level of cash-generating units in financial year 2024:

- Financial Services to Corporates and Retails: Goodwill in the amount of EUR 1,569 thousand resulted from the purchase of BDK by ALD LF in 2002. BDK was identified as the cash-generating unit and assigned to the Financial Services to Corporates and Retails operating segment. Due to the positive business performance, there is no need to recognize an impairment.

As a general rule, the goodwill of the cash-generating units is subjected to an impairment test annually or in reaction to a trigger event. A cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets within the Company. The impairment tests involve an assessment of the recoverable amount of each goodwill-containing CGU or group of CGUs and the comparison of the recoverable amount with its carrying amount. An impairment is recognized when the carrying amount of a goodwill-containing CGU or group of CGUs is higher than its recoverable amount. The recoverable amount is defined as the higher of the value in use and the fair value less costs of disposal. The impairment so calculated is first applied to reduce the value of goodwill and the amount by which the impairment exceeds goodwill is applied to reduce the value of the other assets of the CGU. The recoverable amount of a CGU is calculated in accordance with the best-suited method, particularly the method of discounted cash flows after taxes. The corresponding calculation method is generally applied at the level of the CGU.

The cash flows applied for this calculation are determined with reference to a business plan prepared on the basis of preliminary budgets for the next four years in every case, extrapolated to a period of sustainable growth (generally by another four years) and then extrapolated ad infinitum on the basis of a long-term growth rate:

- The discount rate is calculated on the basis of a risk-free interest rate to which a risk premium is added, depending on the underlying activity of each CGU. This specific risk premium for each business segment is determined on the basis of the equity risk premiums published by SG Research, and the estimated volatility (beta). Where applicable, a further premium is added to the risk-free rate for country risk, calculated as the difference between the risk-free interest rate of the attribution zone (Eurozone) and the interest rate of the liquid, long-term bonds issued by the corresponding country in the currency of the attribution zone, or the weighted average value according to the legally prescribed capital in the case of a CGU that comprises more than one country.

- The growth rate applied for the end value is based on a long-term forecast of economic growth and inflation rates.

The leading valuation concept is the value in use on the basis of discounted cash flows.

NOTE 7 – OTHER ACTIVITIES

NOTE 7.1 – COMMISSION INCOME AND EXPENSES

(In euro thousands)	2024 Income	2024 Expenses	2024 Net	2023 Income	2023 Expenses	2023 Net
Transactions with banks	-	(383)	(383)	-	(405)	(405)
Transactions with customers	948	-	948	1,506	-	1,506
Operations with financial instruments from securities transactions	**-**	**(7,004)**	**(7,004)**	**-**	**(6,745)**	**(6,745)**
Loans and guaranty commitments	-	(13)	(13)	-	(18)	(18)
Services	15,252	-	15,252	16,695	-	16,695
Other	5,713	(2,669)	3,044	4,962	(2,888)	2,074
Total	**21,913**	**(10,069)**	**11,844**	**23,163**	**(10,056)**	**13,107**

NOTE 7.2 – INCOME AND EXPENSES FOR OTHER ACTIVITIES

	2024			2023		
(In euro thousands)	**Income**	**Expenses**	**Net**	**Income**	**Expenses**	**Net**
Equipment leasing	**362,893**	**(317,787)**	**45,106**	**394,377**	**(337,919)**	**56,458**
Other activities	**844**	**(38,140)**	**(37,296)**	**594**	**(52,154)**	**(51,560)**
Total	**363,737**	**(355,927)**	**7,810**	**394,971**	**(390,073)**	**4,898**

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

(In euro thousands)	2024	2023
Income from operating leases and from the sale of lease objects*	346,628	373,225
Refunds of grants for objects under operating leases	1,214	2,542
Other income from operating leases (special lease payments)	4,249	4,854
Other income from leases	10,639	13,613
Income from fees for late payments	163	143
Other income	844	594
Total	**363,737**	**394,971**

*In accordance with the parent company's accounting rules, lease income from operating leases and from sales of leased assets (remarketing income) in the amount of EUR 53.9 million is included in the line item of Income from operating leases. Interest income from finance leases is presented within the line item of Interest and similar income, calculated in accordance with the effective interest method.

The expenses for other activities are composed of the following items:

(In euro thousands)	2024	2023
Discounts on operating leases	-	-
Expenses from sales of lease objects	(250,707)	(248,540)
Depreciation of objects under operating leases	(44,682)	(61,199)
Other expenses for finance leases	(22,398)	(28,180)
Expenses for inventory-taking	-	-
Expenses for other non-banking activities	(38,105)	(51,930)
Other discounts	(35)	(224)
Total	**(355,927)**	**(390,073)**

Income from operating leases and from sales of leased assets mainly includes income from operating leases in the amount of EUR 53,949 thousand (2023: EUR 74,318 thousand) and income from sales of leased assets in the amount of EUR 273,156 thousand (2023: EUR 281,830 thousand). Income from operating leases in the total amount of EUR 58,198 thousand (2023: EUR 19,172 thousand) consists of lease income of EUR 53,949 thousand (2023: EUR 74,318 thousand) and special lease payments of EUR 4,249 (2023: EUR 4,854 thousand).

Income from operating leases and from sales of leased assets and expenses for sales of leased assets are attributable to the segment Financial Services to Corporates and Retails.

NOTE 7.3 – OTHER ASSETS AND LIABILITIES

OTHER ASSETS

(In euro thousands)	12/31/2024	12/31/2023
Clearing account for securities transactions	-	-
Prepaid expenses	80,860	80,033
Miscellaneous other assets*	117,824	216,870
Total gross	**198,684**	**296,903**
Impairments	(2,007)	(2,748)
Total net	**196,677**	**294,155**

*The title has been adjusted.

At December 31, 2024, the line item of Miscellaneous other assets mainly consists of outstanding receivables from operating leases and commission receivables. These are short-term receivables (due within the next 12 months).

This line item also includes a capitalized reimbursement right in the amount of EUR 60 million from a guarantee issued by the shareholder in an ongoing legal dispute (due in more than one year) (see Note 13, section entitled RISKS OF LEGAL DISPUTES).

OTHER LIABILITIES

(In euro thousands)	12/31/2024	12/31/2023
Deposit guarantees received	-	-
Settlement accounts for transactions with securities	5,302	3,191
Employees benefits	572	1,501
Lease liabilities	35,570	36,965
Deferred income	9,587	13,464
Miscellaneous other payables	93,057	214,273
Total	**144,088**	**269,394**

The line item of 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 short-term liabilities (due within the next 12 months).

NOTE 8 – PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

PERSONNEL EXPENSES

(In euro thousands)	2024	2023
Employee compensation	(40,743)	(45,842)
Social security contributions and payroll taxes	(6,930)	(7,731)
Net pension expenses – Special fund	(129)	(158)
Net pension expenses – Defined benefit pension plan	(179)	(171)
Employee profit participation and bonuses	(63)	(61)
Total	**(48,044)**	**(53,963)**
Including net expenses of share-based compensation	(58)	(55)

Employees

The average number of employees in financial year 2024 was:

	Male	Female	Total
Global Banking and Investor Solutions	2	2	4
Financial Services to Corporates and Retails	330	296	626
Asset Management	2	0	2
Total	**334**	**298**	**632**

DEVELOPMENT OF PROVISIONS FOR EMPLOYEE BENEFITS

(In euro thousands)	Balance at 12/31/2023	Additions	Reversal	Net additions	Utilization	Other changes	Balance at 12/31/2024
Provisions for employee benefits	19,769	880	(1,128)	(248)	(7,052)	1,340	**13,809**

POST-EMPLOYMENT BENEFITS

In calculating the provision for employee benefits, an actuarial interest rate of 3.31% (PY: 4.12%), a salary dynamic of 3.00% (PY: 3.00%), and a pension dynamic of -0.15% (PY: -0.15%) were assumed for the ALD subgroup (Financial Services to Corporates and Retails segment). For the company SGSS (Asset Management segment), an actuarial interest rate of 3.37% (PY: 4.13%), a salary dynamic of 0.00% (PY: 0.00%%), and a pension dynamic of 0.00% (PY: 0.00%) were assumed. For the company SG Effekten (Global Banking and Investor Solutions segment), an actuarial interest rate of 3.33% (PY: 1.74%), a salary dynamic of 3.60% (PY: 3.60%), and a pension dynamic of 2.20% (PY: 2.60%) were assumed.

The Group's retirement benefits consist of the following retirement plans:

DEFINED CONTRIBUTION PLANS

Individual defined contribution pension plans exist for individual employees in the segment of Financial Services to Corporates and Retails.

DEFINED BENEFIT PLANS

The following defined benefit plans are in effect within the Global Banking and Investor Solutions segment:

Pension commitment according to the Pension Plan (VO) in the version of May 1, 1986

Employee pensions (retirement pensions, early retirement pensions, disability pensions) and survivor's pensions (surviving spouse's pensions, orphan's pensions) are granted.

A retirement pension is granted from the completion of the 65th year of life and an early retirement pension is granted when an early retirement pension is claimed under the statutory pension insurance system. The amount of benefits is determined on the basis of the eligible years of service and the pension benefit-eligible income. Eligible years of service are all years and full months in which the employment relationship was in effect, but not longer than up to the normal retirement date, but not more than 40 years.

Pension benefit-eligible income equals the monthly base salary multiplied by 13. The retirement pension and disability pension are equal to 0.40% of pension benefit-eligible income up to the contribution assessment limit, plus 1.50% of eligible income beyond the contribution assessment limit under the statutory pension insurance system, multiplied by the eligible years of service. For an early retirement pension, the pension benefit is reduced by 0.50% for each month when it is claimed before the normal retirement date, but not more than 12%.

The surviving spouse's pension is equal to 60% of the paid pension or claim to a retirement and disability pension at the time of death.

The orphan's pension is equal to 15% of the paid pension or claim to a retirement and disability pension at the time of death.

The orphan's pension is paid until the completion of the 18th year of life; all other pensions are paid for life.

In addition, there is an individual commitment that differs from the preceding plan in the following respects:

The amount of benefits is determined on the basis of the pension benefit-eligible years of service and the pension benefit-eligible income. The pension benefit-eligible years of service are all full years in which the employment relationship was in effect up to the normal retirement age. Pension-eligible income is defined as twelve times the last monthly collective agreement wage, or the fixed annual salary for non-union employees.

The pension benefit is determined with reference to a salary-dependent and years of service-dependent table, to which additional pension benefit levels may be added from time to time. An additional pension benefit equal

to 60% of the amount that exceeds the maximum salary provided for in the corresponding scale is granted after 40 years of service; the percentage rate is reduced by one for each year short of 40 years of service.

In the event of occupational disability and death, the years of service missed until completion of the 55th year of life are credited in full and the years of service missed between the 55th and 60th years of life are credited at the rate of one third.

The surviving spouse's pension is equal to 60% of the paid pension or the claim to a retirement pension at the time of death.

The orphan's pension is equal to 10% of the paid pension or the claim to a retirement pension at the time of death.

The orphan's pension is paid until completion of the 18th year of life, but not longer than until completion of the 25th year of life; all other pensions are paid for life.

Individual defined benefit pension plans exist for individual employees in the segment of Financial Services to Corporates and Retails.

In addition, the following defined benefit plans exist in the Group:

Former Interleasing employees (pertains to the segment of Financial Services to Corporates and Retails)

The commitment involves the payment of retirement benefits upon reaching the retirement age (65th year of life) and in cases of early disability and death. The time during which the pension beneficiary worked for the company without interruption after completing the 20th year of life and before completing the 65th year of life qualifies as the length of service. The retirement benefit consists of a base amount of DM 200 per month after 10 years of service and increases by DM 20 per month with each additional year of service. The total creditable length of service is limited to 30 years. Years in which the employee worked more than 6 months are counted for purposes of calculating the retirement benefit. The pension commitment involves a limitation of the retirement benefit as soon as it together with the social insurance pension benefit exceeds 75% of the last gross salary (the limitation also applies in the presence of a life insurance policy that exempts the employee from the obligation to pay social insurance contributions).

In the event of death of the pension beneficiary, the surviving spouse receives 60% of the retirement benefit to which the pension beneficiary would have been entitled at the time of his death.

Pension Plan 2000 (pertains to the segment of Asset Management)

Employee pensions (retirement pension, early retirement pension, disability pension) and survivors' pensions (spouse's pension, orphan's pension) are granted.

The retirement pension is granted upon completing the 65th year of life; an early retirement pension is granted upon completing the 60th year of life if and as long as a retirement pension is claimed under the statutory pension insurance system.

The company makes a pension contribution equal to 4% of eligible income for each full calendar year of eligible service.

The annual pension benefits are determined by means of converting the pension contribution actuarially into annual pension units, which are aggregated over the eligible period of service until the pension benefit becomes payable. Current pension benefits are increased by 1% every year.

Employees who opted not to join the Pension Plan 2000 are insured by one of the following pension plans:

- **Pension plan of HYPO-INVEST of August 17, 1993 (VOHI) / Pension plan of Allfonds Gesellschaft für Investmentanlagen mbH (VOAI):**

  Employees of the former HYPO Capital Management Investmentgesellschaft mbH are granted pension benefits under the following terms and conditions:

  The company grants all employees who join or joined the company after January 1, 1990 a retirement pension (after completing the 65th year of life), an early retirement pension, an occupational disability pension and a survivor's pension after a five-year vesting period, with legally binding effect on the company.

  The amount of benefits depends on the eligible length of service after completing the 18th year of life (at the earliest from January 1, 1993), the income eligible for retirement benefits, the personal percentage and the annual increase amount.

  Eligible years of service are considered for the purpose of calculating the amount of an early retirement pension only up to the date when early retirement is taken. The retirement benefit calculated in this way is reduced by 0.50% for each month when pension benefits are received before completion of the 65th year of life, and this applies for the duration of the retirement benefit.

  In calculating the amount of pension benefits for occupational disability, the years of service missed until completion of the employee's 55th year of life are added to the eligible years of service worked until the employee became eligible for the disability pension.

  The surviving spouse's pension is equal to 60% of the pension which the deceased pension beneficiary received or would have received if he had become disabled at the time of his passing.

- **Pension plan for individual contractual pension commitments (VOAM):**

  A retirement pension or early retirement pension, disability pension, surviving spouse's pension or orphan's pension is granted when the corresponding benefit conditions are met and after the expiration of a five-year vesting period. Under this plan, the company makes a pension contribution equal to 3% of pension-eligible income for each full calendar year of eligible service. This annual pension contribution is multiplied by the retirement rate corresponding to the age of life completed in the same calendar year, yielding the annual pension unit in every case. The sum of these pension units equals the pension benefit in the case of retirement at 65 or older and in the case of disability. In the case of early retirement,

this sum is reduced by 0.5% for each month of early retirement before reaching the fixed retirement age of 65. The surviving spouse's pension is equal to 60%, the half-orphan's pension 12%, the full orphan's pension 20% of the reached sum of pension units.

Under the transitional arrangement, the employees coming from Hypo-Bank and Allfonds Management receive a basic unit for their earlier years of service in addition to the unit pension. This basic unit is increased in proportion to the personal development of pension-eligible income.

- **Pension plan for employees of Schweizerische Kreditanstalt (DEUTSCHLAND) AG (VOSK):**

  Pension benefits are granted to employees of the former Schweizerische Kreditanstalt (Deutschland) AG under the following terms and conditions:

  The company grants to all regular employees whose employment relationship was not terminated at the time when the pension plan entered into effect and who had not yet completed their 50th year of life at the time of joining the bank a retirement pension (after completion of the 65th year of life), an early retirement pension, an occupational disability pension, and a survivor's pension after the expiration of a ten-year vesting period.

  The amount of benefits is determined on the basis of eligible years of services and pension benefit-eligible income. A pension equal to 0.20% of pension benefit-eligible income is granted as a pension entitlement for each eligible year of service completed after January 1, 1990. A pension equal to 1.20% of the amount of pension benefit-eligible income is additionally granted for each pension benefit-eligible year of service that exceeds the contribution assessment ceiling. A maximum total of 35 years of service is eligible for the pension amount. The increase amounts according to the earlier pension plans apply for years of service before January 1, 1990. The vested benefits earned at December 31, 1989 remain in effect in the percentage amount of pension benefit-eligible income.

  For calculating the amount of an early retirement pension, only the eligible years of service up to the date of claiming the early retirement benefit are considered. The retirement pension so calculated is reduced by 0.50% of its value for each month when pension benefits are received before completion of the 65th year of life, and this applies for the duration of the retirement benefit. The total reduction may not exceed 20%.

  In calculating the amount of pension benefits for occupational disability, the years of service missed until completion of the employee's 55th year of life are added to the eligible years of service worked until the employee became eligible for the disability pension.

  The surviving spouse's pension is equal to 60% of the pension which the deceased pension beneficiary received or would have received if he had become disabled at the time of his passing.

- **Pension plan of Société Générale – Elsässische Bank & Co.**

  Retirement benefits are granted for occupational disability according to the definition of the statutory pension insurance system or when the fixed retirement age (65th year of life) is reached. The employees receive a pension benefit equal to 0.40% of pension benefit-eligible income for each year of service worked and each full month worked up to the 65th year of life, plus 1.5% of the amount of pension benefit-eligible income that exceeds the contribution assessment limit under the statutory pension insurance system. However, no more than 40 years can be credited. The occupational disability pension is identical to the retirement pension entitlement achievable in the time remaining before the normal retirement date (supplementary period).

  When the early retirement pension is claimed, a discount of 0.50% is deducted for each month when the early retirement pension is claimed, up to a maximum of 12%.

  The surviving spouse's pension is equal to 60% of the deceased spouse's pension.

- **Special total compensation (TC) agreements**

  For employees with special TC agreements, the vested claims to a company pension earned until the transition to a TC agreement are maintained.

  Any basic unit under the pension plan for individual contractual pension commitments (VOAM) increases in proportion to the personal development of pension-eligible income.

  Any initial unit under the Pension Plan '95/'98 (RP95/RP98) or RP 2000 increases until the employee's departure from the company in accordance with the wage increases in the highest collective wage group for private-sector bank employees.

  The pension units earned in addition to any basic or initial unit until the time of switching from the VOAM, RP95/RP98 or RP 2000 to a TC agreement are also maintained.

  When an early retirement pension is claimed, the vested pension benefit under the VOAM and RP 2000 is reduced by 0.5% for each started month when pension benefits are drawn before completion of the 65th year of life.

- **Deferred compensation**

  Some persons have individual contractual agreements under which cash compensation is converted into company pension benefits:

  For commitments under the RP 2000 model (insurance principle), the amount of the pension is determined by converting the annual pension contribution actuarially into annual increases of the vested pension benefit ("pension units"), which are aggregated over the time until the pension benefit becomes payable. The pension units are calculated by multiplying the annual pension contribution by the retirement rate applicable for the completed age in every case. When an early retirement pension is claimed

before the 65th year of life, the vested pension benefit achieved at the time of retirement is reduced by 0.5% for each started month when the early retirement pension is drawn before completion of the 65th year of life.

For commitments under the pension fund model (savings principle), the amount of pension benefits is determined by the interest-bearing accumulation of pension capital plus, plus surplus participation. The pension capital available when the pension is claimed is converted into a lifelong pension benefit by multiplying it by the retirement rate applicable for the age at the time of retirement.

OTHER LONG-TERM EMPLOYEE BENEFITS

The other long-term benefits granted to employees of the Group comprise work time accounts and bonuses for many years of service. These are other employee benefits (other than post-employment benefits and termination benefits), which are payable in full within 12 months of the end of the reporting period in which the related service was provided.

The Company basically does not owe any other long-term employee benefits or the amounts in question are negligible.

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

(In euro thousands)	12/31/2024	12/31/2023
A - Present value of funded obligations	15,438	13,682
B - Fair value of plan assets and special fund	1,629	1,462
C= A - B Balance of funded plans	**13,809**	**12,220**
D - Present value of unfunded obligations	-	-
E - Effects of asset ceiling	-	-
C + D + E = Net balance recognized in the statement of financial position	**13,809**	**12,220**

COMPONENTS OF EXPENSES OF DEFINED BENEFIT PLANS

(In euro thousands)	12/31/2024	12/31/2023
Current service cost, including social security contributions	296	268
Employee contributions	-	-
Past service cost / curtailments	-	-
Plan settlements	-	-
Net interest	482	507
Transfer of not yet recognized assets	(121)	-
A - Components recognized in the operating result	**305**	**775**
Expected income from plan assets	(43)	(425)
Actuarial gains and losses resulting from changes in demographic assumptions	177	(74)

Actuarial gains and losses resulting from changes in economic and financial assumptions	-	-
Experience-based actuarial gains and losses	-	-
Effect of asset ceiling on plan assets	-	-
B - Gains and losses recognized directly in equity	**(218)**	**(499)**
C= A + B Total components of expenses of defined benefit plans	**439**	**276**

CHANGES IN PRESENT VALUE OF OBLIGATIONS

(In euro thousands)	12/31/2024	12/31/2023
Balance at 01/01/2024	**19,769**	**24,444**
Current service cost for the year, including social security contributions	296	268
Employee contributions	-	-
Past service cost / curtailments	-	(13)
Plan settlements	-	-
Net interest	**542**	558
Actuarial gains and losses resulting from changes in demographic assumptions	1,540	(274)
Actuarial gains and losses resulting from changes in economic and financial assumptions	-	-
Experience-based actuarial gains and losses	-	(465)
Currency translation	-	-
Pension benefits paid	(505)	(521)
Change of consolidation group	-	-
Transfers and other	(7,833)	(4,228)
Balance at 12/31/2024	**13,809**	**19,769**

CHANGES IN FAIR VALUE OF PLAN ASSETS AND THE SPECIAL FUND

(In euro thousands)	12/31/2024	12/31/2023
Balance at 01/01/2024	**1,462**	**1,446**
Expected income from plan assets	60	51
Expected income from special fund	-	-
Actuarial gains and losses related to plan assets	(2)	(35)
Currency translation	-	-
Employee contributions	111	-
Employer contributions	-	-
Pension benefits paid	-	-
Change of consolidation group	-	-
Transfers and other	(2)	-
Balance at 12/31/2024	**1,629**	**1,462**

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. Due to the formation of the consolidated tax group for income tax purposes, Société Générale Effekten GmbH does not recognize deferred taxes in its financial statements.

NOTE 10 – EQUITY

The Group's equity amounted to EUR 18.3 million at December 31, 2024 (PY: EUR 15.3 million). It is mainly composed of subscribed capital in the amount of EUR 26 thousand (PY: EUR 26 thousand), Group reserves in the amount of EUR -21.4 million (PY: EUR -47.2 million), financial year net profit in the amount of EUR 44.1 million (PY: 53.9 million), and revaluation reserves in the amount of EUR -5.6 million (PY: EUR 7.9 million). Non-controlling interests amounted to EUR 66 thousand (PY: EUR -439 thousand).

The Group reserves are mainly composed of the profit transfers of SGE GmbH. The revaluation reserves include unrealized gains and losses from changes in actuarial assumptions for post-termination benefits and gains and losses related to hedges.

Changes in equity during 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's parent company.

NOTE 11 –DIVIDENDS PAID

The non-controlling interests Beteiligungsgesellschaft des Kfz-Gewerbes mbH and Techno Versicherungsdienst GmbH hold interests in the Group's bank Deutsches Kraftfahrzeuggewerbe GmbH. In financial year 2024, profits of EUR 221 thousand were distributed to these shareholders for financial year 2023.

NOTE 12 – ADDITIONAL DISCLOSURES

NOTE 12.1 – SEGMENT REPORT

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 Retails	The 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 mediation. In addition, smart IT solutions such as web services and an internally developed POS system are offered to car dealers.
Asset Management	This segment, which has been discontinued, comprised until December 31, 2023 the management of investment funds under so-called "master fund manager" models and the in-sourcing of fund administration from other asset management firms. Direct investments were administered as well. These services were mainly provided to European customers.

(In euro thousands)	Global Banking and Investor Solutions		Financial Services to Corporates and Retails		Asset Management*		Group	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Net banking income	(5,988)	(4,819)	137,145	166,331	-	10,616	131,157	172,128
Administrative expenses	295	309	(81,405)	(87,683)	-	(21,177)	(81,110)	(108,551)
Gross operating result	**(5,693)**	**(4,509)**	**55,740**	**78,648**	**-**	**(10,561)**	**50,047**	**63,577**
Risk expenses	-	-	(8,533)	(9,265)	-	-	(8,533)	(9,265)
Operating result	**(5,693)**	**(4,509)**	**47,207**	**69,383**	**-**	**(10,561)**	**41,514**	**54,312**
Net gains or losses from other assets	-	-	1	13	-	(234)	1	(221)
Impairment of goodwill	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit/loss before taxes	**(5,693)**	**(4,509)**	**47,208**	**69,396**	**-**	**(10,795)**	**41,515**	**54,091**
Income taxes	-	-	-	-	-	-	-	-
Net profit/loss of all companies of the consolidation group**	**(5,693)**	**(4,509)**	**47,208**	**69,396**	**-**	**(10,795)**	**41,515**	**54,091**
Non-controlling interests**	-	-	277	215	-	-	277	215
Net profit/loss (Group's share)**	**(5,693)**	**(4,509)**	**46,931**	**69,181**	**-**	**(10,795)**	**41,238**	**53,876**
Assets	4,028,724	3,393,971	4,988,142	5,514,833	131,414	141,162	9,148,280	9,049,966
Liabilities	4,471,701	3,885,166	4,572,501	5,068,533	85,748	80,957	9,129,951	9,034,656

*Classified as discontinued operations according to IFRS 5.

**The modified previous-year figures are explained separately under Note 1 in the section entitled "Adjustments".

Differences in the assets and liabilities compared to the items presented in the individual companies' balance sheets representing the segments result from consolidation adjustments. The Group has opted not to present geographical information for the segments Financial Services to Corporates and Retails and Asset Management because the business activity in these segments is limited to the Federal Republic of Germany and the information pursuant to IFRS 8.33 is included in the summary above.

Global Banking and Investor Solutions - Details by market

(In euro thousands)	12/31/2024													
	Bel-gium	Switzer-land	Germany	Denmark	Spain	Finland	France	Nether-lands	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)**
Overhead expenses	-	-	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 as-sets	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
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 profit/loss of all sub-group 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 non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Net profit/loss (Group's 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

(In euro thousands)	2024	2023
Rents	(1,669)	(1,594)
Taxes	-	-
IT & telecom	(13,803)	(11,152)
Consulting	(2,484)	(2,987)
Other	(9,409)	(11,357)
Total	**(27,365)**	**(27,090)**

NOTE 12.3 - PROVISIONS

The provisions recognized in the statement of financial position at December 31, 2024 mainly include provisions for employee benefits and provisions for risks. Accordingly, the potential outflows for these issues are short-term in nature (within 12 months), with the exception of provisions for legal disputes. Liabilities for employee benefits are characterized by uncertainty due to the settlement date.

Breakdown of the main provisions at the reporting date:

(In euro thousands)	Provisions at 12/31/2023	Additions	Available reversals of impairments	Net additions	Recognized reversals of impairments	Other changes	Provisions at 12/31/2024
Provisions for credit risk of off-balance sheet commitments (see Note 4.8)	875	14	589	603	-	-	**1,478**
Provisions for employee benefits (see Note 8)	19,769	880	(1,128)	(248)	(7,052)	1,340	**13,809**
Provisions for legal disputes	61,655	732	(712)	20	(1,132)	-	**60,543**
Other provisions	1,550				(111)	-	**1,439**
Total	**83,849**	**1,626**	**(1,251)**	**375**	**(8,295)**	**1,340**	**77,269**

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

Provisions are formed for all risks for which an outflow of funds is probable (credit risks in off-balance sheet commitments, legal risks, operational risks, etc.) and all these risk categories are backed by capital in the risk-bearing capacity calculation, as a general rule.

Please refer to Note 13 Disclosures concerning significant risks for additional information on provisions for legal disputes.

NOTE 12.4 – LEASES

The Group exercises the role of 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. Together with cooperation partners, particularly including the subsidiary Bank Deutsches Kraftfahrzeuggewerbe GmbH (BDK), financial solutions and services related to automobiles are offered. The product range encompasses the car dealership financing processes: sales financing and leasing, purchase financing and insurance mediation, which increase the dealership's retention of customers and thus enhance their income prospects.

LEASE RELATIONSHIPS AS LESSOR

OPERATING LEASES

FUTURE MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES

The maturity analysis presented in the table below shows the future minimum payments to be received after the reporting date:

(In euro thousands)	12/31/2024	12/31/2023
Breakdown of total minimum lease payments to be received		
Due in less than one year	245,067	315,239
Due in one to five years	254,722	230,996
Due in more than 5 years	-	-
Total future minimum lease payments to be received	**499,789**	**546,235**

AMOUNTS RECOGNIZED IN PROFIT OR LOSS

The Group recognized lease income from operating leases in the amount of EUR 58,198 thousand in financial year 2024 (2023: EUR 79,172 thousand). The income from operating leases consisted of lease income in the amount of EUR 53,944 thousand (2023: EUR 74,318 thousand) and special lease payments in the amount of EUR 4,249 thousand (2023: EUR 4,854 thousand). All operating leases are equipment leases. The income from operating leases is presented within the line item of Income from other activities.

Expenses and income and realized gains and losses from leased assets are presented within the line item of Income and expenses from other activities.

FINANCE LEASES

The Group achieved a gain on disposal under finance leases of EUR 1,076 thousand (2023: EUR 1,085 thousand). The income from sales of leased assets is presented within the line item of Income from other activities. Expenses for sales of leased assets, which mainly consist of the residual book values of the leased assets, are presented within the line item of Expenses for other activities.

The Group recognized interest income on lease receivables in the amount of EUR 25,960 thousand (2023: EUR 22,890 thousand). Interest income is presented within the line item of Interest income from equipment.

A maturity analysis of lease receivables is presented in the table below:

(In euro thousands)	12/31/2024	12/31/2023
Gross investments	**242,660**	**341,588**
Due in less than one year	*80,327*	116,688
Due in one to five years	*162,333*	224,900
Due in more than 5 years	-	-
Present value of minimum lease payments	**459,005**	**506,112**
Due in less than one year	*151,945*	172,890
Due in one to five years	*307,060*	333,222
Due in more than 5 years	-	-
Not yet realized financial income	**(216,345)**	**(164,524)**
Not guaranteed residual values in favor of the lessor	**-**	**-**
Accumulated value adjustments for uncollectible outstanding lease payments	n/a	n/a

LEASE RELATIONSHIPS AS LESSEE

The Group leases buildings, office and archive space, motor vehicles and software under leases. The leases normally have terms of 4 years, with a renewal option at the end of the initial term. Lease payments are renegotiated every 3 years to reflect market rates. Leases related to buildings normally have long terms and feature renewal options. At BDK LS/BDK/ALD LF, all the old leases expired in 2024. At all these companies, therefore, there remains only one lease, which was concluded in 2022 for a term of 15 years. Some leases (IT-related) provide for additional lease payments based on the development of regional price indices.

FUTURE MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES

As of December 31, 2024, the future minimum lease payments under uncancellable leases were as follows:

(In euro thousands)	12/31/2024	12/31/2023
Breakdown of total minimum lease payments to be received	-	-
Due in less than one year	1,331	1,194
Due in one to five years	5,325	4,998
Due in more than 5 years	6,324	7,505
Total future minimum lease payments to be received	**12,980**	**13,697**

The total cash outflows for leases in financial year 2024 amounted to EUR 3,220 thousand (2023: EUR 3,447 thousand).

DETAILS OF LEASE EXPENSES AND INCOME FROM SUB-LEASING

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

(In euro thousands)	12/31/2023			
	Real estate	**Computer equipment**	**Other**	**Total**
Leasing	**(3,006)**	**(1,558)**	**(803)**	**(5,367)**
Interest expenses on lease liabilities	(473)	-	-	(473)
Depreciation of right-of-use assets	(2,533)	-	(757)	(3,290)
Expenses for short-term leases	-	-	(46)	(46)
Expenses for leases for low-value assets	-	(1,558)	-	(1,558)
Expenses for variable lease payments	-	-	-	-
Sub-leasing	**10**	**-**	**-**	**10**
Income from sub-leasing of right-of-use assets	10	-	-	10

NOTE 12.5 – TRANSACTIONS IN FOREIGN CURRENCIES

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

	12/31/2024	
(In euro thousands)	**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**

At the reporting date, all assets and liabilities from transactions in foreign currencies are presented within the item of Financial assets and liabilities measured at fair value through profit or loss.

NOTE 12.6 – AUDIT FEE

The professional fees payable to the independent auditor for the audit of the 2024 consolidated financial statements, including the companies included in the consolidated financial statements, were recognized as expenses in financial year 2024 in the following amounts:

- for financial statement audit services: EUR 825 thousand
- for other certification services: EUR 0 thousand

The other certification services pertain to expenses for ISAE 3402 reports.

NOTE 12.7 – OFF-BALANCE SHEET TRANSACTIONS AND OTHER COMMITMENTS

In addition to the receivables and liabilities recognized in the statement of financial position, the Group was subject to off-balance sheet transactions and other financial commitments, the maturities of which are presented in the tables below.

Contingent liabilities

(In euro thousands)	**12/31/2024**	*Guarantee commitments received*	*Commitments under certificate transactions, the due dates for which were not yet reached upon conclusion*
Due within one year	18,196	-	18,196
Due in more than one year and up to five years	32,694	31,000	1,694
Due in more than five years	149,010	149,000	10
Total	**199,900**	**180,000**	**19,900**

(In euro thousands)	**12/31/2023**	*Guarantee commitments received*	*Commitments under certificate transactions, the due dates for which were not yet reached upon conclusion*
Due within one year	21,944	-	21,944
Due in more than one year and up to five years	16,555	12,000	4,555
Due in more than five years	173,086	173,000	86
Total	**211,585**	**185,000**	**26,585**

Contingent liabilities and other commitments

Contingent liabilities are dominated by irrevocable loan commitments to customers in the nominal amount of EUR 217,052 thousand. An irrevocable loan commitment is a not yet utilized amount of a commitment that can no longer be revoked. If the loan commitment is utilized, SG Effekten will be exposed to the risk that its receivable from the borrower, minus collateral, will no longer be recoverable (see Note 4.8 for details on the formation of risk provisions).

NOTE 13 – DISCLOSURES CONCERNING SIGNIFICANT RISKS

COUNTERPARTY DEFAULT RISKS

Overview of counterparty default risks by item of the statement of financial position, based on carrying amounts:

(In euro thousands)	12/31/2024
Financial assets measured at fair value through profit or loss	4,129,063
Hedging derivatives	-
Loans to and receivables from banks	175,750
Loans to and receivables from customers	3,952,208
Tax assets	3,465
Receivables under finance leases	452,116
Other assets	196,677
Total	**8,909,279**

In addition, there are irrevocable loan commitments to customers with a nominal volume of EUR 217,052 thousand.

Significant counterparty default risks exist only in the segment of Financial Services to Corporates and Retails.

In 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 solidity 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 December 31, 2024 is presented in the table below:

(in euro millions)	Expected loss	Unexpected loss	Credit Value at Risk
Car loans	19.7	21.6	41.3
Dealer financing	4.3	35.9	40.2
Car leasing	5.4	17.2	22.6
Total portfolio	**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 have relatively few individual risks in this area. Around 81% of our loan agreements with retail customers and 58% with business customers (based on the number of contracts) are for up to EUR 25,000.

The dealer financing portfolio comprises 754 dealerships with granted credit lines totaling EUR 978 million, of which about 41% are up to EUR 1 million. The drawn-down part of these credit lines amounted to EUR 583 million at December 31, 2024.

MARKET PRICE RISKS

All the market price risks of issued warrants and certificates are hedged by hedging transactions with Société Générale S.A., Paris. Therefore, there are no price risks, currency risks or interest rate risks.

The market price risks of the Group's leasing business mainly include the residual value risks assumed by the Group, as well as current risks and interest rate risks to a limited extent.

Residual value risks were assumed for 32% of new leases in the 2024 financial year (PY: 37%).

If residual value risks are assumed, the lease is basically an operating lease 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 price risk, but only potential counterparty default risks under guaranties.

The payment commitments resulting from IT agreements are liabilities in GBP. To limit currency risks, a bank account is kept in GBP, the amount of which is equivalent to the expected costs over a 1-year horizon. There are no further currency risks.

Interest rate risk is managed by means of an interest rate gap analysis, which is based on the change in present value of assets and liabilities resulting from different variations of the yield curve (sensitivity analysis). The maximum change in value resulting from the assumed scenarios, which particularly include the scenarios required by the regulatory authority, is EUR 9.5 million at December 31, 2024 (PY: EUR 14.9 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 relevant departments of Société Générale S.A., Paris.

At December 31, 2024, 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 Retails segment in the amount of EUR 6,454 million, of which EUR 2,027 million had not been drawn down.

At December 31, 2024, BDK had a credit line agreed with the SG Group in the total amount of EUR 3,680 million, of which EUR 2,010 million or 55% had been drawn down. Another EUR 1,554 million was financed by the securitization of car loan receivables in the form of asset-backed securities.

ALD LF had a credit line totaling EUR 1,220 million with the SG Group, of which EUR 863 million or 71% had been drawn down at December 31, 2024.

The risk of an unexpected increase in funding costs within the Group that would entail liquidity fees in addition to the market rates of interest is simulated on the basis of a scenario involving a shift in the overnight funds rate of +/-308 basis points and backed by capital in the risk-bearing capacity calculation.

A risk potential of EUR 5.3 million was calculated for liquidity risk at the end of the year (PY: EUR 8.4 million).

The primary goal of liquidity risk management is to procure funding for the Company'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 repayments 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 commensurate with 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, 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 December 31, 2024 are presented in the table below:

Receivables:

(In euro thousands)	Up to 3 months	3 months to one year	1 to 5 years	More than 5 years	12/31/2024
Financial assets measured at fair value through profit or loss	639,663	762,450	327,327	2,399,623	4,129,063
Thereof derivatives	*639,663*	*762,350*	*267,464*	*2,378,649*	*4,048,126*
Thereof Other assets	*-*	*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 under 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:

(In euro thousands)	Up to 3 months	3 months to one year	1 to 5 years	More than 5 years	12/31/2024
Financial liabilities measured at fair value at profit or loss	637,633	761,242	267,464	2,379,828	4,046,167
Thereof derivatives	*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 OF LEGAL DISPUTES

The Group is involved in an ongoing legal dispute for which a provision in the amount of EUR 60 million has been recognized. The shareholder has issued a guarantee for this legal dispute, so that the Group has established an adequate provision for this case and is not economically burdened. For this reason, the reimbursement right under the guarantee has been capitalized in the same amount as the provision (EUR 60 million). The total guarantee amount of EUR 120 million is limited in time until June 30, 2026. The Management cannot rule out the possibility that the legal dispute will not be concluded before the end of the present guarantee term. The Company is certain that the guarantee will be renewed beyond the present term if necessary.

With regard to further disclosures on the subject of this legal dispute, the Company claims the protection clause of IAS 37.92.

NOTE 14 – DEALINGS WITH RELATED ENTITIES AND PERSONS

Both natural persons and entities which the Group controls or has significant influence over and persons and companies 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 (non-consolidated 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 December 31, 2024, the managing directors received compensation totaling EUR 16.8 thousand as short-term benefits for the previous year (see Note 16).

The current managing directors Mr. Helmut Höfer and Timo Felix Zapf are employees of Société Générale S.A., Frankfurt am Main branch (parent company of Société Générale Effekten GmbH). Mr. Andreas Thomas was relieved of his position as Managing Director of Société Générale Effekten GmbH with effect as of March 31, 2024. In addition, Mr. Christian Sagerer was appointed as Managing Director of SG Effekten GmbH with effect as of 04/01/2024 and was relieved of that position as of 04/25/2024.

BUSINESS DEALINGS WITH SUBSIDIARIES

All direct subsidiaries are included in the consolidated financial statements of SG Effekten and are consolidated, so that any transactions with subsidiaries have been eliminated as intragroup balances. Therefore, there is no obligation to make disclosures on this subject.

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 financial statements. The business object of the company is the issuance of options and certificates, all of which are sold in full by the parent company Société Générale S.A., Paris, and by 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.

A list of the subsidiaries of Société Générale Effekten GmbH is presented in the description of the consolidation group (see in Note 2).

Transactions with companies of the same corporate group:

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

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

(In euro thousands)	Highest-ranking parent company (incl. branches)	Associated companies (ALD DL)	Companies of the same corporate group	Other related companies	**Balance at 12/31/2023**
Assets	**4,557,769**	**1,004**	**1,362**	**80,648**	**4,640,783**
Financial assets measured at fair value through profit or loss	4,192,212	1,004	-	*80,634*	***4,273,850***
Receivables from banks at amortized cost	*69,068*	-	-	-	***69,068***
Other assets	*296,489*	-	1,362	*14*	***297,865***
Liabilities*	**5,989,759**	**-**	**11,097**	**3,639**	**6,004,495**
Financial liabilities measured at fair value through profit or loss	2,324,362	-	-	*2,036*	***2,326,398***
Liabilities to banks	*3,520,771*	-	-	-	***3,520,771***
Other liabilities	*144,626*	-	11,097	*1,603*	***157,326***
Expenses	**(29,004,607)**	**-**	**(9,006)**	**(3,653)**	**(29,017,266)**
Interest and similar expenses, calculated in accordance with the effective interest method	(59,803)	-	-	-	***(59,803)***
Commission expenses	(1,899)	-	-	(18)	***(1,917)***
Net losses on financial instruments measured at fair value through profit or loss	(28,937,274)	-	-	(1,060)	***(28,938,334)***
Expenses for other activities	(5,631)	-	(9,006)	(2,575)	***(17,212)***
Income	**28,752,841**	**-**	**9,719**	**15,191**	**28,777,751**
Interest and similar income, calculated in accordance with the effective interest method	*435,645*	-	-	-	***435,645***
Commission income	*4,834*	-	-	14,696	***19,530***
Net gains on financial instruments measured at fair value through profit or loss	*28,309,384*	-	-	*523*	***28,308,861***
Income from other activities	2,978	-	9,719	*1,018*	***13,715***

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

Other transactions with related companies include:

- Trust transactions with Société Générale S.A., Paris (see Note 15)
- Guarantee of Société Générale S. A., Frankfurt Branch (see Note 13)
- Liabilities to Société Générale S. A., Frankfurt Branch, under the profit transfer agreement (see Note 7.3)
- Intragroup credit lines (see Note 13)

NOTE 15 – TRUST BUSINESS

In addition to the transactions presented in the statement of financial position, the Group operates under a trust agreement with the sole shareholder Société Générale S.A., Paris. As part of this trust 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 trust 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. At the reporting date, trust transactions measured at fair value amounted to EUR 207,814 thousand. This amount is included in the transactions related to companies of the same corporate group in Note 14.

NOTE 16 – COMPENSATION OF THE MANAGEMENT

Société Générale S.A. Frankfurt Branch received EUR 600 per month for the work of each managing director. Thus, the total compensation amounted to EUR 16,800 in the 2024 financial year (PY: EUR 16,200).

NOTE 17 – SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No events of significance have occurred since the reporting date of December 31, 2024.

Frankfurt am Main, May 30, 2025

The Management

Société Générale Effekten GmbH

_____	_____
Helmut Höfer	Timo Felix Zapf

Société Générale Effekten GmbH
Frankfurt am Main

Amended Group Management Report
for the financial year from January 1 to December 31, 2024

A. Basic information about the Group

I. Preliminary remarks

Société Générale Effekten GmbH (SGE), Frankfurt am Main, acquired the equity of Société Générale Securities Services GmbH (SGSS), Aschheim, and ALD Lease Finanz GmbH (ALD LF), Hamburg, including its subsidiaries, with the execution of the purchase agreement on January 1, 2017. Based on the rules set forth under Section 290 of the German Commercial Code (*Handelsgesetzbuch*, HGB) and Section 117 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG), SGE is obligated to prepare consolidated financial statements and a Group management report at December 31, 2024.

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 100% subsidiary of Société Générale S.A. Frankfurt, which is a branch of Société Générale S.A., Paris (SG). The business purpose of the Company is the issuance and sale of securities and the acquisition, sale, holding, and management of equity interests.

The securities issued by SGE are offered publicly in one or more countries of the European Economic Area or Switzerland. Moreover, SGE may apply to have its securities admitted to trading in an organized market or multilateral trading system in the European Economic Area or a Swiss stock exchange. At the present time, SGE's securities are admitted for trading on the stock exchanges in Frankfurt, Stuttgart, Madrid, Barcelona, Milan, Paris, Stockholm, and Zurich.

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

The parent company guarantee can be viewed at:

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

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

ALD LF is an independent automobile leasing company not affiliated with any manufacturers and has its registered head office in Hamburg. Its aspiration is to promote the independence of car dealerships with its service portfolio and to increase their profitability.

Together with cooperation partners, particularly 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 products in the dealership (sales financing and leasing, purchase financing, and insurance) that enhance the loyalty of customers to the dealership and thus increase earning opportunities. As a subsidiary of ALD LF, BDK also works together with several manufacturers and importers, assuming a portion of the captive business up to and including the complete services of a manufacturer bank.

Digital services, which support dealers in the digital transformation by enabling them to effectively reach customers online, are an important part of our product portfolio. Such products include the DIGEO New Car Configurator and the DIGEO Customer Calculator as tools to be integrated into dealers' websites, the omni-channel solution ju-connect, the digital financing application, and our used car platform JuhuAuto.

All essential sales and processing functions are performed as part of the services provided by employees of BDK. Therefore, the cooperation partners and customers receive the services for all products from one 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). The business model of SGSS involved the management of investment funds under the so-called Master AMC Model, as well as the in-sourcing of fund management from other asset management companies. Direct investments continued to be managed. This service was provided primarily to European customers. The AMC business and the administration of direct investments were completely discontinued as of 12/31/2022.

The discontinuation of all the business operations of SGSS as of 12/31/2013 was decided by resolution of the Supervisory Board dated 11/14/2022 and by resolution of the shareholder on the same date. After that, the company will be continued only on an administrative basis. The operating divisions have been terminated.

The shareholder has promised to support an orderly process until the final liquidation of the company and to maintain the existing profit transfer agreement until that time. Sufficient liquidity will be assured by absorbing the losses incurred under the profit transfer agreement.

III. Internal management system

Due to the different business models of the individual Group companies, Group management is carried out locally in the individual segments and a differentiation is made between the segments of 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). Please refer to our comments in B. IV. for the performance indicators and key figures applied with respect to these management activities.

B. Economic report

I. General economic conditions and sector-specific environment

The recession that began in Germany in 2023 continued in 2024. After contracting by 0.3% in 2023, German gross domestic product contracted further by 0.2% in 2024.[1] Geopolitical difficulties, particularly the Ukraine war and the Middle East conflict, are major factors contributing to the ongoing decline in economic growth, although other factors such as the political debates in Germany concerning migration, economic policy, and government spending are also significant. The political strife climaxed in December 2024 when the so-called "traffic-light coalition" of German political parties fell apart, leading to the dissolution of the German parliament and the announcement of new elections to be held in February 2025.[2] The difficult political situation within Germany caused great uncertainty among businesses and the population at large. Declining construction investment, business investment, and exports, particularly to China, are other key factors contributing to the weakness of the German economy.[3]

The inflation rate in Germany was considerably lower in 2024 than in 2023. Whereas inflation reached 5.9% in 2023, the inflation rate in 2024 was only 2.2%. The prices of energy products fell by 3.2% in 2024 after having risen sharply again in 2023. On the other hand, prices for services increased substantially by 3.8%.[4] In reaction to the declining rate of inflation, the European Central Bank began to lower interest rates for the first time in June 2024.[5] After five further rate cuts, the base interest rate after the last interest rate cut in March 2025 came to 2.65%.[6]

The state of the German economy is still heavily influenced by the country's two biggest trade partners, China and the United States. China's economy is estimated to have grown by 5% in 2024, which is somewhat slower than the 5.2% growth registered in 2023 and only barely hitting the stated growth target of 5%. Chinese gross domestic product recovered in the fourth quarter of 2024 after contracting in the second and third quarters.[7] Since April 2024, moreover, Chinese exports have risen sharply by 10.7% as of December 2024, after the substantial 5% decrease in 2023.[8] However, the volume of trade between Germany and China fell by 3.1% in 2024, so that the United States was again Germany's biggest trading partner in 2024 for the first time since 2015.[9] Accordingly, the forecasts for China's growth potential in 2025 are rather pessimistic, averaging only 4.4%.[10]

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1 German Federal Office of Statistics (01/15/2025). Gross Domestic Product Declined by 0.2% in 2024. https://www.destatis.de/DE/Presse/Pressekonferenzen/2025/bip2024/pm-bip.pdf?__blob=publicationFile&v=6 (02/20/2025).

2 German Federal Parliament (12/27/2024). Steinmeier Announces Dissolution of the German Federal Parliament and New Elections. https://www.bundestag.de/presse/hib/kurzmeldungen-1035368 (02/21/2025).

3 Hamburg Institute of International Economics (December 2024). Economic Forecast Germany Winter 2024". https://www.hwwi.org/wp-content/uploads/2024/12/HWWI_Konjunkturprognose_4_2024.pdf (03/31/2025).

4 German Federal Office of Statistics (01/16/2025). +2.2% Inflation Rate in 2024. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_020_611.html (02/20/2025).

5 European Central Bank (06/06/2024) Monetary Policy Decisions. https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.mp240606~2148ecdb3c.de.html (02/20/2025).

6 European Central Bank (03/06/2025). Monetary Policy Decisions. https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.mp250306~d4340800b3.de.html (03/12/2025).

7 Statista (01/17/2025). China: Growth of Real Gross Domestic Product (GDP) from Q4 2021 to Q4 2024. https://de.statista.com/statistik/daten/studie/179388/umfrage/wachstum-des-bruttoinlandsprodukts-bip-in-china-nach-quartalen/ (02/21/2025).

8 Statista (02/14/2025). China: Relative Change in Export Volume from December 2023 to December 2024. https://de.statista.com/statistik/daten/studie/173902/umfrage/veraenderung-der-monatlichen-exporte-aus-china-gegenueber-dem-vorjahresmonat/ (02/21/2025).

9 German Federal Office of Statistics (02/19/2025). After Nine Years, United States is Again Germany's Most important Trading Partner in 2024. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/02/PD25_063_51.html (02/21/2025).

10 German Economic Institute (02/21/2025) 5-Percent Target Just Barely Achieved: China's Growth Is Running Out of Steam. https://www.iwkoeln.de/studien/gero-kunath-chinas-wachstum-geht-die-puste-aus.html (02/21/2025).

The U.S. economy expanded by 2.8% in 2024.[11] As in Germany, inflation also subsided in the United States compared to the previous year.[12] For this reason, the U.S. central bank has likewise lowered its base interest rate in several steps since September 2024.[13]

Gross domestic product in the Eurozone expanded by 0.7% and in the EU by 0.9% in 2024.[14] In both these cases, the rate of economic growth exceeded that in 2023. The EU-wide unemployment rate was 5.9%, corresponding to about 13 million unemployed persons, in November 2024. As in the previous year, the Eurozone unemployment rate of 6.3% was again higher than the EU-wide unemployment rate.[15]

Issuance business

With a market share of currently 21%, SG Effekten GmbH is the European market leader in public distribution, being represented in more than 20 countries, and it has received multiple awards as Europe's best issuer of certificates. Thanks to significant structural growth potential in the coming years, SG Effekten GmbH is ideally positioned to continue playing a leading role in the European issuance market.

SGE's objective is to continually extend the Company's market position in Germany and in the European market for listed products and to become a leading issuer.

The complexity of regulation and supervision remains very high (capital requirements, detailed requirements for risk management systems; information and frequency of disclosure obligations, amended prospectus laws). Under a European Union Directive (2020/1989), the Company is obligated to publish its consolidated financial statements and Group management report in the Register of Companies (Register of Companies) in the new European Single Electronic Format (ESEF).

Automobile industry

In total, 2,817,331 new cars were registered in 2024, that being 1.0% less than in the previous year.

After the discontinuation of government subsidies in 2023, the share of battery electric vehicles (BEVs) fell sharply to 13.5% (PY: 29.5%). Hybrid electric vehicles (HEVs) accounted for 33.6% (PY: 29.5%) of new car registrations.

At 35.2%, gasoline-powered automobiles represented a higher share of new car registrations than in the previous year (34.4%); diesel-powered automobiles accounted for 17.2% (PY: 17.1%) of total new car registrations.

In the category of import brands, Peugeot (+44%), Volvo (+39,3 %), and Citroen (+32,9%) increased their new vehicle registrations. Polestar (-49.4%) and Tesla (-41.0%) saw

[11] Bureau of Economic Analysis (01/30/2025). Gross Domestic Product, 4th Quarter and Year 2024 (Advance Estimate). https://www.bea.gov/news/2025/gross-domestic-product-4th-quarter-and-year-2024-advance-estimate (02/21/2025).
[12] Statista (01/14/2025). Monthly 12-month Inflation Rate in the United States from November 2020 to November 2024. https://www.statista.com/statistics/273418/unadjusted-monthly-inflation-rate-in-the-us/ (02/24/2025).
[13] Statista (02/04/2025). Monthly Federal Funds Effective rate in the United States from July 1954 to January 2025. https://www.statista.com/statistics/187616/effective-rate-of-us-federal-funds-monthly/ (02/24/2025).
[14] Eurostat (02/14/2025). 0.1% Rise in Eurozone GDP and Employment. https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-14022025-ap (02/24/2025).
[15] Eurostat (01/07/2025). 6.3% Unemployment Rate in the Eurozone. https://ec.europa.eu/eurostat/de/web/products-euro-indicators/w/3-07012025-bp (02/24/2025).

considerably fewer new vehicle registrations. Fiat (-24.8%), Renault (-20.4%), and Hyundai (-9.4%) also had fewer new registrations.

The used-car market expanded by 7.4% to 6,479,953 title transfers.

As a brand-independent automobile financier, the Group company ALD LF issued fewer new car loans than in the previous year and thus underperformed the market.

Asset Management

Due to the discontinuation of customer-related business activities as of December 31, 2023, the developments of the investment fund industry are no longer relevant to the economic situation of Société Générale Securities Services GmbH.

II. Business developments

Global Banking and Investor Solutions

Issuance activity in financial year 2024 increased by 29.4% over the level of the previous year (2024: 704,342 issued products; 2023: 544,197 issued products). The increased issuance activity is attributable to the high level of customer activity, which led to an expansion of the program.

In total, 31,345 investment products (PY: 28,925) were issued in 2024. In the category of products without capital protection, 15,012 products were issued as discount certificates, 13,068 products as bonus certificates, 2,492 products as reverse convertibles, 383 products as index/participation certificates, and 7 products as express certificates. In the category of products with capital protection, 383 products were issued as capital protection certificates.

Furthermore, 672,997 leverage products were issued (PY: 515,272). In addition to 463,119 products with knock-out options, 157,601 products were issued as warrants, and 52,277 products as factor certificates in the category of products without knock-out options.

The German market accounted for 79% of total issuance activity and foreign markets for 21% (of which: 49% France, 30% Scandinavian market, 9% Switzerland, 3% Benelux, 4% Iberian market, 5%Italy).

The subsidiary ALD Finanz Lease GmbH, Hamburg, acquired in 2017 continued to hold its own in a difficult market environment, although its profits declined. The profit decrease resulted mainly from the smaller lease portfolio, lower loan volumes of the subsidiary BDK, and lower results from the resale of leased vehicles at the end of their lease terms. The impairment loss of EUR 515 thousand recognized previously in the Group’s equity stake in Société Générale Securities Services GmbH, which reduced the purchase price to EUR 1.00, was reaffirmed on the basis of the expected trend of future profits.

In view of the expanded level of issuance activity, the Group’s overall performance in the 2024 financial year can be regarded as positive.

Financial Services to Corporates and Retails

The volume of new sales financing loans reached EUR 1,223 million in 2024, that being 1% less than in the previous year.

The volume of loan receivables in the sales financing segment declined by 5.6% to EUR 3,425 million (2023: EUR 3,630 million), while the number of loan accounts declined by 10.7% to 269,688 (2023: 301,836).

As a result of repeatedly raising our interest rates in 2023 in reaction to the sharp rise in funding costs, we lost more dealers as active intermediaries than we had expected. In the past financial year, we offered basically competitive terms and were able to increase the volume of new loans with special, limited-duration campaigns.

However, we were not able to achieve the substantial increase in new loans that we had anticipated at the date of the previous year's annual report.

After having risen in financial year 2023, dealers' inventories normalized in the past financial year.

Accordingly, the utilization of purchase financing loans declined by 24% to EUR 583 million at the end of 2024. This was in line with our expectations at the date of the previous year's annual report.

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

Financial year	2020	2021	2022	2023	2024
Portfolio additions	19,456	17,024	12,975	11,153	8,806
Vehicle portfolio	75,141	67,782	60,075	50,663	39,269

Asset Management

The purpose of Société Générale Securities Services GmbH is to fulfill the commitments to former investors of domestic investment funds and EU investment funds that had been managed by the Company in the past, and to fulfill the commitments arising after the termination of the business relationship with other customers for which the Company had performed other activities related directly to the administration of investment funds.

Income was generated primarily from the reversal of provisions. Therefore, the profit as at December 31, 2024 amounted to EUR 2.9 million. Net banking income declined by -74.1% from the previous year to EUR 2.7 million. Operating expenses declined from EUR -19.5 million to EUR +0.1 million.

Overall assessment

In consideration of the developments in the individual segments described above, the Group's business performance is to be considered satisfactory in the 2024 financial year from the perspective of the Management, despite the difficult economic conditions.

III. Financial position, cash flows and liquidity position, financial performance

a) Financial performance

The SGE Group's financial performance encompasses the period from January 1 to December 31, 2024.

	In EUR millions 2024	In EUR millions 2023
Net interest income	111	141
Net commission income	12	13
Net result from financial transactions	0	2
Result from other activities	9	5
Net banking income	**131**	**161**
Personnel expenses	(48)	(54)
Other administrative expenses	(27)	(27)
Depreciation, amortization and impairments	(6)	(6)
Gross operating result	**50**	**74**
Risk expenses	(9)	(9)
Operating result	**42**	**65**
Net result from discontinued operations	3	11
Earnings before taxes	**44**	**54**
Net profit/loss (Group share)	**44**[16]	**54**[17]

Net interest income in the 2024 financial year amounted to EUR 111 million and was mainly generated in the lending and leasing business of the Financial Services to Corporates and Retail segment. Net commission income amounted to EUR 12 million in financial year 2024. It was mostly generated in the Financial Services to Corporates and Retails segment.

The result from other activities in the amount of EUR 9 million is mainly attributable to the Financial Services to Corporates and Retail segment and particularly includes expenses and income from operating leases under lessor relationships.

Consolidated net banking income amounted to EUR 131 million.

Key expense items in the Group include personnel expenses and other administrative expenses. Personnel expenses amounted to EUR 48 million and other administrative expenses amounted to EUR 27 million, both incurred primarily in the Financial Services to Corporates and Retail and Asset Management segments.

[16] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[17] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

After taking non-controlling interests into account, the Group's net profit amounted to EUR 44[18] million in financial year 2024.

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

Global Banking and Investor Solutions

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

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

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

This segment incurred a loss of EUR 5.7 million in financial year 2024. This loss is mainly attributable to the difference in income collected under the cost-plus arrangement, losses on financial instruments measured at fair value through profit or loss, and interest expenses of EUR 6.1 million for the loan extended by Société Générale S.A. Frankfurt for the acquisition of equity interests in ALD LF and SGSS.

Financial Services to Corporates and Retails

Net interest income declined from EUR 141 million in the previous year to EUR 117 million in 2024.

Net commission income fell to EUR 12 million from the previous year. The decrease was due to the lower volume of new business and the lower level of commissions resulting from the amended Insurance Mediation Directive as of July 1, 2022, which had the effect of reducing the amount of commissions.

Risk provisions amounted to EUR 8.5 million in 2024 (PY: EUR 9.3 million).

The segment's net banking income amounted to EUR 46.9[19] million (PY: EUR 69.1[20] million).

Asset Management

The Asset Management segment generated net banking income of EUR 2.7 million in financial year 2024, mainly from commission income in the amount of EUR +1.7 million, net interest income and similar income in the amount of EUR -0.3 million, and income from other activities in the amount of EUR +2.3 million, which was partially reduced by expenses for other activities in the amount of EUR -1.0 million.

[18] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[19] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[20] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

Total expenses amounted to EUR +0.1 million (net profit) in financial year 2024. They were mainly composed of administrative expenses in the amount of EUR -1.6 million, depreciation, amortization and impairments of non-current assets in the amount of EUR -0.4 million, and employee benefits in the amount of EUR -0.2 million. These expenses were more than offset by expenses charged to other companies of the Group (EUR +2.4 million). This profit consisted of reversals of unutilized provisions from 2023.

Overall, a profit of EUR 2.9 million was generated in discontinued operations.

b) Cash flows and liquidity position

The nature and execution of the Group's business activities are oriented towards 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 segment of Global Banking and Investor Solutions, cash transactions involving warrants and certificates arise from the issues and the corresponding hedging transactions, the payment of personnel expenses and other operating expenses, and the charging of these 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 borrows funds particularly from Société Générale S.A., Paris, at a fixed interest rate with bullet maturity or an amortizing structure to fund its leasing activities. We adhere to the principle of funding based primarily on matching maturities.

Credit lines have also been agreed with Société Générale S.A. and other financial institutions in order to ensure basic liquidity on the basis of the business plan. At the reporting date, Société Générale S.A. Frankfurt Branch disposed of a credit line with SG Effekten in the amount of EUR 10 million, of which EUR 4,352 thousand had been drawn down at the reporting date, and credit lines in the Financial Services to Corporates and Retails segment totaling EUR 4,900 million, of which EUR 2,027 million had not been drawn down.

In the Financial Services to Corporates and Retails segment, we also use the instrument of securitized loan receivables. To date, receivables have been bundled and publicly placed in 11 special-purpose entities under the name "Red & Black", which are used for the securitizations of the Société Générale Group. There were four active special-purpose entities (PY: four active special-purpose entities) at the reporting date. They amounted to EUR 1,556 million at the reporting date (PY: EUR 1,758 million).

The Group held liquid funds of EUR 138.6 million at December 31, 2024 (December 31, 2023: EUR 82.6 million) (see Note 4.4).

Liabilities to banks fell to EUR 3,294 million at December 31, 2024 (December 31, 2023 : EUR 3,546 million), mainly due to lower term deposits.

Compared to December 31, 2024, other liabilities decreased by EUR 125.3 million to EUR 144.1 million (see Note 7.3).

Provisions amounted to EUR 77.3 million (December 31, 2023: EUR 83.8 million).

Off-balance sheet transactions and other commitments in the form of guarantee commitments and certificate transactions amounted to EUR 200 million at December 31, 2024.

c) Financial position

The statement of financial position mainly includes the item of issued securities and the associated hedging transactions; the amount of the latter varies in dependence on the Group's issuance activity.

Compared to December 31, 2024, total assets rose by EUR 98.3 million to EUR 9,148 million. This increase resulted mainly from the increase in financial assets measured at fair value through profit or loss.

Compared to December 31, 2024, receivables from customers decreased by EUR 388.3 million to EUR 3,952 million. These receivables mainly consisted of installment loans in connection with sales financing in the Financial Services to Corporates and Retail segment. The loans granted in sales financing were installment loans with pre-agreed terms and fixed interest rates.

Receivables from banks in the amount of EUR 138.6 million mainly consisted of short-term deposits at Société Générale S.A. and Deutsche Bank AG.

The noncurrent assets of EUR 237.4 million (December 31, 2023: EUR 319.7 million) consisted mainly of lease assets in the amount of EUR 207.8 million (December 31, 2023: EUR 286.9 million), and intangible assets in the amount of EUR 1.9 million (December 31, 2023: EUR 2.5 million).

Receivables under leases amounted to EUR 452.1 million at December 31, 2024 (December 31, 2023: EUR 495.9 million).

Other assets (EUR 197 million) consisted mainly of prepaid expenses in the amount of EUR 81 million (December 31, 2023: EUR 80 million) and Other receivables in the amount of EUR 118 million (December 31, 2023: EUR 217 million), less impairments of EUR 2 million (December 31, 2023: EUR 3 million).

The liabilities of EUR 9,130million consisted mainly of financial liabilities measured at fair value through profit or loss in the amount of EUR 4,046 million and liabilities to banks in the amount of EUR 3,294million resulting from the funding of the lending and leasing business and the borrowing of loans to acquire subsidiaries.

The Group's equity amounted to EUR 18 million at December 31, 2024 (December 31, 2023: EUR 15 million). For more information on this subject, please refer to Note 10 of the notes to the consolidated financial statements and the statement of changes in equity.

Overall assessment

In consideration of the developments in the individual segments described above, both the Group's business performance and its financial position, financial performance, and cash flows in the 2024 financial year are to be assessed as satisfactory on the whole from the perspective of the Management.

IV. 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 of 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 management of the issuance vehicle is based on the engineering of new products and the related, targeted placement of securities with investors. The issuance volume as measured by the number of products issued is applied as the key performance indicator for SGE.

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 is continuously adjusting its systems and control procedures and adding to its internal procedures as needed. Financial accounting processes and controls are continually reviewed and adjusted when necessary. No other non-financial performance indicators are used.

Financial Services to Corporates and Retails

The net result, the cost/income ratio, return on equity (RoE), and the volume of new business are applied as financial performance indicators in the Financial Services to Corporates and Retails segment.

The net result of EUR 46.9[21] million in 2024 was modestly lower than in the previous year (EUR 69.1[22] million). The net result for 2024 had been forecast to be EUR 36.7 million.

The RoE is the ratio of the result after taxes, including subsidiaries, to standardized equity. The RoE before profit transfer had been forecast to be 10% in financial year 2024. The realized RoE of 9.7% was slightly below the forecast.

The C/I ratio of 62% was slightly better than in 2023 (63.7%). The C/I ratio for financial year 2024 had been forecast to be 61.5%.

The number of new leases is applied as another key performance indicator. 8,806 new leases and 64,370 new financing agreements were concluded in financial year 2024. 13,392 new leases and 88,214 new financing agreements had been forecast for 2024.

Asset Management

The service offering of Société Générale Securities Services GmbH was completely discontinued as of December 31, 2023. The purpose of Société Générale Securities Services GmbH is to fulfill the commitments to former investors of domestic investment funds and EU investment funds that had been managed by the Company in the past, and to fulfill the commitments arising after the termination of the business relationship with other customers for which the Company had performed other activities related directly to the administration of investment funds. For this reason, neither financial nor non-financial performance indicators are applied for SGSS.

[21] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".
[22] The previous-year figures have been adjusted on the basis of a correction according to IAS 8.41 and explained separately under Note 1 in the section entitled "Adjustments".

C. Report on the future development, opportunities and risks of the Group

I. Expected development of the Group (Forecast Report)

General economic conditions

The adverse factors that led to a contraction of gross domestic product in 2024 will continue to influence the German economy in 2025. Nonetheless, Germany could experience a modest economic upturn in the first quarter. Although business investment will remain low due to persistent uncertainty, difficult financing conditions, and low capacity utilization, demand in the construction and manufacturing sectors has risen of late. Thanks to substantial wage increases, there is a strong potential for higher consumer spending, although it will be dampened by the rather negative outlook for the labor market. The recent, highly unfavorable trend of exports of up to -8.5% could be less pronounced in the first quarter.[23] However, the United States has recently announced high additional tariffs on EU products, which could have a massively negative impact on German exports.[24] According to forecasts, Germany can expect low economic growth of 0.3% in the full year 2025.[25] Nonetheless, there remains a tendency to stagnation.

In January 2025, the year-over-year inflation rate in Germany was 2.3%, that being 0.2% lower than at the end of 2024. This decline is probably attributable primarily to the more moderate rate of increase in food prices and the decrease in energy prices. However, prices for services continued to drive inflation higher, as they did throughout 2024. From the level in January 2024, prices for services rose by 4% in 2024, that being considerably higher than the overall rate of inflation.[26] Food prices can be expected to rise at a faster rate again in the further course of the current year as the influence of falling energy prices on the overall rate of inflation subsides and prices for services will only slowly come down. Thus, the inflation rate will probably remain high in 2025, although it should draw closer to the 2% target.[27]

Since March 2025, the base interest rate has been 2.65% after repeated cuts. The ECB‘s Governing Council is confident in the progress of disinflation and likewise expects inflation to reach the 2% target and remain stable at that level. Nonetheless, the European Central Bank prefers to no longer commit itself to a clear path of interest rates. Instead, decisions regarding interest rates will be made on the basis of current information and data at each meeting of the

[23] Statista (02/07/2025). Change in German export volume compared to the same month last year from December 2023 to December 2024. https://www.statista.com/statistics/1304303/export-volume-monthly-change-germany/ (02/27/2025), German Bundesbank (02/24/2025). The Economy in Germany. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=konjunktur-in-deutschland-950650 (02/25/2025).

[24] European Parliament (02/13/2025). Trade between the EU and the United States: Potential Impacts of New Tariffs on Europe. https://www.europarl.europa.eu/topics/de/article/20250210STO26801/handel-zwischen-der-eu-und-den-usa-mogliche-auswirkungen-neuer-zolle-auf-europa#warenhandel-3 (02/27/2025).

[25] Statista (01/27/2025). IMF Forecast: Growth of Real Gross Domestic Product (GDP) in the Most Important Industrialized and Emerging-Market Countries in the Years from 2023 to 2026. https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/ (02/24/2025).

[26] German Federal Office of Statistics (02/13/2025). Inflation Rate at +2.3% in January 2025. https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/02/PD25_055_611.html (02/24/2025).

[27] German Bundesbank (12/13/2024). Germany Forecast: Significantly Dimmed Growth Outlook; Inflation to fall Back to 2%. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-dezember-2024-947558?article=deutschland-prognose-wachstumsausblick-deutlich-eingetruebt-inflation-geht-zurueck-auf-2--947440 (02/24/2025).

Governing Council. Given the positive trend of disinflation, the European Central Bank expects that the rate of inflation will only average 2.1% in 2025.[28]

Compared to December 2024, the unemployment rate rose by 0.4% to 6.4%, corresponding to 186,000 additional unemployed persons, in January 2025. Thus, the total number of unemployed persons came to 2,993,000 in January 2025, exceeding the total number of unemployed persons in January 2024 by 187,000.[29] The average unemployment rate in 2024 was 6.0%, that being 0.3% higher than in 2023.[30] According to forecasts, unemployment is expected to rise in all of Germany's federal states in 2025, causing the unemployment rate to rise to 6.1%.[31]

Global Banking and Investor Solutions

The Management anticipates a moderate increase in the issuance volume, which should rise by 5% to 10% over the level in 2024. As in the previous years, a broad range of warrants and certificates will be offered in 2025. In particular, the Company's European presence will be expanded further. Furthermore, an increased volume of follow-up issues of turbo warrants must be expected when barrier levels are breached in a volatile market environment.

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

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

Financial Services for Corporates and Retails

The net result is expected to improve to EUR 39.3 million in 2025.

In line with the improved net result, RoE is expected to rise to 10.7% in 2025.

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

Overall, we anticipate a substantial increase in the volume of new business, particularly including 14,900 leases and 100,000 new financing agreements. We anticipate a similar development for our subsidiary BDK.

A change in the political framework could give rise to opportunities and risks for our business. In addition, renewed price or interest rate increases could result in a lower volume of new business. Therefore, uncertainty concerning the development of the Company's business remains high.

[28] German Bundesbank (02/24/2025).Monetary Policy and Banking Industry. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=geldpolitik-und-bankgeschaeft-950646 (02/25/2025).

[29] German Federal Employment Agency (01/31/2025). Labor Market in January 2025. https://www.arbeitsagentur.de/presse/2025-06-arbeitsmarkt-im-januar-2025 (02/25/2025).

[30] German Federal Employment Agency (01/03/2025). Annual Review 2024. https://www.arbeitsagentur.de/presse/2025-02-jahresrueckblick-2024 (02/25/2025).

[31] Institute for Labor Market and Occupational Research (10/07/2024). Weak Development of Regional Labor Markets. https://doku.iab.de/kurzber/2024/kb2024-20.pdf (02/25/2025).

Asset Management

Due to the discontinuation of the customer business, Société Générale Securities Services GmbH expects to generate only a small amount of income from retentions under class-action lawsuits, withholding tax refunds, and the subletting of office space.

Société Générale Securities Services GmbH anticipates relatively low operating expenses, mainly consisting of personnel expenses, legal expenses, and services provided by Société Générale Frankfurt to SGSS.

An operating loss of approximately EUR 0.2 million is forecast for 2025.

Overall assessment

Based on the profit transfer agreements in effect, the Company expects a profit contribution of EUR 39.3 million from ALD Lease Finanz GmbH and a loss contribution of approximately EUR 0.2 million from Société Générale Securities Services GmbH in 2025.

Including the interest incurred on the loans in the amount of approximately EUR 7.0 million and the reimbursements made on the basis of the cost-plus agreements, we therefore expect a result of approximately EUR 32.1 million before the profit transfer to Société Générale Frankfurt.

Based on the existing credit line with Société Générale Frankfurt Branch for 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. With respect to the risk management of SGE's business with warrants and certificates at the level of the SGE Group, it should be noted that all accruing risks are transferred to the Société Générale Group under a "Global Guarantee."

Risks incurred by the sub-group 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 risks
- Market price and residual value risks
- Liquidity risks
- Operational risks
- Business and reputation risks
- Compliance risks

Risk strategy

Each Group company has its own risk strategy that is based on the respective company's business strategy and which defines the goals and actions for each 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 to the type of risk, as well as the training and continuing 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."

Protests and complaints are recorded in another central database, analyzed monthly, and reported to the Management and all department heads. Specific measures to reduce risk are devised with the use of these instruments.

a) Counterparty default risks

Global Banking and Investor Solutions

The Company is not exposed to settlement risks since payments from the sale of issued securities always offset payments for hedges and payments related to the exercise of warrants. Receivables from the concluded counter-transactions are owed exclusively by Société Générale S.A., Paris. The creditworthiness of Société Générale S.A., Paris, and its subsidiaries is the determining factor for assessing the Company's risk.

Financial Services to Corporates and Retails

The Risk & Finance Department manages and monitors the Bank's credit risks. Credit assessments that have a bearing on the granting or rejection of credit are conducted in this department. From a defined credit volume, credit decisions are made in cooperation with Société Générale's Loan Department and BDK's Supervisory Board.

In the area of purchase financing, we manage 754 exposures, with the 10 largest borrowers accounting for 32% of the granted credit lines. The Risk & Finance Department prepares a quarterly risk report for the Management and the Supervisory Board of BDK. This is a component of the Bank's risk report and is presented to the full Supervisory Board on a quarterly basis. Moreover, the Bank's Risk Committee, which is composed of representatives of the front office and back office functions, meets every quarter to analyze the current risk situation and adopt appropriate measures.

In the sales financing business, we have a comparatively low level of individual risks due to broad diversification. The 10 largest borrowers account for 0.3% of the total sales financing portfolio.

The credit decision in sales financing is made on the basis of a standardized and system-supported credit decision-making process primarily in the Decision & Support Department. Larger individual loans are additionally voted on and decided in the CRM-CF Department of the Risk & Finance Division.

The ABS Transactions Nos. 8 to 11 were divided into 5 tranches. As in the preceding transactions, the Class A issues (issue volume: EUR 935 million, EUR 705 million, and.

EUR 567 million, respectively) bear an AAA rating. Classes B–D of ABS Transaction No. 8, which bear ratings AAA, A+, A-, respectively AA+, A, and BBB+, were placed in October 2021. Classes B-D of ABS Transaction No. 9, which bear ratings AA, A+, BBB, respectively AAA, A+, and BB+, were placed in October 2022. Classes B-D of ABS Transaction No. 10, which bear ratings AA+, A+, A, respectively AA+, AA-, and BBB, were placed in October 2023. Classes B-D of ABS Transaction No. 11, which bear ratings of AAA, AA, A+ respectively AA+, A, and BBB+, were placed in October 2024. The ABS transactions are represented by the Red & Black Auto Germany companies listed in the consolidation group.

Acute and latent credit risks are accounted for by forming risk provisions in accordance with the rules of IFRS 9.

Please refer to Note 4.8 of the notes to the consolidated financial statements for details on the method of calculating risk provisions in accordance with IFRS 9.

The valuation allowance rates range between 0.25% and 100%, depending on the payment default and status of the loan. In total, the specific valuation allowances recognized for credit risks amount to 1.4% of the sales financing portfolio (PY: 1.3%).

The specific valuation allowance rates in dealer financing for non-defaulted loans range as high as 10.32%, depending on the classification. The specific valuation allowances for defaulted loans are determined by analyzing each case individually. In total, specific valuation allowances have been established in the amount of 1.3% (PY: 1.5%) of the purchase financing portfolio.

Carrying amounts are reduced by the respectively applicable valuation allowances.

The total amount of expected and unexpected credit risks (credit value at risk) at the reporting date was EUR 82 million (PY: EUR 89 million / confidence level 99.9%).

There are no counterparty and country risks. Sustainability risks must also be mentioned in this context. Sustainability risks are possible events or conditions in the areas of environment, social or governance that would actually or potentially have adverse effects on the financial position, financial performance and cash flows, and the reputation of ALD Lease Finanz GmbH. Such risks include climate-related risks in the form of physical risks and transition risks. Sustainability risks are taken into consideration in the corresponding risk types.

The effects of sustainability risks on the risk types are assessed and estimated as part of the risk inventory process and then applied in the assessment of the individual risk types. The same procedure is applied in the treatment of sustainability risks in the conduct of stress tests. To this extent, sustainability risks are indirectly incorporated into the risk profile.

The ongoing shift of drive systems to electro-mobility and possible changes in the legal framework are potential transitional factors that could influence the Company’s future financial position and financial performance.

Please refer to our comments in Note 4.8 of the notes to the consolidated financial statements for additional information on credit risks.

Asset Management

There are no counterparty default risks in the Asset Management segment.

b) Market price and residual market risks

Global Banking and Investor Solutions

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

Financial Services to Corporates and Retails

Residual value risk results from the leasing business of the Financial Services to Corporates and Retail segment.

The percentage of automobiles for which ALD LF bears the residual value risk is 32% (PY: 37%) of the total volume.

ALD LF calculates residual values on the basis of its own experience in marketing lease returns. In addition, the calculated residual values for individual models or model variants are checked against the residual value estimates of the DAT Group as a neutral external data source.

ALD LF relies on the expertise of its affiliate ALD AutoLeasing D GmbH in classifying new automobile 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 with due regard to the final invoices at the end of the contract. This goal was largely surpassed in the past year. In the coming years, however, it must be expected that losses will be incurred on the resale of lease returns in some cases. A provision amounting to EUR 6.1 million (PY: EUR 7.4 million) has been recognized to account for these anticipated losses on the resale of lease returns.

We expect a generally positive marketing result in 2025.

In connection with IT agreements, the Company is subject to payment commitments in foreign currencies. To limit currency risks, the Company maintains a bank account in British pounds, the amount of which corresponds to the expected costs over a one-year horizon. No further currency risks exist.

Interest rate risk is managed by means of an interest rate sensitivity report, which is prepared and analyzed on a monthly basis by the Controlling Department. In order to measure risk, the key figure “sensitivity” is used, which makes a statement regarding 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 expected on the basis of the assumed scenarios, which

particularly include the scenarios required by the Supervisory Board, was EUR 9.5 million as of December 31, 2024 (PY: EUR 14.9 million).

A risk potential of EUR 5.3 million was determined for liquidity risk at the end of 2024 (PY: EUR 8.4 million).

The ABS Transaction Nos. 8 to 11issued in the years 2021 to 2024 were divided into five tranches. BDK will hold the lowest-ranking Class E over the full term of the transaction. This tranche bears the anticipated risks of the sold portfolio.

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

For funding purposes, the Group employs short and medium-term funding resources and interest rate swaps.

Due to largely maturity-matched funding and the use of derivatives, there was no elevated interest rate risk on the reporting date. The intention is to hold all instruments until the end of their contracts.

Asset Management

There are no market price or residual value risks in the Asset Management segment.

c) Liquidity risks

Due to the integration with the Société Générale Group, there are no identifiable liquidity risks 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 the 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 risks are discernible at the present time due to the integration with the Société Générale Group.

As part of liquidity controlling, the management teams of the individual Group companies are also regularly informed of any liquidity risk. With respect to the management of liquidity risk, statistical analyses of the past are used, particularly for the purpose of forecasting early loan repayments. The funds' liquidity risks are monitored independently of this, using methods approved by the supervisory authorities.

At December 31, 2024, there was a total of EUR 2,027million in freely disposable credit lines for ALD and EUR 4 million for SG Effekten.

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

d) Operational risks

The Group strives to reduce its operational risks to a minimum. Société Générale S.A., Paris, has developed processes and systems to monitor and manage operational risks that are used

by the Group. These are based mainly on the principle of continuous monitoring. Processes are documented in specially designed applications and assessed on the basis of specified criteria in order to rule out losses from operational risks. In assessing operational risks, consideration must also be given to climate-related risks. Climate-related risks are divided into four sub-categories: physical risks (effects 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 resulting from adjustment processes), and adaptation risks (measures to prepare society and environment for the effects of climate change). The greatest risks for the Company are physical risks. To minimize these risks, precautionary measures have been implemented under the Business Continuity Plan (BCP) in order to maintain uninterrupted operations if the infrastructure is disrupted.

The same rules and principles that apply for Société Générale Effekten GmbH also apply for 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.

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

Operational risk is also reduced by the use of standardized loan agreements, the review of individual contracts by lawyers, published organizational guidelines and work instructions, and a well-functioning internal control system. Service providers are integrated into the control system by means of regular reporting and monitoring of outsourced activities.

In the Asset Management segment, an additional non-compliance risk (including legal and tax risks) has been identified. Non-compliance risk refers to the risk of contractual or regulatory penalties or fines or other material financial losses resulting from non-compliance with regulatory and contractual provisions. There is a general risk that the Group will be liable to recourse as a result of violations of statutory or contractual provisions or due to breaches of a duty to exercise due care and diligence vis-à-vis investors. The Group counters these risks particularly by means of the careful selection and continuing education of its personnel and the use of adequate controlling instruments. If necessary, external consultants are also brought in. Furthermore, the Group has extensive insurance policies (personal injury, property damage, financial losses, etc.) to protect against these risks. In connection with the management of special assets, compliance with statutory and contractual provisions is taken into account by means of organizational, personnel and technical measures. The business processes are performed with the aid of effective computer systems. Operational mistakes are systematically recorded and reported. The status of implementation of countermeasures is systematically monitored.

We were able to ensure through the described measures and processes that there were no significant losses resulting from operational risks within the Group in the following areas in 2024:

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

With regard to cyber-security, a lower risk of cyber-criminality was observed in 2024. The continuing implementation of the Group’s cyber-security strategy plan will further enhance cyber-security at SGE as well.

e) Business and reputation risks

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

Realized business risks 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 senior managers of the individual Group companies are responsible for risk management. SGE's management team focuses primarily on the "Global Guarantee" of the Société Générale Group. SGE's management determines the risk strategies and also decides on the design of the risk-bearing concepts, the economic capital to be included, and the amount of the assigned limits. There are no overarching risk management and controlling processes at the sub-group level of Société Générale Effekten GmbH due to the integration with the Société Générale Group.

With respect to both the procedural 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 risky transactions 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, authorities, or business partners in which we are either currently involved or which could arise in the future. In addition, the Group and its products are subject to constant 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 covered in full or in part by insurance benefits and which could have an impact on the Company and its results. Significant legal risks are covered by counter-guarantees given by the 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 laws, including monetary penalties and other financial disadvantages, that would have a negative impact on the Group's reputation, and ultimately have a negative impact on the success of its business.

Société Générale Securities Services GmbH has adequately provided for an ongoing case in the form of a guarantee by Société Générale S. A., Frankfurt Branch. Thanks to this guarantee, Société Générale Securities Services GmbH and Société Générale Effekten GmbH are not economically burdened by this case. The total amount of the guarantee is EUR 120 million. Therefore, the risks of these legal disputes are adequately covered.

III. Report on opportunities

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

Global Banking and Investor Solutions

The recent, highly unfavorable trend of exports of up to -8.5% could be less pronounced in the first quarter.[32] However, the United States has recently announced high additional tariffs on EU products, which could have a massively negative impact on German exports.[33] The IMF expects low economic growth of 0.3% in the full year 2025.[34] The investment strategy of investors is directly impacted by this uncertain economic outlook.

In order to offer the best possible selection of products, the Company's product range is adapted to reflect current market conditions on a daily basis. The economic uncertainty could prompt investors to shift their focus from traditional sectors to alternative sectors that are potentially less impacted by the current challenges. Such a shift would create opportunities for SGE to offer a broader range of products tailored to suit the changed preferences of investors.

The corporate strategy is geared to identifying opportunities at an early stage, assessing them by application of our risk management system and resource estimation, and utilizing them by taking appropriate measures to promote the Company's successful development. It is particularly important in a volatile market environment to react flexibly to the needs of investors and develop innovative products that are aligned with different sectors and investment trends.

Due to the Company's role as an issuance vehicle within the Group of Société Générale S.A., Paris, which covers all its risks with hedging transactions, a New Product Committee (NPC) established at the level of Société Générale S.A., Paris, oversees the conception of each new product. In this context, all departments involved in the issuance process inform the NPC of their respective requirements and resource allocations.

It is particularly important in a volatile market environment to react flexibly to the needs of investors and develop innovative products that are aligned with different sectors and investment trends.

The examination focuses on all relevant factors for the Company, such as markets, the competitive situation, strategic orientation, current organization, personnel, back office technical processing potential, and volumes. The risks present in financial year 2025 were examined in this way and the risk control measures were adjusted accordingly.

[32] Statista (02/07/2025). Change in German export volume compared to the same month last year from December 2023 to December 2024. https://www.statista.com/statistics/1304303/export-volume-monthly-change-germany/ (02/27/2025), German Bundesbank (02/24/2025)."The Economy in Germany". https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=konjunktur-in-deutschland-950650 (02/25/2025).

[33] European Parliament (02/13/2025)."Trade Between the EU and the United States: Potential Impacts of New Tariffs on Europe". https://www.europarl.europa.eu/topics/de/article/20250210STO26801/handel-zwischen-der-eu-und-den-usa-mogliche-auswirkungen-neuer-zolle-auf-europa#warenhandel-3 (02/27/2025).

[34] Statista (01/27/2025).IMF Forecast: Growth of Real Gross Domestic Product (GDP) in the Most Important Industrialized and Emerging-Market Countries in the Years from 2023 to 2026. https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/ (02/24/2025).

It is difficult to assess the outlook for financial year 2025 under the current conditions, particularly in view of the Ukraine-Russia conflict, the Middle East conflict, potential trade restrictions resulting from tariffs, and the high rate of inflation. Nonetheless, the Management expects that the Company's performance will continue to be positive.

In a volatile market environment characterized by uncertainties and geopolitical tensions, opportunities can also arise for SGE. Heightened volatility could lead to an increase in trading activity, which could have a positive effect on issuance volumes. In times like these, investors often seek out diversified investment products and innovative solutions to hedge their portfolios or benefit from market movements.

In addition, the proactive adjustment of the product portfolio to suit changing market conditions enables SGE to react flexibly to the needs of investors and tap new business opportunities. This strategic approach combined with robust risk management could put SGE in a position to benefit from the challenges of the market while also safeguarding the interests of investors.

All things considered, therefore, the Management believes that a positive business performance in 2025 is possible despite the prevailing uncertainties.

Financial Services to Corporates and Retails

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 regularly checked against the Group's strategy in meetings of the Board of Directors and in regular reports to Société Générale S.A., Paris.

As a manufacturer-independent leasing company originally established by automobile dealers, ALD sees itself, together with its subsidiary BDK, as a professional and reliable partner to automobile dealers. The Company seeks to promote the independence of motor vehicle businesses and enhance the profitability of automobile dealerships with its services.

The product portfolio covers the full range of financing processes related to the marketing of passenger vehicles: sales financing and leasing, purchase financing and insurance. Our financial service providers help increase profit opportunities for our trading partners while also bolstering the loyalty of customers to the given automobile dealership.

For this reason, our digital products, which are also geared to leasing and financing, have become increasingly important for car sales in the last few years. Digital products include the DIGEO New Car Configurator and the DIGEO Customer Calculator as tools to be integrated into the dealerships' websites, the omni-channel solution ju-connect, the Digital Financing Application, and our used car platform JuhuAuto. Moreover, our digitalization specialists in the field will advise dealerships in matters of the digital transformation.

In late 2019, we introduced a used car platform for our dealership partners under the brand name "JuhuAuto." The vehicles of our dealer partners are offered on this platform, which features an intuitive search function. The number of vehicles offered for sale on the platform rose to more than 100,000 over the course of 2024.

In addition, the Company pursues a strategy for marketing its lease returns on the basis of using selected dealership partners to sell the vehicles. Under this concept, lease returns are offered to end customers at the sales outlets of the Company's partners.

Thus, our sales success is closely associated with the success of our sales partners, and the cooperating dealerships. The collaboration with importers, dealership associations and their

members has been strengthened and enhanced in the last few years. More than 2,700 car dealerships utilized these services and sold the products to their customers in 2024.

Current risks are seen in the still uncertain development of the economic environment affecting the new and used car market.

Overall assessment

The recent, highly unfavorable trend of exports of up to -8.5% could be less pronounced in the first quarter.[35] However, the United States has recently announced high additional tariffs on EU products, which could have a massively negative impact on German exports.[36] The IMF anticipates low economic growth of 0.3% in the full year 2024.[37]

It is difficult to assess the outlook for financial year 2025 under the current conditions, particularly in view of the Ukraine-Russia conflict, the Middle East conflict, potential trade restrictions resulting from tariffs, and the high rate of inflation. Nonetheless, the Management expects that the Company's performance will continue to be positive.

The German Federation of Motor Trades and Repairs (*Zentralverband des Kraftfahrzeuggewerbes,* ZDK) anticipates a higher level of sales in the used-car market, with 6.8 million title transfers, due to high prices for new cars. BDK will benefit from this development because it primarily finances used cars. The Company anticipates a higher market share, a higher level of new business, and a higher volume of loans. However, attention must also be given to political uncertainties, potential interest rate increases, and potentially higher prices, which could pose risks for the development of new business.

D. Internal control and risk management system with respect to the financial accounting process

At the Group level, the Société Générale Group is subject to supervision by the French supervisory authority ACPR and since November 4, 2014, supervision by the European Central Bank; it is also subject to French bank regulations, 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 applied in every case.

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

[35] Statista (02/07/2025). Change in German export volume compared to the same month last year from December 2023 to December 2024. https://www.statista.com/statistics/1304303/export-volume-monthly-change-germany/ (02/27/2025). German Bundesbank (02/24/2025). The Economy in Germany. https://publikationen.bundesbank.de/publikationen-de/berichte-studien/monatsberichte/monatsbericht-februar-2025-928514?article=konjunktur-in-deutschland-950650 (02/25/2025).

[36] European Parliament (02/13/2025).Trade between the EU and the United States: Potential Impacts of New Tariffs on Europe. https://www.europarl.europa.eu/topics/de/article/20250210STO26801/handel-zwischen-der-eu-und-den-usa-mogliche-auswirkungen-neuer-zolle-auf-europa#warenhandel-3 (02/27/2025).

[37] Statista (01/27/2025). "IMF Forecast: Growth of Real Gross Domestic Product (GDP) in the Most Important Industrialized and Emerging-Market Countries in the Years from 2023 to 2026". https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/ (02/24/2025).

FIRST LINE OF DEFENSE

The first line of defense (LOD1) is the level of Business Units (BUs) and Support Units (SUs), which assume risks and bear direct responsibility for continuous 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 their 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:

- Groupwide control function;
- Continual second-level control activities.

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

- The Accounting Department is responsible for processes related to the preparation of accounting information;
- The Regulation Department is responsible for processes related to the preparation of supervisory or 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 within the scope of transaction processing. This includes a framework plan for risk management, i.e. security regulations and controls (including automated ones) within the scope of transaction processing or controls within the scope 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 belonging to the second line of defense. In this way, operational managers bear responsibility for risk assessment and management, as well as operational security, using inter alia 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 that report 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 or 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 risks, as well as structural risks such as liquidity risk and operational risks. Operational risks particularly include 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.

E. 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, May 30, 2025

The Management

Société Générale Effekten GmbH

Helmut Höfer	Timo Felix Zapf

Amended ESEF Documents of Société Générale Effekten GmbH at December 31, 2024

The reproductions of the consolidated financial statements and the Group management report prepared for publication purposes ("ESEF Documents") with the file name "529900W18LQJJN6SJ336-2024-12-31-0-de 1.zip" (SHA256 Hash Value: b0e0451aedec6ed630e3742ec40efb3700f70 d88c61cc94149dc34579cea8793) are available for download by the issuer in the protected client portal.

Auditor's Report by the Independent Auditor

To Société Générale Effekten GmbH, Frankfurt am Main

Report on the Audit of the Consolidated Financial Statements and Group Management Report

Audit opinions

We have audited the consolidated financial statements of Société Générale Effekten GmbH, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including significant information regarding accounting methods. In addition, we have audited the Group management report of Société Générale Effekten GmbH for the financial year from January 1 to December 31, 2024.

The Group management report contains a legally not required link to the parent company's guarantee. In accordance with the German legal regulations, we did not audit the content of this link and the information to which the link refers.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply with the IFRS accounting standards published by the International Accounting Standards Board (IASB) (subsequently referred to as the "IFRS Accounting Standards"), as they are to be applied in the EU, and additionally the applicable German legal requirements pursuant to Section 315e (1) HGB in all material respects, and give a true and fair view of the financial position and cash flows of the Group as at December 31, 2024 and its financial performance for the financial year from January 1 to December 31, 2024 in accordance with these requirements, and
- the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development. The Group management report contains a legally not required link to the parent company's guarantee. Our audit opinion does not extend to this link and the information to which the link refers.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the Group management report in accordance with Section 317 HGB and the EU Financial Statements Audit Regulation (EU-APrVO - No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the Group management report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, we declare pursuant to Article 10 (2) letter f) of the EU Audit Regulation that we have not provided any prohibited non-auditing services according to Article 5 (1) EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and the Group management report.

Key audit matters in the audit of the consolidated financial statements

We determined that there are no key audit matters to be communicated in our auditor's report.

Responsibility of the Management and the Audit Committee for the consolidated financial statements and the Group management report

The Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as they are to be applied in the EU and additionally the applicable German legal requirements pursuant to Section 315e (1) HGB, and that the consolidated financial statements give a true and fair view of the financial position, cash flows and financial performance of the Group in compliance with these requirements. In addition, the Management is responsible for such internal controls as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraudulent acts (i.e., manipulation of accounting records and misappropriation of assets) or errors.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to a going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or discontinue business operations or if there is no realistic alternative to that.

Furthermore, the Management is responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient suitable evidence for the assertions in the Group management report.

The Audit Committee is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and Group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraudulent acts or errors, and whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraudulent acts or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatements in the consolidated financial statements and Group management report, whether due to fraudulent acts or errors, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraudulent acts is higher than the risk of not detecting material misstatements resulting from errors, as fraudulent acts may involve collusion, forgeries, intentional omissions, misrepresentations, or the overriding of internal controls.

- Obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and arrangements and measures relevant to the audit of the Group management report in order to plan audit procedures that are appropriate in the present circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls and these arrangements and measures..
- Evaluate the appropriateness of accounting policies used by the Management and the reasonableness of estimates made by the Management and related disclosures.
- Conclude on the appropriateness of the Management's use of the going-concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and Group management report or, if such disclosures

are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the financial position, cash flows and financial performance of the Group in compliance with the IFRS Accounting Standards, as they are to be applied in the EU, and additionally the applicable German legal requirements pursuant to Section 315e (1) HGB.
- We plan and carry out the audit of the consolidated financial statements in such a way as to obtain sufficient, suitable audit evidence for the accounting information of the companies or business activities within the Group as the basis for the audit opinions on the consolidated financial statements and the Group management report. We are responsible for directing, supervising, and reviewing the audit activities performed for purposes of the audit of the consolidated financial statements . We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Management in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management `as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the actions taken or safeguards adopted to eliminate threats to our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. Insofar as we have identified such matters, we describe them in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and the Group management report prepared for disclosure purposes in accordance with Section 317 (3a) HGB

In accordance with Section 317 (3a) HGB, we conducted an audit with reasonable assurance to determine whether the reproductions of the consolidated financial statements and the Group management report contained in the file provided to us, which bears the title "529900W18LQJJN6SJ336-2024-12-31-0-de 1.zip" (SHA256-Hashwert: b0e045laedec6ed630e3742ec40efb3700f70d88c61cc94149dc 34579cea8793), and prepared for disclosure purposes (also referred to hereinafter as the "ESEF Documents") meet the requirements of Section 328 (1) HGB for the European Single Electronic Format ("ESEF Format") in all material respects. In accordance with the German statutory regulations, this audit only covers the transposition of the information contained in the consolidated financial statements and the Group management report into the ESEF Format and it therefore does not cover the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and the Group management report contained in the above-mentioned file provided to us and prepared for disclosure purposes meet the requirements of Section 328 (1) HGB for the European Single Electronic Format in all material respects. Beyond this audit opinion and our audit opinions on the attached consolidated financial statements and the attached Group management report for the financial year from January 1 to December 31, 2024 contained in the foregoing "Report on the audit of the consolidated financial statements and the Group management report," we provide no audit opinion on the information contained in these reproductions or the other information contained in the above-mentioned file.

We conducted our audit of the reproductions of the consolidated financial statements and the Group management report contained in the above-mentioned file provided to us in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of the electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (06/2022)). Our responsibility for this audit is described further below. Our audit practice observed the IDW quality management standard "Quality Management Requirements in Audit Practice" (IDW QMS 1 (09/2022)).

The Management of the Company is responsible for the preparation of the ESEF Documents with the electronic reproductions of the consolidated financial statements and the Group management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the mark-up of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

The Management of the Company is also responsible for such internal controls as they have determined necessary to enable the preparation of ESEF Documents that are free from violations, whether due to intent or error, of the requirements of Section 328 (1) HGB for the European Single Electronic Format.

The Audit Committee is responsible for overseeing the process for the preparation of the ESEF Documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from violations, whether due to intent or error, of the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material violations, whether due to intent or error, of the requirements of Section 328 (1) HGB, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of the internal controls relevant to the audit of the ESEF Documents in order to plan audit procedures that are appropriate in the present circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.
- Assess the technical validity of the ESEF Documents, i.e. whether the file containing the ESEF Documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in effect at the reporting date for the technical specifications for this file provided to us.
- Assess whether the ESEF Documents enable a content-identical XHTML reproduction of the audited consolidated financial statements and the audited Group management report.
- Assess whether the mark-up of the ESEF Documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version in effect at the reporting date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as the auditor of the consolidated financial statements by the annual general meeting on November 20, 2024. We were engaged by the Management on January 21, 2025. We have been the auditor of the consolidated financial statements of Société Générale Effekten GmbH every year since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Issue — Use of the Auditor's Report

Our auditor's report must always be read in conjunction with the audited consolidated financial statements and the audited Group management report, as well as the audited ESEF Documents. The consolidated financial statements and the Group management report transposed into the ESEF format — including the versions to be filed with the Register of Companies — are merely electronic reproductions of the audited consolidated financial statements and the audited Group management report and do not replace them. In particular, the ESEF Report and our audit opinion included therein may only be used in conjunction with the audited ESEF Documents provided in electronic form.

Note on the supplementary audit

We have issued the present auditor's report on the amended consolidated financial statements and the amended Group management report on the basis of our duly performed audit completed on April 30, 2024 and our duly performed supplementary audit completed on May 30, 2025, which related to the adjustment made to the presentation of equity. We refer to the legal representatives' description of the adjustment in the amended notes to the consolidated financial statements, "Note 1 – Basic information about the consolidated financial statements".

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Alina Sorokina.

Frankfurt am Main, April 30, 2025 [original auditor's report date]/limited to the adjustment(s) mentioned in the Note on the supplementary audit: May 30, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

[*ROUND SEAL: KPMG AG WIRTSCHAFTSPRÜFUNGS-GESELLSCHAFT BERLIN*]

[*signatures*]

Alina Sorokina
30/04/2025
Sorokina
Wirtschaftsprüferin
[German Public Auditor]

[*signatures*]

Constantin Dirk Schück
30/04/2025
Schück
Wirtschaftsprüfer
[German Public Auditor]